ANNUAL DISCLOSURE

YEAR 2020

ACCORDING TO REGULATION (EU) 575/2013
/PART EIGHT – DISCLOSURE BY INSTITUTIONS/

UniCredit Bulbank

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This report is prepared following the requirements of the Regulation (EU) 575/2013 of the European Parliament and of The Council, Part Eight – Disclosure by Institutions and of the EBA/GL/2016/11 Guidelines on disclosure requirements under Part Eight of Regulation (EU) 575/2013. The report includes also information following the requirements specified in EBA/GL/2018/10 Guidelines on disclosure of non-performing and forborne exposures.

As per the prescription of the EBA/GL/2016/11, below is a disclosure index table providing reference both to the requirements set in Part Eight of the Regulation (EU) 575/2013 and the EBA/GL/2016/11.

All amounts, unless otherwise specified, are presented in Bulgarian Lev (BGN) rounded to the nearest thousand. Bulgarian Lev is the functional and reporting currency of UniCredit Bulbank AD.

Data refer to prudential scope of consolidation.

This document was prepared in accordance with specific Internal Regulation (*Rules following the Annual Disclosure of capital adequacy information of UniCredit Bulbank AD*).

The disclosure of the Annual Consolidated Financial Statements is published on the website of UniCredit Bulbank AD (https://www.unicreditbulbank.bg/bg/za-nas/rezultati/finansovi-otcheti/).

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1 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.

In 2019 UniCredit Bulbank AD has received BBB/Negative rating by Fitch, one of the most respectable agency in the world.

As of 1st of October 2016, UniCredit Bulbank AD is under the direct control of UniCredit S.p.A. after the transfer of the activities and ownership of the CEE Division from UniCredit Bank Austria (UCBA) to UniCredit S.p.A. (UniCredit Group/Holding Company).

2 RISK MANAGEMENT, OBJECTIVES AND POLICIES

2.1 OVERVIEW

UniCredit Bulbank possesses a full-scope banking license for performing commercial banking activities. The Bank offers a comprehensive range of banking and financial products and services to individuals and corporate customers including multinationals, public sector and institutional customers.

UniCredit Bulbank is fully integrated into UniCredit Group – a simple, successful Pan European Commercial Bank, with a fully plugged-in CIB, delivering a unique Western, Central and Eastern European network to our extensive franchise of 25 million clients.

UniCredit Group Strategy is long-term. The Group is transforming through decisive actions to lay the groundwork for the future, changing the way we work to anticipate our clients' medium-term evolution.

Following "Simple Banking" concept UniCredit has a simple and successful Pan European Commercial banking model delivering relevant solutions to the real needs and wants of today's customers.

Simple Banking Strategy has the aim to ensure efficient operations so that UniCredit Bulbank fits to the new competitive landscape shaped by digitalization trends and changed preferences of the customers. The strategic orientation of UniCredit Bulbank is to affirm and further strengthen the leadership position, both in terms of size and performance, as well as to create value for all its stakeholders. To become a Simple Bank implies a New Service Model, closer to clients, leveraging on the increase of the usage of digital channels & remote advisory. UniCredit Bulbank are in line with UniCredit CEE strategy, which is further confirmed in the new Multy-Year Plan 2021-2023 (MYP "Team 23") through its four pillars:

- 1 in customer experience;
- 1 choice of employees;
- 1 in digitalization;
- 1 in ethical and sustainable business.

The Risk Appetite is defined at Group level reflecting macro-scenarios and the Group Ambition in terms of capital, financial structure and profitability. This definition includes the Risk Appetite Statement and the set of KPIs together with their applicable thresholds. The Risk Appetite Statement expresses the overall perception for the risk boundaries and focus of activities. It is a commitment to a robust business model with low risk framework. The Risk Appetite Statement provides an indication of the strategies necessary to manage key risks within the perimeter of the Group.

Risk Appetite definition and approval are performed annually according to the timeline and stages in the planning calendar for Ambition and budget definition and the process of cascading the Risk Appetite to the Group's Legal Entities essentially represents the definition of local Risk Appetite.

In UniCredit Bulbank, the set of Risk Appetite KPIs and their applicable thresholds follow a top-down Holding Company proposal and are verified locally against regulatory requirements, budget and other applicable stand-alone assumptions. The local Risk Appetite Statement and set of Risk Appetite KPIs (Dashboard) are presented to the Bank's Management Board for approval and is subject to subsequent Supervisory Board approval as well.

The 2020 Risk Appetite of UniCredit Bulbank reflects the ambition to:

- Commit to generating sustainable returns by leveraging on our unique client footprint, maximizing productivity through continuous cost optimization and **more efficient business processes**, with a proven discipline in risk management and capital allocation.
- Ensure adequate buffers over every **regulatory requirement** in order to guarantee a **solid capital position** in an uncertain macro scenario, to anticipate impacts of regulation evolution and minimize the effect of potential execution risk.
- Pursue a zero tolerance approach towards financial crimes, across all our legal entities and business, thanks to a **strong risk culture** in the organization, constant process review to anticipate any action of malicious parties, timely remediation of process weaknesses, and review of issues faced by other banks to draw lessons and improve our processes.
- Foster a **strong compliance culture**, increasing customer experience coherently with our social and reputational commitment, managing potential reputational risk sources.
- Strictly adhere to our two values - **ethic and respect** - and our principle "do the right thing" and make sure all our tram members apply them in their day to day activities, with clients, colleagues, our environment.
- Keep specific risks under control and set boundaries for management decisions.

The annual process of defining and setting the Group Risk Appetite and the subsequent cascading to the level of local Risk Appetite is described in the *Group Risk Appetite Framework Management*.

2.2 RISK GOVERNANCE BODIES AND COMMITTEES

Supervisory Board

The Supervisory Board (SB) shall perform preliminary, current and consecutive control on the compliance of the Management Board's and the Bank's activities to the applicable laws, the Statute and the decisions of the General Meeting of the shareholders in the interest of the Bank's clients and shareholders.

Management Board

The Management Board (MB) arranges, administers, supervises and solves all the problems related to the Bank's activity except from those which by the force of law or the Statute are within the competence of the General Meeting of the Shareholders or the Supervisory Board.

Risk Committee

The Risk Committee is an independent permanent advisory body appointed and dismissed by the SB of the Bank. The Risk Committee advises the Supervisory Board and the Management Board of the Bank on the Bank's overall current and future risk appetite and strategy and assist the SB and MB in overseeing the implementation of the strategy by senior management of the Bank. For avoidance of doubt the Risk Committee has advisory functions only, and the SB and MB retain overall responsibility for risks, the risk management and control.

Credit Committee

The Credit Committee is a collective body for taking credit decisions, in accordance with the Statute and the relevant resolutions of the Management Board and the Supervisory Board. The Credit Committee also discusses proposed new products, internal credit rules, in compliance with regulations, takes relevant decisions or submits the issue for approval by the Management Board and/or Supervisory Board.

Credit Council

UniCredit Bulbank

The Credit Council is a collective body for taking credit decisions in the scope of granting loans in compliance with the statutory requirements and internal bank regulations, applicable at the moment of considering the specific loan application, and the relevant resolutions of the Management and/or Supervisory Board.

Provisioning and Restructuring Committee (PRC)

The Provisioning and Restructuring Committee is a standing specialized internal body, responsible for the monitoring, evaluation, classification, and provisioning of risk exposures for losses from impairment, restructuring and write-off of risk exposures of the Bank.

The Credit Monitoring Commission

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

- Regular discussion of all customers included on the Watch list;
- Overview of the approved action plans and the current status of performance of the respective actions;
- Regular discussion of analysis of the Watch List – volume, structure, evolution. The basic form of the analysis is defined and prepared by the relevant team within the Monitoring Unit and could be supplemented by request of the Credit Monitoring Commission;
- Overview of the quality of the Credit Portfolio for individuals and business clients;
- Making any other decisions in order to mitigate the risk of further deterioration of the credit exposures;
- Making decision the customer to stay by exception in the Watch list in case of customer ratingequal or worse than 8+, if it is advisable and the situation do not require transfer to Special Credit Department.

Asset-Liability Committee (ALCO)

ALCO is equipped with decision authority in following areas:

- Integrated management of both balance sheet and off-balance sheet in given legal, regulatory and tax framework.
- Definition of boundary conditions for customer business (except credit risk and operational issues).
- Set-up of Profit centres. Development of system that generates justice, economically motivating signals. Mainly proper internal transfer pricing (FTP). Ultimately also capital should be allocated to individual Profit centres (RAROC concept).
- Risk management system in “ALCO areas” (i.e. Market Risk, Liquidity Risk).
  - Decisions within boundaries defined by Legal environment, BNB and Group.
  - Proposals in name of Bank (to change Group boundaries)

Operational and Reputational Risk Committee

The established Operational and Reputational Risk Committee greatly enhanced the regular exchange of information and promotion of the operational risk awareness within the Bank. Meetings are held quarterly and are attended by the Bank’s senior management. The Operational and Reputational Risk Committee acts also as a Permanent Workgroup, where current operational and reputational risk issues and developments are reported, and serves as a platform for discussion of unresolved issues for the purpose of finding risk mitigation solutions. General purpose: Optimization of Operational and Reputational Risk management within the Bank through:

- Regular exchange of information on Operational risk and Reputational risk affecting different units;

- Improvement of internal communication for finding proper risk mitigation solutions;
- Coordination of regular risk activities such as limits, key risk indicators, risk scenarios, loss data collection;
- Introduction and implementation of Regulatory OpRisk requirements;
- Introduction and implementation of OpRisk and RepRisk UniCredit Group standards;
- Level of competence – the entire bank and subsidiaries;
- Functions as a Permanent Workgroup (PWG) as per the Group Operational Risk Management Global Policy and Operational Risk Permanent Workgroup Operations Global Process Regulation; PWG documents are the Committee's presentation and meeting minutes;
- Decision taking body, reconfirmed by the Management Board;
- Related activities: internal audit, legal, HR, security, operations, insurance, money laundering, out-sourcing, etc.

Reputational Risk Committee (RRC)

The Reputational Risks Committee (RRC) of UniCredit Bulbank is responsible for the assessment of the reputational risks of initiatives / transactions banking / projects / customers and other topics (business activities) originated by:

- UniCredit Bulbank and evaluated, by the reputational risk function (RRF), as cases with a high reputational risk, as well as cases with a medium reputational risk escalated by the RRF with the necessary justification;
- UniCredit Bulbank Group Subsidiaries and evaluated, by the reputational risk function (RRF), as cases with a high reputational risk, as well as cases with a medium reputational risk escalated by the RRF. The prerequisites and process for addressing the RRC of UniCredit Bulbank are described within the internal documents of each Subsidiary.

Internal Control Business Committee (ICBC)

The UniCredit Bulbank's Internal Control Business Committee (ICBC) supports the General Manager in the assessment of the overall Internal Control System adequacy ("System" or "ICS") in the Bank through:

- The analysis of the critical topics,
- Monitoring and prioritization of the corrective actions related to ICS, in order to contribute to the efficiency and effectiveness of the ICS.

The UniCredit Bulbank's ICBC supports the General Manager by consolidating ICS relevant topics within one committee putting forward recommendations in the examination of the proper functioning of the ICS in the Bank in order to protect the needs of business and customers and ensure compliance with external regulations as well as Group guidelines and policies and intra-bank regulations

Audit Committee

The main functions of the Audit Committee are:

- To monitor the financial reporting processes in the Bank;
- To monitor the effectiveness of the Bank's internal control system and to analyze the related periodic information;
- To monitor the effectiveness of the risk management system in the Bank;
- To monitor the effectiveness of the independent financial audit in the Bank;
- To supervise the external auditing process and the registered auditors' activity;
- To evaluate the results of the work performed by the registered auditors and to examine the status of relations with them;

- To examine, at least once a year, the adequacy of accounting principles used in the process of preparation of the annual and interim financial statements on the basis of reports and information provided by the responsible Bank officers operating within the related function, and, to discuss them, at its sole discretion, with the registered auditors;
- To review the independence of the registered auditors of the Bank in accordance with the legal requirements and the Code of Ethics of professional accountants, and to monitor the provision of additional services by the registered auditors to the Bank;
- To ensure the relationship with the registered auditors, by receiving the terms of engagement, and to assess the audit findings and recommendations, as well as the ones issued by other external supervision and control authorities;
- To evaluate the findings of the Bank's Internal Audit or the examinations and/or investigations of other responsible Bank officers operating within the related Function.

2.3 INTERNAL AUDIT FUNCTION

Internal Audit is an independent function established by Governing Bodies of UniCredit Bulbank and it is an integral part of the internal controls environment. It carries out an independent, objective assurance and consulting activity in order to evaluate, add value and improve Internal Control System. Internal Audit Department of UniCredit Bulbank is in charge of the internal audit activity within the local banking group, including UniCredit Bulbank and its subsidiaries.

The audit engagements are executed according to the UniCredit Group Internal Audit Framework applied in compliance with the local legal requirements and regulations and is based on the IIA[1] International Professional Practices Framework (IPPF). UniCredit Bulbank Internal Audit is subject to a periodic quality assessment, external to the assessed function, which is realized by Audit Quality Assurance department of UniCredit S.p.A (Italy).

To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Head of Internal Audit Department reports to the highest level of corporate governance of UniCredit Bulbank. The Head of Internal Audit Department is appointed with a resolution of the General Shareholders Meeting and interfaces with the Statutory Bodies, Audit Committee, UniCredit Bulbank's governing bodies including all the managerial levels, Supervisory Authorities and External Auditors as well.

Internal Audit activity is duly planned, controlled and recorded in order to determine priorities, establish and achieve objectives.

In accordance with the provisions of Ordinance 10 of BNB, reports with the results of the internal audit activity including assessment of the control systems, measures and actions undertaken are duly prepared and presented to the Governing bodies on a quarterly and annual basis.

2.4 COMPLIANCE FUNCTION

The Compliance function in UniCredit Bulbank is organized as a Compliance Department with three Units - General Compliance Unit, Anti Money Laundering and Financial Sanctions Unit and Control of the Investment Intermediary Unit. Data Protection Officer is a specific, and independent function within Compliance Department performing the functions of the data protection officer and reporting to the top managerial members. The Head of the Compliance Department reports to the Chief Executive Officer of the Bank.

[1] The Institute of Internal Auditors

Among the functional range of the General Compliance Unit are to ensure compliance with regulatory requirements of the internal bank regulatory documents, to carry out the compliance risk assessment, to conduct monitoring on compliance risk (second level controls), to prepare proposals for organizational and procedural changes in order to ensure the proper management of the identified compliance risks, to advice and assists the Top Management in all matters concerning compliance risk, to analyse the compliance/reputational risk in new products and businesses, etc. This is achieved through:

- Ensuring compliance with regulatory requirements, within the following main areas: Consumer protection and transparency in banking services – consumer loans and payment services; Corruption practices prevention and whistleblowing; Competition law and unfair commercial practices; Banking secrecy; Insurance intermediation for insurances without an investment element; Financial Benchmark in benchmark usage section; Conflict of interest management (outside business interests);
- Performance of a compliance risk assessment (CRA) and second level controls in accordance with a special group methodology;
- Participation in the review, analysis and preparation of internal rules, regulations and procedures for implementation of group policies and instructions within the competencies of the unit;
- Providing opinions and consultations within the competencies of Compliance Department;
- Participates in the implementation of projects related to the activity of the Bank and its subsidiaries;
- Monitoring, review and control of activities related to the group trainings in the sphere of Compliance;
- Preparation of reports for group and local management.

Among the functional range of the Anti-Money Laundering and Financial Sanctions Unit are to conduct monitoring and where necessary approval of documentation related to customer identification for existing and new customers, to ensure timely and accurate communication with the Financial Intelligence Agency (FIA), Bulgarian National Bank and/ or law enforcement agencies (as directed by law and bank policy), etc. This is achieved through:

- Design and implementation of an effective Programme for risks mitigation related to Anti-money laundering (AML), Counter terrorist financing (CTF) and Financial Sanctions (FS), based on risk analysis;
- Design and implementation of controls for the fulfilment of the AML, CTF and FS requirements; o Reconciliation of the scope and the results of the Second level control (SLC) and Risk assessment (RA) for the AML, CTF and FS perimeter, conducted by General Compliance Unit;
- Set-up of the requirements for the organization, management and control of the activities, related to clients, their identification and the transactions ordered by them in accordance to the regulatory requirements;
- Assurance of timely and accurate communication with the law enforcement a the regulatory bodies, the Specialized Directorate Financial Intelligence of the State Agency "National Security" – (FIU – SANS), Bulgarian National Bank (BNB) and/ or other law enforcement bodies in accordance with the law requirements;
- Oversite of the activity of the UCB subsidiaries in respect to the field of activity;
- Review and analysis of the hits in Siron KYC, AML and EMBARGO tool;
- Review and analysis of the signals coming from the UCB network and the subsidiaries;

- Investigation and analysis of suspicious transactions and clients by revising documentation, account statements and other information available in internal or external sources;
- Preparation of Suspicious Activity Reports (SARs) to FIU – SANS after revising the circumstances;
- Advisory to the employees of UCB and the subsidiaries in respect to the risks in the field of activity with a focus on areas with higher inherited risk (correspondent banking, trade finance, private banking, etc.);
- Participation in the analysis of new and existing products, services, processes and internal documents for UCB and the subsidiaries, providing advisory on the risks in the scope of activity;
- Support of the local parametrization of Siron KYC and AML tool;

The scope of the activity of Control of Investment Intermediary Unit (CII) is to perform verifications for compliance of agreements and/or customer orders for financial instruments transactions in relation to the requirements of the European and the local legislation.

- The CII unit is and independent structure responsible for compliance with the regulatory requirements in regard to the activities of the bank as an investment intermediary pursuant to the Markets in Financial Instruments Act (MiFIA) and Section II of Ordinance No.38 of the Financial Supervision Commission (FSC) as well as the REGULATION (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms.
- The unit performs Compliance Risk Assessment (CRA) and Second level of control on specific areas related to the activities of the bank as an Investment intermediary to the following regulatory areas:
  - MiFIDII/MiFIR- Markets in financial instruments Directive ;
  - EMIR-Europian Markets Infrastructure Regulation;
  - Conflicts of interest - in the provision of investment services and activities;
  - MAR-Market abuse;
  - Central Depository;
  - Dodd Frank-Volcker rule (USA Law);
  - Public Offering;
  - Major holdings;
  - PRIIP's- Packaged retail and insurance-based investment products;
  - Benchmark- contribution of indexes;
  - IDD- investment investment element;
- In accordance with the requirements of Ordinance No. 38 of the Financial Supervision Commission (FSC), the Head of the CII Unit elaborates and submits to the Management body and to the Supervisory body by the 15-th day of each month of a report on the monitoring of the activities of the bank as an investment intermediary.
- The Unit performs monitoring of potential cases of market abuse with financial instruments. In case of ascertained cases of market abuse, it draws up and sends to the market regulator FSC a Suspicious Transactions Operational Report under requirements of Regulation (EU) 596/2014 on Market abuse.
- The Unit monitors the compliance with the requirements of the Group rules for Personal account dealing. Checks the executed personal transactions of the employees.

- The Unit keeps the register of the authorised persons under Ordinance No.38 of the FSC for the activities of the bank as an Investment Intermediary and as Registration Agent.
- Checks the agreement for Registration Agent services of Ordinance No. 38, as well as the requirements of the Rules of Central Depository AD and of the internal regulations of the investment intermediary.
- Controls the transfer of shareholdings in the capital of the bank pursuant to the requirements of the Central Depository AD; submits the respective information for the shareholding structure to the competent executive bodies (the Management Board, the Bulgarian National Bank, Central Depository, the Majority Owner UniCredit S.p.A, Italy, etc.).
- Supervises the functioning of the system for handling complaints related to financial products and investment services and investment products.
- Participates in the process of new Product implementation in regard to the financial instruments and investment services pursuing the requirements of MiFID II;
- The CII unit communicates with the local regulatory bodies – Financial Supervision Commission, Bulgarian National Bank, Central Depository AD, Bulgarian Stock Exchange - Sofia AD, in accordance with the powers given to it with regard to the activity of the Bank as an investment intermediary and registration agent.

The scope of the activity of the Data Protection Officer (DPO) is to monitor and to control the compliance with European and national legislation, as well as with the group and internal banking policies in the sphere of personal data protection. This is achieved through:

- Issuing advice on Data Processing Agreements and handling of the respective registers of processors and contracts;
- Maintenance and certification of the Records of Processing Activities;
- Performance of second level controls in the area of Privacy (GDPR);
- Analysis and reconciliation of group and local policies and procedures;
- Analysis of Privacy and non-privacy legislation and issuing of opinions;
- Monitoring of regulatory and court practice in the area of Privacy;
- Performance of Compliance Risk Assessment (CRA) in the area of Privacy (GDPR);
- Preparation of reports for group and local management;
- Participation in projects with Privacy impact;
- Analysis and handling of Privacy by Design (PbD) requirements for projects and initiatives;
- Drafting responses to data subjects' inquiries and requests for exercising rights;
- Provision of support for Data Protection Impact Assessment (DPIA) conduct and recording;
- Facilitating the implementation of the Accountability principle by archiving of opinions, documents and other materials ;

3 INFORMATION ON RISK MANAGEMENT, OBJECTIVES AND POLICIES BY CATEGORY OF RISKS

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

- Market Risks
- Liquidity Risks
- Credit Risks
- Operational and Reputantional 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.

3.1 MARKET, COUNTRERPARTY CREDIT RISK AND LIQUIDITY RISK

3.1.1 Management of Market risks

Market risk management in UniCredit Bulbank 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 Financial Risk and Models unit. Prudent market risk management rules and limits are explicitly defined in the Market Risk Strategy document of UniCredit Bulbank, 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 applies uniform Group risk management procedures. Risk positions are aggregated at least daily, analyzed by the independent Financial Risk and Models 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 250-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 that are monitored for information. The simulation results, supplemented with distribution metrics and limit utilization are reported on a daily basis to the Management and the responsible business units.

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 2020 the Bank's Management continued prudent risk management practice with primary focus on client-driven business.

Market risks in the trading book

In accordance with the Capital Requirements Regulation, and as defined in Group policy "Eligibility Criteria for the Regulatory Trading Book assignment", Trading Book is defined as all positions in financial instruments and commodities held either with trading intent, or in order to hedge positions held with trading intent. Books held with trading intent are composed of:

- Positions arising from client servicing and market making;
- Positions intended to be resold short term;
- Positions intended to benefit from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations.

The above defined "trading intent" is essential requirement for assignment to Regulatory Trading Book. Additionally, the following requirements have to be assessed:

- Tradability - refers to positions free of restrictions on their tradability and coherently reflected within the "Trader Mandate" of the risk-taker;
- Marketability - refers to positions for which a reliable Fair Value can be evaluated based on independently verified observable market parameters;
- Hedgeability - refers to positions for which a hedge could be put in place. The hedgeability is meant to apply for "material" risks of a position.

When opening a new book, the risk-taker makes proposal if the book should be managed as a Trading Book or a Banking Book based on the planned trading activity. The risk-taker is required to clearly declare the trading intent and therefore to explain the business strategy behind.

3.1.2 Management of Counterparty credit risk

Counterparty credit (CCR) risk arises from exposures due to:

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

For the purpose of mitigating counterparty risk and settlement risk, the Bank applies approved credit limits for pre-settlement risk (derivatives, repo's, MM) and settlement risk.

UniCredit Bulbank employes 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.

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

UniCredit Bulbank mitigates Counterparty Credit risk from derivatives and other transactions exposed to CCR through the use of netting, collateralisation and Central Counterparties.

Netting allows for the aggregation of positive and negative Mark-to-Market derivative transactions with the same counterparty to be offset, hence reducing exposure if either counterparty were to default.

Collateral agreements (if legally enforceable in the jurisdiction) might be required, depending on the creditworthiness of the counterparty and the nature of the transaction.

The implementation of new standard approach for counterparty credit risk (SA-CCR) takes place as part of a group wide project within UniCredit Group and is planned to be finalized in Q2 2021.

Management of Wrong Way Risks

Both Holding Company and Legal Entities CCR control functions assess and manage the Wrong Way Risk, arising when the risk factors driving the exposure to a counterparty are positively correlated with the credit worthiness of that same counterparty. Wrong way Risk is then distinguished in Specific Wrong Way Risk (SWWR) and General Wrong Way Risk (GWWR).

Specific Wrong Way Risk arises when the exposure on a transaction is positively correlated with the counterparty's creditworthiness for a reason that is specific to the counterparty. Most commonly this kind of correlation is seen where there is similar material legal/economic ownership between collateral/reference entity and counterparty.

In detail, Specific Wrong Way transactions are likely to generate higher exposures than standard industry PFE (Potential Future Exposure) methodologies would indicate, as the latter applies to plain vanilla derivatives and assumes limited correlation. The Counterparty Credit Risk Governance Global Policy provides a unified group wide framework for the appetite, definition, risk monitoring and management of Specific Wrong Way Risk exposures.

General Wrong Way Risk arises when the credit quality of the counterparty is correlated with a risk factor which also affects the value of the transaction with the Group. The Global policy relating to the General Wrong Way Risk (GP Counterparty Credit Risk Governance) aims at defining the framework for analysing, monitoring and managing the potential impact of GWWR risk by product, region and industry and it also seeks to add additional levels of control to General Wrong Way Risk transactions.

3.1.3 Management of Liquidity risks

Liquidity risk is the risk that UniCredit Bulbank is unable to meet its financial obligations as they become due.

In UniCredit Bulbank the governance and control of the exposure of the liquidity risk is performed through setting and monitoring of several operating restrictions on a group of liquidity metrics, with the aim to prevent potential vulnerabilities in the bank's ability to meet its cash flow obligations. For some metrics, a monitoring only process is provided without setting specific restrictions. At least on a yearly basis, the risk limits and thresholds are reviewed and calibrated in order to align the risk appetite framework with the bank's strategy. UniCredit Bulbank has set targets and early warning indicators which, when breached, will trigger corrective actions in order to ensure that the bank remains within its risk appetite. UniCredit Bulbank's stress test framework assesses the bank's liquidity adequacy and the main objective is to determine whether it has sufficient liquid assets to ensure it is operating within the liquidity and funding risk appetite framework. Under a managerial perspective, the bank has to keep an amount of liquidity that is such as to survive a combined scenario of the liquidity stress test.

The details of principles and rules for the control of UniCredit Bulbank's exposure to liquidity risk are included in the Global Process Regulation – Limits Setting, Monitoring and Escalation of Breaches.

In UniCredit Bulbank the monitoring of liquidity risk is performed at three levels:

- **UniCredit Group level:** the Holding Company is in charge of overseeing the Group's liquidity in terms of compliance with the consolidated limits and warning/trigger levels and with those of all the liquidity reference banks and legal entities;
- **UniCredit Bulbank:** is responsible for compliance with its own limits and warning/trigger levels and with those of the Legal Entities falling within UniCredit Bulbank Group.
- **Legal Entities within UniCredit Bulbank Group:** they are responsible for compliance with their own limits.

A thorough description of the liquidity management set up and the relations among each single component can be found in the Liquidity Management & Control Global Policy.

Structure and organization of the liquidity risk

The main relevant functions working on managing liquidity are ALM, Treasury and Liquidity Risk function.

The monitoring of relevant set of Liquidity Indicators is carried out by these functions, according to their own responsibilities. They perform first and second level controls on liquidity, interest rate and exchange rate refinancing risk management.

From an organizational point of view, this system of check and balances ensures that the Bank has always sufficient liquidity to face its obligations in business as usual and stressed conditions.

From an operational perspective, this organizational framework operates both in a Going Concern situation and in a Contingency situation.

An important tool that ensures the proper working of the check and balances system in place is the set of liquidity risk metrics, defined within the Risk Function, in cooperation with ALM and Treasury structures. The liquidity risk metrics are described in the document GOR "Liquidity Risk Taxonomy" and in the annexes for its local implementation.

Following the EBA/GL/2017/01 Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) 575/2013, the information related to *Templates EU LIQ1: LCR disclosure template and the template on qualitative information on the LCR* is presented below.

The LCR disclosure template on quantitative information of LCR is presented in ***APPENDIX 1*** – ***EU LIQ1***: **LCR disclosure template on quantitative information** *(Template EU LIQ1, EBA/GL/2017/01)*.

The qualitative information on LCR, which complements the LCR disclosure template (EU LIQ 1) is described below:

Measurement and reporting of liquidity risk

UniCredit Bulbank measures both short-term and structural liquidity.

The metrics included in 2020 RAF were:

- the funding gap, that measures the structural liquidity risk and the dependence from the volatility of the wholesale market;
- the 3 month gap of the operative maturity ladder, that measures the short- term liquidity risk;
- the Liquidity Coverage Ratio (LCR), a regulatory metric that measure the contingency risk;
- the Net Stable Funding Ratio (NSFR), that measures the structural liquidity risk;
- the Net Stable Funding Ratio (NSFR) Adjusted, that measures the structural liquidity risk above 3 years;
- the Structural Asset Encumbrance Ratio;
- Net Intragroup Funding, and
- Loans to Deposits Ratio.

Through the risk appetite framework, the bank monitors and controls the evolution of the **funding gap** due to the commercial activity. This metric quantifies the difference between commercial loans and commercial sources of funding and as such it represents the amount of loans to customers to be covered via funding provided/managed exclusively by Treasury/Finance.

Short-term liquidity (**operative maturity ladder**) is the main metric used to measure the short term liquidity position and is composed of Primary Gap and Counterbalancing Capacity (CBC). The STL limits are set in order to indicate whether the Bank remains in a position to fulfil its cash payment obligations, be they expected or unexpected.

Liquidity Coverage Ratio is calculated according to the Delegated Act rules.

While the operative maturity ladder and the LCR restrictions ensure that the liquidity reserves are adequate, the respect of the **NSFR** ensures that the bank maintains an appropriate balance between assets and liabilities in the medium-long term (beyond one year), preventing additional pressure on the short term liquidity position.

Concentration of funding and liquidity sources

The Funding Plan includes the set of funding instruments (with relevant amount, maturity, timing, cost) to be realized in order to cover the expected funding needs deriving from the evolution of the liquidity uses and sources, avoiding unsustainable pressure on the short-term liquidity position and respecting internal and regulatory liquidity risk limits.

Currency mismatch

The Bank has specific restrictions in place on the foreign exchange liquidity risk. These restrictions aim to maintain the short-term liquidity gaps in foreign currency within sustainable levels, taking into account the bank’s access to the specific currency on the interbank market and in the Central Bank.

A behavioural modelling of non-maturing deposits (NMDs) has been introduced in Q2 2020 in compliance with the respective EBA Guidelines. The model estimates the liquidity and interest rate characteristics the customers follow and their real behaviour, instead of the contractual/explicit profile. The modelling of NMDs (Sight and Saving deposits) aims to identify their stability (stickiness) defined as the tendency to be a permanent source of funding.

3.2 OPERATIONAL AND REPUTATIONAL RISK

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (including legal risk). Examples include compensations paid to customers for incorrect/inadequate product-related advice, IT system failures, damage to property, processing errors or fraud, subject to consolidated risk measurement and management (collection of loss data, external data, scenarios, indicators), on which the calculation of capital held for operational risk is based. 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.

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

In UniCredit Bulbank the operational risk management framework is a combined set of Global policies, Global Operation Instructions and Global Process Regulations for controlling, measuring and mitigating the operational risk exposure, which includes the guidelines of UniCredit Group and local documents. An integral part of the framework is the internal regulation "Data collection procedure for the purpose of operational risk assessment in UniCredit Bulbank".

The Bank has a dedicated function to operational risk management, which is independent from business and operational areas. The responsibilities of the unit are in line with those envisaged by the Holding Company. Nominated operational risk managers in the branch network and the Head Office, working on a decentralized basis, are responsible for loss data identification and reporting as well as for adoption of measures to reduce and prevent risks in their respective areas. Reputational Risk function is within the scope of the responsibility of the Operational and Reputational Risk Unit (OpRepRisk Unit).

The main activities of the OpRepRisk Unit in 2020 were focused on maintaining the excellence in managing the operational and reputational risks.

The Operational Risk (OpRisk) tasks are: OpRisk Loss Data Collection and Reporting; General Ledger Analysis; Transitory and Suspense Accounts Analysis; Accounting Reconciliation; Key Risk Indicators Monitoring; Scenario Analysis; OpRisk Assessment for ICT and Cyber Risk; OpRisk Assessment of Relevant Outsourcing Transactions; Operational and Reputational Risk Strategies Definition and Monitoring. With regards to the Strategies Definition and Monitoring, this is a regularly defined activity performed in UniCredit Bulbank. The activity's main goal is to involve process owners in performing a thorough self-assessment of already pre-defined risk bearing processes; important element of this assessment is the role of OpRepRisk Unit – being in the driving seat in running the activity and challenging the process owners in evaluating the processes from risk perspective. Finally the results are shared, agreed and submitted to the Group.

New group process ICT Project Risk Assessment is implemented in Unicredit Bulbank. The process enables the assessment of IT project risks and determine mitigation actions to reduce or control the risk itself The Risk assessment is performed at the Project start and must be renewed also before the Go Live to confirm residual risks and mitigation in place. Each Project Risk Assessment regarding multi year projects must be renewed once a year. The results of this activity are quarterly reported at Operational and Reputational Risk Committee.

Process Risk Controls Assessment for material changes is another new group process that is successfully implemented in UCB. The main aim is to define when a change in process is material and principle and rules to assess the operational risks regarding the impacted processes, both related and not related to products. The results of the risk assessments of the processes with material changes are quarterly reported at Operational and Reputational Risk Committee.

In 2020 OpRepRisk Unit continued its important participation in few risk mitigation and compliance-oriented projects such as GDPR, Transaction Monitoring System implementation and PSD2. The Unit participated in all major compliance and regulatory projects and in the significant changes in the processes of the Bank.

The Bank applies the Advanced Measurement Approach (AMA) for calculation of capital requirements of operational risk and 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 a risk-sensitive allocation mechanism to those legal entities that are authorized for AMA use. The new AMA model guarantees an adequate level of stability, avoiding unexpected volatility in case of extraordinary loss events.

In UniCredit Bulbank 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 Committee[2] on a quarterly basis identify and propose risk mitigation solutions in their respective areas of responsibility in the Bank.

Operational Risk Oversight Model is another new group process that was locally implemented. According to the model, the subsidiaries of UniCredit Bulbank are to perform operational risk activities, providing regular reporting to the Bank in its role of Sub-Holding.

Reputational risk is defined as the current or prospective risk to earnings and capital arising from adverse perception of the image of the financial institution on the part of customers, counterparties(including also debt-holders, market analysts, other relevant parties), shareholders/investors, regulators or employees (stakeholders). Reputational Risk is a secondary risk generated as a "knock-on effect" from risk categories, such as credit, market, operational and liquidity risks and all others risks types (e.g., business risk, strategy risk, ESG risk). Reputational Risk could be generated also from material events.

All relevant rules and policies for the management and monitoring of the Reputational Risk exposure have been adopted in full compliance with the UniCredit Group guidelines, principles, policies and rules. Under the Reputational risk process, special attention is paid to the management and monitoring of the Bank's exposure towards economic sectors and transactions,

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

such as Defence/Weapons, Nuclear energy, Coal sector, Water infrastructure/Dams, Mining industry and Non-Conventional Oil and Gas and Arctic Region Oil and Gas Industry Sector. The Operational and Reputational Risk Unit continued to develop the reputational risk process by implementation of the new group policies and further divelopment and regular functioning of the newly established RRC as a decision making body which decides not only reputational risk deals but discusses other significant reputational risk topics.

During 2020 the OpRepRisk Unit continued to develop the reputational risk process in compliance with the UniCredit Group principles, policies and rules for monitoring the reputational risk exposure. The new Reputational risk quantification methodology was implemented in the Unicredit Bulbank. Its main purpose is in quantifying the Reputational Risk borne by the Group, to be used both for ICAAP purposes and for other possible issues required by regulatory agencies. Its scope is the quantification of the economic capital required to cope with a possible future deterioration in the reputational climate for UniCredit Group. The new Reputational risk metric is named Rep Risk Economic capital and is quarterly reported at Operational and Reputational Risk Committee sessions. Another new Group reputational risk sector policy is addopted during the period and were implemented principles and rules to be considered when assessing Reputational Risks in the Non-Conventional Oil & Gas industry and in the Arctic Region Oil & Gas activities.

The further development is with regard to regular performing of the Reputational Risk Committee (RRC)[3] meetings on which are discussed rep risk deals in its competencies and other significant rep risk topics.

Moreover, the risk culture has been constantly spread out throughout the organization. All the training activities, combined with methodological guidance and support to the other structures within the Bank by the Operational and Reputational Risk unit ensure the outstanding Operational risk awareness at Bank level.

3.3 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

[3] Effective as of 08.01.2020.

- The Senior Managers of Corporate Credit Underwriting Unit, Retail Credit Underwriting Unit (responsible for Small Business and Individuals Credit Underwriting) 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. 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 undependently 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 individuals, 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.

3.4 INFORMATION ON GOVERNANCE ARRANGEMENTS

3.4.1 Directorships held by members of the management body

The members of the Management Board of UniCredit Bulbank AD hold the following directorship positions:

- The CEO of UniCredit Bulbank AD is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD and as member of the Supervisory Boards of its wholly owned subsidiaries UniCredit Consumer Financing EAD and UniCredit Leasing EAD, and of second directorship position as member of the Board of Directors Borica AD;
- The General Manager is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD and as member of the Supervisory Boards of its wholly owned subsidiaries UniCredit Consumer Financing EAD and UniCredit Leasing EAD;
- Head of Retail Division is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD and as member of the Management Board of its wholly owned subsidiary UniCredit Consumer Financing EAD;
- Head of Corporate and Investment Banking and Private Banking (CIB&PB) Division is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD, as member of the Supervisory Board of its wholly owned subsidiary UniCredit Leasing EAD and as member of the Board of Directors of its wholly owned subsidiary UniCredit Factoring EAD;
- CFO is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD and as member of the Supervisory Boards of its wholly owned subsidiaries UniCredit Consumer Financing EAD and UniCredit Leasing EAD;
- CRO is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD and as member of the Supervisory Board of its wholly owned subsidiary UniCredit Consumer Financing EAD;

- Head of Global Banking Services (GBS) is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD and of second directorship position as member of the Board of Directors of Cash Service Company AD.

3.4.2 Recruitment policy for the selection of members of the management body

In compliance with BNB requirements and the updated *Ordinance No. 20* on the Issuance of Approvals to the Members of the Management Board (Board of Directors) and Supervisory Board of a Credit Institution and Requirements for Performing their Duties, and following the respective regulations of the European Banking Authority (EBA) on the assessment of the suitability of members of management bodies, as well as in alignment with the adopted internal Suitability policy, the candidates are assessed on individual basis following the criteria in the aforementioned regulations (knowledge, experience, reputation, time committment, key skills etc.) as well as collective sutability assessment is completed for the management body where the appointment is done. The candidates meet the requirements under Article 11, paragraph 1, items 3–8 of the *Law on Credit Institutions* and cover the suitability requirements necessary to hold the position.

UniCredit Bulbank established the Nomination and Compensation Committee. The Committee has the responsibility to nominate and recommend candidates to be appointed as members of the Management Board, considering their experience and qualification needed for the bank's management and in view with the existing regulations. The Nomination and Compensation Committee has also the responsibility for performing the internal individual assessment of the candidates for members of the Management Board and for the collective suitability assessment of the management body of appointment.

UniCredit Bulbank has adopted and implemented the UniCredit Group rules of General guidelines on the structure, composition and remuneration of the Corporate Bodies of Group Companies, as well as procedures for the appointment of corporate officers. This policy, without prejudice to local law and/or regulations application, has the aim to define the principles, guidelines and rules for the management of corporate members at Group level with regard to:

- structure of the Corporate Bodies and requirement of their Members with the aim to balance the presence of Internal and External (independent) Members, an appropriate gender balance and an adequate composition to oversee efficaciously the whole business operation for the management and control;
- remuneration for the positions assigned according to the type and economic relevance of the subsidiaries , considering – inter alias – the corporate complexity, the business activity and the connected risk profile, the customer operation and the multiplicity of the products offered.

UniCredit Bulbank has adopted also internal Suitability policy as per the regulatory requirements, that defines the procedures, requirements and responsibilities related to appointment of candidates as board members in the Management and the Supervisory Board as well as Key function holders.

UniCredit Group has a structured succession EDP (Executive Development Plan) and TMR (Talent Management Review) for identification and evaluation of potential succssesrors for managerial positions/roles.

3.4.3 Diversity policy, including the policy on gender diversity

At the end of December 2020, the presence of Women in top and middle management positions was assessed as balanced. In terms of gender distribution (bank level) the proportion of female/male overall is ~76%/24%; the ratio for the managerial positions is quite balanced –

62%/38%, while for the top managerial positions (board level and direct reports to executive directors) the ratio is 50%/50%.

Women are 48% of the participants of the Talent management program (TMR). Gender diversity is one of the priority not only of the HR team, but is part of the managerial agenda across all functions, is included in the annual goals of the top managerial positions, and is implicated in various internal requirements and procedures, covering not only the gender balance, but also with regards to the remuneration and potential pay-gap, succession planning, talent development etc.

3.4.4 Risk Reporting to Management

Risk reporting to management body covers information for all types of risks in UniCredit Bulbank: credit, market, liquidity, operational and reputational risks. The Bank has set up a reporting system based on risk profiles/parameters and the reports are prepared on a daily, weekly, monthly, quarterly and annually basis. Recipients of the information are Management board, Supervisory Board, Risk Committee, Credit Committee, ALCO, PRC, Operational and Reputational Risk Committee, Reputational Risk Committee, other control functions in the Bank, responsible Board members, Head of Departments, Senior Managers as well as Holding Company's competence lines.

In order to improve the overall transparency of the Risk Reporting process in the Bank and aiming to have a clear overview of both internal and external managerial reports produced by the Risk Management functions, a Risk Reporting Map was introduced in 2015.

The latter was prepared and implemented through the participation of all subordinated functions in risk competence area under the supervision of the Chief Risk Officer of the Bank, where each single report is amended on the initiative of the respective Collective Body or MB member, and it is properly reviewed on a semi-annual basis.

The Risk Reporting Map valid as of the end of the year contains the following main information depending on the respective Risk function:

The Credit Risk reports might be differentiated on the basis of the specifics of the credit risk metrics:

Loan Portfolio – monthly Credit Risk Report including loan portfolio evolution, asset quality, loan loss provision charge and coverage, segments, regions, products and top 20 obligor performing and non-performing group; monthly Risk class migration of the loans, Individually assessed exposures for the month, etc.

A Credit Risk Profile on consolidated basis is submitted to the Supervisory Board and includes information about credit risk profile for each Legal Entity, per segment and debt migration.

Credit Risk Models – separate Validation report for each credit risk model (PD, EAD, LGD) that has been developed and is currently in use. Validation reports are preparated on annual basis and presented to MB for approval.

Credit Risk Control and Risk Integration – yearly ICAAP report is prepared and submitted to MB (and BNB) containing quantitative information regarding Econimic Capital, AFR and RTC end-of-year results and stress test, Risk Apetite Dashboard, main Balance sheet and P&L items and KPIs as well as description of models and procedures for measuring risks according to internal models (Economic Capital).

Risk Appetite Dashboard is prepared on quarterly basis including actual end-of-quarter values of Risk Apetite KPIs against their approved thresholds.

Three different reports are produced on a quarterly basis related to data quality issues including Collateral Data Quality Report for missing information for collateral (insurance, market evaluation, statutory validity, wrong rank of mortgage, etc.); Rating Data Quality Report in respect of unrated customers, Age Restrictions, inadequate rating model used, etc.; and Tableau de Board reflecting the main issues detected during the analysis of data quality controls performed on the local PD models.

Systematic Monitoring – quarterly Watch List Report is produced with the purpose to indicate endangered customers with newly detected monitoring triggers, for which Risk Mitigation strategy has to be applied. Additionally, analysis of the Watch list is presented including volume, structure, dynamics, exceptions to the maximum recommended duration for staying in Watch list under sticter monitoring. A managerial aggregated view on client level in terms of number and volume based on the annual/ semi-annual Corporate credit review status is prepared on quarterly basis and presented at Credit Committee. A set of escalation reports related to overdue reviews and collaterals is implemented to duly inform the Management for identified issues in the monitoring process. A new monthly report on ageing restrictions – automatic rating and forthcoming application of Rating's ageing is prepared from the end of the year as well as Mitigation report based on the New Default Definition's parallel run.

General reports – a couple of overview reports is prepared to present the most important aspects of the credit risk in the Bank. Monthly Risk Report – Portfolio overview, and summarized reports by segment, Expected Loss by Segment, Sub-Segment and Region, New Business expected loss and overdue credit reviews for Corporate and Small Business clients. Quarterly Overall Risk Report is submitted with information for Gross loans, Ipmaired Loans raio, coverage on impaired portfolio, loans evolution, Break down by BoI classes, Business segment and legal entity, net LLP change and cost of risk ratio. There is also information for EAD break downby business segment, performing/non-performing and industry, RWA by business segment, Stres tests on credit risk, RAF monitoring section as well as Default ageing summary.

There is a set of **Financial, Operational and Reputational Risk reports**, which might be differentiated by the specifics of the risk exposure:

Market Risk and Liquidity - There is a set of daily managerial reports that affect some critical Market Risk metrics like Open FX position - comparison ag. limits, calculated adjustment to the front-office Murex arising from small customer FX and bankbook, Daily Market Risk Dashboard providing overview of market risk limit utilizations – VaR limit, FX delta, Bond notionals of Sovereign exposure and of Non-Sovereign exposure, CPV sensitivity, BP01 sensitivities, Stress Test Warning Level (STWL), EV sensitivity (worst of six scenarios), NII sensitivity, RWA of Market risk and Loss Warning Level (LWL) as well as Liquidity relevant early warning indicators plus Daily Liquidity Dashboard containing managerial and RAF limits compliance report, Intraday critical payments buffer and Intraday Residual payments buffer, report on Issuer risk and average age of positions in TB.
Additionally, on a monthly basis are prepared the following reports – Summary of counterparty and issuer limit excesses, VAR limit and history by components, FX, IR, CR sensitivities overview and stress test results, important volatility dynamics, Market Conformity checks of trades concluded in Treasury, PV and overdue payments on customer IRS, derivatives exposure to customers by PV/rating/MIFID category, derivative limit utilization. There are also Structural liquidity limits monitoring and Short-term liquidity stress tests (Survival period monitoring), Liquidity Coverage Ratio and Net Stable Funding Ratio. In addition is presented a detailed information about bond trading and investment portfolios, including market price vs. book value, issuer limits and CPV limits utilization. During the last year a new set of reports is produced –

Interest rate metrics compliance, non-maturing deposits, Liquidity stress test results, deposits subject to higher outflows, uncommitted lines. After the finalization of the ALMRisk Evo project (aiming at discontinuation of the ALMRisk system for the purposes of liquidity risk reports production) the Deposits subject to higher outflows and Uncommitted lines reports have been discontinued. Quarterly monitoring process covers the Net Stable Funding Report, XVA adjustments, PV and number of trades with original maturity > 180d for CTS clients aggregated by mifid, credit rating and derivative family.

Operational and Reputational Risk – Quarterly Operational Risk analysis/reporting is prepared with information for loss data (overview of the major loss events), scenarios, KRIs, risk mitigation measures, capital at risk, major Operational Risk issues, strategies, planned and/or implemented measures, as well as Reputational Risk summary report including Reputational risk reporting to the Holding (focused on reputational risk deals; relevant transactions data and media coverage of operational and reputational risk events). Yearly is prepared and submitted managerial reports containing the scenario analysis results including assessed scenario storylines, and scenario 1:10 and scenario 1:40 loss estimations compared to the highest losses registered in the bank per risk category. There is also information for the annual evaluation on local insurances with focus on insurance limits and deductibles, insurance recoveries on previous year trends (split by event type and % of losses) as well as an assessment of the impact of ICT failures and Cyber threats in the banking running activities (expected impact) and in stressed scenarios (extreme impact).

UniCredit Bulbank

4 SCOPE OF APPLICATION

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 in *Appendix 4*, are not subject of consolidation in the context of the current disclosure.

There are no significant differences between the amounts in the financial statements under the accounting scope of consolidation and the financial statements under the regulatory scope of consolidation since they are fully IFRS based. There are only presentation differences e.g. demand deposits are reported under Loans to banks in the financial reports published by UniCredit Bulbank while in FinRep Balance sheet are reported under Cash and cash balances. These differences do not impact major financial items, nor net assets, equity or profit or loss.

The information related to the scope of application of the regulatory framework is disclosed as follows:

- ***APPENDIX 2***: ***EU LI1*** **– Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories**. *(Template 1, EBA/GL/2016/11)*;
- ***APPENDIX 3***: ***EU LI2*** **– Main sources of differences between regulatory exposure amounts and carrying values in financial statements**. *(Template 2, EBA/GL/2016/11)*;
- ***APPENDIX 4***: ***EU LI3*** **– Outline of the differences in the scopes of consolidation (entity by entity)**. *(Template 3, EBA/GL/2016/11).*

5 OWN FUNDS

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) 575/2013 of the European Parliament and of the Council.

In addition to the minimum Basel III capital requirements the combined buffer requirement includes also Capital Conservation buffer, Systemic Risk buffer and Systemic Important Institution buffer. Starting from 2019 also Countercyclical capital buffer has been introduced and capital buffer for Other Systemic Important Institution has been increased.

The detailed information regarding consolidated Own Funds of UniCredit Bulbank AD is disclosed in *Appendix 5* according to Commission Implementing Regulation (EU) No 1423/2013 and includes the following:

- ***APPENDIX 5A*** **– Regulatory scope Balance sheet**;
- ***APPENDIX 5B*** **– Balance sheet reconciliation methodology**;
- ***APPENDIX 5C*** **– Capital Instruments' main features template**;
- ***APPENDIX 5D*** **– Transitional Own Funds disclosure template**

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

6 CAPITAL REQUIREMENTS

For estimation of the capital requirements, UniCredit Bulbank applies:

For Credit Risk:

- Advanced Internal Rating Based Approach (A-IRB) for classes: Corporates[4]; Retail-Small Business (including covered by residential real estates); Retail – Individuals (including covered by residential real estates); and Equity claims[5];
- Foundation Internal Rating Based Approach (F-IRB) for classes: Financial Institutions (Financial Corporates[6]); and Corporates - Specialized Lending[7];
- Standardized Approach for classes[8]: Central Governments or Central Banks; Regional Governments or Local Authorities; Multilateral Development Banks; Administrative Bodies and Non-commercial Undertakings; International Organisations; and Other items.

For Market Risk:

- Standardized Appoach.

For Operational Risk:

- Advanced Measurement Approach.

For preparation of the regulatory reports under new Regulation (EU) 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 as follow:

- ***APPENDIX 6***: ***EU OV1* – Overview of RWAs**. *(Template 4, EBA/GL/2016/11)*;
- ***APPENDIX 7***: ***EU CR10* - IRB (Specialized Lending and Equities)**. *(Template 5, EBA/GL/2016/11).*

The information for ***EU INS1* – *Non-deducted participations in insurance undertakings*** *(Template 6, EBA/GL/2016/11)* is not relevant to UniCredit Bulbank.

[4] Except for Corporates – Specialized Lending.
[5] UniCredit Bulbank applies Simple Approach.
[6] Exposures to third country credit institutions according to art. 107 (3) (4) of Regulation (EU) 575/2013.
[7] UniCredit Bulbank applies Slotting Criteria Model (regulatory defined risk weights and expected loss levels).
[8] For client type detailization purposes, classes are represented in accordance with Standardized approach segregation.

7 EXPOSURES TO COUNTERPARTY CREDIT RISK

UniCredit Bulbank employes the Group internal model method for counterparty risk measurement and limit compliance control.
Financial Risk and Models unit monitors on a daily basis the exposures on counterparty credit risk and escalates limit breaches for resolution.

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

For more details related to counterparty credit risk, please refer to point 3.1.2. above in the present document.

The information related to CCR is disclosed as follows:

- ***APPENDIX 8***: ***EU CCR1*** **– Analysis of CCR exposure by approach**. (*Template 25, EBA/GL/2016/11)*;
- ***APPENDIX 9***: ***EU CCR2*** **– CVA capital charge**. *(Template 26, EBA/GL/2016/11).*

The following information is not relevant to UniCredit Bulbank:

- ***EU CCR8 – Exposures to CCPs***. *(Template 27, EBA/GL/2016/11);*
- ***EU CCR5-A – Impact of netting and collateral held on exposure values***. *(Template 31, EBA/GL/2016/11);*
- ***EU CCR5-B – Composition of collateral for exposures to CCR***. *(Template 32, EBA/GL/2016/11);*
- ***EU CCR6 – Credit derivatives exposures***. *(Template 33, EBA/GL/2016/11).*

8 CAPITAL BUFFERS

The detailed information regarding capital buffers of UniCredit Bulbank is disclosed according to Commission Delegated Regulation (EU) 2015/1555 of 28 May 2015.

The Bank's compliance with the requirements for a countercyclical capital buffer is disclosed in ***APPENDIX 10***: **Disclosure of the amount of institution specific countercyclical buffer** *(Table 2, EU 2015/1555)*.

The geographical distribution of a credit exposures relevant to the calculation of countercyclical buffer is presented in ***APPENDIX 11***: **Disclosure of the geographical distribution of credit exposures** *(Table 1, EU 2015/1555)*.

9 INDICATORS OF GLOBAL SYSTEMIC IMPORTANCE

In order to ensure global consistency and uniform formats and data for the disclosure of the values used to identify Global Systemically Important Institutions (G-SIIs), the EU Parliament and the Council issues a Commission Implementing Regulation (EU) No 1030/2014 of 29 September 2014.

In December 2016, Bulgarian National Bank classified UniCredit Bulbank AD as Other Systemically Important Institutions (O-SIIs) and thus the disclosure requirements set in Regulation (EU) No 1030/2014 are not relevant to the Bank.

10 CREDIT RISK ADJUSTMENTS

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;
- 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.

According to the internal evaluation process the Bank divide customers' credit portfolio into performing loans (those without detected default events) and non-performing portfolio (those with detected default events). The basis for default event detection is the approved "Methodology paper on Default according to Basel III" where generally (but not exhaustive) default event is detected always when either or both of the following conditions are met:

- the Bank considers that the obligor is unlikely to pay its credit obligations to the Bank, without recourse to actions such as realising the collateral (if held);
- the obligor is past due more than 90 days on any material credit obligation to the Bank.

In UniCredit Bulbank, all exposures with more than 90 days past due are considered as defaulted / impaired.

For determination of general credit risk adjustments the bank is using the expected credit loss concept according to the requirements of IFRS 9.

For determination of specific credit risk adjustments the bank is using either collective evaluation approach or is performing individual assessment for relative big exposures.

Following the Regulation (EU) 2015/1278, UniCredit Bulbank applies below definitions for performing and non-performing forborne exposures:

1/ Performing forborne exposures:

The Bank considers an exposure as forborne performing, when the amendments in the repayment terms and conditions are NPV neutral.

2/ Non-performing forborne exposures:

Cases where as a result of declined financial standing and solvency of the obligor, the Bank has consent to distressed restructuring of the credit obligation through material forgiveness, or postponement of principal, interest, or fees which results in debt reduction (non NPV neutral).

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New EBA/GL/2018/10 "Guidelines on disclosure of non-performing and forborne exposures" is in force since December 2019 introducing ten new templates, four of which replacing **Template 14** *EU CR1-D – Ageing of past-due exposures* and **Template 15** *EU CR1-E – Non-performing and forborne exposures* of EBA/GL/2016/11.

As an O-SII, UniCredit Bulbank discloses all new templates specified in the EBA/GL/2018/10 where the gross NPL ratio[9] on consolidated basis for the past consecutive quarters is as follow:

	Q4/2019	Q1/2020	Q2/2020	Q3/2020	Q4/2020
Gross NPL ratio	4.9%	5.0%	5.2%	5.1%	7.1%

General quantitative information on credit risk is disclosed as follows:

- *APPENDIX 12*: ***EU CRB-B* – Total and average net amount of exposures**. *(Template 7, EBA/GL/2016/11)*;
- *APPENDIX 13*: ***EU CRB-C* – Geographical breakdown of exposures**. *(Template 8, EBA/GL/2016/11);*
- *APPENDIX 14*: ***EU CRB-D* – Concentration of exposures by industry or counterparty types**. *(Template 9, EBA/GL/2016/11);*
- *APPENDIX 15****: EU CRB-E* – Maturity of exposures**. *(Template 10, EBA/GL/2016/11);*
- *APPENDIX 16*: ***EU CR1-A* – Credit quality of exposures by exposure class and instrument**. *(Template 11, EBA/GL/2016/11);*
- *APPENDIX 17A****: EU CR1-B* – Credit quality of exposures by industry or counterparty types**. *(Template 12, EBA/GL/2016/11);*
- *APPENDIX 17B****:* Credit quality of loans and advances by industry.** *(Template 6, EBA/GL/2018/10);*
- *APPENDIX 18A*: ***EU CR1-C* – Credit quality of exposures by geography**. *(Template 13, EBA/GL/2016/11);*
- *APPENDIX 18B*: **Quality of non-performing exposures by geography**. *(Template 5, EBA/GL/2018/10);*
- *APPENDIX 19A****:*** **Credit quality of performing and non-performing exposures by past due days**. *(Template 3, EBA/GL/2018/10);*

9 The gross NPL ratio is the ratio of the gross carrying amount of NPLs and advances to the total gross carrying amount of loans and advances subject to the NPE definition. For the purpose of this calculation, loans and advances classified as held for sale, cash balances at central banks and other demand deposits are to be excluded both from the denominator and from the numerator.

- ***APPENDIX 19B***: **Performing and non-performing exposures and related provisions.** *(Template 4, EBA/GL/2018/10);*
- ***APPENDIX 19C***: **Collateral valuation - loans and advances.** *(Template 7, EBA/GL/2018/10);*
- ***APPENDIX 20A***: **Credit quality of forborne exposures.** *(Template 1, EBA/GL/2018/10);*
- ***APPENDIX 20B***: **Quality of forbearance.** *(Template 2, EBA/GL/2018/10);*
- ***APPENDIX 21: EU CR2-A*** **– Changes in the stock of general and specific credit risk adjustments**. *(Template 16, EBA/GL/2016/11);*
- ***APPENDIX 22A***: ***EU CR2-B*** **– Changes in the stock of defaulted and impaired loans and debt securities**. *(Template 17, EBA/GL/2016/11);*
- ***APPENDIX 22B***: **Changes in the stock of non-performing loans and advances.** *(Template 8, EBA/GL/2018/10);*
- ***APPENDIX 22C***: **Collateral obtained by taking possession and execution processes.** *(Template 9, EBA/GL/2018/10);*
- ***APPENDIX 22D***: **Collateral obtained by taking possession and execution processes – vintage breakdown**. *(Template 10, EBA/GL/2018/10).*
- ***APPENDIX 23A***: **Information on loans and advances subject to legislative and non-legislative moratoria**. *(Template 1, EBA/GL/2020/02).*
- ***APPENDIX 23B***: **Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria**. *(Template 2, EBA/GL/2020/02).*
- ***APPENDIX 23C***: **Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to covid-19 crisis**. *(Template 3, EBA/GL/2020/02).*

11 UNENCUMBERED ASSETS

According to Article 443 of the Regulation (EU) 575/2013, UniCredit Bulbank is disclosing the following information related to encumbered assets (as of 31.12.2020):

in thousands of BGN

	Carrying amount of encumbered assets	Carrying amount of non-encumbered assets
Assets:	**1 856 222**	**22 761 887**
Debt securities	1 412 300	2 432 360
Loans and advances	443 922	19 321 796
Other assets		1 007 731
	Fair value of encumbered collateral received	**Fair value of collateral received non-encumbered**
Collateral received:		
Collateral received available for encumbrance	298 800	245 942
	Matching liabilities	**Encumbered assets and collateral received**
Total sources of encumbrance:	**2 138 969**	**2 155 022**
Derivatives	200 079	189 057
Repurchase agreements	1 560 094	1 546 494
Collateralised deposits other than repurchase agreements	378 796	419 471

As of 31.12.2020, there is no overcollaterisation of liabilities with encumbered assets in the Bank.

12 INFORMATION ABOUT NOMINATED ECAIS AND EIAS UNDER THE STANDARDISED APPROACH FOR CREDIT RISK

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

The calculation methodology follows strictly the requiements listed in Article 138, Article 139, Article 140 and Article 141 of the Regulation (EU) 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).

A breakdown of exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to the standardised approach) assigned to each credit quality step is disclosed in ***APPENDIX 24**: **EU CR5*** **– Standardised approach** *(Template 20, EBA/GL/2016/11)*.

A breakdown of CCR exposures using the credit risk standardised approach to compute RWAs by portfolio (type of counterparties) and by risk weight is disclosed in ***APPENDIX 25**: **EU CCR3*** **– Standardised approach – CCR exposures by regulatory portfolio and risk** *(Template 28, EBA/GL/2016/11)*.

13 EXPOSURE TO MARKET RISK

UniCredit Bulbank calculates its Own funds requirements for market risk under the Standardised Approach.

The Bank does not apply internal models for calculating capital requiremenrs 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 consiolidated requirements reporting at UniCredit Group level.
For more details, please refer to point 3.1.1. above in the present document.

The Capital requirements and RWAs for market risk under the Standardised Approach are disclosed in ***APPENDIX 26**: **EU MR1*** **– Market risk under the standardised approach** *(Template 34, EBA/GL/2016/11)*.

The following information is not relevant to UniCredit Bulbank:

- ***EU MR2-A – Market risk under the IMA.*** *(Template 35, EBA/GL/2016/11)*;
- **EU MR2-B – *RWA flow statements of market risk exposures under the IMA.*** *(Template 36, EBA/GL/2016/11)*;
- **EU MR3 – *IMA values for trading portfolios.*** *(Template 37, EBA/GL/2016/11)*;
- ***EU MR4 – Comparison of VaR estimates with gains/losses.*** *(Template 38, EBA/GL/2016/11).*

14 OPERATIONAL RISK

For the purpose of reporting Capital Adequacy in accordance with Regulation (EU) 575/2013 of The European Parlament and of The Council, UniCredit Bulbank 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).

15 EQUITIES IN THE BANKING BOOK

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

16 INTEREST RATE RISK IN THE BANKING BOOK

Exposure to interest rate risk in the banking book is captured and measured on daily basis in the market risk management systems. The managerial limit-relevant risk metrics includes daily basis point value sensitivity, weekly stress test warning level and monthly reporting of regulatory required variation in economic value (instantaneous Supervisory Outlier Test interest rate shock as percentage of equity) and variation in earnings (net interest income simulation using + 100 bps/-30 (-100) bps shock of interest rates and hypothesis of constant balance sheet). Executive summary is reported in each monthly ALCO session.

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

17 SECURITISATION

UniCredit Bulbank 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), the EIF provides guarantee for coverage of first loss (First Loss Portfolio Guaranee-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 securitisationand for regulatory purposes and from October 2016, UniCredit Bulbank applies Supervisory Formula Method for calculation of capital requirements of credit risk.

As of 31.12.2020, the allocation of tranches is as follows:

Nominal value of the portfolio: **4 235** ths.BGN

First Loss Tranche: **3 388** ths.BGN

Second Loss Tranche: **0** BGN

18 LEVERAGE

In compliance with Article 451 of Regulation (EU) 575/2013, UniCredit Bulbank disclose the information regarding the leverage ratio and the management of the risk of excessive leverage.

The Basel III framework introduces the leverage ratio as a credible supplementary measure to the risk-based capital requirements which is defined as the Capital Measure divided by the Exposure Measure. The Capital Measure is the Tier 1 capital and the Exposure Measure is the sum of on-balance sheet exposures; derivative exposures; securities financing transaction exposures; and off-balance sheet items.

The Basel III Leverage Ratio is one of the Risk Appetite KPI of UniCredit Bulbank which is subject to quarterly monitoring against the approved Risk Appetite thresholds (target, trigger and limit levels).

UniCredit Bulbank discloses the Leverage ratio according to article 499, 1 (a) of Regulation (EU) 575/2013 and Commission Implementing Regulation (EU) 2016/200 of 15 February 2016.

Detailed information is disclosed in ***APPENDIX 27:*** **Leverage ratio** *(Templates provided in Regulation EU 2016/200)*.

19 USE OF THE INTERNAL RATING BASED APPROACH TO CREDIT RISK

19.1 OVERVIEW

Starting from July 2016, UniCredit Bulbank AD applies Advanced Internal Rating Based Approach (AIRB) for calculation of capital requirements of credit risk for Corporate (excluding Specialised Lending) and Retail (Small Business and Individuals) clients' exposure. Financial Institutions and Specialised Lending clients remain at Foundation Internal Rating Based Approach (F-IRB) and exposures to Public Sector Entities, Multilateral Development Banks and Municipalities are treated under Standardised Approach. UniCredit Bulbank is the first bank in Bulgaria certified by the European Central Bank (joint decision with Bank of Italy and BNB) to use A-IRB Approach for locally developed internal models for Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

When applying Internal Rating Based Approach for calculation of capital requirements for credit risk, UniCredit Bulbank uses several rating models[10] in order to carry out clients' creditworthiness analyses. Rating models can be generally summarized as:

<u>Group-wide rating models (GWM)</u>

Group wide rating models[11] 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 uses group wide rating model for creditworthiness analyses for: Multinational Companies[12]; Security Industry Companies; and Financial Institutions.

<u>Local rating models</u>

- *Corporate rating model*

The model is used for corporate clients (using full accounting) with a turnover < 500 Mio EUR (except for Specialized lending).
For risk parameters EAD and LGD UniCredit Bulbank uses internally developed models.

- *Slotting Criteria Model*

The model is used for assessment of capital requirements and expected loss for exposures clasifed as Specialized Lending.
As Risk parameters: EAD and LGD, UniCredit Bulbank uses regulatory defined parameters in Regulation (EU) 575/2013.

- *Retail Scoring Models*

The Bank uses two scoring models: Scoring model for Small Business and Scoring Model for Private Individuals.
For risk parameters EAD and LGD UniCredit Bulbank uses internally developed models.

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

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[10] UniCredit Bulbank uses master scale for rating result competability.
[11] Group wide rating models are developed by UCI Holding Company (HC) and are adopted by UniCredit Bulbank.
[12] Companies with turnover over 500 mln euro.

The established internal risk control environment is sound and realiable and is an integral part of the operatative 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)
- 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.

19.2 QUALITATIVE INFORMATION RELATED TO LOCAL IRB MODELS

Locally developed internal models for Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) that are used for regulatory calculation of capital requirements for credit risk with their main characteristics are:

- **Corporate PD model**:

Corporate PD model is internally developed statistical regression model, developed on a data covering the period 2009-2011. The applicable floor is related to the PD of Bulgarian country. The model covers financial and qualitative factors related to the company and considers also warning signals, if any.

Based on the PD value the customers are ranked using a 23 notches rating master scale.

In 2019 a new version of the Corporate PD model was applied to ECB, reflecting the requirements of EBA Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures and in line with the new definition of default as well.

- **SME PD model**:

SME PD model is internally developed statistical regression model, developed on a data covering the period 2009-2014. The applicable floor is related to the PD of Bulgarian country and there is an additional conservative floor of 0.12%.

PD model covers the origination and monitoring phase with application and behavioral score calculculation. The model considers financial factors, qualitative factors and behavioral ones.

Based on the PD value the customers are ranked using a 23 notches rating master scale.

In 2019 a new version of the SME PD model was applied to ECB, reflecting the requirements of EBA Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures and in line with the new definition of default as well.

- **Private Individuals PD model**:

Private Individuals PD model is internally developed statistical regression model, developed on a data covering the period 2009-2014. The applicable floor is related to the PD of Bulgarian country and there is an additional conservative floor of 0.12%.

PD model covers the origination and monitoring phase with application and behavioral score calculculation. The model considers financial factors, qualitative factors and behavioral ones.

Based on the PD value the customers are ranked using a 23 notches rating master scale.

- **Specialised Lending Slotting Criteria model**:

For Income Producing Real Estate (IPRE) and Project Finance (PF) transactions a dedicated slotting model is used. Slotting models are used to estimate the risk for specialized lending transactions and utilize dedicated qualitative questionnaires.

As an outcome of the model the transactions are assigned to one of 4 possible slots - Strong, Good, Satisfactory, Weak.

In 2019 a new version of the SME PD model was applied to ECB, reflecting the requirements of EBA Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures and in line with the new definition of default as well.

- **LGD model**:

LGD model is developed on a data covering the period 2008-2014. The result of the model is a decision tree, splitting the exposures on the base of customer segment, product type and EAD. As part of the model internal haircuts for eligible collaterals are calculated as well.

Relevant downturn analysis is performed as well, showing positive correlation between the downturn periods and LGD estimations.

In 2019 Expected Loss Best Estimate component was introduced as well. The component is used in the calculation of the Risk Weighted Assets of Defaulted assets.

➢ **EAD model**:

EAD model is developed on a data covering the period 2007-2013. The result of the model is a decision tree, splitting the exposures on the base of customer segment, revolving/non-revolving type of exposure, product type and additional model specific parameters.

Relevant downturn analysis is performed as well, not showing positive correlation between the downturn periods and EAD estimations.

As of 31.12.2020, the percentage of RWAs (of total IRB portfolio) covered by the models for each of the Bank's regulatory portfolios is presented below:

IRB Regulatory Portfolio	*RWA*	*EAD*	*RWA % of IRB Portfolio*
Corporate	3 849 293	6 180 621	53.1%
Banks	757 644	1 580 801	10.5%
Multinationals	447 172	1 119 080	6.2%
Slotting	1 252 178	1 653 080	17.3%
SME	419 661	957 552	5.8%
Retail	517 034	2 735 595	7.1%
Total IRB Portfolio	**7 242 983**	**14 226 730**	**100.0%**

Internal credit risk models are developed by Credit Risk Models and Policies Unit within Risk Management Division. Each model is being annualy validated and as part of the internal controls environment, the Internal Audit of the UniCredit Bulbank performs regular audits (on annual basis) on AIRB local models and validations.

The internal models are initially validated by an independent structure, not involved in the development of the model and the Group Internal Validation (GIV[13]) function at Holding level performs quality assurance of the validation reports of the local models. In order to achieve more indepence of the function in charge of the model review from the functions responsible for model development, starting from 2018 a dedicated Internal Validation Center is in place that is directly reporting to Chief Risk Officer of the UniCredit Bulbank and to the GIV.

All locally developed models (model changes) and respective validations are subject to approval by the Management Board of the Bank, including information on the models' development and validation conclusions, fulfilment of the recommendations given, the performance of the models, areas for improvement etc.

The process of modelling and validation activities planning is defined in the Group Guidelines and in the local Methodological Framework for the maintenance of the Risk Models applied in UniCredit Bulbank which stipulates in detail the roles and responsibilities of the local parties. The annual validation plan is based on 3 years perspective.

Quantitative information on the use of the IRB approach is disclosed as follows:

- ***APPENDIX 28A**: EU CR6* **– IRB approach – Credit risk exposures by exposure class and PD range: Foundation IRB Approach**. *(Template 21, EBA/GL/2016/11)*;

[13] GIV is the function in charge of the validation of the Group models.

- *APPENDIX 28B*: ***EU CR6*** **– IRB approach – Credit risk exposures by exposure class and PD range: Advanced IRB Approach**. *(Template 21, EBA/GL/2016/11)*;
- *APPENDIX 28C*: ***EU CR6*** **– IRB approach – Credit risk exposures by exposure class and PD range: Equity**. *(Template 21, EBA/GL/2016/11)*;
- *APPENDIX 29A*: ***EU CCR4*** **– IRB approach – CCR exposures by portfolio and PD scale: Foundation IRB Approach**. *(Template 29, EBA/GL/2016/11)*;
- *APPENDIX 29B*: ***EU CCR4*** **– IRB approach – CCR exposures by portfolio and PD scale: Advanced IRB Approach**. *(Template 29, EBA/GL/2016/11)*.

The information related to ***EU CCR7 – RWA flow statements of CCR exposures under the IMM*** *(Template 30, EBA/GL/2016/11)* is not relevant to UniCredit Bulbank.

UniCredit Bulbank

20 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 receivalbes;
- 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. The value of the real estate collaterals is regularly monitored as well as the presence of their respective insurance.

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

- Financial collaterals – blocked cash and securities, strictly observing the requirements of Chapter Four *Credit Risk Mitigation* of the Regulation (EU) 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 Regulation (EU) 575/2013;
- Guarantees that meet the requirements of Chapter Four *Credit Risk Mitigation* of the Regulation (EU) 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 Regulation (EU) 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 Regulation (EU) 575/2013. For exposures treated under A-IRB Approach, UniCredit Bulbank uses internally developed discount factors (part of LGD model) for eligible real estate collaterals.

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

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

Quantitative information related to Credit Risk Mitigation is disclosed as follows:

- ***APPENDIX 30***: ***EU CR3*** **– CRM techniques – Overview**. *(Template 18, EBA/GL/2016/11)*;
- ***APPENDIX 31: EU CR4*** **– Standardised approach – Credit risk exposure and CRM effects**. (*Template 19, EBA/GL/2016/11)*;
- ***APPENDIX 32***: ***EU CR7*** **– IRB approach – Effect on the RWAs of credit derivatives used as CRM techniques**. *(Template 22, EBA/GL/2016/11)*;
- ***APPENDIX 33: EU CR8*** **– RWA flow statements of credit risk exposures under the IRB approach**. *(Template 23, EBA/GL/2016/11)*;
- ***APPENDIX 34***: ***EU CR9*** **– IRB approach – Backtesting of PD per exposure class**. *(Template 24, EBA/GL/2016/11).*

21 REMUNERATION POLICY

Compensation Policy of UniCredit Bulbank AD is determined by the Management Board and approved by the Supervisory Board of the Bank. The Policy is 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 principles of the Compensation policy of UniCredit Bulbank also apply to Bank's subsidiaries. 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 key pillars of Compensation Policy ensure a correct definition of competitive compensation levels, internal equity and transparency.

The Nomination and Compensation Committee determines on behalf of the Supervisory Board, the individual compensation of the Bank's Management Board members including the Executive Directors. The Committee consists of three members – Supervisory board members. The Nomination and Compensation Committee has the responsibility to nominate and recommend candidates to be appointed as members of the Management Board and conducts the sutability assessment on individual level prior appointment as well as the collective assessment of the respective management body (as per the BNB and EBA guidelines). The Nomination and 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 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. This excludes encouraging of behaviors not aligned to the Bank'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 Bank economic results and consistent with local market practice.

Performance Management and Incentive System is set in order to create a strong link between actual results and annual bonus, as for the purpose UniCredit Bulbank adopts a "Bonus Pool" approach, which is based on "Solidarity" approach - local overall amount for bonus allocation is subject not only to country achievement of Bank targets and results, but also to CEE Division and Group results.

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 achieved results. In compliance with the regulatory requirements - for the personnel belonging to the business functions, including Identified Staff, is applicable an adoption of a maximum ratio between variable and fixed remuneration of 2:1. For the rest of the staff it is a maximum ratio between the components of remuneration equal to 1:1 that is usually adopted, except for the staff of the Company Control Functions and Human Resources , for which it is expected that fixed remuneration is predominant component of total remuneration and incentive mechanisms are consistent with the assigned tasks as well as being independent of results from areas under their control.

Labor employment/civil contract with the Bank, including management contract, do not guarantee additional remuneration (bonus). 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. Through the compensation systems the variable remuneration payment is aligned with performance of the goals at Bank level, performance of the 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, customer satisfaction, quality of internal interaction between business lines, sustainable transfer of knowledge and ensuring business continuity and process management. 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.

Evaluating the activity of the control functions and defining the remuneration is based on the principle of independence of the structural units that they control. This is achieved by not setting financial goals of the control functions that are related to the achievement of financial and business goals of the structures that they control.

According to the Bulgarian and European legislation, UniCredit Bulbank introduces the identified staff category for which the principles of deferred variable compensation payout in cash and equity apply. Identified staff is divided into two groups. Group Identified Staff - responsible for the daily management of the bank (which positions belong to the Group SVP band or above) and heads of independent control functions. Local Identified staff - all other employees in selected roles which meets European quantitative and qualitative criteria and consistent with the governance structure of UniCredit Bulbank. For Identified staff are determined certain specific performance indicators, 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 four to six year period and take into account 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).

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

Staff category		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Senior Management[1]	**Cash**	18%	8%	-	-	-	19%
	Shares	22%	-	11%	11%	11%	-
Management Board members and Similar roles[2]; other Group Identified Staff and Local Identified Staff whose variable remuneration amount exceeds 430,000 EUR	**Cash**	20%	5%	5%	20%	-	-
	Shares	20%	15%	15%	-	-	-
Other Group Identified Staff and Local Identified Staff whose variable remuneration amount is equal to or below 430,000 EUR	**Cash**	30%	-	-	20%	-	-
	Shares	30%	10%	10%	-	-	-

[1] Including:
- EVPs only regardless the amount;

[2] .Similar roles to Management Board members in terms of compensation based on specific provisions in local legislation. Similar roles to be evaluated based on benchmarking considering also the country of main labor contract (for example Bulgarian employees are benchmarked vs Bulgarian Board members, expats from CEE are benchmarked vs CEE expats Board Members, Italian expats are benchmarked vs Italian Board members etc.) The remuneration for the purpose of such evaluation will be calculated as the sum of annualized gross fixed remuneration and variable remuneration awarded

A retention period applies to the remuneration in shares.

For 2020 year this group includes the members of the Supervisory Board of the Bank, the Chief Executive Officer and the General Manager of UniCredit Bulbank, the Members of the Management board of the Bank, the Managers of Control functions, UniCredit Leasing Management Board members, UniCredit Consumer Financing Management Board members, employees in Markets and Brokerage Department depending on their individual limits for transactions incl. Head of Markets and Brokerage Department, members of Credit council/ Credit Committee, employees in Risk Management Division with individual limits for approval of loans exceeding the quantitative criteria. The criteria for inclusion in the category of "identified staff" follow the detailed criteria of the European Banking Authority and are consistent with the approach of UniCredit Group, taking into account the powers of individual material impact.

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. For Identified staff is applied the threshold for variable remuneration of 50 000 Euro or one third of the total annual remuneration, below which variable remuneration is not deferred.

In thousands of BGN

2020 Executive's Compensation

Staff category	Number of participants	Total fixed compensation for 2020	Total variable compensation for 2020	Deferred variable compensation depending on the year of payment and underlying instruments											
				Cash	Shares	Cash	Shares	Cash	Shares	Cash	Shares	Cash	Shares	Cash	Shares
				2021		2022		2023		2024		2025		2026	
Identified staff	**37**	**6276**	**1490**	**1003**	**0**	**35**	**124**	**22**	**67**	**89**	**84**	**0**	**17**	**30**	**17**

APPENDICES

APPENDIX 1

EU LIQ1: LCR DISCLOSURE TEMPLATE ON QUANTITATIVE INFORMATION /AS OF 31.12.2020/

In thousands of BGN

Scope of consolidation (solo) UC Bulbank only		Total unweighted value	Total weighted value
Currency and units (BGN thousand)			
Quarter ending on (31 December 2018)		31.12.2020	31.12.2020
Number of data points used in the calculation of averages		12	12
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		7 524 329
CASH-OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	**12 617 857**	**1 131 704**
3	*Stable deposits*	3 361 375	168 069
4	*Less stable deposits*	9 256 483	963 635
5	Unsecured wholesale funding	**5 543 158**	**2 746 860**
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	69 181	14 598
7	*Non-operational deposits (all counterparties)*	5 473 978	2 732 262
8	*Unsecured debt*	-	-
9	Secured wholesale funding		
10	Additional requirements	**6 136 873**	**2 686 776**
11	*Outflows related to derivative exposures and other collateral requirements*	2 149 019	2 149 019
12	*Outflows related to loss of funding on debt products*	-	-
13	*Credit and liquidity facilities*	3 987 855	537 757
14	Other contractual funding obligations		
15	Other contingent funding obligations	1 783 774	210 742
16	**TOTAL CASH OUTFLOWS**		**6 776 082**
CASH-INFLOWS			
17	Secured lending (eg reverse repos)	517 387	0
18	Inflows from fully performing exposures	3 147 667	3 074 696
19	Other cash inflows	130	130
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)		
EU-19b	(Excess inflows from a related specialised credit institution)		
20	**TOTAL CASH INFLOWS**	**3 665 184**	**3 074 825**
EU-20a	***Fully exempt inflows***		
EU-20b	***Inflows Subject to 90% Cap***		
EU-20c	***Inflows Subject to 75% Cap***	**3 665 184**	**3 074 825**
			TOTAL ADJUSTED VALUE
21	**LIQUIDITY BUFFER**		**7 524 329**
22	**TOTAL NET CASH OUTFLOWS**		**3 701 256**
23	**LIQUIDITY COVERAGE RATIO (%)**		**203.29%**

APPENDIX 2

EU LI1 – DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND THE MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES /AS OF 31.12.2020/

In thousands of BGN

	a	b	c	d	e	f	g
			Carrying values of items				
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances with Central Bank	6 595 654	6 595 654	6 595 654				
Non-derivative financial assets held for trading	17 007	17 007	1 744			15 263	
Derivatives held for trading	78 880	78 880		78 880		6 575	
Derivatives held for hedging	16	16		16			
Loans and advances to banks	1 428 632	1 330 475	1 080 746	249 729			
Loans and advances to customers	12 327 208	12 425 367	12 421 979		3 388		
Investment securities	3 676 620	3 676 620	3 676 620				
Investments in associates	3 482	3 487	3 487				
Property, plant, equipment and investment properties	306 577	297 547	297 547				
Intangible assets	79 989	79 989					37 225
Current tax assets	1 534	1 496	1 496				
Deferred tax assets	4 500	4 534	4 534				
Other assets	99 418	107 037	149 801				
Total assets	**24 619 517**	**24 618 109**	**24 233 608**	**328 625**	**3 388**	**21 838**	**37 225**
Liabilities							
Financial liabilities held for trading	101 394	101 394					101 394
Derivatives used for hedging	105 683	105 683					105 683
Deposits from banks	2 048 060	2 048 064					2 048 064
Deposits from customers	18 728 712	18 734 681	49 807				18 684 874
Provisions	117 765	117 766	53 636				64 130
Current tax liabilities	1 317	1 273					1 273
Deferred tax liabilities	5 788	5 788	2 902				2 886
Other liabilities	136 338	135 986					135 986
Total liabilities	**21 245 057**	**21 250 635**	**106 345**				**21 144 290**

APPENDIX 3

EU LI2 – MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	CCR framework	Securitisation framework	Market risk framework
1	**Assets carrying value amount under the scope of regulatory consolidation (as per template EU LI1)**	24 618 109	24 233 608	328 625	3 388	21 838
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)	21 250 635	106 345			
3	Total net amount under the regulatory scope of consolidation					
4	Off-balance-sheet amounts	5 940 628	3 303 890			
5	*Differences in valuations*					
6	*Differences due to different netting rules, other than those already included in row 2*					
7	*Differences due to consideration of provisions*		676 058		-3 388	
8	*Differences due to prudential filters*					
9	*Collaterals*		-35 901			
10	*Equity*		-11 459			
11	*Other assets*		-765 578			
12	Deferred tax assets		2 902			
13	Exposure at Default resulting from the Limit Overdraft Factor of the Bank's EAD model		138 829			
14	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)			118 368		
16	**Exposure amounts considered for regulatory purposes**	**28 028 310**	**27 065 469**	**197 263**		**21 838**

APPENDIX 4

EU LI3 – OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY) /AS OF 31.12.2020/

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Proportional consolidation	Neither consolidated nor deducted	Deducted	
UniCredit Factoring EAD	Full consolidation	X				Factoring activities
UniCredit Consumer Financing EAD	Full consolidation	X				Consumer lending and other similar activities in line with the applicable law and regulations
UniCredit Leasing EAD	Full consolidation	X				Leasing activities
UniCredit Fleet Management EOOD	Full consolidation	X				Transport services
Cash Service Company AD	Proportional consolidation		X			Accepting, processing, safekeeping and delivering of valuable consignments with banknotes and coins to the banks

UniCredit Bulbank

APPENDIX 5A

REGULATORY SCOPE BALANCE SHEET
/AS OF 31.12.2020/

In thousands of BGN

ASSETS	
Cash and balances with Central Bank	6 595 654
Non-derivative financial assets held for trading	17 007
Derivatives held for trading	78 880
Derivatives hedging	16
Loans and advances to banks	1 330 475
Loans and advances to customers	12 425 367
Financial assets at fair value through other comprehensive income	3 676 620
Investments in subsidiaries and associates	3 487
Property, plant, equipment and investment properties	297 547
Intangible assets	79 989
Current tax assets	1 496
Deferred tax assets	4 534
Other assets	107 037
TOTAL ASSETS	**24 618 109**
LIABILITIES	
Financial liabilities held for trading	101 394
Derivatives used for hedging	105 683
Deposits from banks	2 048 064
Deposits from customers	18 734 681
Provisions	117 766
Current tax liabilities	1 273
Deferred tax liabilities	5 788
Other liabilities	135 986
TOTAL LIABILITIES	**21 250 635**
EQUITY	
Share capital	285 777
Revaluation and other reserves	175 260
Retained earnings	2 711 305
Profit for the year	195 132
TOTAL EQUITY	**3 367 474**
TOTAL LIABILITIES AND EQUITY	**24 618 109**

UniCredit Bulbank

APPENDIX 5B

BALANCE SHEET RECONCILIATION METHODOLOGY /AS OF 31.12.2020/

In thousands of BGN

Positions and regulatory corrections	Balance sheet positions included in the calculation of CET 1							Other corrections	Total
	Share capital	Revaluation reserves	Other reserves	Retained earnings	Profit for the year	Adjustments to CET1 due to prudential filters	Intangible assets		
Balances as at 31 December 2020 of the positions included in the calculation of CET 1	**285 777**	**173 358**	**1 902**	**2 711 305**	**195 132**	**0**	**-37 225**	**0**	**3 330 249**
Regulatory corrections of CET 1									
Correction of Cash flow hedges reserves		34 600							34 600
Current year profit, not yet eligible for own funds inclusion					-195 132				-195 132
Deferred tax liabilities associated to intangible assets							2 902		2 902
Shortfall related to performing exposures treated under A-IRB								-152	-152
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities						-5 316			-5 316
Other deductions						-23 246			-23 246
Total regulatory corrections of CET 1 (fully loaded)		**34 600**			**-195 132**	**-28 562**	**2 902**	**-152**	**-186 344**
Core Equity Tier 1 (CET 1) (fully loaded)	**285 777**	**207 958**	**1 902**	**2 711 305**		**-28 562**	**-34 323**	**-152**	**3 143 905**
Core Equity Tier 1 (CET 1) (transitional provisions)	**285 777**	**207 958**	**1 902**	**2 711 305**		**-28 562**	**-34 323**	**-152**	**3 143 905**
Balances as at 31 December 2020 of the positions included in the calculation of Tier 2									
Regulatory corrections of Tier 2									
Excess of loan loss provisions over expected loss on defaulted exposures treated under A-IRB (capped to 0.6% from A-IRB RWA)								46 533	46 533
Total regulatory corrections of Tier 2 (fully loaded)								**46 533**	**46 533**
Tier 2 capital (fully loaded)								**46 533**	**46 533**
Tier 2 capital (transitional provisions)								**46 533**	**46 533**
Total own funds (fully loaded)	**285 777**	**207 958**	**1 902**	**2 711 305**		**-28 562**	**-34 323**	**46 381**	**3 190 438**
Total own funds (transitional provisions)	**285 777**	**207 958**	**1 902**	**2 711 305**		**-28 562**	**-34 323**	**46 381**	**3 190 438**

APPENDIX 5C

CAPITAL INSTRUMENTS' MAIN FEATURES TEMPLATE
/AS OF 31.12.2020/

In thousands of BGN

Capital instruments' main features template [1]		
1	Issuer	UniCredit Bulbank AD
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement	ISIN BG1100001061
3	Governing law(s) of the instrument	Bulgarian
	Regulatory treatment	Common Equity Tier 1
4	Transitional CRR rules	Tier 1Capital
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	ordinarydematerialized registered voting shares, with face value of one BGN each
8	Amount recognised in regulatory capital (in TBGN as of December 31, 2017)	285 777
9	Nominal amount of instrument (in TBGN)	285 777
9a	Issue price	100 per cent
9b	Redemption price	100 per cent
10	Accounting classification	Share capital
11	Original date of issuance	30.05.2007
12	Perpeptual or dated	Perpeptual
13	Original maturity date	N/A
14	Issuer call subjet to prior supervisory approval	Yes
15	Optional call date, contingent call dates, and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing	N/A
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specifiy instrument type convertible into	N/A
29	If convertible, specifiy issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger (s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierachy in liquidation (specify instrument type immediately senior to instrument)	Upon dissolution of the Bank it shall be declared in liquidation and the surplus assets of the Bank after discharge of its liabilities to the creditors shall be distributed between the shareholders pro ratio to the shares held by them.The consequences of the declaration of the Bank in bankruptcy shall be regulated by the applicable law
36	Non-compliant transitioned features	No
37	If yes, specifiy non-compliant features	N/A

[1] 'N/A' inserted if the question is not applicable

APPENDIX 5D

TRANSITIONAL OWN FUNDS DISCLOSURE TEMPLATE
/AS OF 31.12.2020/

In thousands of BGN

		(A)	(B)	(C)
	Common Equity Tier 1 capital: instruments and reserves [1]	**Amount at Disclosure**	**Regulation (EU) No 575/2013 article reference**	**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	2 713 207	26 (1) (c)	N/A
3	Accumulated other comprehensive income (and any other reserves)	173 358	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**	**3 172 342**		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)	-34 323	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	34 600	33 (a)	N/A
12	Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-5 316	33 (c)	
13	Negative amounts resulting from the calculation of expected loss amounts	-152	36 (1) (d), 40, 159, 472 (6)	N/A
14	Any increase in equity that results from securitised assets (negative amount)	-	32 (1)	N/A
15	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	33 (1) (b) (c)	N/A
16	Defined-benefit pension fund assets (negative amount)	-	36 (1) (e), 41, 472 (7)	N/A
17	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	36 (1) (f), 42, 472 (8)	N/A
18	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 (negatvie amount)	-	36 (1) (g), 44, 472 (9)	N/A
19	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
20	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
21	Empty set in the EU	-		N/A
21a	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
21b	of which: qualifying holdings outside the financial sector (negative amount)	-	36 (1) (k) (i), 89 to 91	N/A
21c	of which: securitisation positions (negative amount)	-	36 (1) (k) (ii) ; 243 (1) (b); 244 (1) (b); 258	N/A
21d	of which: free deliveries (negative amount)	-	36 (1) (k) (iii), 379 (3)	N/A
22	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
23	Amount exceeding the 15% threshold (negative amount)	-	48 (1)	N/A
24	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
25	Empty set in the EU	-		N/A
26	of which: deferred tax assets arising from temporary difference	-	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
26a	Losses for the current financial year (negative amount)	-	36 (1) (a), 472 (3)	N/A
26b	Foreseeable tax charges relating to CET1 items (negative amount)	-	36 (1) (l)	N/A
27	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-		N/A
27a	Regulatory adjustments relating to unrealised gains pursuant to Articles 467 and 468	-23 246		N/A
27b	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

	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
28	Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)	-	36 (1) (j)	N/A
29	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-28 437		N/A
30	**Common Equity Tier 1 (CET1) capital**	**3 143 905**		N/A
Additional Tier 1 (AT1) capital: instruments				
31	Capital instruments and the related share premium accounts	-	51, 52	N/A
32	of which: classified as equity under applicable accounting standards	-		N/A
33	of which: classified as liabilities under applicable accounting standards	-		N/A
34	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
35	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
36	of which: instruments issued by subsidiaries subject to phase-out	-	486 (3)	N/A
37	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-		N/A
Additional Tier 1 (AT1) capital: regulatory adjustments				
38	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	52 (1) (b), 56 (a), 57, 475 (2)	N/A
39	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
40	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	56 (c), 59, 60, 79, 475 (4)	N/A
41	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
42	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
42a	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	-	472, 473(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
	thereof: Intangible assets	-	472 (4)	
	thereof: IRB shortfall of provisions to expected losses		472 (6)	
42b	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
42c	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
43	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	56 (e)	N/A
44	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-		N/A
45	Additional Tier 1 (AT1) capital			N/A
46	**Tier 1 capital (T1 = CET1 + AT1)**	**3 143 905**		N/A
Tier 2 (T2) capital: instruments and provisions				
47	Capital instruments and the related share premium accounts	-	62, 63	N/A
48	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
49	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
50	of which: instruments issued by subsidiaries subject to phase-out	-	486 (4)	N/A
51	Credit risk adjustments	46 533	62 (c) & (d)	N/A
52	**Tier 2 (T2) capital before regulatory adjustment**	**46 533**		N/A
Tier 2 (T2) capital: regulatory adjustments				
53	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
54	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
55	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
55a	Of which new holdings not subject to transitional arrangements	-		N/A
55b	Of which holdings existing befor 1 January 2013 and subject to transitional arrangements	-		N/A
56	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

	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
57	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
57a	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	-	472, 472(3)(a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
57b	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
57c	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
58	Total regulatory adjustments to Tier 2 (T2) capital			N/A
59	**Tier 2 (T2) capital**	**46 533**		N/A
60	**Total capital (TC = T1 + T2)**	**3 190 438**		N/A
60a	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) ©, 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
61	**Total risk-weighted assets**	**11 274 406**		N/A
Capital ratios and buffers				
62	Common Equity Tier 1 (as a percentage of total risk exposure amount)	27.89%	92 (2) (a), 465	N/A
63	Tier 1 (as a percentage of total risk exposure amount	27.89%	92 (2) (b), 465	N/A
64	Total capital (as a percentage of total risk exposure amount	28.30%	92 (2) (c)	N/A
65	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)	6.75%	CRD 128, 129, 140	N/A
66	of which: capital conservation buffer requirement	2.50%		N/A
67	of which: countercyclical buffer requirement	0.497%		N/A
68	of which: systemic risk buffer requirement	3.00%		N/A
68a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.75%	CRD 131	N/A
69	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)				
73	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)	14 731	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	N/A
74	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)	11 459	36 (1) (i), 45, 48, 470, 472 (11)	N/A
75	Empty set in the EU	N/A		N/A
76	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				
77	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
78	Cap on inclusion of credit risk adjustments in T2 under standardised approach	N/A	62	N/A
79	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	46 533	62	N/A
80	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	46 533	62	N/A
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)				
81	- Current cap on CET1 instruments subject to phase-out arrangements	-	484 (3), 486 (2) & (5)	N/A
82	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	484 (3), 486 (2) & (5)	N/A
83	- Current cap on AT1 instruments subject to phase-out arrangements	-	484 (4), 486 (3) & (5)	N/A
84	- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	484 (4), 486 (3) & (5)	N/A
85	- Current cap on T2 instruments subject to phase-out arrangements	-	484 (5), 486 (4) & (5)	N/A
86	- 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

APPENDIX 6

EU OV1 - OVERVIEW OF RWAs /AS OF 31.12.2020/

In thousands of BGN

			RWAs		Minimum capital requirements
			31.12.2020	21.12.2019	31.12.2020
	1	**Credit risk (excluding CCR)**	**9 997 574**	**11 562 081**	**799 806**
Article 438(c)(d)	2	Of which the standardised approach	2 338 341	3 109 440	187 067
Article 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	1 940 599	2 270 325	155 248
Article 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	5 682 099	6 147 430	454 568
Article 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the IMA	36 535	34 886	2 923
Article 107, Article 438(c)(d)	**6**	**CCR**	**105 924**	**130 392**	**8 474**
Article 438(c)(d)	7	Of which mark to market	88 783	90 233	7 103
Article 438(c)(d)	8	Of which original exposure			
	9	Of which the standardised approach			
	10	Of which internal model method (IMM)	10 753	30 134	860
Article 438(c)(d)	11	Of which risk exposure amount for contributions to the default fund of a CCP			
Article 438(c)(d)	12	Of which CVA	6 388	10 025	511
Article 438(e)	13	Settlement risk			
Article 449(o)(i)	**14**	**Securitisation exposures in the banking book (after the cap)**			
	15	Of which IRB approach			
	16	Of which IRB supervisory formula approach (SFA)			
	17	Of which internal assessment approach (IAA)			
	18	Of which standardised approach			
Article 438 (e)	**19**	**Market risk**	**85 813**	**100 225**	**6 865**
	20	Of which the standardised approach	85 813	100 225	6 865
	21	Of which IMA			
Article 438(e)	22	Large exposures			
Article 438(f)	**23**	**Operational risk**	**1 073 550**	**1 068 388**	**85 884**
	24	Of which basic indicator approach			
	25	Of which standardised approach			
	26	Of which advanced measurement approach	1 073 550	1 068 388	85 884
Article 437(2), Article 48 and Article 60	27	Amounts below the thresholds for deduction (subject to 250% risk weight)	11 545	10 678	924
Article 500	28	Floor adjustment			
	29	**Total**	**11 274 406**	**12 871 764**	**901 953**

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APPENDIX 7

EU CR10 - IRB SPECIALIZED LENDING AND EQUITIES /AS OF 31.12.2020/

In thousands of BGN

Specialised lending							
Regulatory categories	**Remaining maturity**	**On-balance sheet amount**	**Off-balance sheet amount**	**Risk weight**	**Exposure amount**	**RWAs**	**Expected losses**
Category 1	Less than 2.5 years	27 080	1 479	50%	30 611	15 246	
	Equal to or more than 2.5 years	434 378	23 599	70%	455 591	318 913	1 822
Category 2	Less than 2.5 years	165 664	44 856	70%	199 550	139 540	797
	Equal to or more than 2.5 years	650 066	87 886	90%	714 745	641 395	5 684
Category 3	Less than 2.5 years	1 184	4 056	115%	5 433	6 244	152
	Equal to or more than 2.5 years	83 031	2 033	115%	89 858	103 337	2 516
Category 4	Less than 2.5 years			250%			
	Equal to or more than 2.5 years	10 308		250%	10 307	25 769	825
Category 5	Less than 2.5 years	12 509	2		41 637		20 818
	Equal to or more than 2.5 years	51 033	3 875		102 089		51 045
Total	**Less than 2.5 years**	**206 437**	**50 393**		**277 231**	**161 030**	**21 767**
	Equal to or more than 2.5 years	**1 228 816**	**117 393**		**1 372 590**	**1 089 414**	**61 892**

Equities under the simple risk-weighted approach						
Categories	**On-balance sheet amount**	**Off-balance sheet amount**	**Risk weight**	**Exposure amount**	**RWAs**	**Expected losses**
Private equity exposures	18 333		190%	18 333	34 833	147
Exchange-traded equity exposures	587		290%	587	1 702	5
Other equity exposures			370%			
Total	**18 920**			**18 920**	**36 535**	**152**

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APPENDIX 8

EU CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g
		Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
1	Mark to market		78 895	91 912			170 807	85 478
2	Original exposure							
3	Standardised approach					1.4		
4	IMM (for derivatives and SFTs)					1.4		
5	*Of which securities financing transactions*					1.4		
6	*Of which derivatives and long settlement transactions*					1.4		
7	*Of which from contractual cross-product netting*					1.4		
8	Financial collateral simple method (for SFTs)							
9	Financial collateral comprehensive method (for SFTs)							
10	VaR for SFTs							
11	**Total**							**85 478**

APPENDIX 9

EU CCR2 – CVA CAPITAL CHARGE
/AS OF 31.12.2020/

In thousands of BGN

		a	b
		Exposure value	RWAs
1	Total portfolios subject to the advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) SVaR component (including the 3× multiplier)		
4	All portfolios subject to the standardised method	36 655	6 388
EU4	Based on the original exposure method		
5	Total subject to the CVA capital charge	36 655	6 388

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APPENDIX 10

DISCLOSURE OF THE AMOUNT OF INSTITUTION SPECIFIC COUNTERCYCLICAL BUFFER /AS OF 31.12.2020/

In thousands of BGN

Row		Column
		010
010	Total risk exposure amount	16 005 290
020	Institution specific countercyclical buffer rate	0.49%
030	Institution specific countercyclical buffer requirement	54 906

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APPENDIX 11

DISCLOSURE OF THE GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES /AS OF 31.12.2020/

In thousands of BGN

Row		General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements				Own funds requirement weights	Countercyclical capital buffer rate
		Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	of which: General credit exposures	of which: Trading book exposures	of which: Securitisation exposures	Total		
		010	020	030	040	050	060	070	080	090	100	110	120
010	Breakdown by country	2 723 454	12 752 313	529 523	0	0	0	711 415	6 860		718 275	100.0%	0.49%
	Country: Albania	0	1	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Algeria	0	2 109	0	0	0	0	283	0		283	0.0%	0.00%
	Country: Argentina	0	2	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Armenia	0	5 691	0	0	0	0	707	0		707	0.1%	0.00%
	Country: Australia	0	101	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Austria	891	27	0	0	0	0	71	0		71	0.0%	0.00%
	Country: Belarus	0	20	0	0	0	0	1	0		1	0.0%	0.00%
	Country: Belgium	0	338	0	0	0	0	18	0		18	0.0%	0.00%
	Country: Bosnia and Herzegovina	0	1	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Brazil	0	25	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Bulgaria	2 688 302	12 411 608	529 523	0	0	0	690 218	6 860		697 078	97.0%	0.50%
	Country: Canada	0	68 223	0	0	0	0	1 552	0		1 552	0.2%	0.00%
	Country: Croatia	20	0	0	0	0	0	2	0		2	0.0%	0.00%
	Country: Cyprus	0	16 769	0	0	0	0	1 668	0		1 668	0.2%	0.00%
	Country: Czech Republic	9	1	0	0	0	0	1	0		1	0.0%	0.50%
	Country: Denmark	0	6	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Ecuador	270	0	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Estonia	0	77	0	0	0	0	17	0		17	0.0%	0.00%
	Country: Finland	23	0	0	0	0	0	2	0		2	0.0%	0.00%
	Country: France	15 191	1 769	0	0	0	0	576	0		576	0.1%	0.00%
	Country: Georgia	0	21	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Germany	5 159	22 765	0	0	0	0	1 529	0		1 529	0.2%	0.00%
	Country: Greece	4 813	148	0	0	0	0	387	0		387	0.1%	0.00%
	Country: Hungary	5	0	0	0	0	0	0	0		0	0.0%	0.00%
	Country: India	0	5	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Iran, Islamic Republic of	0	6	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Ireland	0	70	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Israel	15	31 913	0	0	0	0	889	0		889	0.1%	0.00%
	Country: Italy	915	4 087	0	0	0	0	119	0		119	0.0%	0.00%

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Row		General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements				Own funds requirement weights	Countercyclical capital buffer rate
		Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	of which: General credit exposures	of which: Trading book exposures	of which: Securitisation exposures	Total		
	Country: Japan	0	1	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Kazakhstan	0	48	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Korea, Republic of	0	2	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Kuwait	0	85	0	0	0	0	7	0		7	0.0%	0.00%
	Country: Kyrgyzstan	0	133	0	0	0	0	1	0		1	0.0%	0.00%
	Country: Latvia	0	45	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Lebanon	0	1	0	0	0	0	0	0		0	0.0%	0.00%
	Country: North Macedonia, Republic of	89	15	0	0	0	0	7	0		7	0.0%	0.00%
	Country: Malta	0	8	0	0	0	0	1	0		1	0.0%	0.00%
	Country: Moldova, Republic of	0	3	0	0	0	0	0	0		0	0.0%	0.00%
	Country: MONTENEGRO	0	11	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Morocco	174	2 630	0	0	0	0	168	0		168	0.0%	0.00%
	Country: Netherlands	3 316	65 915	0	0	0	0	3 109	0		3 109	0.4%	0.00%
	Country: Norway	68	44	0	0	0	0	6	0		6	0.0%	1.00%
	Country: Oman	0	11	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Pakistan	15	22	0	0	0	0	1	0		1	0.0%	0.00%
	Country: Palestina	0	6	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Peru	257	0	0	0	0	0	16	0		16	0.0%	0.00%
	Country: Poland	120	6	0	0	0	0	10	0		10	0.0%	0.00%
	Country: Portugal	0	3	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Romania	487	32	0	0	0	0	69	0		69	0.0%	0.00%
	Country: Russian Federation	0	48 549	0	0	0	0	2 557	0		2 557	0.4%	0.00%
	Country: Saudi Arabia	0	20	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Serbia	11	3	0	0	0	0	1	0		1	0.0%	0.00%
	Country: Slovenia	1	1	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Spain	48	109	0	0	0	0	5	0		5	0.0%	0.00%
	Country: Sri Lanka	0	122	0	0	0	0	21	0		21	0.0%	0.00%
	Country: Sudan	0	19	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Sweden	0	92	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Switzerland	0	3 700	0	0	0	0	39	0		39	0.0%	0.00%
	Country: Syrian Arab Republic	0	97	0	0	0	0	1	0		1	0.0%	0.00%
	Country: Taiwan, Republic of China	2	0	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Thailand	0	141	0	0	0	0	6	0		6	0.0%	0.00%
	Country: Tunisia	0	160	0	0	0	0	21	0		21	0.0%	0.00%
	Country: Turkey	3 252	561	0	0	0	0	260	0		260	0.0%	0.00%
	Country: Ukraine	1	400	0	0	0	0	5	0		5	0.0%	0.00%
	Country: United Arab Emirates	0	128	0	0	0	0	3	0		3	0.0%	0.00%
	Country: United Kingdom	0	28 586	0	0	0	0	3 773	0		3 773	0.5%	0.00%
	Country: United States	0	34 111	0	0	0	0	3 230	0		3 230	0.4%	0.00%
	Country: Venezuela	0	11	0	0	0	0	0	0		0	0.0%	0.00%
	Country: Vietnam	0	699	0	0	0	0	58	0		58	0.0%	0.00%
020													

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APPENDIX 12

EU CRB-B – TOTAL AND AVERAGE NET AMOUNT OF EXPOSURES /AS OF 31.12.2020/

In thousands of BGN

		a	b
		Net value of exposures at the end of the period	Average net exposures over the period
1	Central governments or central banks	0	0
2	Institutions	1 446 063	1 524 188
3	Corporates	10 557 581	10 296 214
4	*Of which: Specialised lending*	1 603 039	1 621 223
5	*Of which: SMEs*	4 327 520	4 319 484
6	Retail	3 709 173	3 697 019
7	*Secured by real estate property*	2 616 146	2 582 180
8	*SMEs*	319 461	330 179
9	*Non-SMEs*	2 296 685	2 252 001
10	*Qualifying revolving*	324 970	327 768
11	*Other retail*	768 057	787 071
12	*SMEs*	694 698	710 522
13	*Non-SMEs*	73 359	76 549
14	Equity	18 920	17 962
15	***Total IRB approach***	**15 731 737**	**15 535 383**
16	Central governments or central banks	10 131 329	8 599 027
17	Regional governments or local authorities	78 567	78 659
18	Public sector entities	2 893	3 295
19	Multilateral development banks	587	293
20	International organisations	0	0
21	Institutions	16 421	26 637
22	Corporates	1 237 297	1 429 587
23	*Of which: SMEs*	286 807	202 788
24	Retail	1 704 558	1 896 522
25	*Of which: SMEs*	82 328	321 306
26	Secured by mortgages on immovable property	13 932	17 811
27	*Of which: SMEs*	2 575	3 281
28	Exposures in default	71 969	22 514
29	Items associated with particularly high risk	11 243	9 648
30	Covered bonds	0	0
31	Claims on institutions and corporates with a short-term credit assessment	4	1
32	Collective investments undertakings	0	0
33	Equity exposures	0	0
34	Other exposures	0	0
35	***Total standardised approach***	**13 268 800**	**12 083 994**
36	***Total***	**29 000 537**	**27 619 377**

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APPENDIX 13

EU CRB-C – GEOGRAPHICAL BREAKDOWN OF EXPOSURES /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	o	p	q	q	r	q	s	u
													Net value											
		Europe	Country AUSTRIA	Country BULGARIA	Country GERMANY	Country SPAIN	Country FRANCE	Country ITALY	Country Luxembourg	Country NETHERLANDS	Country POLAND	Country ROMANIA	Country SWEDEN	Other European countries	America	Country CANADA	Country USA	Asia	Country TURKEY	Country CHINA	REST OF THE WORLD	Country UNITED KINGDOM	Country RUSSIA	Total
1	Central governments or central banks																							
2	Institutions	1 382 632	116 080	105 789	399 377		27 744	602 014	10 721	48 744	20 000	3 831	24 235	24 097	65 153	2 194	62 959	45 891	34 508	1 268	52 829	46 384		**1 546 505**
3	Corporates	10 376 764		10 272 945	41 069					62 513				237	135 098	117 284	17 814	58 714	2 303		79 432	22 648	45 860	**10 650 008**
4	Retail	3 706 184	40	3 702 953	141	48	1 742	129		137	6	45	91	852	303	66	237	540	51		2 146	350	1 384	**3 709 173**
5	Equity	4 295		4 188										107	14 625		14 625							**18 920**
6	***Total IRB approach***	**15 469 875**	**116 120**	**14 085 875**	**440 587**	**48**	**29 486**	**602 143**	**10 721**	**111 394**	**20 006**	**3 876**	**24 326**	**25 293**	**215 179**	**119 544**	**95 635**	**105 145**	**36 862**	**1 268**	**134 407**	**69 382**	**47 244**	**15 924 606**
10	Central governments or central banks	10 131 329		9 995 198		19 661		8			57 487	58 967		8										**10 131 329**
20	Regional governments or local authorities	78 567		78 567																				**78 567**
30	Public sector entities	2 893		2 893																				**2 893**
40	Multilateral development banks	587												587										**587**
50	International organisations																							
60	Institutions	2 563		573	1 638			200				152									15 843	15 843		**18 406**
70	Corporates	1 205 708	941	1 186 116	5 890	48	510	1 161		3 316	120	364		7 242				33 268	33 110		701			**1 239 677**
80	Retail	1 704 535		1 704 466				9						60				30						**1 704 565**
90	Secured by mortgages on immovable property	13 932		13 932																				**13 932**
100	Exposures in default	71 952		71 173			31					704		44				17	17					**71 969**
110	Items associated with particularly high risk	11 243		11 243																				**11 243**
120	Covered bonds																							
130	Claims on institutions and corporates with a short-term credit assessment	4										4												**4**
140	Collective investments undertakings																							
150	Equity exposures																							
160	Other exposures																							
23	***Total standardised approach***	**13 223 313**	**941**	**13 064 161**	**7 528**	**19 709**	**541**	**1 378**		**3 316**	**57 607**	**60 191**		**7 941**				**33 315**	**33 127**		**16 544**	**15 843**		**13 273 172**
24	***Total***	**28 693 188**	**117 061**	**27 150 036**	**448 115**	**19 757**	**30 027**	**603 521**	**10 721**	**114 710**	**77 613**	**64 067**	**24 326**	**33 234**	**215 179**	**119 544**	**95 635**	**138 460**	**69 989**	**1 268**	**150 951**	**85 225**	**47 244**	**29 197 778**

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APPENDIX 14

EU CRB-D – CONCENTRATION OF EXPOSURES BY INDUSTRY OR COUNTERPARTY TYPES /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	l	m	n	o	p	q	r	s	u
		Agriculture, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas, steam and air conditioning supply	Water supply	Construction	Wholesale and retail trade	Transport and storage	Accommodation and food service activities	Information and communication	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration and defence, compulsory social security	Education	Human health services and social work activities	Arts, entertainment and recreation	Other services	Total
1	Central governments or central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
2	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
3	Corporates	415 796	140 178	2 975 703	518 343	10 398	832 523	2 763 761	534 713	169 719	260 351	1 130 972	441 758	50 164	0	152	7 969	2 902	3 616	**10 259 018**
4	Retail	118 908	1 114	156 743	3 497	4 423	92 699	343 049	108 368	40 036	24 915	18 787	54 394	18 940	0	2 611	9 168	5 890	2 703 678	**3 707 220**
5	Equity	0	0	0	0	0	0	0	0	0	107	67	0	0	0	0	0	0	0	**174**
6	***Total IRB approach***	**534 704**	**141 292**	**3 132 446**	**521 840**	**14 821**	**925 222**	**3 106 810**	**643 081**	**209 755**	**285 373**	**1 149 826**	**496 152**	**69 104**	**0**	**2 763**	**17 137**	**8 792**	**2 707 294**	**13 966 412**
7	Central governments or central banks	0	0	0	0	0	0	0	0	0	10	0	0	0	3 863 979	759	0	530	20 534	**3 885 812**
8	Regional governments or local authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	78 567	0	0	0	0	**78 567**
9	Public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52	2 841	**2 893**
10	Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
11	International organisations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
12	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	574	**574**
13	Corporates	120 152	4 484	304 254	59 799	3 814	117 737	355 824	121 012	3 571	17 639	21 304	13 064	19 113	0	14	5 840	252	1 845	**1 169 718**
14	Retail	36 597	190	11 206	679	483	13 590	36 976	18 384	2 766	1 806	1 173	9 000	6 019	88	204	2 515	497	1 562 315	**1 704 488**
15	Secured by mortgages on immovable property	37	0	535	0	0	2 865	722	0	799	373	324	0	85	0	0	0	69	7 745	**13 554**
16	Exposures in default	1 771	0	6 297	12	3 051	4 484	12 679	4 424	93	2	37	166	350	0	0	8	0	38 595	**71 969**
17	Items associated with particularly high risk	0	0	0	0	0	6 966	0	0	0	0	4 277	0	0	0	0	0	0	0	**11 243**
18	Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
19	Claims on institutions and corporates with a shortterm credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
20	Collective investments undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
21	Equity exposures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
22	Other exposures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
23	***Total standardised approach***	**158 557**	**4 674**	**322 292**	**60 490**	**7 348**	**145 642**	**406 201**	**143 820**	**7 229**	**19 830**	**27 115**	**22 230**	**25 567**	**3 942 634**	**977**	**8 363**	**1 400**	**1 634 449**	**6 938 818**
24	***Total***	**693 261**	**145 966**	**3 454 738**	**582 330**	**22 169**	**1 070 864**	**3 513 011**	**786 901**	**216 984**	**305 203**	**1 176 941**	**518 382**	**94 671**	**3 942 634**	**3 740**	**25 500**	**10 192**	**4 341 743**	**20 905 230**

APPENDIX 15

EU CRB-E – MATURITY OF EXPOSURES
/AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Central governments or central banks	0	0	0	0	0	0
2	Institutions	122 214	498 907	277 823	0	0	898 944
3	Corporates	732 362	1 453 162	2 276 877	1 597 732	0	6 060 133
4	Retail	167 846	344 880	316 309	2 371 130	0	3 200 165
5	Equity	0	0	0	0	18 920	18 920
6	**Total IRB approach**	**1 022 422**	**2 296 949**	**2 871 009**	**3 968 862**	**18 920**	**10 178 162**
7	Central governments or central banks	6 191 985	172 433	1 957 253	1 787 263	738	10 109 672
8	Regional governments or local authorities	1 700	631	8 822	61 764	0	72 917
9	Public sector entities	134	140	84	0	0	358
10	Multilateral development banks	0	0	0	0	0	0
11	International organisations	0	0	0	0	0	0
12	Institutions	152	14 704	0	0	0	14 856
13	Corporates	16 974	123 282	531 652	238 939	0	910 847
14	Retail	2 991	100 357	668 519	914 023	0	1 685 890
15	Secured by mortgages on immovable property	59	523	962	6 564	0	8 108
16	Exposures in default	2 164	6 388	23 459	32 658	0	64 669
17	Items associated with particularly high risk	0	7 728	3 515	0	0	11 243
18	Covered bonds	0	0	0	0	0	0
19	Claims on institutions and corporates with a shortterm credit assessment	0	4	0	0	0	4
20	Collective investments undertakings	0	0	0	0	0	0
21	Equity exposures	0	0	0	0	0	0
22	Other exposures	0	0	0	0	0	0
23	**Total standardised approach**	**6 216 159**	**426 190**	**3 194 266**	**3 041 211**	**738**	**12 878 564**
24	**Total**	**7 238 581**	**2 723 139**	**6 065 275**	**7 010 073**	**19 658**	**23 056 726**

APPENDIX 16

EU CR1-A – CREDIT QUALITY OF EXPOSURES BY EXPOSURE CLASS AND INSTRUMENT /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	G
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the	Net values
		Defaulted exposures	Non-defaulted exposures					(a+b-c-d)
1	Central governments or central banks							
2	Institutions		1 446 414	351			87	1 446 063
3	Corporates	638 475	10 483 493	564 387		3 085	206 207	10 557 581
4	*Of which: Specialised lending*	145 436	1 556 010	98 407		34	25 895	1 603 039
5	*Of which: SMEs*	427 601	4 281 502	381 583		2 190	159 313	4 327 520
6	Retail	172 615	3 701 514	164 956		2 603	39 057	3 709 173
7	*Secured by real estate property*	97 539	2 594 238	75 631		1 115	17 812	2 616 146
8	*SMEs*	26 499	312 026	19 064		310	4 229	319 461
9	*Non-SMEs*	71 040	2 282 212	56 567		805	13 583	2 296 685
10	*Qualifying revolving*	10 159	328 217	13 406		292	3 621	324 970
11	*Other retail*	64 917	779 059	75 919		1 196	17 624	768 057
12	*SMEs*	50 777	705 540	61 619		910	13 477	694 698
13	*Non-SMEs*	14 140	73 519	14 300		286	4 147	73 359
14	*Equity*		18 920					18 920
15	***Total IRB approach***	**811 090**	**15 650 341**	**729 694**		**5 688**	**245 351**	**15 731 737**
16	Central governments or central banks		10 131 976	647			244	10 131 329
17	Regional governments or local authorities		78 609	42			9	78 567
18	Public sector entities	5	2 938	50			19	2 893
19	Multilateral development banks		587					587
20	International organisations							
21	Institutions		16 445	24			2	16 421
22	Corporates	64 317	1 204 455	31 475			12 414	1 237 297
23	*Of which: SMEs*	11 434	280 065	4 692			1 668	286 807
24	Retail	129 820	1 595 173	20 435			487	1 704 558
25	*Of which: SMEs*	9 228	73 776	676			332	82 328
26	Secured by mortgages on immovable property	412	13 729	209			116	13 932
27	*Of which: SMEs*	412	2 173	10			3	2 575
28	Exposures in default		194 554	122 585		26	21 119	71 969
29	Items associated with particularly high risk		11 455	212			126	11 243
30	Covered bonds							
31	Claims on institutions and corporates with a shortterm credit assessment		4					4
32	Collective investments undertakings							
33	Equity exposures							
34	Other exposures							
35	***Total standardised approach***	**194 554**	**13 249 925**	**175 679**		**26**	**34 536**	**13 268 800**
36	***Total***	**1 005 644**	**28 900 266**	**905 373**		**5 714**	**279 887**	**29 000 537**
37	Of which: Loans	924 397	19 143 624	840 356		5 714	253 267	19 227 665
38	Of which: Debt securities		3 839 805	7 561			17	3 832 244
39	Of which: Offbalance-sheet exposures	81 247	5 916 837	57 456			26 603	5 940 628

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APPENDIX 17A

EU CR1-B – CREDIT QUALITY OF EXPOSURES BY INDUSTRY OR COUNTERPARTY TYPES /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values
		Defaulted exposures	Non-defaulted exposures					(a+b-c-d)
1	Agriculture, forestry and fishing	14 636	698 987	20 362		132	7 048	693 261
2	Mining and quarrying	498	145 765	297			183	145 966
3	Manufacturing	144 348	3 466 778	156 388		1 074	55 347	3 454 738
4	Electricity, gas, steam and air conditioning supply	14 669	599 900	32 239		67	5 148	582 330
5	Water supply	8 812	19 106	5 749		26	5 029	22 169
6	Construction	138 078	1 026 117	93 331		246	34 764	1 070 864
7	Wholesale and retail trade	199 827	3 498 055	184 871		2 343	67 207	3 513 011
8	Transport and storage	26 204	787 182	26 485		254	7 706	786 901
9	Accommodation and food service activities	77 779	201 370	62 165		33	37 142	216 984
10	Information and communication	2 831	311 844	9 472		13	2 797	305 203
11	Real estate activities	146 374	1 130 474	99 907		35	19 155	1 176 941
12	Professional, scientific and technical activities	5 016	522 619	9 253		26	4 393	518 382
13	Administrative and support service activities	19 840	89 861	15 030		69	5 364	94 671
14	Public administration and defence, compulsory social		3 942 916	282			53	3 942 634
15	Education	7 371	3 782	7 413			9	3 740
16	Human health services and social work activities	1 742	24 812	1 054		4	705	25 500
17	Arts, entertainment and recreation	200	10 291	299		1	82	10 192
18	Other services	209 687	4 300 831	168 775		1 390	22 282	4 341 743
19	**Total**	**1 017 912**	**20 780 690**	**893 372**		**5 713**	**274 414**	**20 905 230**

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APPENDIX 17B

CREDIT QUALITY OF LOANS AND ADVANCES BY INDUSTRY /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
1	Agriculture, forestry and fishing	539 997	11 045	11 045	539 997	-16 352	
2	Mining and quarrying	7 066	497	497	7 066	-289	
3	Manufacturing	2 086 837	138 492	138 492	2 086 010	-147 958	-567
4	Electricity, gas, steam and air conditioning supply	482 927	11 781	11 781	482 927	-31 538	
5	Water supply	18 657	7 248	7 248	18 657	-5 032	
6	Construction	455 016	79 967	79 967	455 016	-61 330	
7	Wholesale and retail trade	2 093 692	177 063	177 063	2 093 692	-170 552	
8	Transport and storage	601 362	25 176	25 176	601 362	-25 119	
9	Accommodation and food service activities	221 649	75 689	75 689	221 649	-61 200	
10	Information and communication	148 635	4 590	4 590	144 935	-8 900	-1 587
11	Financial and insurance actvities	170 105			170 105	-11 381	
12	Real estate activities	1 159 263	145 380	145 380	1 159 263	-99 413	
13	Professional, scientific and technical activities	188 209	4 996	4 996	188 209	-7 803	
14	Administrative and support service activities	92 389	19 739	19 739	92 389	-15 025	
15	Public administration and defense, compulsory social security	89			89		
16	Education	2 396	92	92	2 396	-132	
17	Human health services and social work activities	21 278	1 737	1 737	21 278	-1 039	
18	Arts, entertainment and recreation	6 621	152	152	6 621	-287	
19	Other services	15 521	5 237	5 237	15 521	-5 279	
20	***Total***	***8 311 709***	***708 881***	***708 881***	***8 307 182***	***-668 629***	***-2 154***

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APPENDIX 18A

EU CR1-C – CREDIT QUALITY OF EXPOSURES BY GEOGRAPHY /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values
		Defaulted exposures	Non-defaulted exposures					(a+b-c-d)
1	**EUROPE**	**1 003 590**	**28 586 810**	**897 212**		**5 684**	**279 645**	**28 693 188**
2	OF WHICH: AUSTRIA		117 068	7				117 061
3	OF WHICH: BULGARIA	998 313	27 043 652	891 929		5 676	277 786	27 150 036
4	OF WHICH: GERMANY	85	448 360	330		3	162	448 115
5	OF WHICH: SPAIN	79	19 757	79		1		19 757
6	OF WHICH: FRANCE	35	30 002	10			1	30 027
7	OF WHICH: ITALY	4 000	603 842	4 321			1 288	603 521
8	OF WHICH: LUXEMBOURG		10 721				47	10 721
9	OF WHICH: NETHERLANDS	5	114 853	148				114 710
10	OF WHICH: POLAND	2	77 613	2		1		77 613
11	OF WHICH: ROMANIA	782	63 363	78				64 067
12	OF WHICH: SWEDEN		24 326					24 326
13	OF WHICH: OTHER EUROPEAN COUNTRIES	289	33 253	308		3	361	33 234
14	**AMERICA**	**484**	**215 239**	**544**			**20**	**215 179**
15	OF WHICH: CANADA	0	119 549	5				119 544
15	OF WHICH: USA	483	95 690	538			19	95 635
16	**ASIA**	**65**	**138 914**	**519**			**35**	**138 460**
17	OF WHICH: TURKEY	25	70 110	146			29	69 989
15	OF WHICH: CHINA		1 268					1 268
18	**REST OF THE WORLD**	**2 116**	**155 956**	**7 121**		**29**	**187**	**150 951**
19	OF WHICH: UNITED KINGDOM	420	90 488	5 683		6	177	85 225
20	OF WHICH: RUSSIA	1 571	46 973	1 300		21		47 244
21	**TOTAL**	**1 006 255**	**29 096 919**	**905 396**		**5 713**	**279 887**	**29 197 778**

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APPENDIX 18B

QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
0	***On-balance-sheet exposures***							
1	*Albania*	1	1	1	1	-1		0
2	*Armenia*	2 846	0	0	2 846	-5		0
3	*Argentina*	1	0	0	1	0		0
4	*Austria*	61 041	0	0	61 041	-6		0
5	*Australia*	234	101	101	234	-101		0
6	*Belgium*	4 131	5	5	3 434	-5		0
7	*Bulgaria*	22 843 718	922 957	922 957	22 746 377	-845 800		-2 154
8	*Brazil*	13	0	0	13	0		0
9	*Belarus*	20	0	0	20	0		0
10	*Canada*	6 922	0	0	2 250	0		0
11	*Switzerland*	1 834	0	0	1 834	0		0
12	*China*	396	0	0	396	0		0
13	*Cyprus*	16 018	0	0	16 018	-296		0
14	*Czech Republic*	3 875	0	0	3 875	-5		0
15	*Germany*	110 457	85	85	105 847	-323		0
16	*Denmark*	206	0	0	206	0		0
17	*Ecuador*	277	0	0	277	-7		0
18	*Estonia*	75	0	0	75	0		0
19	*Spain*	19 803	79	79	19 803	-88		0
20	*Finland*	230	0	0	230	0		0
21	*France*	19 506	34	34	18 296	-11		0
22	*United Kingdom*	64 487	421	421	61 878	-5 618		0
23	*Georgia*	16	9	9	16	-9		0
24	*Greece*	5 181	66	66	5 181	-131		0
25	*Hong Kong*	87	0	0	87	0		0
26	*Croatia*	222	0	0	222	0		0
27	*Hungary*	565	0	0	565	-2		0
28	*Ireland*	70	70	70	70	-55		0
29	*Israel*	157	0	0	157	0		0
30	*India*	2	0	0	2	0		0
31	*Italy*	808 700	6	6	807 162	-322		0
32	*Japan*	7 191	0	0	7 191	0		0
33	*Kyrgyzstan*	132	0	0	132	0		0
34	*Korea, Republic of*	1	0	0	1	0		0
35	*Kuwait*	70	0	0	70	-8		0
36	*Kazakhstan*	46	4	4	46	-4		0
37	*Lebanon*	1	0	0	1	0		0
38	*Luxembourg*	741	0	0	741	0		0
39	*Latvia*	45	45	45	45	-45		0
40	*Morocco*	306	0	0	306	-1		0
41	*Moldova, Republic of*	3	3	3	3	-1		0
42	*MONTENEGRO*	1	0	0	1	0		0
43	*North Macedonia, Republic of*	478	1	1	478	-6		0
44	*Netherlands*	376 330	5	5	376 330	-148		0
45	*Norway*	1 611	44	44	1 611	-45		0
46	*Peru*	260	0	0	260	-3		0
47	*Poland*	63 013	2	2	63 013	-15		0
48	*Palestina*	4	0	0	4	0		0
49	*Portugal*	2	2	2	2	-2		0
50	*Romania*	61 708	782	782	61 708	-161		0
51	*Serbia*	51	49	49	51	-5		0
52	*Russian Federation*	2 884	1 571	1 571	2 884	-1 299		0
53	*Saudi Arabia*	13	10	10	13	-10		0
54	*Sudan*	19	19	19	19	-19		0
55	*Sweden*	2 191	0	0	2 191	0		0
56	*Slovenia*	1	0	0	1	0		0
57	*Syrian Arab Republic*	85	0	0	85	0		0
58	*Turkey*	47 545	25	25	47 545	-124		0
59	*Taiwan, Republic of China*	2	0	0	2	0		0
60	*Ukraine*	390	0	0	390	-3		0
61	*United States*	40 154	483	483	25 529	-538		0
62	*Venezuela*	5	5	5	5	-5		0
63	*Virgin Islands (UK)*	1	1	1	1	-1		0

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		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
	Off-balance-sheet exposures							
64	*United Arab Emirates*	128	0	0			0	
65	*Armenia*	2 846	0	0			2	
66	*Argentina*	2	0	0			0	
67	*Austria*	56 027	0	0			0	
68	*Australia*	1 702	0	0			0	
69	*Bosnia and Herzegovina*	2	0	0			0	
70	*Belgium*	236	0	0			0	
71	*Bulgaria*	5 204 999	77 232	77 232			53 314	
72	*Brazil*	26	0	0			0	
73	*Canada*	111 135	0	0			5	
74	*Switzerland*	9 161	0	0			0	
75	*China*	871	0	0			0	
76	*Cyprus*	2 040	0	0			20	
77	*Czech Republic*	410	0	0			0	
78	*Germany*	302 314	0	0			7	
79	*Denmark*	598	0	0			0	
80	*Algeria*	2 109	0	0			2	
81	*Spain*	41	0	0			0	
82	*Finland*	3 979	0	0			0	
83	*France*	5 973	0	0			0	
84	*United Kingdom*	17 408	0	0			65	
85	*Georgia*	6	1	1			1	
86	*Greece*	652	3	3			2	
87	*Croatia*	537	0	0			0	
88	*Hungary*	1 150	0	0			0	
89	*Ireland*	200	0	0			0	
90	*Israel*	31 925	0	0			0	
91	*India*	6	0	0			0	
92	*Iran, Islamic Republic of*	10	0	0			0	
93	*Italy*	25 570	3 994	3 994			3 998	
94	*Japan*	1	0	0			0	
95	*Korea, Republic of*	1	0	0			0	
96	*Kuwait*	27	0	0			0	
97	*Kazakhstan*	2	0	0			0	
98	*Sri Lanka*	122	0	0			0	
99	*Luxembourg*	9 979	0	0			0	
100	*Morocco*	2 501	0	0			0	
101	*MONTENEGRO*	19	0	0			0	
102	*North Macedonia, Republic of*	5	0	0			0	
103	*Malta*	19	0	0			0	
104	*Netherlands*	30 990	0	0			0	
105	*Oman*	20	0	0			0	
106	*Pakistan*	66	17	17			17	
107	*Poland*	14 614	0	0			0	
108	*Palestina*	3	0	0			0	
109	*Portugal*	2	0	0			0	
110	*Romania*	2 156	0	0			0	
111	*Serbia*	61	0	0			0	
112	*Russian Federation*	45 660	0	0			0	
113	*Saudi Arabia*	2 852	0	0			2	
114	*Sweden*	22 115	0	0			0	
115	*Slovenia*	2 623	0	0			0	
116	*Slovakia*	1 956	0	0			0	
117	*Syrian Arab Republic*	11	0	0			0	
118	*Thailand*	141	0	0			0	
119	*Tunisia*	160	0	0			0	
120	*Turkey*	22 591	0	0			21	
121	*Ukraine*	10	0	0			0	
122	*United States*	56 018	0	0			0	
123	*Venezuela*	10	0	0			0	
124	*Vietnam*	699	0	0			0	
125	*Other countries*	587	0	0			0	

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APPENDIX 19A

CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
1	**Loans and advances**	**13 385 538**	**13 352 757**	**32 781**	**926 885**	**599 810**	**56 508**	**30 122**	**68 663**	**116 915**	**19 261**	**35 606**	**926 885**
2	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
3	*General governments*	380 441	380 441	0	0	0	0	0	0	0	0	0	0
4	*Credit institutions*	1 220 115	1 220 115	0	0	0	0	0	0	0	0	0	0
5	*Other financial corporations*	66 094	66 091	3	0	0	0	0	0	0	0	0	0
6	*Non-financial corporations*	7 602 828	7 592 678	10 150	708 881	456 026	33 674	19 122	56 567	103 033	14 848	25 611	708 881
7	*Of which SMEs*	5 084 746	5 074 487	8 981	626 305	440 518	33 671	18 295	50 018	48 061	14 847	20 895	626 305
8	*Households*	4 116 060	4 093 432	22 628	218 004	143 784	22 834	11 000	12 096	13 882	4 413	9 995	218 004
9	**Debt securities**	**3 839 805**	**3 839 805**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
10	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
11	*General governments*	3 608 920	3 608 920	0	0	0	0	0	0	0	0	0	0
12	*Credit institutions*	149 389	149 389	0	0	0	0	0	0	0	0	0	0
13	*Other financial corporations*	30 518	30 518	0	0	0	0	0	0	0	0	0	0
14	*Non-financial corporations*	50 978	50 978	0	0	0	0	0	0	0	0	0	0
15	**Off-balance-sheet exposures**	**5 916 837**			**81 247**								**81 247**
16	*Central banks*	0			0								0
17	*General governments*	27 306			0								0
18	*Credit institutions*	635 542			0								0
19	*Other financial corporations*	7 760			0								0
20	*Non-financial corporations*	4 984 769			80 640								80 640
21	*Households*	261 460			607								607
22	***Total***	**23 142 180**	**17 192 562**	**32 781**	**1 008 132**	**599 810**	**56 508**	**30 122**	**68 663**	**116 915**	**19 261**	**35 606**	**1 008 132**

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APPENDIX 19B

PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
1	**Loans and advances**	**13 385 538**	**11 626 660**	**1 758 878**	**926 885**	**0**	**926 885**	**-185 038**	**-69 225**	**-115 813**	**-664 615**	**0**	**-664 615**	**-5 739**	**8 797 713**	**196 402**
2	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	General governments	380 441	373 321	7 120	0	0	0	-450	-438	-12	0	0	0	0	125 277	0
4	Credit institutions	1 220 115	1 220 115	0	0	0	0	-216	-216	0	0	0	0	0	49 980	0
5	Other financial corporations	66 094	49 874	16 220	0	0	0	-1 119	-524	-595	0	0	0	0	52 336	0
6	Non-financial corporations	7 602 828	6 327 036	1 275 792	708 881	0	708 881	-145 392	-52 693	-92 699	-525 391	0	-525 391	-4 247	6 192 257	167 830
7	Of which SMEs	5 084 746	4 022 359	1 062 387	626 305	0	626 305	-100 488	-38 652	-61 836	-458 306	0	-458 306	-3 332	4 392 886	155 394
8	Households	4 116 060	3 656 314	459 746	218 004	0	218 004	-37 861	-15 354	-22 507	-139 224	0	-139 224	-1 492	2 377 863	28 572
9	**Debt securities**	**3 839 805**	**3 839 805**	**0**	**0**	**0**	**0**	**-7 561**	**-7 561**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
10	Central banks	0	0					0	0	0						
11	General governments	3 608 920	3 608 920					-2 980	-2 980	0						
12	Credit institutions	149 389	149 389					-194	-194	0						
13	Other financial corporations	30 518	30 518					-4 332	-4 332	0						
14	Non-financial corporations	50 978	50 978					-55	-55	0						
15	**Off-balance-sheet exposures**	**5 916 837**	**5 573 982**	**342 855**	**81 247**	**0**	**81 247**	**20 848**	**14 308**	**6 540**	**36 608**	**0**	**36 608**		**3 248 660**	**12 667**
16	Central banks	0	**0**	**0**	0	**0**	0	0	**0**	**0**	0		**0**		0	0
17	General governments	27 306	**27 306**	**0**	0	**0**	0	0	**0**	**0**	0		**0**		26 820	0
18	Credit institutions	635 542	**635 542**	**0**	0	**0**	0	33	**33**	**0**	0		**0**		2 229	0
19	Other financial corporations	7 760	**7 612**	**148**	0	**0**	0	62	**61**	**1**	0		**0**		7 410	0
20	Non-financial corporations	4 984 769	**4 664 176**	**320 593**	80 640	**0**	80 640	20 315	**14 000**	**6 315**	36 088		**36 088**		3 161 754	12 596
21	Households	261 460	**239 346**	**22 114**	607	**0**	607	438	**214**	**224**	520		**520**		50 447	71
22	**Total**	**23 142 180**	**21 040 447**	**2 101 733**	**1 008 132**	**0**	**1 008 132**	**-171 751**	**-62 478**	**-109 273**	**-628 007**	**0**	**-628 007**	**-5 739**	**12 046 373**	**209 069**

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APPENDIX 19C

COLLATERAL VALUATION – LOANS AND ADVANCES /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non-performing								
							Past due > 90 days						
				Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days		Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
1	Gross carrying amount	14 312 423	13 385 538	32 781	926 885	599 810	327 075	56 508	30 122	68 663	116 915	19 261	35 606
2	*Of which secured*	9 898 965	9 184 759	19 298	714 206	456 889	257 317	39 252	23 757	59 844	107 804	17 309	9 350
3	*Of which secured with immovable property*	7 498 879	6 903 689	15 251	595 190	422 424	172 766	31 342	17 565	38 606	59 643	16 763	8 847
4	*Of which instruments with LTV higher than 60% and lower or equal to 80%*	1 574 154	1 499 336		74 818	52 482	22 336						
5	*Of which instruments with LTV higher than 80% and lower or equal to 100%*	4 426 681	4 060 785		365 896	236 532	129 364						
6	*Of which instruments with LTV higher than 100%*	0	0		0	0	0						
7	Accumulated impairment for secured assets	-649 566	-130 982	-1 888	-518 584	-287 789	-230 795	-30 952	-19 813	-57 941	-95 437	-17 302	-9 350
8	Collateral												
9	*Of which value capped at the value of exposure*	*8 837 318*	8 643 133	17 228	194 185	168 614	25 572	8 158	3 610	1 509	12 293	2	0
10	*Of which immovable property*	*5 935 673*	5 752 610	14 168	183 063	166 025	17 039	7 512	3 600	1 509	4 416	2	0
11	*Of which value above the cap*	*27 531 452*	25 864 129	29 932	1 667 323	1 487 040	180 283	73 848	65 719	16 505	23 901	311	0
12	*Of which immovable property*	*17 750 774*	16 141 095	22 352	1 609 679	1 448 719	160 959	70 494	65 663	16 487	8 005	309	0
13	Financial guarantees received	*156 797*	154 580	139	2 217	1 517	701	156	78	389	73	5	0
14	Accumulated partial write-off	*-5 739*	-33	-9	-5 706	-303	-5 402	-362	-304	-1 320	-1 933	-1 240	-243

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APPENDIX 20A

CREDIT QUALITY OF FORBORNE EXPOSURES /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
1	Loans and advances	**402 917**	**428 965**	**428 965**	**428 965**	**-36 901**	**-329 032**	**446 236**	**92 422**
2	*Central banks*								
3	*General governments*	7 120	0	0	0	-12	0	7 108	0
4	*Credit institutions*	0	0	0	0	0	0	0	0
5	*Other financial corporations*	13 197	0	0	0	-223	0	12 974	0
6	*Non-financial corporations*	351 024	376 233	376 233	376 233	-35 657	-288 639	389 429	84 809
7	*Households*	31 576	52 732	52 732	52 732	-1 009	-40 393	36 725	7 613
8	Debt Securities								
9	Loan commitments given	27 523	908	881	881	225	642	27 525	265
10	***Total***	**430 440**	**429 873**	**429 846**	**429 846**	**-37 126**	**-329 674**	**473 761**	**92 687**

APPENDIX 20B

QUALITY OF FORBEARANCE
/AS OF 31.12.2020/

In thousands of BGN

		a
		Gross carrying amount of forborne exposures
1	Loans and advances that have been forborne more than twice	227 240
2	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	398 016

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APPENDIX 21

EU CR2-A – CHANGES IN THE STOCK OF GENERAL AND SPECIFIC CREDIT RISK ADJUSTMENTS /AS OF 31.12.2020/

In thousands of BGN

		a	b
		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	**Opening balance**	**469 415**	**191 098**
2	Increases due to amounts set aside for estimated loan losses during the period	244 496	21 705
3	Decreases due to amounts reversed for estimated loan losses during the period	-11 987	-20 035
4	Decreases due to amounts taken against accumulated credit risk adjustments	-40 718	
5	Transfers between credit risk adjustments		
6	Impact of exchange rate differences	-1 566	
7	Business combinations, including acquisitions and disposals of subsidiaries		
8	Other adjustments	2 821	-169
9	**Closing balance**	**662 461**	**192 599**
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	7 921	
11	Specific credit risk adjustments directly recorded to the statement of profit or loss		

UniCredit Bulbank

APPENDIX 22A

EU CR2-B – CHANGES IN THE STOCK OF DEFAULTED AND IMPAIRED LOANS AND DEBT SECURITIES /AS OF 31.12.2020/

In thousands of BGN

		a Gross carrying value defaulted exposures
1	**Opening balance**	**626 990**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	417 302
3	Returned to non-defaulted status	-12 172
4	Amounts written off	-23 621
5	Other changes - collected amounts	-84 866
6	**Closing balance**	**923 631**

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APPENDIX 22B

CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES /AS OF 31.12.2020/

In thousands of BGN

		a	b
		Gross carrying amount	Related net accumulated recoveries
1	**Initial stock of non-performing loans and advances**	**626 990**	
2	Inflows to non-performing portfolios	417 302	
3	Outflows from non-performing portfolios	-120 660	
4	Outflow to performing portfolio	-12 172	
5	Outflow due to loan repayment, partial or total	-58 219	
6	Outflow due to collateral liquidations	-14 618	
7	Outflow due to taking possession of collateral		
8	Outflow due to sale of instruments	-12 029	
9	Outflow due to risk transfers		
10	Outflows due to write-offs	-23 621	
11	Outflow due to other situations		
12	Outflow due to reclassification as held for sale		
13	**Final stock of non-performing loans and advances**	**923 631**	

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APPENDIX 22C

COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES /AS OF 31.12.2020/

In thousands of BGN

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
1	Property, plant and equipment (PP&E)	1 896	-22
2	Other than PP&E	59 437	-17 429
3	*Residential immovable property*	4 001	-736
4	*Commercial Immovable property*	55 422	-16 693
5	*Movable property (auto, shipping, etc.)*	14	0
6	*Equity and debt instruments*	0	0
7	*Other*	0	0
8	***Total***	**61 333**	**-17 451**

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APPENDIX 22D

COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES – VINTAGE BREAKDOWN /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
1	Collateral obtained by taking possession classified as PP&E	1 864	-1 864	1 896	-22								
2	Collateral obtained by taking possession other than that classified as PP&E	28 006	-28 006	59 437	-17 429			9 378	-3 514	50 059	-13 915	30 761	-11 404
3	*Residential immovable property*	3 512	-3 512	4 001	-736			1 589	-640	2 412	-96		
4	*Commercial immovable property*	24 481	-24 481	55 422	-16 693			7 789	-2 874	47 633	-13 819	30 761	-11 404
5	*Movable property (auto, shipping, etc.)*	13	-13	14						14			
6	*Equity and debt instruments*												
7	*Other*												
8	***Total***	**29 870**	**-29 870**	**61 333**	**-17 451**			**9 378**	**-3 514**	**50 059**	**-13 915**	**30 761**	**-11 404**

APPENDIX 23A

INFORMATION ON LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non performing				Performing			Non performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	232 210	210 674	49 872	85 040	21 536	2 505	21 342	-24 588	-13 246	-10 782	-12 113	-11 342	-1 657	-11 237	20 281
2	of which: Households	72 252	53 665	361	11 626	18 587	4	18 536	-10 224	-947	-30	-436	-9 277	-4	-9 271	17 333
3	*of which: Collateralised by residential immovable property*	16 423	14 630	352	8 843	1 793	0	1 747	-974	-295	-29	-288	-679	0	-679	1 793
4	of which: Non-financial corporations	157 482	154 534	47 035	70 939	2 948	2 501	2 805	-14 354	-12 290	-10 745	-11 669	-2 064	-1 653	-1 966	2 948
5	*of which: Small and Medium-sized Enterprises*	108 227	105 279	993	22 340	2 948	2 501	2 805	-3 416	-1 352	-20	-748	-2 064	-1 653	-1 966	2 948
6	*of which: Collateralised by commercial immovable property*	101 464	99 063	848	19 265	2 401	2 401	2 401	-2 721	-1 135	0	-548	-1 586	-1 586	-1 586	2 401

APPENDIX 23B

BREAKDOWN OF LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA BY RESIDUAL MATURITY OF MORATORIA /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i
		Number of obligors	Gross carrying amount							
				Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
						<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	20 805	1 702 378							
2	Loans and advances subject to moratorium (granted)	19 622	1 576 728		1 344 518	203 065	19 336	9 809		
3	of which: Households		413 397		341 145	45 353	18 779	8 120		
4	*of which: Collateralised by residential immovable property*		210 335		193 912	14 024	572	1 827		
5	of which: Non-financial corporations		1 116 716		959 234	155 236	557	1 689		
6	*of which: Small and Medium-sized Enterprises*		940 528		832 301	105 981	557	1 689		
7	*of which: Collateralised by commercial immovable property*		784 957		683 493	100 299		1 165		

APPENDIX 23C

INFORMATION ON NEWLY ORIGINATED LOANS AND ADVANCES PROVIDED UNDER NEWLY APPLICABLE PUBLIC GUARANTEE SCHEMES INTRODUCED IN RESPONSE TO COVID-19 CRISIS /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d
		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	**Newly originated loans and advances subject to public guarantee schemes**	**33 148**	514	33 148	1 488
2	of which: Households	7 881			44
3	of which: Collateralised by residential immovable property				
4	of which: Non-financial corporations	25 267	514	25 267	1 444
5	of which: Small and Medium-sized Enterprises	25 267			1 444
6	of which: Collateralised by commercial immovable property	640			

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APPENDIX 24

EU CR5 – STANDARDISED APPROACH /AS OF 31.12.2020/

In thousands of BGN

	Exposure classes	Risk weight																Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Deducted		
1	Central governments or central banks	10 105 206											4 618					**10 109 824**	10 109 824
2	Regional government or local authorities										73 300							**73 300**	73 300
3	Public sector entities							29 877			1 001							**30 878**	30 878
4	Multilateral development banks	65 602																**65 602**	65 602
5	International organisations																	**0**	0
6	Institutions					14 943		2 321			151							**17 415**	17 415
7	Corporates							14 942			926 723							**941 665**	941 665
8	Retail									1 690 892								**1 690 892**	1 690 892
9	Secured by mortgages on immovable property						6 927	6 821										**13 748**	13 748
10	Exposures in default										61 169	4 733						**65 902**	65 902
11	Exposures associated with particularly high risk											11 243						**11 243**	11 243
12	Covered bonds																		
13	Institutions and corporates with a short-term credit assessment										4							**4**	4
14	Collective investment undertakings																		
15	Equity																		
16	Other items																		
17	**Total**	**10 170 808**				**14 943**	**6 927**	**53 961**		**1 690 892**	**1 062 348**	**15 977**	**4 618**					**13 020 474**	**13 020 474**

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APPENDIX 25

EU CCR3 – STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK /AS OF 31.12.2020/

In thousands of BGN

	Exposure classes	Risk weight											Total	Of which
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others		unrated
1	Central governments or central banks													
2	Regional government or local authorities													
3	Public sector entities													
4	Multilateral development banks													
5	International organisations													
6	Institutions					239	1 746						1 985	1 985
7	Corporates									2 380			2 380	2 380
8	Retail								7				7	7
9	Institutions and corporates with a short-term credit assessment													
10	Other items													
11	**Total**					**239**	**1 746**		**7**	**2 380**			**4 372**	**4 372**

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APPENDIX 26

EU MR1 – MARKET RISK UNDER THE STANDARDISED APPROACH /AS OF 31.12.2020/

In thousands of BGN

		a	b
		RWAs	Capital requirements
Outright products			
1	Interest rate risk (general and specific)	80 050	6 404
2	Equity risk (general and specific)	5 700	456
3	Foreign exchange risk		
4	Commodity risk	63	5
Options			
5	Simplified approach		
6	Delta-plus method		
7	Scenario approach		
8	Securitisation (specific risk)		
9	**Total**	**85 813**	**6 865**

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APPENDIX 27

LEVERAGE RATIO
/AS OF 31.12.2020/

in thousands of BGN

Summary reconciliation of accounting assets and leverage ratio exposures	
Total assets as per published financial statements	24 618 109
Adjustments for derivative financial instruments	91 912
Adjustments for securities financing transactions "SFTs"[1]	26 456
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	3 287 230
Other adjustments	-172 808
Total leverage ratio exposure	**27 850 899**

[1] SFT, which is an abbreviation of Securities Financing Transaction and shall mean 'repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions' of Regulation (EU) № 575/2013.

in thousands of BGN

Leverage ratio common disclosure	
Tier 1 capital - Fully phased in	**3 143 905**
Leverage ratio in accordance with Regulation (EU) № 575/2013	**11.29%**

in thousands of BGN

Leverage ratio exposures - Regulation (EU) № 575/2013	
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**24 012 069**
Trading book exposures	15 263
Banking book exposures, of which:	23 996 806
Exposures treated as sovereigns	10 109 672
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	73 275
Institutions	913 798
Secured by mortgages of immovable properties	2 542 509
Retail exposures	2 308 359
Corporate	6 820 192
Exposures in default	261 937
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	967 064
Asset amounts deducted in determining Tier 1 capital	**-34 475**
Derivative exposures, of which:	**0**
Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	78 896
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	91 912
(-) Receivables for cash variation margin provided in derivatives transactions	-170 808
Securities financing transaction exposures, of which:	**586 075**
Counterparty credit risk exposure for SFT assets	26 456
Other off-balance sheet exposures	**3 287 230**

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APPENDIX 28A

EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE
FOUNDATION IRB APPROACH
/AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l
FIRB	**PD scale**	**Original on-balance sheet gross exposures**	**Off-balance sheet exposures pre-CCF**	**Average CCF**	**EAD post CRM and post CCF**	**Average PD**	**Number of obligors**	**Average LGD**	**Average maturity**	**RWAs**	**RWA density**	**EL**	**Value adjustments and provisions**
Institutions	0.00 to <0.15	964 470	425 505	74.00%	1 300 340	0.12%	65	42.45%	2.50	561 710	43.20%	681	325.36
Institutions	0.15 to <0.25	15 705	96 034	91.81%	129 588	0.19%	15	45.00%	2.50	68 933	53.19%	108	6.78
Institutions	0.25 to <0.50	2 128	2 661	26.50%	3 029	0.28%	5	45.00%	2.50	1 742	57.49%	4	0.19
Institutions	0.50 to <0.75	2 641	755	100.00%	8 692	0.67%	2	45.00%	2.50	7 011	80.66%	26	0.90
Institutions	0.75 to <2.50	14 323	20 227	100.00%	42 755	1.72%	7	45.00%	2.50	53 924	126.12%	331	41.56
Institutions	2.50 to <10.00	474	1 956	0.00%	5 541	2.73%	3	45.00%	2.50	6 105	110.17%	68	0.02
Institutions	10.00 to <100.00	0	-	0.00%	0	0.00%	0	0.00%	0.00	0	0.00%	0	-
Institutions	100.00 (Default)	0	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%	-	-
Institutions	**Subtotal**	**999 741**	**547 138**	**89.59%**	**1 489 946**	**0.19%**	**97**	**42.77%**	**2.50**	**699 424**	46.94%	**1 218**	**374.80**
Financial corporate	0.00 to <0.15	0	32 164	100.00%	32 164	0.07%	3	45.00%	2.50	11 216	34.87%	10	0.00
Financial corporate	0.15 to <0.25	211	44 719	100.00%	44 930	0.24%	2	45.00%	2.50	30 921	68.82%	49	0.02
Financial corporate	0.25 to <0.50	131	3 427	100.00%	3 558	0.28%	3	45.00%	2.50	2 631	73.94%	4	0.15
Financial corporate	0.50 to <0.75	0	699	100.00%	699	0.60%	2	45.00%	2.50	725	103.76%	2	0.13
Financial corporate	0.75 to <2.50	2 846	2 846	100.00%	5 691	2.24%	1	45.00%	2.50	8 843	155.38%	57	7.06
Financial corporate	2.50 to <10.00	0	2 390	100.00%	2 390	3.30%	4	45.00%	2.50	4 059	169.85%	35	2.43
Financial corporate	10.00 to <100.00	0	0	0.00%	0	0.00%	0	0.00%	0.00	0	0.00%	0	-
Financial corporate	100.00 (Default)	0	0	0.00%	0	0.00%	0	0.00%	0.00	0	0.00%	0	-
Financial corporate	**Subtotal**	**3 188**	**86 243**	**100.00%**	**89 431**	**0.39%**	**15**	**45.00%**	**2.50**	**58 395**	65.30%	**159**	**9.79**
Corporates: Of which: specialised lending	Excelent	481 175	25 157	19.98%	486 201		36			334 159	68.73%	1 822	2 310
Corporates: Of which: specialised lending	Good	839 070	133 278	64.33%	914 295		104			780 935	85.41%	6 481	12 708
Corporates: Of which: specialised lending	Satisfactory	90 592	6 264	75.02%	95 291		9			109 580	115.00%	2 668	5 983
Corporates: Of which: specialised lending	Weak	10 308	0	0.00%	10 308		1			25 769	250.00%	825	0
Corporates: Of which: specialised lending	Default	141 555	3 881	55.93%	143 726		24			-	0.00%	71 863	77 406
Corporates: Of which: specialised lending	**Subtotal**	**1 562 700**	**168 581**	**57.92%**	**1 649 821**		**174**			**1 250 444**	75.79%	**83 659**	**98 407**
Total (all portfolios)		**2 565 628**	**801 962**	**55.97%**	**3 229 198**	**0.19%**	**286**	**42.77%**	**2.50**	**2 008 262**	62.19%	**85 036**	**98 792**

UniCredit Bulbank

APPENDIX 28B

EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE
ADVANCED IRB APPROACH
/AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l
AIRB	PD scale	Original on-balance sheet gross exposures	Off-balance sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWAs	RWA density	EL	Value adjustments and provisions
Corporates	0.00 to <0.15	627 691	529 761	45.93%	896 233	0.11%	45	52.22%	3.20	360 715	40.25%	508.77	245
Corporates	0.15 to <0.25	137 627	751 391	73.39%	703 377	0.19%	23	47.25%	1.72	280 851	39.93%	650.84	784
Corporates	0.25 to <0.50	603 754	635 300	46.38%	913 160	0.38%	64	51.03%	2.50	636 559	69.71%	1 793.95	3 403
Corporates	0.50 to <0.75	165 289	75 131	46.16%	201 671	0.60%	22	50.41%	2.08	162 250	80.45%	607.80	1 044
Corporates	0.75 to <2.50	463 810	431 045	39.68%	639 212	1.37%	92	46.55%	2.37	693 824	108.54%	4 098.07	9 853
Corporates	2.50 to <10.00	37 477	91 019	39.43%	74 013	3.33%	45	43.60%	1.91	93 149	125.86%	1 071.97	3 427
Corporates	10.00 to <100.00	53 732	9 880	42.81%	58 706	10.77%	4	12.87%	4.02	33 654	57.33%	813.56	12 070
Corporates	100.00 (Default)	61 668	4 381	100.00%	66 049	100.00%	14	77.10%	1.04	21 421	32.43%	50 922.56	53 563
Corporates	**Subtotal**	**2 151 049**	**2 527 907**	**52.99%**	**3 552 420**	**0.70%**	**309**	**49.44%**	**2.46**	**2 282 422**	64.25%	**60 467.51**	**84 388**
Corporates: Of which: sme	0.00 to <0.15	141 633	237 463	46.37%	255 348	0.10%	86	43.15%	2.67	60 897	23.85%	117.24	55
Corporates: Of which: sme	0.15 to <0.25	105 953	154 986	49.38%	183 369	0.21%	131	39.44%	2.42	46 883	25.57%	147.33	165
Corporates: Of which: sme	0.25 to <0.50	518 005	378 140	46.41%	694 087	0.37%	493	37.18%	2.75	250 813	36.14%	953.52	1 904
Corporates: Of which: sme	0.50 to <0.75	147 796	124 620	48.24%	207 561	0.63%	280	38.36%	2.49	92 400	44.52%	494.09	894
Corporates: Of which: sme	0.75 to <2.50	1 099 523	517 011	46.83%	1 331 284	1.47%	979	42.85%	2.46	922 213	69.27%	8 116.45	18 967
Corporates: Of which: sme	2.50 to <10.00	518 106	270 947	45.79%	615 859	4.30%	625	39.25%	2.88	483 609	78.53%	9 407.65	31 760
Corporates: Of which: sme	10.00 to <100.00	56 012	16 929	36.27%	62 510	12.32%	33	49.16%	2.20	94 219	150.72%	3 777.93	10 822
Corporates: Of which: sme	100.00 (Default)	364 243	63 358	74.07%	410 110	100.00%	212	53.62%	2.55	68 758	16.77%	219 892.65	317 016
Corporates: Of which: sme	**Subtotal**	**2 951 271**	**1 763 456**	**47.72%**	**3 760 128**	**1.74%**	**2 839**	**42.10%**	**2.60**	**2 019 791**	53.72%	**242 906.87**	**381 583**
Retail Secured on real estate property	0.00 to <0.15	273 145	8 942	46.11%	282 718	0.12%	3 331	13.66%		11 380	4.03%	47.90	9
Retail Secured on real estate property	0.15 to <0.25	278 981	6 069	54.84%	287 591	0.20%	3 432	13.62%		16 387	5.70%	78.19	95
Retail Secured on real estate property	0.25 to <0.50	503 341	10 830	53.09%	518 411	0.36%	7 201	13.49%		45 092	8.70%	254.47	308
Retail Secured on real estate property	0.50 to <0.75	294 030	3 738	54.66%	301 248	0.61%	4 020	13.87%		38 210	12.68%	253.47	280
Retail Secured on real estate property	0.75 to <2.50	730 632	12 932	53.90%	749 569	1.35%	10 201	14.96%		166 978	22.28%	1 520.16	2 262
Retail Secured on real estate property	2.50 to <10.00	333 071	770	50.77%	338 933	4.94%	4 807	14.26%		154 437	45.57%	2 381.67	5 768
Retail Secured on real estate property	10.00 to <100.00	137 293	463	33.86%	139 166	18.44%	2 210	14.16%		103 545	74.40%	3 773.18	7 382
Retail Secured on real estate property	100.00 (Default)	97 318	222	58.51%	97 050	100.00%	1 615	22.94%		3 217	3.32%	22 260.97	59 527
Retail Secured on real estate property	**Subtotal**	**2 647 811**	**43 966**	**52.07%**	**2 714 686**	**2.19%**	**36 817**	**14.44%**		**539 246**	19.86%	**30 570.02**	**75 632**
Retail Qualifying revolving	0.00 to <0.15	5 499	90 888	62.60%	63 167	0.12%	38 991	31.50%		1 513	2.40%	24.63	25
Retail Qualifying revolving	0.15 to <0.25	4 505	25 174	63.46%	20 742	0.20%	14 999	31.96%		742	3.58%	13.12	19
Retail Qualifying revolving	0.25 to <0.50	9 391	28 303	62.02%	27 279	0.36%	19 343	32.82%		1 615	5.92%	32.01	43
Retail Qualifying revolving	0.50 to <0.75	7 161	14 858	62.37%	16 638	0.61%	12 381	32.93%		1 519	9.13%	33.57	41
Retail Qualifying revolving	0.75 to <2.50	28 049	39 903	61.27%	53 190	1.44%	40 343	33.23%		9 335	17.55%	255.23	315
Retail Qualifying revolving	2.50 to <10.00	33 382	21 723	60.09%	47 059	5.11%	35 456	33.55%		20 172	42.87%	809.55	1 162
Retail Qualifying revolving	10.00 to <100.00	15 887	3 491	58.42%	18 183	15.98%	15 008	33.32%		14 965	82.30%	966.80	1 795
Retail Qualifying revolving	100.00 (Default)	9 645	514	62.10%	9 964	100.00%	11 192	49.95%		1 157	11.61%	4 976.83	10 006
Retail Qualifying revolving	**Subtotal**	**113 520**	**224 856**	**62.06%**	**256 221**	**2.60%**	**187 713**	**33.35%**		**51 017**	19.91%	**7 111.74**	**13 406**
Other retail	0.00 to <0.15	10 346	58 818	52.60%	41 784	0.12%	6 154	45.27%		4 595	11.00%	23.30	12
Other retail	0.15 to <0.25	15 693	28 739	52.61%	30 821	0.20%	2 396	43.63%		4 541	14.73%	26.78	34
Other retail	0.25 to <0.50	36 978	47 918	52.93%	62 546	0.39%	3 951	51.89%		16 806	26.87%	128.56	139
Other retail	0.50 to <0.75	42 194	28 801	51.06%	55 976	0.62%	3 360	53.73%		19 339	34.55%	179.28	184
Other retail	0.75 to <2.50	272 942	62 559	50.32%	295 010	1.39%	14 085	58.93%		155 477	52.70%	2 355.51	3 280
Other retail	2.50 to <10.00	112 024	12 008	49.00%	114 053	4.72%	8 025	58.64%		77 670	68.10%	3 040.35	4 796
Other retail	10.00 to <100.00	48 137	1 901	42.18%	46 470	22.83%	3 827	58.47%		48 566	104.51%	6 093.52	8 505
Other retail	100.00 (Default)	63 780	1 137	68.36%	64 027	100.00%	13 509	71.57%		15 250	23.82%	45 822.46	58 967
Other retail	**Subtotal**	**602 095**	**241 881**	**51.71%**	**710 689**	**3.22%**	**55 307**	**57.49%**		**342 244**	48.16%	**57 669.75**	**75 917**
Total (all portfolios)		**8 465 745**	**4 802 065**	**55.97%**	**10 994 144**	**2.95%**	**282 985.00**	**38.39%**	**2.76**	**5 234 720**	**47.61%**	**398 726**	**630 926**

APPENDIX 28C

EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE
EQUITY
/AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l
EQUITY	PD scale	Original on-balance sheet gross exposures	Off-balance sheet exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWAs	RWA density	EL	Value adjustments and provisions
Equity	Equity	30 502			30 502		10			65 401	214.42%	153	
Total (all portfolios)		30 502			30 502		10			65 401	214.42%	153	

UniCredit Bulbank

APPENDIX 29A

EU CCR4 – IRB APPROACH – CCR EXPOSURES BY PORTFOLIO AND PD SCALE
FOUNDATION IRB APPROACH
/AS OF 31.12.2020/

In thousands of BGN

FIRB	PD scale	EAD post CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWAs	RWA density
Institutions	0.00 to <0.15	100 234	0.12%	13	45.00%	2.50	45 183	45.08%
Institutions	0.15 to <0.25	35	0.17%	1	45.00%	2.50	20	57.49%
Institutions	0.25 to <0.50	0	0.00%	0	0.00%	0.00		0.00%
Institutions	0.50 to <0.75	196	0.69%	1	45.00%	2.50	166	84.68%
Institutions	0.75 to <2.50	0	0.00%	0	0.00%	0.00		0.00%
Institutions	2.50 to <10.00		0.00%		0.00%			0.00%
Institutions	10.00 to <100.00		0.00%		0.00%			0.00%
Institutions	100.00 (Default)		0.00%		0.00%			0.00%
Institutions	**Subtotal**	**100 465**	**0.12%**	**15**	**45.00%**	**2.50**	**45 369**	**45.16%**
Corporates: Of which: specialised lending	Excelent	17 486		21			11 785	67.40%
Corporates: Of which: specialised lending	Good	11 169		40			9 855	88.23%
Corporates: Of which: specialised lending	Satisfactory	569		3			654	115.00%
Corporates: Of which: specialised lending	Default	612		1				0.00%
Corporates: Of which: specialised lending	**Subtotal**	**29 835**		**65**			**22 295**	**74.73%**
Total (all portfolios)		**130 300**	**0.12%**	**80**	**45.00%**	**2.50**	**67 664**	**51.93%**

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APPENDIX 29B

EU CCR4 – IRB APPROACH – CCR EXPOSURES BY PORTFOLIO AND PD SCALE
ADVANCED IRB APPROACH
/AS OF 31.12.2020/

In thousands of BGN

AIRB	PD scale	EAD post CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWAs	RWA density
Corporates	0.00 to <0.15	38 676	0.06%	6	57.65%	1.16	7 538	19.49%
Corporates	0.15 to <0.25	618	0.24%	2	57.53%	1.55	331	53.48%
Corporates	0.25 to <0.50	15 422	0.41%	11	57.53%	2.06	12 260	79.50%
Corporates	0.50 to <0.75	217	0.53%	2	57.53%	2.14	198	91.42%
Corporates	0.75 to <2.50	2 034	1.23%	4	57.53%	2.87	2 863	140.77%
Corporates	2.50 to <10.00							
Corporates	10.00 to <100.00							
Corporates	100.00 (Default)							
Corporates	**Subtotal**	**56 967**	**0.20%**	**25**	**57.61%**	**1.47**	**23 190**	**40.71%**
Corporates: Of which: sme	0.00 to <0.15	623	0.09%	4	48.01%	3.72	195	31.34%
Corporates: Of which: sme	0.15 to <0.25	6	0.25%	1	57.53%	1.90	2	39.65%
Corporates: Of which: sme	0.25 to <0.50	1 182	0.39%	13	57.53%	3.93	858	72.60%
Corporates: Of which: sme	0.50 to <0.75	169	0.66%	2	57.53%	2.75	126	74.87%
Corporates: Of which: sme	0.75 to <2.50	3 375	1.75%	23	57.53%	3.48	3 827	113.38%
Corporates: Of which: sme	2.50 to <10.00	269	4.30%	8	57.53%	4.47	367	136.27%
Corporates: Of which: sme	10.00 to <100.00							
Corporates: Of which: sme	100.00 (Default)							
Corporates: Of which: sme	**Subtotal**	**5 624**	**1.37%**	**51**	**56.48%**	**3.62**	**5 376**	**95.59%**
Other retail	0.00 to <0.15							
Other retail	0.15 to <0.25							
Other retail	0.25 to <0.50							
Other retail	0.50 to <0.75							
Other retail	0.75 to <2.50							
Other retail	2.50 to <10.00							
Other retail	10.00 to <100.00							
Other retail	100.00 (Default)							
Other retail	**Subtotal**							
Total (all portfolios)		**62 591**	**1.52%**	**76**	**57.52%**	**2.42**	**28 566**	**45.64%**

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APPENDIX 30

EU CR3 – CRM TECHNIQUES – OVERVIEW /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e
		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	15 566 192	3 839 817	3 701 173	138 644	
2	Total debt securities	3 832 244				
3	**Total exposures**	**19 398 436**	**3 839 817**	**3 701 173**	**138 644**	
4	Of which defaulted	146 167	117 236	115 633	1 603	

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APPENDIX 31

EU CR4 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS /AS OF 31.12.2020/

In thousands of BGN

		a	b	c	d	e	f
		Exposures before CCF and CRM		**Exposures post CCF and CRM**		**RWAs and RWA density**	
	Exposure classes	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
1	Central governments or central banks	10 109 672	21 657	10 109 672	152	11 545	0.11%
2	Regional government or local authorities	72 917	5 650	72 917	383	73 300	100.00%
3	Public sector entities	358	2 535	30 208	670	15 940	51.62%
4	Multilateral development banks	0	587	64 654	948		
5	International organisations						
6	Institutions	14 856	1 565	14 856	574	3 381	21.91%
7	Corporates	910 847	326 450	881 347	57 938	899 478	95.76%
8	Retail	1 685 890	18 668	1 685 750	5 135	1 255 545	74.25%
9	Secured by mortgages on immovable property	8 108	5 824	8 108	5 640	5 559	40.43%
10	Exposures in default	64 669	7 300	64 145	1 757	68 269	103.59%
11	Exposures associated with particularly high risk	11 243		11 243		16 865	150.00%
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment	4	0	4		4	100.00%
14	Collective investment undertakings						
15	Equity						
16	Other items						
17	**Total**	**12 878 564**	**390 236**	**12 942 904**	**73 198**	**2 349 886**	**18.05%**

APPENDIX 32

EU CR7 – IRB APPROACH – EFFECT ON THE RWAs OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES /AS OF 31.12.2020/

In thousands of BGN

		a	b
		Pre-credit derivatives RWAs	Actual RWAs
1	**Exposures under FIRB**		
2	Central governments and central banks		
3	Institutions	654 055	654 055
4	Corporates – SMEs		
5	Corporates – Specialised lending	1 228 149	1 228 149
6	Corporates – Other	58 395	58 395
7	**Exposures under AIRB**		
8	Central governments and central banks		
9	Institutions		
10	Corporates – SMEs	2 014 415	2 014 415
11	Corporates – Specialised lending		
12	Corporates – Other	2 259 232	2 259 232
13	Retail – Secured by real estate SMEs	94 987	94 987
14	Retail – Secured by real estate non- SMEs	444 259	444 259
15	Retail – Qualifying revolving	51 017	51 017
16	Retail – Other SMEs	320 486	320 486
17	Retail – Other non-SMEs	21 758	21 758
18	Equity IRB	65 133	65 133
19	Other non-credit obligation assets	447 347	447 347
20	**Total**	**7 659 233**	**7 659 233**

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APPENDIX 33

EU CR8 – RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH /AS OF 31.12.2020/

In thousands of BGN

		a	b
		RWA amounts	**Capital requirements**
1	**RWAs as at the end of the previous reporting period**	**7 957 373**	**636 590**
2	Asset size	-237 346	-18 988
3	Asset quality	-108 586	-8 687
4	Model updates		
5	Methodology and policy		
6	Acquisitions and disposals		
7	Foreign exchange movements		
8	Other	-342 735	-27 419
9	**RWAs as at the end of the reporting period**	**7 268 706**	**581 496**

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APPENDIX 34A

EU CR9 – IRB APPROACH – BACKTESTING OF PD PER EXPOSURE CLASS FOUNDATION IRB APPROACH /AS OF 31.12.2019/

In thousands of BGN

a	b	c	d	e	f		g	h	i
FIRB	PD range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which new obligors	Average historical annual default rate
					End of previous year	End of the year			
Institutions	0.00 to <0.15		0.13%	0.09%	66	64			
Institutions	0.15 to <0.25		0.18%	0.19%	6	15			
Institutions	0.25 to <0.50		0.28%	0.30%	5	5			
Institutions	0.50 to <0.75		0.65%	0.61%	2	2			
Institutions	0.75 to <2.50		1.71%	1.53%	8	7			
Institutions	2.50 to <10.00		3.13%	3.66%	5	3			
Institutions	10.00 to <100.00		0.00%	0.00%	0	0			
Institutions	**Subtotal**		**0.17%**	**0.34%**	**92**	**96**			
Financial corporate	0.00 to <0.15		0.07%	0.09%	1	3			
Financial corporate	0.15 to <0.25		0.24%	0.24%	4	2			
Financial corporate	0.25 to <0.50		0.28%	0.29%	1	3			
Financial corporate	0.50 to <0.75		0.60%	0.58%	3	2			
Financial corporate	0.75 to <2.50		2.24%	2.24%	2	1			
Financial corporate	2.50 to <10.00		3.30%	4.04%	2	4			
Financial corporate	10.00 to <100.00		0.00%	0.00%	0	0			
Financial corporate	**Subtotal**		**0.39%**	**1.41%**	**13**	**15**			

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APPENDIX 34B

EU CR9 – IRB APPROACH – BACKTESTING OF PD PER EXPOSURE CLASS ADVANCED IRB APPROACH /AS OF 31.12.2020/

In thousands of BGN

a	b	c	d	e	f		g	h	i
AIRB	PD range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which new obligors	Average historical annual default rate
					End of previous year	End of the year			
Corporates	0.00 to <0.15		0.09%	0.09%	51	45	0	0	
Corporates	0.15 to <0.25		0.20%	0.20%	12	23	0	0	
Corporates	0.25 to <0.50		0.37%	0.39%	41	64	0	0	
Corporates	0.50 to <0.75		0.62%	0.63%	17	22	0	0	
Corporates	0.75 to <2.50		1.39%	1.29%	49	92	0	0	
Corporates	2.50 to <10.00		5.41%	6.05%	45	45	0	0	
Corporates	10.00 to <100.00		19.82%	18.58%	11	4	0	0	
Corporates	**Subtotal**		**1.07%**	**2.54%**	**226**	**295**	**0**	**0**	**1.51%**
Corporates: Of which: sme	0.00 to <0.15		0.10%	0.10%	95	86	0	0	
Corporates: Of which: sme	0.15 to <0.25		0.21%	0.20%	114	131	0	0	
Corporates: Of which: sme	0.25 to <0.50		0.36%	0.38%	438	493	2	0	
Corporates: Of which: sme	0.50 to <0.75		0.63%	0.62%	243	280	2	0	
Corporates: Of which: sme	0.75 to <2.50		1.39%	1.41%	895	979	17	0	
Corporates: Of which: sme	2.50 to <10.00		4.15%	4.93%	760	625	38	0	
Corporates: Of which: sme	10.00 to <100.00		13.70%	14.84%	70	33	12	0	
Corporates: Of which: sme	**Subtotal**		**2.12%**	**2.45%**	**2 615**	**2 627**	**71**	**0**	**1.51%**
Retail Secured on real estate property: Of which: sme	0.00 to <0.15		0.12%	0.13%	99	92	0	0	
Retail Secured on real estate property: Of which: sme	0.15 to <0.25		0.19%	0.20%	157	141	2	0	
Retail Secured on real estate property: Of which: sme	0.25 to <0.50		0.37%	0.37%	248	254	2	0	
Retail Secured on real estate property: Of which: sme	0.50 to <0.75		0.60%	0.62%	266	241	0	0	
Retail Secured on real estate property: Of which: sme	0.75 to <2.50		1.35%	1.41%	1 092	926	13	0	
Retail Secured on real estate property: Of which: sme	2.50 to <10.00		4.32%	4.64%	420	355	21	0	
Retail Secured on real estate property: Of which: sme	10.00 to <100.00		24.64%	25.37%	197	181	52	0	
Retail Secured on real estate property: Of which: sme	**Subtotal**		**3.07%**	**3.55%**	**2 479**	**2 190**	**90**	**0**	**3.76%**
Retail Secured on real estate property: Of which: non-sme	0.00 to <0.15		0.12%	0.12%	2 786	3 070	5	0	
Retail Secured on real estate property: Of which: non-sme	0.15 to <0.25		0.20%	0.20%	2 938	3 138	2	0	
Retail Secured on real estate property: Of which: non-sme	0.25 to <0.50		0.36%	0.36%	6 334	6 680	30	0	
Retail Secured on real estate property: Of which: non-sme	0.50 to <0.75		0.61%	0.61%	3 645	3 626	13	0	
Retail Secured on real estate property: Of which: non-sme	0.75 to <2.50		1.35%	1.36%	9 287	8 846	77	0	
Retail Secured on real estate property: Of which: non-sme	2.50 to <10.00		5.08%	5.04%	4 284	4 257	129	0	
Retail Secured on real estate property: Of which: non-sme	10.00 to <100.00		18.42%	18.72%	2 196	1 961	383	0	
Retail Secured on real estate property: Of which: non-sme	**Subtotal**		**2.17%**	**2.57%**	**31 470**	**31 578**	**639**	**0**	**2.17%**
Retail Qualifying revolving	0.00 to <0.15		0.12%	0.12%	31 037	33 429	165	0	
Retail Qualifying revolving	0.15 to <0.25		0.20%	0.20%	12 467	12 175	102	0	
Retail Qualifying revolving	0.25 to <0.50		0.36%	0.36%	15 764	15 283	131	0	
Retail Qualifying revolving	0.50 to <0.75		0.61%	0.61%	9 943	9 605	76	0	
Retail Qualifying revolving	0.75 to <2.50		1.44%	1.45%	34 057	31 433	527	0	
Retail Qualifying revolving	2.50 to <10.00		5.06%	5.12%	27 962	28 192	1 193	0	
Retail Qualifying revolving	10.00 to <100.00		15.97%	15.79%	11 320	12 593	2 313	0	
Retail Qualifying revolving	**Subtotal**		**2.51%**	**2.73%**	**142 550**	**142 710**	**4 507**	**0**	**2.17%**
Other retail: Of which: sme	0.00 to <0.15		0.12%	0.13%	3 144	3 422	14	0	
Other retail: Of which: sme	0.15 to <0.25		0.20%	0.21%	997	1 039	3	0	
Other retail: Of which: sme	0.25 to <0.50		0.39%	0.38%	1 732	1 625	10	0	
Other retail: Of which: sme	0.50 to <0.75		0.60%	0.60%	1 418	1 298	14	0	
Other retail: Of which: sme	0.75 to <2.50		1.33%	1.40%	6 300	5 789	92	0	
Other retail: Of which: sme	2.50 to <10.00		4.63%	4.79%	3 444	3 082	199	0	
Other retail: Of which: sme	10.00 to <100.00		23.09%	23.93%	1 380	1 264	386	0	
Other retail: Of which: sme	**Subtotal**		**2.99%**	**3.28%**	**18 415**	**17 519**	**718**	**0**	**3.76%**
Other retail: Of which: non-sme	0.00 to <0.15		0.12%	0.12%	1 822	1 685	11	0	
Other retail: Of which: non-sme	0.15 to <0.25		0.19%	0.19%	790	696	1	0	
Other retail: Of which: non-sme	0.25 to <0.50		0.36%	0.36%	1 028	1 006	8	0	
Other retail: Of which: non-sme	0.50 to <0.75		0.62%	0.64%	836	908	10	0	
Other retail: Of which: non-sme	0.75 to <2.50		1.39%	1.41%	2 073	2 572	36	0	
Other retail: Of which: non-sme	2.50 to <10.00		5.26%	5.28%	1 482	2 401	85	0	
Other retail: Of which: non-sme	10.00 to <100.00		19.25%	19.27%	1 452	1 527	375	0	
Other retail: Of which: non-sme	**Subtotal**		**3.75%**	**4.22%**	**9 483**	**10 795**	**526**	**0**	**2.17%**

UniCredit Bulbank

Declaration by the Manager charged with preparing the financial reports

The undersigned, Mr. Septimiu Postelnicu – Deputy chairman of the MB and General Manager of UniCredit Bulbank, in his capacity as the Manager charged with preparing the financial reports of UniCredit Bulbank AD

DECLARES

that, pursuant to article 154-bis, paragraph 2, of the "Consolidated Law on Financial Intermediation", the information disclosed in this document corresponds to the accounting documents, books and records.

Sofia,

June 30, 2021

Mr. Septimiu Postelnicu

Deputy chairman of the MB
and General Manager
of UniCredit Bulbank

Septimiu Postelnicu

Digitally signed by Septimiu Postelnicu
Date: 2021.06.30 17:32:38 +03'00'

/signature/