UniCredit Bulbank

ANNUAL DISCLOSURE

YEAR 2023

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

UniCredit Bulbank

TABLE OF CONTENTS

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 Commission Implementing Regulation (EU) 2021/637 as regard the information referred to Part Eight, Titles II and III, of Regulation (EU) 575/2013.

All amounts, unless otherwise specified, are presented in thousand 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/en/about-us/investors/financial-reports/).

UniCredit Bulbank

CROSS REFERENCE TO THE REGULATORY REQUIREMENTS OF CRR2

REGULATION (EU) 575/2013 *Article & Content*	ANNUAL DISCLOSURE *Section in the document*	REG. (EU) 2021/637 *Tables & Templates*
435. Risk management objectives and policies	Section 2/3	EU OVA EU OVB EU LIQA EU CRA EU MRA EU ORA
436. Scope of application	Section 4	EU LI1 EU LI2 EU LI3 EU LIA EU LIB EU PV1
437. Own funds	Section 5	EU CC1 EU CC2 EU CCA
438. Own Funds requirements and risk-weighted exposure amounts	Section 6	EU OV1 EU KM1 EU INS1 EU INS2 EU OVC EU CR8 EU CR10 EU CCR7 EU MR2-B
439. Exposure to counterparty credit risk	Section 7	EU CCRA EU CCR1 EU CCR2 EU CCR3 EU CCR4 EU CCR5 EU CCR6 EU CCR8
440. Countercyclical capital buffers	Section 8	EU CCyB1 EU CCyB2
441. Indicators of global systemic importance	Section 9	
442. Exposures to credit risk and dilution risk	Section 10	EU CRB EU CR1 EU CR1-A EU CR2 EU CR2a EU CQ1 EU CQ2 EU CQ3 EU CQ4 EU CQ5 EU CQ6 EU CQ7 EU CQ8
443. Encumbered and unencumbered assets	Section 14	EU AE1 EU AE2 EU AE3 EU AE4
444. Use of the Standardised Approach	Section 11	EU CRD EU CR4 EU CR5 EU CCR3
445. Exposure to market risk	Section 15	EU MR1
446. Operational risk management	Section 16	EU ORA EU OR1
448. Exposures to interest rate risk on positions not held in the trading book	Section 18	EU IRRBBA EU IRRBB1

449. Exposures to securitisation positions	Section 19	EU-SECA EU-SEC1 EU-SEC2 EU-SEC3 EU-SEC4 EU-SEC5
450. Remuneration policy	Section 22	EU REMA EU REM1 EU REM2 EU REM3 EU REM4 EU REM5
451. Leverage ratio	Section 20	EU LR1 EU LR2 EU LR3 EU LRA
451a. Liquidity requirements	Section 21	EU LIQA EU LIQ1 EU LIQB EU LIQ2
452. Use of the IRB Approach to credit risk	Section 12	EU CRE EU CR6 EU CR6-A EU CR9 EU CCR4
453. Use of credit risk mitigation techniques	Section 13	EU CRC EU CR3 EU CR4 EU CR7 EU CR7-A
454. Use of the Advanced Measurement Approaches to operational risk	Section 17	EU ORA EU OR1
455. Use of Internal Market Risk Models	Section 15	EU MRB EU MR2-A EU MR3 EU MR4

This table is a reference between the regulatory requirements set out in Reg. 575/2013, the required templates and tables as per Reg. 2021/637 and the section in this document where they are presented. The qualitative information can be found in the respective chapter while the quantitative information is published in the section Appendices at the end of the document.

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

In 2023 UniCredit Bulbank AD received BBB/Stable 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.

UniCredit Bulbank is also in line with the ESG Strategy and targets of the UniCredit Group. The main goal is to integrate all ESG topics in the core business and processes, taking into account both the risks and the market opportunities and to provide transparency to all stakeholders.

UniCredit continues to follow its established Service Model, closer to clients, leveraging on the increase of the usage of digital channels, committed to lead in ethical and sustainable business. UniCredit Bulbank are in line with UniCredit Group strategy, which is confirmed in the updated Multi-Year Plan 2024-2026, in support of the continuity and acceleration of the main pillars:

- Revenue Generation & Profitability
- Digitalization & Simplification
- People & Culture

UniCredit Bulbank

2.2 RISK APETITE

The Risk Appetite Framework is defined at UniCredit 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.

The 2024 Risk Appetite of UniCredit Bulbank reflects out ambition and commitment along the following main dimensions:

Strategic mission

- UniCredit's purpose is to Empower Communities to Progress. Within that we have the following strategic imperatives:
- As a Group, we continue refocusing on our geographies and developing our client franchise to achieve quality growth from existing and new clients with best-in-class products and services either in house or with external partners
- We are changing our business model and how our people operate to grow our capital light business and focus on value added products and services for clients. Within this we will also target cost efficiency to fund investment and deliver operating leverage
- As a Group, we will deliver economies of scale from our footprint but uniting our 13 banks in one integrated group. We will steer centrally where it adds value and empower locally within a clear risk framework
- We will also transform our technology leveraging Digital and Data. This includes a redesign of our operating model and a new way of working
- We will embed sustainability in all that we do, leading by example and equipping ourselves with tools to support our clients and communities navigate the transition
- As a Board, we prioritize our principles and values over the mere achievement of targets, which might not always be the right thing to do, closely monitoring the implementation and taking into account existing trade offs

Capital

- We set Capital ratio thresholds in order to ensure adequate buffers over every regulatory requirement in order to have a solid capital position in an uncertain macro scenario, to manage impacts of regulation evolution and minimize the effect of potential execution risk
- We ensure capital adequacy under the economic perspective, also considering stressed scenarios
- We apply a disciplined allocation of risk towards business and clients with positive risk adjusted return on capital
- We are targeting a sustainable RoTE throughout the course of the Plan with increasing distribution to shareholders, ensuring a solid Group tangible equity
- We continuously improve our models to ensure compliance with changing regulations while keeping the accuracy at highest standard, also through robust model risk management framework

UniCredit Bulbank

Cross Risks

- We put particular attention on portion of portfolio potentially exposed to spill-over of geopolitical risks (e.g. Middle East conflict)
- We strictly monitor Early Warning Indicators to early detect any sign of deterioration with a forward-looking approach
- We continuously improve our Data Quality Framework, ensuring high data quality standards
- We continuously assess and ensure robustness and appropriateness of internal control system and the effective interaction between the three lines of defense

Credit Risk

- We continue to be disciplined in risk management and credit underwriting to preserve the portfolio good quality and support sound business in a controlled risk environment, with specific attention on vulnerable sectors (including energy-intensive, real estate and construction, highly leveraged enterprises and low-income retail affected by inflation and floating rates) and direct exposure towards geopolitical risks
- We confirm a prudent approach vs. leveraged transactions coherently with our corporate footprint, within defined limits and triggers and further enhancing its risk appetite and control framework
- We set an NPE strategy which focuses on value maximization through all levers and leverages on disposals only when value is maximized
- We carefully assess and limit concentration risk of all kind, in particular related to industry, bulk, and country

Counterparty Credit Risk

- We limit our exposure to shadow banking entities, through limits and triggers at Group and Legal Entity level
- Confirm current restrictive strategy on exposures towards the riskiest NBFI (Non-Banking Financial Institutions) counterparties, such as hedge funds and highly-leveraged funds, in line with the defined Risk Strategy thresholds
- We ensure proper oversight on Counterparty Credit Risk with a dedicated Risk Strategy, confirming the commercial banking and client-related activities as core

Liquidity and Interest Rate Risks

- We aim at preserving the strong Group liquidity position, by dynamically assessing in ILAAP the funding and liquidity needs through continuous monitoring of market trends
- We will promote customers' diversification and closely monitor deposits stability
- We execute the funding plan consistently with TLAC/MREL requirements and in order to ensure an adequate buffer on LCR and NSFR, both at Group and LE level
- We optimize intragroup exposures, taking into account self-sufficiency strategy, internal/local MREL provisions and Group liquidity position
- We aim at limiting NII volatility due to interest rate movements in a multiyear horizon by hedging deposits and capital through replicating strategies also in coherence with the evolution of behavioral risk models, maintaining a prudential approach
- We keep fixed-rate exposure hedged as much as possible, ensuring Economic Value Exposure well below regulatory thresholds leveraging also on prudential approach on replication

UniCredit Bulbank

Market and Sovereign Risks

- We pursue a low level of risk arising from trading activities, confirming the commercial banking and client-related activities as core
- We pursue an investment strategy aimed at ensuring an adequate level of High-Quality Liquid Assets, balancing the liquidity and profitability needs
- We aim at limiting adverse impact of Fair Value changes on Capital
- We steer towards the domestic sovereign exposures in line with peers
- We aim at limiting impact on total capital ratio from FX movement through a robust risk framework together with a strategy of capital optimization across the non-Euro Legal Entities

Non-Financial Risks

- In light of the unstable geopolitical context, we focus on operational resilience, with a continuous horizon scanning to cope with to external changes and threats
- We devote utmost attention to prevent frauds, even more with the prolongation of the global crisis, that may increase fraudulent behaviors
- We adopt adequate ICT and Cybersecurity controls across our estate to enable a safe, secure and resilient bank in steering the risk profile, while ensuring appropriate awareness, education and access for all employees, commercial partners and customers, at a time of on-going significant transformation
- We ensure data protection for all customers and protected parties complying with GDPR regulation and preventing reputational risks
- We adopt a tight third party risk framework, progressively strengthening controls and approaches, requiring third party services to be in compliance with applicable laws or regulations and appropriate risk standards
- We ensure proper evaluation and distribution of new products and utilization of new technology (e.g. AI), in the context where they could negatively affect client protection
- We foster a solid control on Reputational Risk in a fast changing financial and ESG-related environment, paying particular attention on the involvement of the Group in ESG sensitive matters and carefully monitoring the perceived level of the Group's reputation by external stakeholders
- We proactively seek to minimize legal disputes, monitoring relevant industry developments and analyzing root causes of disputes (including geopolitical risks) involving the Group and the industry thereby implementing mitigating measures where possible. We are committed to avoiding situations that could compromise our reputation, compliance with regulatory requirements and long-term sustainability
- We foster a strong compliance culture, putting the clients' interest first and ensuring a clear strategy of appropriate products and offers for customer clusters with sufficient granularity to avoid miss-selling or other inappropriate sales practices
- We have no tolerance for allowing our products or services to be used for financial crime anywhere in the world. Our strong risk culture supports timely identification and rectification of control weaknesses
- We have no tolerance for breaching the sanctions regimes applicable to UniCredit by preventing transactions being executed for the benefit of sanctioned countries, individuals and companies or the bank being involved in prohibited activities

UniCredit Bulbank

Climate & Environmental Risk

- We are totally committed to supporting our clients in a just and fair transition
- We proceed in the integration of Climate & Environmental risks within Risk Management framework through several concrete actions and in line with the defined Roadmap
- We carefully manage our exposure to climate risk considering both Transition and Physical Risk, ensuring proper origination, risk identification, monitoring and management, aiming at progressively increasing portfolio covered by the framework developed (in particular for credit risk assessment) and consistently with our Net Zero commitments, always taking into consideration our principles and values

Social Lending

- We provide support to clients at risk of economic and social exclusion, targeting both Retail and Corporates, supporting projects and initiatives aiming at making a substantial social contributions on the society and communities.

Diversity, Equity and Inclusion (DE&I)

- We foster our diverse workforce, ensuring gender parity, promoting wider ethnic and cultural diversity representation to reflect client needs
- We are committed to nurture an inclusive, positive, and equitable environment and enhance the quality of work-life and well-being throughout the entire employee life cycle, with the ambition to become a fully accessible company for both our people and clients
- We promote DE&I principles across all organizational levels including our stakeholders and suppliers

"Tone from the Top" and Risk Culture

- We strictly follow a strong Risk Culture across the organization as the core of our Group's strategy
- As managers, we must lead by example and ensure our systems and procedure enable honest and transparent communication. As teams, we must treat mistakes as opportunities to learn together rather than placing blame. As individuals, we must take responsibility for our actions and react constructively when we are challenged ourselves
- We pay high attention to the "Tone from the Top" through the capability to timely close the Audit and Regulatory findings. We allow replanning of deadlines only on very exceptional and justified basis and considering relevant regulator's approval/communication for regulatory findings

2.3 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 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.

UniCredit Bulbank

Risk Committee

The Risk Committee shall be an independent permanent advisory body appointed and dismissed by the SB of the Bank. The RC shall advise the SB and the Management Board (MB) 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 RC has advisory functions only, and the SB and MB shall retain overall responsibility for risks, the risk management and control.

Transactional Committee - Credit Committee Session

The Credit Committee Session is a collective body for taking credit decisions in accordance with the Statute of the Bank and the relevant resolutions of the Management Board and the Supervisory Board.

Transactional Committee - Credit Council Session

The Credit Council Session 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.

Financial and Credit Risk Committee - Credit Risk Session (FCRC - CRS)

The Financial and Credit Risk Committee - Credit Risk Session (CRS) is a standing specialized internal body, responsible for:

- Monitoring, evaluation, classification, and provisioning of risk exposures for losses from impairment, forbearance and write-off's;
- Periodical monitoring and review on credit portfolio quality, Risk Weighted Assets and expected Loss; ratios, Watch list process and dashboards on Credit Policy and Strategy;
- Proposals for changes in Credit Strategies, Retail and Corporate Credit Policy, rules, new credit products or changes and optimization in credit processes.

Financial and Credit Risk Committee – ALCO session (FCRC – ALCO)

The Financial & Credit Risk Committee – ALCO Session (FCRC-ALCO) is a decisional committee in the area of the financial management that is directly accountable to the Management Board of the Bank (MB). It is responsible for developing and employing the liquidity management system of the Bank. FCRC-ALCO shall periodically submit reports to the MB concerning its operational decisions, including also results of the periodic liquidity stress tests under institution-specific, market-wide and combined alternative scenarios. The MB shall review and assess periodically the effectiveness of FCRC-ALCO's decisions and adjust accordingly the strategies, internal rules and limits for liquidity risk in which appropriate measures for applying them in possible liquidity shortfalls are envisaged. FCRC-ALCO's activities are driven by the goal to achieve satisfactory return on equity on a solid, not excessively volatile basis, within professionally designed and reliable risk management system. Boundaries for all activities are set by regulators, legal system and rules prescribed by the shareholders.

FCRC-ALCO is responsible at local level for:

- approving strategies, policies and methodologies for market risk, defined benefit obligation, counterparty credit risk, liquidity risk, FX risk and banking book interest rate risk, fund transfer pricing, setting limits (where applicable) accordingly;
- approving the Financial Plan (incl. Funding Plan and Contingency Funding Plan);

UniCredit Bulbank

- evaluating the impact of transactions significantly affecting the overall financial risk portfolio profile as well as monitoring financial risks.

Non-Financial Risk and Controls Committee

The Non-Financial Risk and Controls Committee – General Session (NFRC–GS) – Operational Risk Stream, a successor of the former Operational and Reputational Risk Committee, is a specialized body, fundamental element of the operational risk system where current operational risk issues and developments are reported and discussed. The Committee meetings are held quarterly and attended by the Bank's senior management.

The Committee meets with consulting and approval functions for the following topics, evaluating and providing guidelines with reference to:

- Overseeing UniCredit Bulbank Non-Financial Risks(NFR) profile, emerging threats as well as the internal control system robustness at Local level, through the monitoring of most relevant events and incidents, weaknesses and shortcomings, also addressing and prioritizing – when needed – potential corrective actions and overall strategies for their optimization;
- External events having potential impact on UniCredit Bulbank NFRs profile, and best practices and/or lessons learned deriving from events, assessments and action plans;
- Periodical reporting provided by Risk Management on operational losses (with particular focus on events having relevant financial impacts), near misses, Risk Weighted Assets, Key Risk Indicators and Scenario Analysis, risk mitigation measures, capital at risk; OpRepRisk strategies, ICT and Cyber Risks assessments, Insurance Policies and Recoveries Analysis Report, Oversight of the outsourcing arrangements and third parties services, ICT project risk assessments and major Operational Risk issues etc.
- Promoting the annual managerial self-assessment processes and evaluating its results, in order to ensure a systematic approach to operational risk assessment and to the supervision of the Internal Control System;
- Compliance and Risk Management evidences on second level controls carried out, as well as on current and expected impacts of regulations monitored;
- Relevant risks/ criticalities highlighted by Internal Audit function, for specific cases and in relation to specific areas;
- Strategic guidelines and Risk Appetite proposals including capitalization targets and capital allocation criteria for Non-Financial Risks;
- Internal Validation annual Regulatory Report on operational risk.
- Deciding on possible escalation topics from Permanent Working Group (PWG) in case of delays or deviation from the expected outcomes regarding the implementation of the mitigation actions planned and approved by the competent functions. The main outcomes of the PWG meetings are reported to the local NFRC Committee;
- Approval and controlling of the allocated provisions for Non-Financial risk activities (Legal cases, Customer complains)
- Approval of General governance policies (including Group policies and methodologies), operational limits and methodologies for the measurement, management and control for the different types of NFRs;
- Support the Management Board in the assessment of the overall Internal Control System adequacy ("System" or "ICS") in the Bank through the analysis of the critical topics, and monitoring and prioritization of the corrective actions related to ICS in order to contribute to the efficiency and effectiveness of the ICS;
- Support the Management Board by consolidating ICS relevant topics within one committee putting forward recommendations in the examination of the proper functioning of the ICS in the

UniCredit Bulbank

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;

- Support the Management Board in the assessment of the overall Internal Control System adequacy related to the Compliance and AML and Financial Sanctions;
- Inform the Management Board for the risk exposure in Compliance area and supports the Management in taking decisions for mitigating such risks.

Non-Financial Risk and Controls Committee - ICT, Security & Cyber Risk Session

The ICT, Security and Cyber Risk Session has the mission to steer the overall security management framework as well as actively participate in the Business Continuity, Pandemic, and Emergency & Crisis Management activities performed in the day to day activities and management of the legal entities in the country.

In terms of security management the committee shall:

- support the Security structure of to achieve the UniCredit Group Bulgaria security objectives according to the business needs
- to regulate the organizational aspects of the security management processes and procedures, including the issuing, the managing of results of the local committee sessions and Digital Security Strategy, part of local Security Strategy
- to address the separation of potential conflicting duties, to guarantee an adequate level of accountability and control, and to reduce opportunities for unauthorized or unintentional modification or misuse of the Bank's assets
- to manage the security related aspects to the main IT D&I initiatives
- to identify and if needed update additional security measures for each relevant IT D&I initiative prior its implementation, in order to manage and treat potential digital security risks
- perform monitoring of the implementation of corrective plans by process/ business owners
- support and manage the proposals from the Security function

Non-Financial Risk and Controls Committee – Reputational Risk Session (NFRC-RRS)

The NFRC - RRS is a dedicated body established with the following mission and responsibility:

- to create a unique and dedicated body for discussion and decision for all transactions/initiatives/projects referring to Reputational Risk Sensitive Sectors - as regulated by the dedicated global policies - and for all other cases on Business proposal (e.g. other relevant sectors or relevant clients);
- to ensure increased attention and proper "tone from the top" on the overall evaluation and management of Reputational Risk.

Non-Financial Risk and Controls Committee – Third Party Risk Session

The management of the "Exception process" (escalation process) of the "Rules for Third Party Risk Management for Non-Outsourcing contracts" and "Rules for Outsourcing contracts" of the Bank and its Subsidiaries.

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.

Nomination Committee

The Nomination Committee major functions are:

- to identify and recommend, candidates to fill management bodies vacancies (to the General meeting of shareholders for members of the Supervisory Board and to the Supervisory Board for members of the Management Board),
- to evaluate the balance of knowledge, skills, diversity and experience of the candidates
- to carry out collective and individual suitability assessment of the management bodies and their members;
- to prepare a description of the functions and requirements for the candidates for the positions and determines the time commitment that the elected members are expected to devote to each role.
- to assess, nominate and recommend candidates to be appointed as Key function holders, considering their experience, qualification, knowledge and skills, as well as their professional experience, needed for the bank's management which shall be done in alignment with the existing applicable regulations and the internal bank policies.

The Committee's functions are in line with the provisions of the Credit Institutions Act and with the rights and obligations as per Ordinance №20/2019 of BNB.

Remuneration Committee

The Remuneration Committee has as its general task the following competencies:

- to be responsible for the preparation of decisions on remuneration to be taken by the supervisory function, including the remuneration of the members of the management board of the Bank;
- to be responsible for the preparation of decisions on the Bank's policy on the matters of remunerations so to ensure respect towards principles of transparency and corporate governance.
- to support the supervisory function in overseeing the remuneration policies, practices and processes and the compliance with the remuneration policy;
- check whether the existing remuneration policy of the Bank is still up to date and, if necessary, make proposals for changes before the Supervisory Board;

UniCredit Bulbank

- may approve the remunerations of other identified staff (for example for Group Identified Staff) in alignment with UniCredit Group guidelines and practices;
- assess the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall remuneration policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values and the long-term interest of the Bank;
- assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements

The Committee’s functions are in line with the provisions of the Credit Institutions Act and with the rights and obligations as per BNB Ordinance №4/2019 for the requirements of remunerations in banks.

Project Portfolio and Real Estate Portfolio Committee - Project Portfolio Session

- Project Portfolio’s session generic goal is to steer the demand management process within the Bank and its subsidiaries;
- The objective of the Project Portfolio Committee is prioritization/restructuring and approval/closure of strategic initiatives/projects in order to utilize in the best possible manner the limited resources (fiscal and non-fiscal) implementing only the best candidates, in line with Bank and Group strategy;
- Project Portfolio Committee is the highest decision-making and escalation body of each project/program, run within UniCredit Bulbank and its subsidiaries’ Project Portfolio;
- Project Portfolio Committee core virtue is validation of Projects’ conformity via transparency of their execution.

Project Portfolio and Real Estate Portfolio Committee - Real Estate Portfolio Session

- To steer the demand and change management process within the Bank and its subsidiaries, when it comes to Real estate related projects;
- Prioritization/ restructuring and approval of strategic initiatives in order to utilize in the best possible manner the limited resources;
- Approval of the selected strategic initiatives under preliminary estimated investment and aimed project opening. After scope clarification and all tenders are conducted, the final investment amount (separated by budget items) must be approved in compliance with Cost spending and cost management rules.

Local Investment Committee to Private Banking

Local Investment Committee to Private Banking is an internal collective body of the Bank, established to take decisions for strategic allocation of various assets classes and for model portfolios based on the Group Investment Strategy (GIS) of UniCredit Group and corresponding to different risk groups of clients.

The decisions of LICPB will support Private Clients’ Managers, in optimizing PB offers. The service quality is to increase. The presentation of approved model portfolios is to be uploaded to content management system iLibrary.

2.4 INTERNAL AUDIT FUNCTION

Internal Audit is an independent function, performing third level controls. It is an integral part of the Internal Control System of the Bank, including the oversight of its Subsidiaries. The purpose of Internal Audit is to provide an independent, objective assurance and consultancy activities, including the monitoring of risks stemming from its Subsidiaries, aimed at adding value and improving the Bank's processes.

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 International Professional Practices Framework (IPPF). UniCredit Bulbank Internal Audit is subject to an external periodic quality assessment. The latest external quality assurance review was performed in 2022 highlighting that the Internal Audit function of UniCredit Bulbank AD "Generally Conforms" to the Standards, the Core Principles, the Definition of Internal Audit and to the Code of Ethics in place.

To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Head of Internal Audit reports to the highest level of corporate governance of UniCredit Bulbank. The Head of Internal Audit is appointed with a resolution of the General Shareholders Meeting and reports to to the Bank's Audit Committee and Supervisory Board. The Internal Audit function interacts with all management levels in the bank, the Supervisory Authorities and the External Auditors.

The Internal Audit activity is planned and carried out following a forward-looking risk-based methodology, aiming to provide objective and insightful assurance on the effectiveness of the Bank's governance, risk management and control processes. 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.

2.5 COMPLIANCE FUNCTION

The Compliance function in UniCredit Bulbank is organized as a Compliance Department with four teams Units - General Compliance Unit, Anti Money Laundering and Financial Sanctions Unit, Control of the Investment Intermediary and Market Integrity Unit and Data Protection Team. The Head of the Compliance Department reports to the Chief Executive Officer of the Bank.

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.

UniCredit Bulbank

Among the functional range of the Anti Financial Crime 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 and Market Integrity (CII&MI) is to perform monitoring and control of activities of the bank as an investment intermediary. The CII&MI 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 Ordinance No 38 of 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 as follows:
  - MiFID II/MiFIR - Markets in Financial Instruments Directive;
  - EMIR - European Markets Infrastructure Regulation;
  - Conflicts of Interest - in the provision of investment services and activities;
  - MAR - Market Abuse Regulation;
  - Central Depository;
  - Dodd Frank-Volcker rule (USA Law);

UniCredit Bulbank

- Group shareholdings;
- PRIIP's - Packaged retail and insurance-based investment products;
- Benchmark - contribution of indexes;
- IDD (Insurance Distribution Directive) - investment investment element;
- CVB - Covered bonds and Securitization;
- GSFT - Securities financing transactions.

- In accordance with the requirements of Ordinance No 38 of Financial Supervision Commission (FSC), the Head of the CII&MI 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.
- Once per year the CII&MI unit elaborates and submits to the Management body and by the January of an Annual report on the monitoring of the activities of the bank as an investment intermediary which is delivered to Financial Supervision Commission (FSC) after approval by MB.
- The Unit performs monitoring of potential cases of market abuse with financial instruments and monitoring of insider trading and unlawful disclosure of inside information. In case of ascertained cases of market abuse and insider trading, it draws up and sends to the market regulator FSC a Suspicious Transactions Operational Report (STOR) 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. Personal account dealing (PAD) monitoring aims to prevent the risk of missing or delayed disclosure of personal transactions, thereby undermining effective identification of insider dealing.
- The Unit keeps the register of the authorised persons under Ordinance No 38 of FSC for the activities of the bank as an Investment Intermediary and as Registration Agent.
- Checks the agreements for Registration Agent services of Ordinance No 38 of FSC for compliance with the requirements of the Rules of Central Depository AD and 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 with regard to the financial instruments and investment services pursuing the requirements of MiFID II;
- The CII&MI unit communicates with the local competent authorities – Financial Supervision Commission, Bulgarian National Bank, Central Depository AD, Bulgarian Stock Exchange – Sofia AD in accordance to the activity of the Bank as an investment intermediary and registration agent.

The scope of the activity of the Data Protection Team 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);

UniCredit Bulbank

- 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 ;

UniCredit Bulbank

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

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 a delegated authority by the Management Board for market and liquidity risks, as well as interest rate risk in the Banking Book management is Financial and Credit Risk Committee – ALCO (FCRC – ALCO), the former Assets and Liabilities Committee (ALCO)

Risk monitoring and measurement in the area of market and liquidity risks, as well as interest rate risk in the Banking Book, along with trading activities control is performed by Financial Risk and Modeling 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 Modeling unit and compared with the risk limits set by the Management Board and FCRC – 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 across 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 FCRC – ALCO.

In 2023 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 explain the business strategy behind.

Fundamental Review of Trading Book (FRTB)

The standardized approach for FRTB is applied in UniCredit Bulbank as a part of a groupwide implementation. Its main elements - Sensitivity Based Approach (SBA), Default Risk Charge (DRC) and Residual Risk Add-on (RRAO) are monitored on weekly basis and results are reported monthly to Regulatory Reporting.

Climate and environmental risk within Market Risk framework

Climate Risk Scenarios in UniCredit Bulbank are designed for ICAAP purposes and take into consideration different hypothesis of transition risk:

- Delayed Transition: Governments do not ramp up efforts to limit global warming until 2030. Therefore, more stringent policy is required to achieve similar climate outcomes by 2050, resulting in greater economic impacts;
- No Further Action: Expanding fossil fuel demand and government failure to meet stated NDC commitments lead to higher emissions than in the baseline;
- Baseline: baseline aligns closely with the IEA’s Stated Policies Scenario. It reflects policy commitments that are backed up by measures;

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.

UniCredit Bulbank

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

Financial Risk and Modeling 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 new standard approach for counterparty credit risk (SA-CCR) according to the capital requirement framework under Basel III was implemented and is now in use within UniCredit Bulbank (aligned with UniCredit Group). The new framework replaced both non-internal model approaches: the current exposure method (CEM) and the standardized method (SM). SA-CCR is intended to be a risk-sensitive methodology because it differentiates between margined and non-margined trades and recognizes netting benefits. SA-CCR applies to OTC derivatives, ETD derivatives and long settlement transactions.

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 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) 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.

The main goal of UniCredit Bulbank's liquidity management is to ensure an efficient level of liquidity to allow the bank to meet its payment obligation not only on an on-going basis, but also under market tensions without jeopardizing its franchise value or its brand's name, keeping the refinancing risk at a manageable level. Liquidity risk management is performed in a going concern situation and in contingency situation.

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 under 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 – Liquidity Tolerance and Contingency Liquidity Management.

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 Group Liquidity Management & Control Global Policy and relevant local documents.

Structure and organization of the liquidity risk

The main relevant functions working on managing liquidity are ALM and Funding (ALM), Client Risk Management & Treasury (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.

Measurement and reporting of liquidity risk

UniCredit Bulbank measures both short-term and structural liquidity.

The metrics included in 2023 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 Structural Liquidity Ratio (SLR), provides a counterbalance by the regulatory view, by taking into account the behavioral assumptions. SLR is calculated as the ratio between medium-long term liabilities and assets that maturing above one year and over 3 years;
- Net Intragroup Funding, and
- Loans to Deposits Ratio – metric goes live in productive framework from January 2024, replacing the "Funding Gap" as a different way of representation.

Through the risk appetite framework, the bank monitors and controls the evolution of the **funding gap** due to the commercial activity (used until the EoY 2023). 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. The planned transformation of Funding Gap to Loans to Deposits ratio is for January 2024.

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 behavioral 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 behavior, 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.

UniCredit Bulbank

3.2 NON-FINANCIAL RISKS

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, and excluding strategic and reputational 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 noncompliance with laws, rules, regulations, agreements, prescribed practices or ethical standards.

UniCredit Bulbank Management Board is responsible for operational risk oversight, also with the support of UniCredit Bulbank Non-Financial Risk and Controls Committee – General Session (Operational Risk Stream).

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 organizational structure are in line with those envisaged by the Holding Company. Dedicated 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. The Operational Risk function as well as Reputational Risk function are within the scope of the responsibility of the Non-Financial Risk (NFR).

The main activities of the NFR in 2023 were focused on maintaining the excellence in managing the operational and reputational risks, as well as assessment and mitigation of risks and participation in dedicated bank projects initiatives and working groups.

The Operational Risk (OpRisk) tasks of the NFR function are: OpRisk Loss Data Collection and Reporting; General Ledger Analysis; Transitory and Suspense Accounts Analysis; Accounting Reconciliation; Key Risk Indicators Monitoring; Scenario Analysis; ICT Project Risk Assessment; Second-Level Controls on ICT and Security Processes; Second-Level Control on Outsourcing and Third-Party Risk Management; Operational Risk oversight Model on UniCredit Bulbank Subsidiaries; Insurance Analysis – Insurance recoveries, Annual evaluation on local insurances Operational and Reputational Risk Strategies Definition and Monitoring; Insurance Management – Insurance recoveries Analysis, Annual evaluation on policies in place for renewals, Regular Second Level Control Monitoring on ICT and Digital Security Processes; Risk and Controls Self-Assessment (RCSA) including OpRisk Assessment for ICT and Cyber Risk.

On top of the regular annual operational risk activities, within 2023 several new initiatives and processes were implemented, as well as some existing ones were further enhanced and improved:

- Risk and Controls Self-Assessment (RCSA) activity cycle was further developed and the scope of assessed processes has been enlarged. The Process Risk Gate assessment was introduced in the first phase of the RCSA activity. During this phase the preselected end-to-end processes were subject to a Process Risk Gate assessment to identify risks which to be immediately addressed through the RCSA detailed assessment within the second phase of the RSCA activity.
- New Key Risk Indicators (KRIs) were created:

UniCredit Bulbank

- 1 KRI related to operative control in retail branch network with aim to strengthen the second level controls in some operative processes in the branches.
- 3 KRIs (Missing or incomplete loan documentation (hard copy); Complaints on mortgages; CPI insurances on Mortgages) have been implemented aiming at second level controls enhancement and harmonization throughout UC Group.

All activities regarding operational and reputational risk management included in the annual plan, defined by the Group, were performed following the Group methodology and executed in a timely manner with no delay.

Operational Risk Permanent WorkGroup (PWG) was established, following the Group regulations. PWG meetings were conducted at least quarterly where process improvements and mitigation actions were discussed and monitored in a timely manner. The main outcomes (the mitigation actions) and escalation topics in case of delays or deviations from the expected outcomes, planned and approved by the competent functions are reported to Non-Financial Risk and Control Committee - General Session – Operational Risk stream for information or for decision.

In 2023 Non-Financial Risk also participated in several key business projects driving the digital transformation of the Bank. Among them were the Agent model, Omnichannel - CX PI 2023 project, PSD2 Bulk Payments project, Siron Replacement, Target 2 Securities, Transaction monitoring, ESG Strategy and Roadmap Implementation, KYC processes aiming to reflect the IT automation and regulatory changes; Cashless model of UniCredit Bulbank; New models for working with notaries and lawyers on mortgage loan transactions for an individual client. The NFR function participated in all major compliance and regulatory projects and in the significant changes in the processes of the Bank.
For 2024 the Non-Financial Risk will focus and closely monitor the following risk drivers:

- Internal frauds
- External frauds
- Digital Risk
- Transformation risk – with main focus Euro Adoption project, Agent Model, Cashless Model and Group Payment Strategy project
- Reputational and ESG Risks
- Implementation of Basel IV requirements

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

UniCredit Bulbank

services (branch security and ATM full servicing), cash counting services, IT and other services maintenance.

Apart from the above mentioned, the participants in the Non-Financial Risk and Controls Committee – General Session – Operational Risk Stream on a quarterly basis identify and propose risk mitigation solutions in their respective areas of responsibility in the Bank.

The outcome of the 2023 Annual Self-Assessment report concluded that the organization of Non-Financial Risk management in UniCredit Bulbank is well established. No deficiencies in any of the operational risk system components have been identified during the self-assessment process by the Non-Financial Risk function. The 2023 Audit Report on Operational risk management and measurement processes for Advanced Measurement Approach was issued with overall Mostly Adequate evaluation and no findings.

Reputational risk is defined as the current or prospective risk to earnings and capital decrease arising from the adverse perception of the image of the financial institution on the part of customers, counterparties (including also debt-holders, market analysts, other relevant parties, such as civil society, NGOs, media, etc.), shareholders/investors, regulators or employees (stakeholders).

Reputational risk governance activities are within the scope of the responsibilities of the Non-Financial Risk. 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, such as Defense/Weapons, Nuclear energy, Coal sector, Water infrastructure/Dams, Mining industry, and Oil and Gas Industry Sector. The Non-Financial Risk continued to develop the reputational risk process by implementation of the updated Group Policies and Operational Regulations and further development and regular functioning of the Non-Financial Risk and Controls Committee – Reputational Risk Session as a decision making body which decides not only reputational risk deals but discusses other significant reputational risk topics on regular meetings.

Climate and Environmental (C&E) and social risk assessments are guided by dedicated risk sector policies as well as by thr human rights commitment of UniCredit Group and, when applicable, by the Equator Principles (EP). With regards to policies fully linked to fossil fuel related activities, policies in place refer to artic and non- conventional Oil & Gas industry and Coal sector. Such policies also consider PACTA input results. (Please note that PACTA lists was replaced by NetZero approach framework at the end of the 2023. The new NetZero approach will be implemented at Group and Local Level from 2024).

During 2023 the NFR structure continued to develop the reputational risk process in compliance with the UniCredit Group principles, policies and rules for monitoring the reputational risk exposure.

The Reputational Risk Management is implemented within the Bank through a dedicated set of policies with aim to:

- Identify sources of reputational risk (e.g., when entering new markets, products or lines of activities);
- Give guidelines for reputational risk assessment and measurement, monitoring and reporting to the competent corporate Bodies (e.g., Group NFRC Committee);
- Rule the necessary escalation / decision-making processes (e.g. material events escalation process).

During the Y2023, an updated Reputational Risk Quantification Model is adopted and implemented. Amendments were made also in the following sensitive sectors Reputational Risk Regulations – Defense, Mining, Oil&Gas and Coal. Moreover, the risk culture has been constantly spread out throughout the organization.

In 2023 the NFR organized dedicated trainings aiming to improve the expertise of the branch managers of the retail network of the bank regarding operational risks in their daily activities. Moreover, two dedicated practical online trainings were held in 2023. One training covering the specifics of the ICT Project Risk Assessment performed by the project leaders and another one in the Operational Risk module of the Retail Branch Academy training. The NFR conducts regular Operational Risk Introductory training for all new employees and employees who change their position. With regard to Reputational Risk a new online introductory course was uploaded and completed by all employees of the Bank, containing the key definitions and requirements regarding the Reputational Risk Management in UCB and the Sensitive Sectors. Also a new training regarding the new changes of the Mining industry sensitive sector has been conducted. All the training activities, combined with methodological guidance and support to the other structures within the Bank by the Non-Financial Risk function 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 Transactional Committee – "Credit Committee session"
- The Transactional Committee – "Credit Council Session"
- The Chief Risk Officer
- The Head of Underwriting
- The Senior Managers of Corporate Credit Underwriting Unit, Retail Credit Underwriting Unit (responsible for Micro Business and Individuals Credit Underwriting) within the structure of the Underwriting Department
- Senior Risk Managers

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

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

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

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

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.

In 2023 the Bank continued to perform its credit activities in compliance with the governing rules and internal policies. Despite the economic challenges associated with the uncertain international environment, including Russian/Ukrainian conflict and the tightening of monetary conditions in Europe and Bulgaria, the Bank's portfolio remained resilient amidst these adversities. In 2023 credit activity is increasing, both for companies and for households.
Main risk initiatives:

- Underwriting (UW) process was focused on: (i) improving time to decision in Corporate via better organisation and control through better tracking of the applications after entering UW, (ii) increase of usage of simplified procedures for Small Corporate and (iii) introduction of automation by the annual reviews of Micro companies;
- New PI PD model has been introduced in June 2023 which introduced Joint Obligation concept in the ratings / PD assessment - the same as in Micro and Corporate one year ago;
- Preapproved lending to Micro companies launched at January 2023;
- Launched Second level controls KPI monitoring as per ECB regulatory requirements and further plan for extension available for 2024-2025.

Ongoing quality assurance of external appraisal companies through regular and random audit checks of valuations, where the results are reported semi-annually to the Management Board.

The objective of credit risk policies (corporate and retail) is to provide clear, measurable and applicable criteria for loan origination for both Business and Risk Management. They are formulated by UniCredit Holding, Credit Risk & Risk Oversight Management CE&EE in close cooperation and alignment with local risk management functions and the business side. Credit policies are updated annually following a structured review process that takes into consideration changes in macroeconomic outlook and market conditions, Risk Appetite and risk management strategies.

The purpose of Corporate Credit Risk Policy is to achieve sustainable and balanced portfolio industry mix while also controlling sectorial concentration. The Policy is mandatory to be followed in the credit process for the customers that are segmented as corporate based on the current segmentation criteria (including turnover higher than 1 MEUR).

The steering signals are qualitative indicators based on the expected development of the industry-specific risk and the size and risk structure of the corporate portfolio. They are defined during the annual budget and Group Credit Risk Strategies processes by the local Economic Research, Risk and Business functions and are subject to reconciliation with the Holding. The basis for the local Steering Signals is classification of industries according to the Sector Outlook prepared by the Economic Research Team.

Supporting sustainable economic growth and the transition to a low-carbon economy, the Bank is adjusting its credit risk management approach. The Climate Steering signals part of the credit risk strategy are being updated accordingly in compliance with the Group's Credit Risk Framework. The Climate Steering signals are defined by a Group methodology which is based on Transition risk score calculated on NACE code level by using several sources of guidelines e.g. EBA guidelines, EU Taxonomy, CERVED sectorial studies.

The Bank is focused on the enhancement of the methodology to assess vulnerable portfolios and mitigate related physical risks in particular the Real estate collateral portfolio. To ensure regulatory requirements we continue to streamline data gathering and analytics, in order to further identify sources of climate related risks. Our efforts are aimed at introducing a lean methodological approach for evaluation on ESG factors affecting the value of the loan collaterals and in particular the impact of Energy Efficiency of buildings. Preliminary assessment of the collateral portfolio has been performed by Collateral Management Unit on physical risk caused by sea-level rise and by flooding in line with the Group's methodology on the matter. As next step for 2024 we aim to collect data for new flow in real estate collateral portfolio related to following hazards: River flood, Flash flood, Storm, Sea level rise, Wild Fire and their severity.
The Retail Credit Risk Policy formalize separately for private individual clients and micro business general underwriting principles such as:

- Rejection criteria
- Scoring/rating
- Overruling
- Loan application and Loan contract requirements
- Commercial real estate financing
- Maximum age of the applicant
- FX lending CAPs
- Collateral requirements
- Income confirmation
- Debt ratio calculation
- Risk KPIs and limits per product

The Policy also specifies specific product rules regulating the maximum tenor, LTV requirements and amount depending on the particular product that could be granted to a retail client. Cost of living was updated in the underwriting system once in October 2023. New methodology of Cost of living was introduced in the beginning of 2024. For 2023 no changes in LTV and DTI thresholds. In December 2023 a standard housing loan especially oriented to young families was introduced. The conditions of the product are part of the Group's strategic focus on ESG initiatives with LTV up to 100%. The Bank applies LTV CAP for new production loans which is regularly monitored and does not exceed the CAP limit. Extraordinary risk and prohibited transactions are also defined.

Monthly monitoring process is established on local level for Industry Limits. Industry perimeter EAD and EL% developments are analysed monthly in order to ensure timely identification of potential Trigger/Limit breaches. Monthly presentation containing snapshot of the stock data, as well as, comments on major deviations is prepared by Risk Modelling and Analytics which is sent to Corporate Credit Underwriting to keep them up to date with the portfolio evolution. For industries exceeding or close to the Trigger/Limit Corporate Credit Underwriting provides reasoning. The required actions depend on materiality of breaches and classification of industries in accordance with their significance in the local and the aggregated CEE portfolio. Monthly monitoring is presented to the Financial and Credit Risk Committee – Credit Risk Session. On group level Industry Limits are monitored on quarterly basis and a report with QvsQ development is prepared. Local input consists detailed information regarding major deviations, reasoning and potential actions if breach is registered. Quarterly monitoring is presented to the Risk Committee. In all cases breaches are justified and the approval of new loans in the industries observed the rules set in the Corporate Credit Risk Policy with regard to financing principles (PD cut offs) and EL steering in line with the approved Risk Appetite.

UniCredit Bulbank

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 directorship position as member of the Board of Directors Borica AD, directorship position in the Management board of Association of Banks in Bulgaria, directorship position in the Management Board of Council of women in business in Bulgaria;
- The Deputy CEO 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;
- Executive director and Head of People and Culture is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD
- Head of Legal is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD
- 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 Supervisory Boards of its wholly owned subsidiaries UniCredit Consumer Financing EAD and UniCredit Leasing EAD;
- Head of Corporates Division is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD, as member of the Supervisory Boards of its wholly owned subsidiaries UniCredit Leasing EAD and UniCredit Consumer Financing 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, as a member of the Supervisory Boards of its wholly owned subsidiaries UniCredit Consumer Financing EAD and UniCredit Leasing EAD and as a member of the Supervisory Board of UniCredit Banka Slovenija D.D.;
- The Chief Operative Officer /formerly Head of Global Banking Services (GBS)/ is holder of one directorship position as member of the Management Board of UniCredit Bulbank AD.

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

In compliance with BNB/ECB requirements and the updated Ordinance No 20* of the BNB of 24 April 2019 on the Requirements to the Members of the Management and Control Bodies of a Credit Institution and on the Assessment of the Suitability of Their Members and the Key Function Holders, the applicable legislation, and following the respective guidelines 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 policy Suitability assessment of the Corporate officers and Key function holders, the candidates are assessed on individual basis following the criteria in the aforementioned regulations (knowledge, experience, reputation, time commitment, key skills etc.) as well as collective suitability assessment is completed for the management body where the appointment is done. The candidates for Key function holder meet the requirements under Article 11, paragraph 1, items 1 and 3–8 of the *Law on Credit*

Institutions and cover the suitability requirements necessary to hold the position. The candidates for MB or SB member must meet the whole requirements of abovementioned Article 11.

The bank has set a separate Nomination Committee (until 2021 the bank had "combined" Nomination and Compensation committee) which has the responsibility to identify and recommend candidates to fill management bodies vacancies (to the General meeting of shareholders for members of the Supervisory Board and to the Supervisory Board for members of the Management Board) and conducts the suitability assessment on individual level prior appointment as well as the collective assessment of the respective management body (as per the Ordinance 20 of BNB and EBA guidelines on the assessment for suitability).

UniCredit Bulbank has adopted and implemented the UniCredit Group 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 successors for managerial positions/roles.

3.4.3 Diversity policy, including the policy on gender diversity

At the end of December 2023, 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 – 60%/40%, while for the top managerial positions (board level and direct reports to executive directors) the ratio is 43%/57%.

Diversity, equity, and inclusion (DE&I) at the workplace remained part of the P&C priorities and the managerial agenda across all functions. The different DE&I aspects are implicated in various internal requirements and procedures throughout all stages of the employee lifecycle, e.g., attraction and recruitment, compensation and benefits, learning and development, succession planning, etc. In 2023 our continuous efforts for achieving gender equity and inclusion through the years have been recognized also externally. After a rigorous certification process UniCredit Bulbank has been awarded with EDGE Assess Certification. EDGE is the leading global assessment and business certification for gender and intersectional equity. The certification marks not only the Bank significant progress in gender equity and inclusion, but it is also a testimony of our commitment for further improvement.

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, Financial and Credit Risk committee, PRC, Non-Financial Risk and Controls Committee – General Session and Reputational Risk Session, other control functions in the Bank, responsible Board members, Head of Departments, Senior Managers as well as Holding Company's competence lines.

The Credit Risk Reports

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.

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 stricter 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 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.
Monthly Risk Report – Portfolio overview, and summarized reports by segment, Expected Loss and RWA by Segment, New Business RWA and expected loss as well as overdue credit reviews for Corporate and Small Business clients.
Quarterly Overall Risk Report is submitted with information for Gross loans, Impaired Loans ratio, Coverage on impaired portfolio, Loans evolution, Industry limits monitoring, Breakdown by BoI classes, Business segment and legal entity, net LLP change and cost of risk ratio. There is also information for EAD break down by business segment, performing/non-performing and industry, RWA by business segment, Stress 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 the following reports are prepared – 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 and Price Transparency 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 (Liqudity surplus and survival period monitoring), Liquidity Coverage Ratio, Structural liquidity 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, Additional valuation adjustments, daily reconciliation between managerial PnL and market risk metrics (VaR and hypothetical PnL). Quarterly monitoring process covers the checks for trading intent for all portfolios in Trading book, Market risk quarterly checks (incl. FX open position reconciliation, Not Risk Relevant portfolios monitoring, check of Trading book eligibility criteria and check of absence of trading intent in Banking book portfolios).

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, Operational Risk Oversight Model on small subsidiaries; ICT Project Risk Assessments Reporting. Several managerial reports containing Risk and Control Self-Assessment Reporting including ICT and Cyber risks; 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 are being prepared and submitted annually. 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).

The Reputational Risk Monitoring report includes Reputational risk reporting to the Holding (focused on reputational risk deals; relevant transactions data and media coverage of operational and reputational risk events). The Reputational risk exposure is reported to the Management Board of the Bank (through the Non-Financial Risk and Control Committee – Reputational Risk Session) and to UC Group on a quarterly basis.

4 SCOPE OF APPLICATION

As both financial statements under the accounting scope of consolidation and financial statements under the regulatory scope of consolidation are fully IFRS based, there are only presentation differences which do not impact net assets, equity or profit or loss.

Reason for the difference between total assets and liabilities in published financial statement and regulatory reporting is that the company UniCredit Insurance Broker OOD is excluded from regulatory scope of consolidation.

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

- ***EU LI1 – Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories.***
- ***EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements.***
- ***EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity).***
- ***EU PV1 - Prudent valuation adjustments (PVA)***

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:

- ***Template EU CC1 - Composition of regulatory own funds***
- ***Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements***
- ***Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments***

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

6 OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS

The Bank's assessment of risks to capital is performed on ongoing basis and relies on comprehensive and formalized process of identification of potential material risks and their sound numerical quantification. The elements of this process are described below.

Group Risk Map

The internal definition of ICAAP regulations and application relies on the proportionality principle since UniCredit Group Pillar 2 framework has to be deployed in different ways according to the LE's risk profile and complexity. UniCredit Group LEs are therefore classified in four different classes: Large, Medium, Small-plus, and Small considering a minimum set of criteria. Large & Medium LEs have to implement the Group ICAAP and RAF frameworks. Small-plus LEs are not expected to have individual ICAAP and RAF frameworks, as related activities can be run by the owner company. The classification is performed on annual basis with reference to the September perimeter. Based on September 2023 results, UniCredit Bulbank is classified as Medium and its subsidiaries are Small-plus. Thus, UniCredit Bulbank maintains its ICAAP and RAF frameworks on local group consolidated basis.

Risk Inventory

The Risk Inventory process purpose is the identification of all the risks faced or going to be faced by the Group in a forward looking perspective. The outcome is a detailed list of risks to be considered in the ICAAP. In this regard the identification is performed at Holding and relevant Legal Entities level by analyzing the positions held and activities carried out in the respective perimeter. Every year the risks are assessed by Risk Inventory survey prepared by Group ICAAP & Stress Testing and sent to Risk Management functions of the Holding and relevant LEs.

Risk Profile Assessment

The risk profile and capital adequacy assessment require the measurement, in a forward looking manner, of all material risks and to cover those risks through a sufficient amount of high quality capital. The Bank implements two complementary internal perspectives:

- Internal Normative perspective: this is the perspective under which the institution manages its capital adequacy by ensuring that it is able to fulfil all of its capital-related legal requirements and supervisory demands.
- Internal Economic perspective: the perspective under which the institution is expected to identify and quantify all material risks (under an economic value approach) that may cause economic losses and deplete internal capital.

Both Normative and Economic perspective risk and capital assessment are performed under baseline and stressed conditions and on a multi-year horizon.

Regulatory Capital

Regulatory capital under the Pillar 1 perspective is calculated and reported according to the below approaches.

Credit Risk:

- Advanced Internal Rating Based Approach (AIRB): Corporates (excl. Specialized Lending), Retail-Small Business (including covered by residential real estates), Retail – Individuals (including covered by residential real estates), and Equity claims (Simple Approach)

- Foundation Internal Rating Based Approach (FIRB): Financial Institutions and Corporates - Specialized Lending (Slotting criteria model with regulatory defined risk weights and expected loss levels)
- Standardized Approach: Central Governments or Central Banks, Regional Governments or Local Authorities, Multilateral Development Banks, Administrative Bodies and Non-commercial Undertakings, and International Organisations, as well as all Factoring exposures for which permanent partial use (PPU) of the Standardized approach is permitted by the Regulator. The Standardized Approach is applied also for the loan portfolios of the Bank's subsidiaries.

Market Risk: Standardized Approach.

Operational Risk: Advanced Measurement Approach for the Bank and Standardized Approach for the Bank's subsidiaries.

Economic Capital

Under Pillar 2 the quantitative assessment of the risk profile is based on individual measurement of credit, market, IRRBB + CSRBB, operational, reputational, business, and real estate risks via VaR-based Economic Capital models. The individual risks are further aggregated to a single metric, Aggregated Economic Capital. A model risk charge is also added to the overall Economic Capital result. The below table outlines the composition of the overall Pillar 2 risk assessment.

Risk type	Risk sub-type	Definition
Credit risk	Default risk	Risk arising from credit default events
	Concentration risk	Single name default concentration risk
	Migration risk	Risk arising from rating downgrades of obligors
	Securitization risk	Risk arising from investor, sponsored and retained tranches of originated securitization
	Counterparty risk	Default risk of counterparties for OTC and Securities Financing Transactions (SFT) instruments
	Participation risk (illiquid positions)	Covers illiquid participations and funds in the banking book
	Country transfer risk	Risk that a country imposes restrictions on the conversion of foreign currencies and/or on the cross border transfer of funds
Market risk	Position risk in the TB (FVTPL)	Risk of loss on financial instruments from changes in market risk factors relevant for Trading positions, related to the part of portfolio accounted as Trading Fair Value through Profit or Loss
	Position Risk in the BB (FVTPL)	Risk of loss on financial instruments from changes in market risk factors that are relevant for Banking positions, related to the part of portfolio accounted as Trading Fair Value through Profit or Loss
	Position risk in the BB (FVOCI)	Risk of loss on financial instruments from changes in market risk factors relevant for Banking Book positions
	Credit Value Adjustment risk	Risk stemming from valuation adjustment of the derivative portfolio with respect to counterparties' credit risk
	Funding Cost risk	Risk stemming from valuation adjustment of the derivative portfolio with respect to funding risk
	Participation risk (liquid positions)	Risk of loss on listed participations and funds in the Banking Book

IRRBB + CSRBB	Interest rate risk on Banking Book positions covering Credit spread and Interest Rate risks that are not classified as FVTPL nor FVOCI
Operational risk	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
Business risk	Covers unexpected changes in business margins/volumes not already accounted for in other risk types
Real estate risk	Covers potential losses resulting from market value fluctuations of the bank's own real estate portfolios
Reputational risk	Covers the loss of future revenues due to the media coverages of the potentially adverse reputational events
Model risk	Component for model risk in the economic capital calculations

Stress Tests

The resilience of the Bank's capital position is tested on semiannual basis via extensive stress tests which simulate all material risks (in terms of capital requirement), the capital base and the P&L in multiple adverse scenarios. The scenarios are designed by UniCredit research on the basis of different triggers and span on a three-year horizon over which all main (and country-specific) macroeconomic and market indicators are simulated. These scenario-induced indicators are translated into shocks in risk parameters (i.e. default rates, Probabilities of Default, etc.) and losses using specific methodological guidelines, models and tools. The assessment is performed for both regulatory and economic capital.

For the purposes of the Supervisory Review and Evaluation Process the Bank delivers to ECB on annual a comprehensive ICAAP package organized in the following main documents:

- ICAAP - Pillar 1 reconciliation document: a description of the models used for risk quantification under the ICAAP and compares their results as of December 2023 to the capital requirements under regulatory/Pillar 1 perspective.
- Reader's Manual: a document that contains references to a number of internal rules within the Bank's ICAAP framework, supporting documents and reports.
- Capital Adequacy Statement – the core document of the ICAAP package which is the acknowledgement of the Bank's management for the capital adequacy results in three different dimensions:
  - Retrospective (for the past year) and forward-looking (the multi-year plan);
  - Regulatory (Pillar 1) and internal (Pillar 2) view;
  - Business-as-usual and under adverse conditions/stress tests scenario.

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:

- ***Template EU KM1 - Key Metrics***
- ***Template EU OV1* – Overview of RWAs.**

The following information is not relevant to UniCredit Bulbank:

- ***Template EU INS1 - Insurance participations***

  Template EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio

7 EXPOSURES TO COUNTERPARTY CREDIT RISK

UniCredit Bulbank employs the Group internal model method for counterparty risk measurement and limit compliance control.
Financial Risk and Modeling 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:

- ***Template EU CCR1 – Analysis of CCR exposure by approach***
- ***Template EU CCR2 – Transactions subject to own funds requirements for CVA risk***
- ***Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights***
- ***Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale***
- ***Template EU CCR5 – Composition of collateral for CCR exposures***

The following information is not relevant to UniCredit Bulbank:

- ***Template EU CCR6 – Credit derivatives exposures***
- ***Template EU CCR7 – RWEA flow statements of CCR exposures under the IMM***
- ***Template EU CCR8 – Exposures to CCPs***

8 COUNTERCYCLICAL CAPITAL BUFFERS

During 2023 the level of the countercyclical capital buffer set by BNB increased from 1% to 1.5% as of 01.01.2023 and from 1.5% to 2% as of 01.10.2023.

As of 31.12.2023 the Institution-specific countercyclical capital buffer for UniCredit Bulbank is calculated at 1.97%.

The information related to CCYB is disclosed in:

- *Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer*
- *Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer*

UniCredit Bulbank

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 EXPOSURES TO CREDIT RISK AND DILUTION RISK

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

- for loans and receivables – by the end of each month for the purposes of preparing interim financial statements reported to the Bulgarian National Bank and Management;
- for available for sale and held to maturity financial assets – semi-annually based on review performed the Bank and decision approved by FCRC – 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 "Internal Rules on Default Definition and Forbearance Classification" 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).

General quantitative information on credit risk is disclosed as follows:

- ***Template EU CR1: Performing and non-performing exposures and related provisions***
- ***Template EU CR1-A: Maturity of exposures***

- ***Template EU CR2: Changes in the stock of non-performing loans and advances***
- ***Template EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries***
- ***Template EU CQ1: Credit quality of forborne exposures***
- ***Template EU CQ2: Quality of forbearance***
- ***Template EU CQ3: Credit quality of performing and non-performing exposures by past due days***
- ***Template EU CQ4: Quality of non-performing exposures by geography***
- ***Template EU CQ5: Credit quality of loans and advances by industry***
- ***Template EU CQ6: Collateral valuation - loans and advances***
- ***Template EU CQ7: Collateral obtained by taking possession and execution processes***
- ***Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown***
- ***Template EU CR10 – Specialised lending and equity exposures under the simple riskweighted approach***

11 USE OF 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 requirements 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).

More information about the part of the credit portfolio under Standartised approach can be found in

- ***Template EU CR4 – standardised approach – Credit risk exposure and CRM effects***
- ***Template EU CR5 – standardised approach***

UniCredit Bulbank

12 USE OF THE INTERNAL RATING BASED APPROACH TO CREDIT RISK

12.1 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[1] in order to carry out clients' creditworthiness analyses. Rating models can be generally summarized as:

Group-wide rating models (GWM)

Group wide rating models[2] 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[3]; Security Industry Companies; and Financial Institutions.

Local rating models

- *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 classified as Specialized Lending in accordance with Art. 153.5 and Art. 158.6. of Regulation (EU) 575/2013.
As EAD risk parameter, UniCredit Bulbank applies the regulatory defined CCFs 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.

The established internal risk control environment is sound and reliable and is an integral part of the operative working process within the Bank. Risk control functions 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.

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

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 favor 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.

12.2 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**:

Since February 2022 a new version of the Corporate PD model is in production, 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. The model has been approved for application by ECB/BNB team and covers information in 4 directions: financial, qualitative, internal behavioral, Central credit register. Based on PD value the customers are ranked using a 23 notches rating master scale.

- **SME PD model**:

Since February 2022 a new version of the SME PD model is in production, 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. The model has been approved for application by ECB/BNB team and covers information in 4 directions: financial, socio-demographic, internal behavioral, Central credit register.

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

- **Private Individuals PD model**:

In 2023 (July) a new version of the PI PD model was introduced, 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. The model has been approved for application by ECB/BNB team and covers information in 4 directions: financial and product, socio-demographic, internal behavioral, Central credit register.

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

- **Specialised Lending Slotting Criteria model**:

Since February 2022 a new version of the IPRE slotting model is in production in line with 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. The model has been approved by ECB/BNB team. As an outcome of the model the transactions are assigned to one of 4 possible slots - Strong, Good, Satisfactory, Weak.

- **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.

Internal credit risk models are developed by Credit Risk Models and Systems Team within Risk Management Division. Each model is being annually 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[4]) function at Holding level performs quality assurance of the validation reports of the local models. In order to achieve more independence of the function in charge of the model review from the functions responsible for model development, starting from 2018 a

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

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:

- ***Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range***
- ***Template EU CR6-A – Scope of the use of IRB and SA approaches***
- ***Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach***
- ***Template CR9 –IRB approach – Back-testing of PD per exposure class (fixed PD scale)***

The following information is not relevant to UniCredit Bulbank:

- ***Template CR9.1 – IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)***

UniCredit Bulbank

13 CREDIT RISK MITIGATION TECHNIQUES

When granting loans the Bank accepts collaterals as follows:

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

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

- **Reality** – existence and perfect documentation;
- **Identity** – the collateral should be clearly concretized;
- **Exclusivity** – the Bank should be the only bearer of the rights over the collaterals or privileged lender;
- **Sufficiency** – the amount of the collateral should be enough to cover (to preliminary defined extent) the debtor's liabilities throughout the whole period of the loan;
- **Liquidity** – the collateral itself should allow the possibility for fast sale.

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

Accepted collaterals are valued at Market Value. The value of the Properties is determined periodically by an independent registered appraiser. 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 as PD/LGD-reducing collaterals when the guarantor provider is institution and RW substitution for multilateral banks and insurance companies. In case of Guarantor treated under FIRB approach and when obligor is under Standardized approach, the risk substitution is not applied. The parameters of the guarantor deriving from a more sophisticated approach don't substitute the parameters of guaranteed obligor deriving from a simpler approach;

- 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 certainty and all operative requirements.

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

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

- ***Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques***
- ***Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques***

The following information is not relevant to UniCredit Bulbank:

- ***Template EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques***

14 ENCUMBERED AND UNENCUMBERED ASSETS

As of 31.12.2023 the assets are pledged on the following deals:

- For budget holders' account service the Bank has pledged a loan issued by BG Government (Schuldscheindarlehen) and government securities.
- UCB has pledged cash on margin account for derivative deals.
- Government bonds are pledged for REPO deals.
- Government bonds are pledged for corporate guarantee.

Regulator require budget liabilities and margin account for derivatives deals to be covered by encumbered bank assets. Repo deals are concluded aiming liquidity management.

Quantitative information related to Encumbered and unencumbered assets is disclosed as follows:

- ***Template EU AE1 - Encumbered and unencumbered assets***
- ***Template EU AE2 - Collateral received and own debt securities issued***
- ***Template EU AE3 - Sources of encumbrance***

15 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 requirements for market risks within the reporting cycle to the local regulator.
The Group-wide internal market risk model is applied for risk management and control purposes, and for consolidated requirements reporting at UniCredit 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 ***Template EU MR1 - Market risk under the standardised approach***

The following information is not relevant to UniCredit Bulbank:

- ***Template EU MR2-A - Market risk under the internal Model Approach (IMA)***
- ***Template EU MR2-B - RWEA flow statements of market risk exposures under the IMA***
- ***Template EU MR3 - IMA values for trading portfolios***
- ***Template EU MR4 - Comparison of VaR estimates with gains/losses***

UniCredit Bulbank

16 OPERATIONAL RISK MANAGEMENT

For the purpose of reporting Capital Adequacy in accordance with Regulation (EU) 575/2013 of The European Parliament 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).

UniCredit Bulbank

17 USE OF THE ADVANCED MANAGEMENT APPROACH TO OPERATIONAL RISK

Since 2011 UniCredit Bulbank applies the Advanced Measurement Approach (AMA) for the capital calculation of Operational Risk.

AMA capital requirement is calculated, at Group level by UniCredit Holding, considering data split by the Model Risk Categories (MRC) listed in p. 16 above, i.e. data-homogeneous risk classes. For each MRC, the loss severity and frequency probability distributions are estimated and then combined, in order to obtain the annual loss distribution. The annual loss distributions of the Model Risk Categories are combined, considering the correlation among them, in order to obtain the overall annual loss distribution. The overall annual loss distribution is adjusted for insurance coverage. Group AMA capital requirement is calculated on the overall annual loss distribution with the confidence level 99,9% for regulatory purpose and with that defined for economic capital calculation purposes, taking into consideration deduction for expected losses. The capital requirement measurement activities are performed, on a quarterly basis, at UniCredit consolidated level, i.e. the Holding Company is responsible for the overall process at Group level.
Under the Advanced Measurement Approach ("AMA"), capital for operational risk is obtained by modelling internal loss data, integrated with external loss data, scenario generated data and key operational risk indicators.

For each Legal Entity of the Group, that adopts the internal model (AMA), capital requirements are obtained through an allocation mechanism which reflects their operational risks exposure. UniCredit Bulbank's subsidiaries contribute to the Operatinal Risk capital calculation using the Standardized Approach (TSA). In the TSA the capital requirement is the average of the last three years to date TSA calculation. For each year, the capital requirement is obtained by summing the relevant indicators referred to the end of financial year for each Business Line multiplied by the regulatory rates. The relevant indicator of a Business Line will be included in the calculation also when negative. Whenever the overall capital requirement for Operational Risk in a certain year results to be negative, then the capital requirement for that year has to be considered as zero while it contributes to the calculation of the three-year average.

Capital requirements for Operational risk are disclosed in ***Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.***

UniCredit Bulbank

18 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 include daily basis point value sensitivity, weekly stress tests and monthly reporting of regulatory required variation in economic value of equity (instantaneous Supervisory Outlier Test interest rate shock as percentage of equity), variation in net interest income given the hypothesis of constant balance sheet under instantaneous Supervisory Outlier Test interest rate shock as percentage of equity and variation in earnings. Executive summary is reported in each monthly FCRC – ALCO session.

The Bank defines IRRBB as the current or prospective risk to both the earnings and the economic value of an institution arising from adverse movements in interest rates that affect interest rate sensitive instruments. IRRBB is managed by assigning limit and trigger thresholds for specific risk indicators, regular monitoring and escalation procedure for breaches. Daily calculation of BP01 total and by buckets, monthly calculation of EVE sensitivity, NII sensitivity and Earnings sensitivity are performed.

Quantitative information with regards to interest rate risk on positions not held in the trading book is disclosed in ***Template EU IRRBB1 - Interest rate risks of non-trading book activities.***

UniCredit Bulbank

19 EXPOSURE TO SECURITISATION POSITIONS

Synthetic Securitization

In 2022 UniCredit Bulbank structured a synthetic securitization transaction on a portfolio of SME and corporate exposures originated by the Bank in its usual course of business. The risk transfer was achieved through a financial guarantee by the European Investment Fund (EIF). The structure of the transaction involves a fully retained senior tranche and a fully sold junior tranche. The transaction provides first-loss protection over the securitized portfolio and is designed to achieve Significant Risk Transfer (SRT) as per EU Regulation 2401/2017 and to be compliant with relevant prescriptions of EU Regulation 2402/2017 as amended from time to time (together, the “Securitisations Regulation”). The securitization has a confirmed STS status within the meaning of article 18 of Regulation (EU) 2402/2017. As this is a private securitization where no prospectus had to be drawn up in compliance with Regulation (EU) 2017/1129 and no information had to be made available via a securitization repository according to Regulation (EU) 2017/2402.

Role	Party
Originator	UniCredit Bulbank AD
Junior Tranche Guarantor	European Investment Fund
Originator Legal Counsel	Clifford Chance LLP & Wolf Theiss Attorney Company
Guarantor Legal Counsel	Linklaters LLP
STS Verification Agent	Prime Collateralised Securities (PCS) EU SAS
Credit Event Verification Agent	Deloitte Audit OOD

The assets pooled in the securitization exclusively consist of performing secured and unsecured loans originated by, owned by and carried as an asset of the Bank, being all such loans granted to SME and Corporate customers located in Bulgaria and denominated in EUR and BGN. For Regulatory reporting purposes all loans are treated under the Advanced-IRB approach.

In accordance with the Financial Guarantee, the underlying portfolio includes in whole or in part also loans arising under revolving credit and/or overdraft facilities whereby the reference obligation notional amount refers to the sum of (a) the maximum undrawn commitment granted by the originator under such facilities and (b) all drawn amounts under such facilities.

As an originator of the reference portfolio the Bank retains, on an unhedged and unguaranteed basis, an exposure to each loan which will be at all times at least 5% of the notional amount and which will not benefit from the Guarantee (the “Retained Exposure Amount”) in compliance with Art. 6(3)(a) of Regulation (EU) 2017/2402.

The main characteristics of the Updated Reference Obligation Portfolio with reference to 31st December 2023 are the following:

- Outstanding securitized amount (Reference Portfolio Notional Amount) BGN 1 048 802 900;
- RWA without securitization: BGN 647 405 832 (61.73% of the securitized portfolio);
- Expected Loss without securitization: BGN 7 714 602 (0.74% of the securitized portfolio);
- RWA after application of securitization framework: BGN 95 447 175 (9.1% of the securitized portfolio);
- Expected Loss after application of securitization framework: BGN 0;
- Weighted average PD of 1.75%;
- Weighted average LGD of 47.18%.

UniCredit Bulbank

Transaction structure

The Financial guarantee has following structure (as at 31.12.2023) with Pro-Rata Amortization with relevant switches to Sequential Amortization.

Tranche	BGN Nominal Amount	Thickness	Attach	Detach	Guaranteed	Retained %	Amortization Typology
Senior	954 471 756	91.00%	9%	100%	0%	100%	Pro-Rata +
Junior (Commitment)	94 331 145	9.00%	0%	9%	100%	0%	Sequential

The transaction encompasses, inter alia, the following customary call options in favour of the Originator:

- Clean-Up Call meets the requirements of Art. 245(4)(f) of the Regulation (EU) 2017/2401
- Time Call can be exercised just after a period of time (measured from the Closing Date) equal to the initial portfolio weighted average life without considering any prepayment rate or default rate (“Early Termination Threshold Date”)
- Regulatory Change, being a change of law or regulation which leads to a less favourable regulatory capital treatment for the Originator
- Significant Risk Transfer Failure
- Tax Event

The Credit Events that qualify a loan as a defaulted exposure and hence trigger a payment under the Financial Guarantee are the following (in accordance with the Financial Guarantee):

- Failure to Pay >= 90 days past due
- Bankruptcy of the reference obligor
- Restructuring
- Default

The transaction achieved Significant Risk Transfer starting from November 2022, by complying with Article 245(2) (b) of Regulation (EU) 2017/2401, since the transaction was structured to transfer the whole Junior tranche to third parties and complying with risk retention requirements set forth in Article 6 of Regulation (EU) 2017/2402 through the retention of not less than 5% of the nominal value of each securitized exposure. The regulatory treatment applied to the transaction is that for STS transactions envisaged by the article 260 of the Regulation (EU) 2017/2401.

Other securitization deals

In 2011 Bank has signed First Loss Guarantee Agreement (FLPG) with European Investment Fund, covering newly disbursed SME loans. In 2012 upon agreement for the regulatory treatment with Bulgarian National Bank, the above mentioned transaction is presented as synthetic securitization under STA for the purposes of allocating capital for credit risk under Basel III. From October 2016 the Bank applies Supervisory Formula Method for calculation for capital allocation purposes.

The residual capital structure of this securitization is made up of only the Junior tranche fully covered by unfunded guarantee. This point does not meet one of the criteria for securitization definition (i.e. risk tranching). Accordingly for regulatory purposes the transaction is no longer considered into the securitization framework.

Quantitative information regarding securitization positions is disclosed as follows:

- ***Template EU-SEC1 - Securitisation exposures in the non-trading book***

- ***Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor***
- ***Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments***

The following information is not relevant to UniCredit Bulbank:

- ***Template EU-SEC2 - Securitisation exposures in the trading book***
- ***Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor***

UniCredit Bulbank

20 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). Leverage ratio Target is set consistently with the Tier 1 ratio Target, in order to embed impacts from stress testing, potential risks to be faced and business-as-usual volatility. In addition, in coherence with Group strategies defined within Budget/MYP processes and in line with the desired long-term sustainability of the balance sheet, a conservative, but still “going concern”/”ordinary”, maximum ratio between “risk weighted asset” and “unweighted total exposures” (LR total exposures) is identified, to translate the T1 ratio target into Leverage ratio target.

The factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers are mainly the dynamics from on balance sheet exposures as Tier 1 and Off-balance sheet items are relatively stable.

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

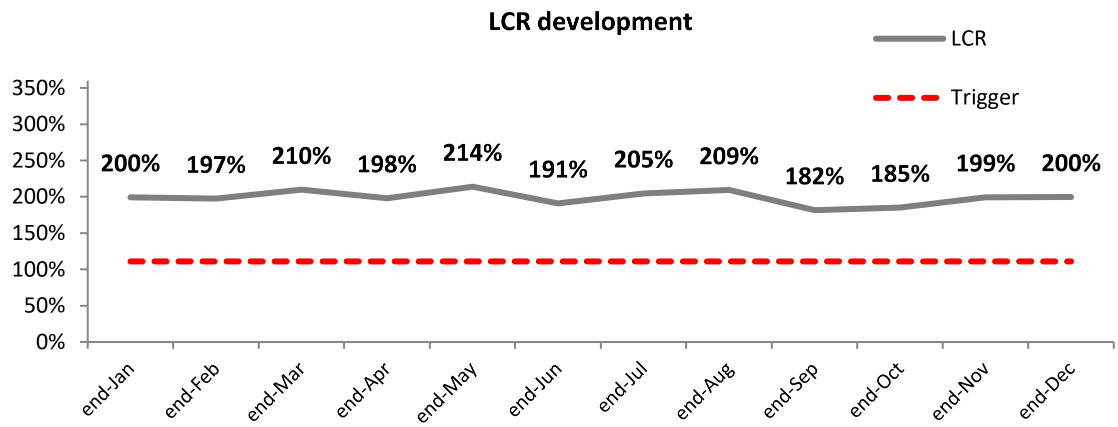
- ***Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures***
- ***Template EU LR2 - LRCom: Leverage ratio common disclosure***
- ***Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)***

UniCredit Bulbank

21 LIQUIDITY REQUIREMENTS

During 2023, UniCredit Bulbank's Liquidity Coverage Ratio (LCR) was always well above the Risk Appetite Framework trigger of 110% confirming the adequacy of the liquidity buffer from a regulatory perspective.

Liquidity Coverage Ratio in 2023



In general, abundant market liquidity has resulted for the banking system as a whole, in liquidity levels well above regulatory limits.

After a period of monetary tightening in 2022 and 2023, the major central banks recently started to put rates on hold and it might seem the tightening cycle is at its end. During 2023 the policies of the Global Central Banks towards interest rates responding to high levels of inflation led to a high volatility at the market and interest rate curves rising significantly. After the initial steepening, the yield curves began to flatten during the year. Increased Euribor rates helped generate healthy revenues from MM placements

For UniCredit Bulbank, the LCR was at even higher levels, consistently above internal targets. The Bank is well situated for organic growth and adequately prepared to face new liquidity challenges, as a result of world political instability in the context of existing and new conflicts/wars and climate changes. This will also help ease the burden of the cost of such excess of liquidity, while maintaining liquidity buffers well above internal and regulatory thresholds.

The monthly trend in the LCR is defined primarily by the main pillars of the liquidity strategy applied by the bank, namely targeting optimal risk-return profile of the investments in the view of generating added value, acting on both revenues and capital absorption layers thus generating sustainable returns. In this respect the LCR is influenced by:

- Reallocation of funds from placements in Central Bank (Bulgarian National Bank) to placements in other commercial banks
- Blend of maturities of placements: short-term up to 1Mo and longer-term above 1Mo

The drop in LCR ratio in June-end is related to the above mentioned re-allocation of liquidity between placements in Central Bank, while the drop in September-end is influenced in addition by shifting MM-placements to Central Bank reserves and realised investment in UC CZ&SLK Covered Bond.

In 2023 banking book liquidity was extremely strong, with deposits growth overpassing lending growth supporting high LCR levels throughout the year.

In 2023 UniCredit Bulbank continue to fund its lending growth primarily through customer deposits. .The growth in customer deposits reached record level of BGN 24.8 bln., +7.% y/y. Respectively the Net/Loan

UniCredit Bulbank

Deposits Ratio remained significantly below 100%: at 71% (consolidated perimeter) positioning the bank well for utilizing further growth opportunities.

Overall, UniCredit Bulbank displays a balanced funding structure, with deposits from customers representing 87% of the external liabilities (non-equity financing) by the end of 2023. The growth was driven by the stable component of the Retail segment (+ 11.6 y/y), while the Corporate deposits remained flat. This further improved the liquidity profile of the customer deposits in terms of stability and diversification. The customer deposits are diversified in terms of clients (60% retail, 36% corporate and 4% private) and currencies (65% BGN, 28% EUR, 6% USD and 1% Other).

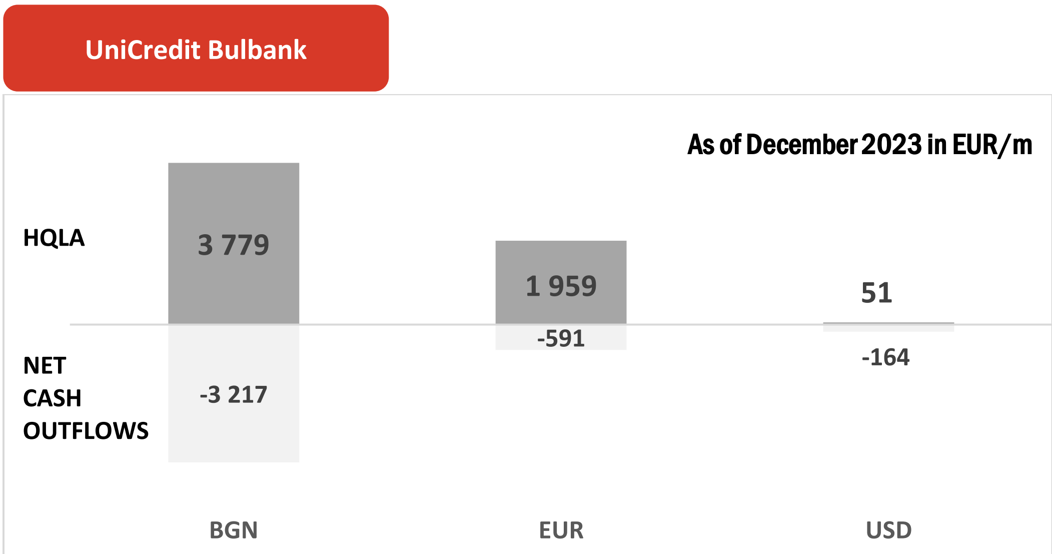
In 2023, in terms of core Funding with the Group UniCredit Bulbank remained net lender (to the Group). The only funding from the Group relates to the iMREL issuance, following the "Single Point of Entry" resolution strategy. As of the end of 2023, the total amount of iMREL instruments reached EUR 710 m, accounting to 5% of non-equity financing (1% in 2022) and contributing to the stability of the structural liquidity in the banks' balance sheet.

As reported to Bulgarian National Bank, UniCredit Bulbank has about EUR 5.8bn of unencumbered aggregate liquidity resources as of December 31st 2023, registering an insignificant increase compared to EUR 5.4bn in 2022, which is mainly explained by the increase in customer liquidity, complemented by the transfer of funds from interbank placements to the Level 1 Assets.

The significant portion of the bank's liquidity resources (49% of total HQLA / 2022 63%) are held at the CB account.

In addition, the Bank holds a portfolio of highly liquid sovereign bonds (92% from HQLA) issued by the governments of Bulgaria, Italy, Poland, Spain and Romania. The Level 1 HQLA has the following structure by currency: 67,6% of the bond portfolio is denominated in EUR, 30,1% of liquid assets are denominated in BGN and 1,6% in USD.

The Bank's ability to easily swap currencies and raise funds in foreign currency markets may be constrained during stressed conditions, thus Article 8(6) of the LCR Delegated Regulation requires banks to ensure that the currency denomination of their liquid assets is consistent with the distribution by currency of their net liquidity outflows. Respectively, Bulbank is monitoring of the LCR in different currencies:



It shows the LCR of Bulbank in BGN and EUR is well above 100%, with HQLA denominated in the respective currency exceeding net outflows. The main Outflow components are:

- For BGN-denominated positions - the Outflows from Retail deposits, the Outflows from unsecured deposits (non-operational deposits from NFC mainly) and Committed facilities
- For EUR-denominated positions the Outflows from Derivatives payable, the Outflows from Retail deposits, the Outflows from unsecured deposits (non-operational deposits from NFC mainly) and Committed facilities
- For USD-denominated positions – the Outflows from Derivatives payable, Outflows from Retail deposits

As for the LCR in USD, although the metric is material in terms of the internal quantitative criterion, Bulbank monitors it without a specific trigger level (as part of the granular set of limitations) due to the fact that the major part of USD funding is composed of stable customer deposits with the full liquidity potential being preserved by exploring the most liquid swaps markets. Moreover, the current limitations on internal metrics Funding gap and Operative Maturity Ladder in USD (the exposure is strictly positive for both metrics) are deemed enough and efficient to steer the USD liquidity position in the bank.

The collaterals calls have immaterial impact on Bulbanks's LCR and there are no other items that could affect materially the LCR levels besides the one disclosed in the template.

More information on liquidity requirements is disclosed in:

- *Template EU LIQ1 - Quantitative information of LCR*
- *Template EU LIQ2: Net Stable Funding Ratio*

UniCredit Bulbank

22 REMUNERATION POLICY

The Remuneration policy of UniCredit Bulbank AD is approved by the Supervisory Board of the Bank. The Policy is consistent with UniCredit Group's policy to attract, retain and motivate a highly qualified workforce and its main pillars are in compliance with the principles set by the Group remuneration policy, and 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 and mission-critical resources. The key pillars of Remuneration policy ensure correct definition of competitive compensation levels, internal equity and transparency.

The Remuneration committee is responsible for the preparation of decisions on remuneration to be taken by the Supervisory Board, including the remuneration of the members of the management board of the Bank and the Executive Directors. The Remuneration committee consists of three members – Supervisory board members and 2 of them are independent thus complying with the requirements of the Credit Institutions Act. Members of the Remuneration committee (2 independent members and 1 "non-independent") are appointed for a mandate of 3 years as per the rules for the work of the Remuneration committee. The Remuneration committee meetings in terms of time-line follow the compensation processes within the UniCredit Group and roughly include dedicated meetings in February/March for reviewing the bank's performance and the individual proposals for remuneration of the Material risk takers, in March/April for approving the total country bonus pool, in July for approving the Remuneration policy, the goals of the Material risk takers and the Group Incentive System rules, as well as ad-hoc meetings related to other matters like update of the Performance management rules, gender pay-gap status, result of the identification process for Material risk takers and similar. The proposals of the Remuneration committee are then provided for Supervisory board approval on the preliminary planned meetings or in case of targeting certain deadlines, even through per-rollam approvals. In year 2023 the RemCo had 4 Meetings on the topics mentioned above. No external consultants were used, apart of information on the market remuneration for certain Group material risk takers roles, provided in a centralized manner by UniCredit Group.

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 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 connected 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.

UniCredit Bulbank

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.
The 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" principle - local overall amount for bonus allocation is subject not only to country achievement of Bank targets and results, but also to CE/EE 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, 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 Material risk takers, is applicable a maximum ratio between variable and fixed remuneration of 2:1. For the rest of the staff it is a maximum ratio between the variable and the fixed components of the remuneration equal to 1:1, except for the staff of the Company Control Functions and People&Culture, for which it is expected that the fixed remuneration is a predominant component of the total remuneration and the 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 additional rewards (bonuses) are subject of achieving certain entry conditions on Group, Division and Country level, which conditions are related not only to the profitability, but also to the long-term sustainability through assigning sets of KPIs related to capital and liquidity, providing opportunity for adjustment related to the risk performance. The annual 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.

UniCredit Bulbank performed in the beginning of 2023 the local assessment of its and its subsidiaries Material Risk Takers for the Bulgarian legal entities, part of UniCredit Group. Local People and Culture, local Risk Management and local Compliance functions are appropriately involved in the assessment.

UniCredit Bulbank

According to the Bulgarian and the European legislation, UniCredit Bulbank applies for the Material Risk Takers (identified staff) category the principles of deferred variable compensation payout in cash and equity. Material Risk Takers (Identified staff) are divided into two groups. Group Material Risk Takers - responsible for the daily management of the bank –board members, executive directors and heads of independent control functions. Local Material Risk Taker - all other employees in selected roles which meet the 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 guaranteed 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 Material Risk Takers is paid within a predetermined four to six year period. 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). A retention period applies to the remuneration in shares.

For year 2023 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 Material Risk Takers 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 Material Risk Takers, 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 Material Risk Takers 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.

With reference to payout structure, the Material Risk Taker population is differentiated into several clusters, using a combined approach of position and compensation. The payout of incentives is done through upfront and deferred instalments, in cash and in UniCredit ordinary shares/UniCredit "phantom shares", over a multi-year period as per the respective deferral schemes valid for different clusters of population. Each share tranche is subject to a 1-year retention period for both upfront and deferred shares, as foreseen by regulation. All the instalments are subject to the application of claw-back conditions, as legally enforceable.

The overall number of identified staff, who received variable remuneration below the threshold for deferral of 50 000 EUR or 1/3rd of the total remuneration on individual level, is 83. The total amount of variable payments for these employees is 1226 TEUR and the total amount of the fixed remuneration is 4236 TEUR, thus summing up to a total remuneration of 5462TEUR.

Quantitative information about remuneration is disclosed in:

- ***Template EU REM1 - Remuneration awarded for the financial year***
- ***Template EU REM3 - Deferred remuneration***
- ***Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)***

The following information is not relevant to UniCredit Bulbank:

- ***Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)***
- ***Template EU REM4 - Remuneration of 1 million EUR or more per year***

UniCredit Bulbank

APPENDICES

UniCredit Bulbank

Template EU KM1 - Key Metrics

In thousands of BGN

		a	b	c	d	e
		31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	3 170 326	3 159 678	3 164 676	3 148 539	3 111 187
2	Tier 1 capital	3 170 326	3 159 678	3 164 676	3 148 539	3 111 187
3	Total capital	3 224 429	3 211 472	3 216 706	3 196 531	3 158 879
	Risk-weighted exposure amounts					
4	Total risk exposure amount	14 101 241	13 604 875	13 500 329	12 562 495	12 236 447
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	22.48%	23.22%	23.44%	25.06%	25.43%
6	Tier 1 ratio (%)	22.48%	23.22%	23.44%	25.06%	25.43%
7	Total capital ratio (%)	22.87%	23.61%	23.83%	25.45%	25.82%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	9.65%	9.65%	9.65%	9.65%	9.75%
EU 7b	of which: to be made up of CET1 capital (percentage points)	6.15%	6.15%	6.15%	6.15%	6.25%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	7.65%	7.65%	7.65%	7.65%	7.75%
EU 7d	Total SREP own funds requirements (%)	9.65%	9.65%	9.65%	9.65%	9.75%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	1.97%	1.48%	1.47%	1.45%	0.96%
EU 9a	Systemic risk buffer (%)	2.77%	2.76%	2.73%	2.70%	2.75%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	8.24%	7.74%	7.70%	7.65%	7.21%
EU 11a	Overall capital requirements (%)	17.89%	17.39%	17.35%	17.30%	16.96%
12	CET1 available after meeting the total SREP own funds requirements (%)	13.22%	13.96%	14.18%	15.80%	16.07%
	Leverage ratio					
13	Total exposure measure	36 186 507	34 912 617	34 348 712	33 866 658	32 398 438
14	Leverage ratio (%)	8.76%	9.05%	9.21%	9.30%	9.60%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	11 326 330	10 358 186	10 991 097	11 483 607	10 511 366
EU 16a	Cash outflows - Total weighted value	13 823 705	12 804 321	12 970 472	13 094 345	9 649 411
EU 16b	Cash inflows - Total weighted value	8 154 508	7 101 447	7 213 852	7 620 460	4 420 717
16	Total net cash outflows (adjusted value)	5 669 197	5 702 874	5 756 620	5 473 885	5 228 694
17	Liquidity coverage ratio (%)	199.79%	181.63%	190.93%	209.79%	201.03%
	Net Stable Funding Ratio					
18	Total available stable funding	24 582 828	23 236 305	22 412 064	22 577 704	21 488 850
19	Total required stable funding	14 149 264	13 653 511	12 874 638	12 273 910	11 825 832
20	NSFR ratio (%)	173.74%	170.19%	174.08%	183.95%	181.71%

UniCredit Bulbank

EU OV1 - OVERVIEW OF RWAs

In thousands of BGN

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31.12.2023	31.12.2022	31.12.2023
1	Credit risk (excluding CCR)	12 674 190	10 732 103	1 013 935
2	Of which the standardised approach	3 803 968	2 954 965	304 317
3	Of which the Foundation IRB (F-IRB) approach	744 953	769 014	59 596
4	Of which slotting approach	1 779 560	1 140 835	142 365
EU 4a	Of which equities under the simple riskweighted approach	22 543	41 799	1 803
5	Of which the Advanced IRB (A-IRB) approach	6 273 653	5 796 892	501 892
6	Counterparty credit risk - CCR	157 153	209 925	12 572
7	Of which the standardised approach	129 365	167 202	10 349
8	Of which internal model method (IMM)	0	0	0
EU 8a	Of which exposures to a CCP	0	0	0
EU 8b	Of which credit valuation adjustment - CVA	9 300	33 600	744
9	Of which other CCR	18 488	9 123	1 479
10	Not applicable			0
11	Not applicable			0
12	Not applicable			0
13	Not applicable			0
14	Not applicable			0
15	Settlement risk	0	0	0
16	Securitisation exposures in the non-trading book (after the cap)	95 447	169 880	7 636
17	Of which SEC-IRBA approach	95 447	169 880	7 636
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA approach	0	0	0
EU 19a	Of which 1250% / deduction	0	0	0
20	Position, foreign exchange and commodities risks (Market risk)	5 913	8 376	473
21	Of which the standardised approach	5 913	8 376	473
22	Of which IMA	0	0	0
EU 22a	Large exposures	0	33 600	0
23	Operational risk	1 168 538	1 116 163	93 483
EU 23a	Of which basic indicator approach	0	0	0
EU 23b	Of which standardised approach	0	0	0
EU 23c	Of which advanced measurement approach	1 168 538	1 116 163	93 483
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	0	0	0
25	Not applicable			0
26	Not applicable			0
27	Not applicable			0
28	Not applicable			0
29	**Total**	**14 101 241**	**12 270 047**	**1 128 099**

TEMPLATE EU LI1 - DIFFERENCES BETWEEN THE ACCOUNTING SCOPE AND THE SCOPE OF PRUDENTIAL CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES

In thousands of BGN

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements (*)	Carrying values under scope of prudential consolidation (*)	Carrying values of items (**)				
				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 own funds requirements or subject to deduction from own funds (***)
	Breakdown by asset classes according to the balance sheet in the published financial statements							
1	Cash and balances with Central Bank	6 069 757	6 069 757	6 069 757				
2	Non-derivative financial assets held for trading	4 381	4 381		4 381		4 381	
3	Derivatives held for trading	100 703	100 703		100 703		60 937	
4	Derivatives held for hedging	77 165	77 165		77 165			
5	Loans and advances to banks and debt securities at amortised cost	2 787 613	2 787 613	2 698 369	89 244			
6	*there of Reverse Repos*	2 096 841	2 096 841		2 096 841			
7	Loans and advances to customers and debt securities at amortised cost	18 440 431	18 440 432	17 391 629		1 048 803		
8	Pledged debt securities at amortised cost	1 073 063	1 073 063	1 073 063				
9	Finance leases	1 139 725	1 139 725	1 139 725				
10	Investment securities	1 543 636	1 543 636	1 543 636				
11	Pledged investment securities	645 643	645 643	645 643				
12	Investments in associates	4 303	4 308	4 308				
13	Property, plant, equipment, right of use assets and investment properties	349 994	344 203	344 203				
14	Intangible assets	98 502	98 502	41 032				57 470
15	Current tax assets	0	0	0				0
16	Deferred tax assets	4 506	4 488	4 593				0
17	Non-current assets and disposal groups classified as held for sale	1 130	1 130					
18	Other assets	119 460	123 335	123 335				0
	Total assets	**32 460 012**	**32 458 084**	**31 079 293**	**2 368 334**	**1 048 803**	**65 318**	**57 470**

UniCredit Bulbank

	Breakdown by liability classes according to the balance sheet in the published financial statements							
1	Financial liabilities held for trading	111 647	111 647		111 647		52 775	0
2	Derivatives used for hedging	128 856	128 856		128 856			0
3	Deposits from banks	1 595 495	1 595 495		979 456			616 039
4	*there of Repos*	979 456	979 456		979 456			0
5	Deposits from customers and other financial liabilities at amortized cost	24 827 068	24 834 607		702 676			24 131 931
6	Debt securities issued	1 401 400	1 401 400					1 401 400
7	Fair value changes of the hedged items in portfolio hedge of interest rate risk	4 203	4 203					4 203
8	Provisions	150 933	150 784					150 784
9	Current tax liabilities	18 439	18 439					18 439
10	Deferred tax liabilities	9 681	9 681					9 681
11	Other liabilities	242 873	242 213					242 213
	Total liabilities	**28 490 595**	**28 497 325**	**0**	**1 922 635**	**0**	**52 775**	**26 574 690**

Notes:

(*) The differences between the amounts under the columns a) and b) substantially depend on the composition of IAS/IFRS versus regulatory perimeters (ref. Annex 3 - Template EU LI3 - Outline of the differences in the scopes of consolidation). Shareholder's equity items are not reported among the balance sheet liabilities of this template as they are already disclosed in template EU CC2 - Reconciliation of regulatory Own Funds to balance sheet in the audited financial statements, of the chapter Own Funds of the present document.

(**) The allocation of the amount in column b) across columns from c) to g) is based on the following approach:

• for balance sheet assets' items such amount depends on the risk categories, they may be subject to, including also those items which do not involve capital requirement;

• for balance sheet liabilities' items such amount includes the amount of liabilities relevant for the calculation of risk-weighted assets or for offsetting balance sheet assets' items;

• The sum of amounts disclosed in columns from c) to g) may be different than the total amount in column b) for the following reasons:

- some items may be subject to capital requirements for more than one risk under the regulatory framework (e.g. derivative instruments classified in item "Financial assets held for trading");

- with reference to tax assets and liabilities the amounts disclosed in columns c) and g) are calculated net of deferred tax liabilities according to CRR netting rules, which are different from the accounting netting rules reflected into the carrying values under column b)

(***)

• for intangible assets the deduction of software is represented gross of deferred tax liabilities;

UniCredit Bulbank

• for items under the balance sheet liabilities side the column includes the liabilities which are not included in the regulatory framework for RWA and deferred tax liabilities (4 463 TBNG) reducing the deduction for intangible assets

TEMPLATE EU LI2 - MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS

In thousands of BGN

		a	b	c	d	e
		Total (*)	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1) (**)**	34 496 430	31 079 293	1 048 803	2 368 334	65 318
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1) (***)**	1 922 635	0	0	1 922 635	52 775
3	**Total net amount under the scope of prudential consolidation (****)**	34 496 430	31 079 293	1 048 803	2 368 334	65 318
4	**Off-balance-sheet amounts**	9 165 847	9 165 847			
5	*Differences in valuations*	-656	-418		-238	
6	*Differences due to different netting rules, other than those already included in row 2*	-690 432	-690 432			
7	*Differences due to consideration of provisions*	-727 824	-727 824			
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	-617 921	-617 921			
9	*Differences due to credit conversion factors*	-5 354 609	-5 354 609			
10	*Differences due to Securitisation with risk transfer*	-94 331	-94 331			
11	*Other differences*	0				
12	**Exposure amounts considered for regulatory purposes (*****)**	36 176 504	32 759 605	1 048 803	2 368 096	5 890

Notes:

(*) With reference to the column a), the amounts correspond to the carrying value under the regulatory scope of consolidation calculated as sum of column from b) to d) of this template, while amount reported in column e) related to carrying values subject to the market risk framework is not included.

(**) With reference to the row 1, the amounts disclosed in columns from b) to e) correspond to the carrying value under the scope of regulatory consolidation of the balance sheet assets, as reported in columns from c) to f) of template EU LI1 in the present section.

(***) With reference to the row 2, the amounts disclosed under the columns from b) to e) correspond to the carrying value under the scope of regulatory consolidation of the balance sheet liabilities reported respectively under the columns from c) to f) of template EU LI1 in the present section.

(****) The amount disclosed in row 3 coincides with the row 1 since any applicable on-balance sheet netting of assets and liabilities are already reflected in the amounts reported in row 1.

UniCredit Bulbank

(*****) The amount disclosed in row 12, column e) refers to the "Positions subject to capital charge" for market risk position under the Standardized Approach.

TEMPLATE EU LI3 - OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
UniCredit Leasing EAD	*Full consolidation*	*X*					Leasing activities
UniCredit Consumer Financing EAD	*Full consolidation*	*X*					Consumer lending and other similar activities in line with the applicable law and regulations
UniCredit Fleet Management EOOD	*Full consolidation*	*X*					Transport services
Cash Service Company AD	*Equity method*			*X*			Accepting, processing, safekeeping and delivering of valuable consignments with banknotes and coins to the banks
UniCredit Insurance Broker OOD	*Full consolidation*				*X*		Insurance entity

UniCredit Bulbank

TEMPLATE EU PV1 - PRUDENT VALUATION ADJUSTMENTS (PVA)

In thousands of BGN

		a	b	c	d	e	EU e1	EU e2	f	g	h
		Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
	Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1	Market price uncertainty	0	170	183	0	0	21	3	189	102	87
2	Not applicable										
3	Close-out cost	0	53	20	538	0	113	32	378	76	302
4	Concentrated positions	0	0	0	21	0	0	0	21	0	21
5	Early termination	0	0	0	0	0	0	0	0	0	0
6	Model risk	0	0	0	3	0	70	64	68	60	8
7	Operational risk	0	0	0	0	0	0	0	0	0	0
8	Not applicable										
9	Not applicable										
10	Future administrative costs	0	0	0	0	0	0	0	0	0	0
11	Not applicable										
12	**Total Additional Valuation Adjustments (AVAs)**	-	-	-	-	-	-	-	**656**	**238**	**418**

UniCredit Bulbank

TEMPLATE EU CC1 - COMPOSITION OF REGULATORY OWN FUNDS

In thousands of BGN

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	285 777	3
	of which: ordinary shares	285 777	
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	2 964 776	9
3	Accumulated other comprehensive income (and other reserves)	-78 250	4-5-6-7-8-10
EU-3a	Funds for general banking risk	0	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	0	
5	Minority interests (amount allowed in consolidated CET1)	0	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**3 172 303**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	0	
8	Intangible assets (net of related tax liability) (negative amount)	-52 457	1- 2
9	Not applicable	0	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	67 298	4-7
12	Negative amounts resulting from the calculation of expected loss amounts	-89	12
13	Any increase in equity that results from securitised assets (negative amount)	0	

UniCredit Bulbank

14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	
15	Defined-benefit pension fund assets (negative amount)	0	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	0	
17	Direct, indirect and synthetic holdings of the CET 1 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)	0	
18	Direct, indirect and synthetic holdings by the institution 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)	0	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
20	Not applicable	0	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	0	
EU-20c	of which: securitisation positions (negative amount)	0	
EU-20d	of which: free deliveries (negative amount)	0	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	
22	Amount exceeding the 17,65% threshold (negative amount)	0	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	
24	Not applicable	0	
25	of which: deferred tax assets arising from temporary differences	0	
EU-25a	Losses for the current financial year (negative amount)	0	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	0	

26	Not applicable	0	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0	
27a	Other regulatory adjustments	-16 729	13-14-15
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-1 977	
29	**Common Equity Tier 1 (CET1) capital**	**3 170 326**	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	0	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	0	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	0	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	
35	of which: instruments issued by subsidiaries subject to phase out	0	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**0**	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	0	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
41	Not applicable	0	

42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	0	
42a	Other regulatory adjustments to AT1 capital	0	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**0**	
44	**Additional Tier 1 (AT1) capital**	**0**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**3 170 326**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	0	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	0	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	0	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	0	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	
49	of which: instruments issued by subsidiaries subject to phase out	0	
50	Credit risk adjustments	54 103	16
51	**Tier 2 (T2) capital before regulatory adjustments**	**54 103**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
54a	Not applicable	0	

UniCredit Bulbank

55	Direct, indirect and synthetic holdings by the institution 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 amount)	0	
56	Not applicable	0	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	0	
EU-56b	Other regulatory adjustments to T2 capital	0	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**0**	
58	**Tier 2 (T2) capital**	**54 103**	
59	**Total capital (TC = T1 + T2)**	**3 224 429**	
60	**Total Risk exposure amount**	**14 101 241**	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	22.48%	
62	Tier 1 capital	22.48%	
63	Total capital	22.87%	
64	Institution CET1 overall capital requirements	14.39%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	1.97%	
67	of which: systemic risk buffer requirement	2.77%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.00%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.65%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	13.22%	
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities 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)	0	

UniCredit Bulbank

73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	0	
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	0	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	0	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	392 862	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	54 103	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	
82	Current cap on AT1 instruments subject to phase out arrangements	0	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on T2 instruments subject to phase out arrangements	0	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	

UniCredit Bulbank

TEMPLATE EU CC2 - RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

In thousands of BGN

		a	b	Amounts relevant for Own Funds purposes		c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Common equity Tier 1 (CET 1)	Tier 2 (T2)	Reference to template EU CC1
		As at period end	As at period end			
BALANCE SHEET - ASSETS						
1	Intangible assets	98 502	98 502	(57 470)		8
BALANCE SHEET -LIABILITIES AND SHAREHOLDERS' EQUITY						
2	Deferred tax liabilities	150 933	150 784	5 013		8
3	Share capital	285 777	285 777	285 777		1
4	Revaluation reserves of which:	(80 152)	(80 152)	(12 854)		3
5	- Revaluation reserves of debt and capital instruments at fair value through OCI	(78 192)	(78 192)	(78 192)		3
6	-Revaluation reserve of tangible assets	71 004	71 004	71 004		3
7	-Cash flow hedge reserves	(67 298)	(67 298)			03-11
8	-Revaluation reserves on actuarial net losses	(5 666)	(5 666)	(5 666)		3
9	Retained earnings	2 972 006	2 964 776	2 964 776		2
10	Other reserves	1 902	1 902	1 902		3
11	Profit for the year	789 884	788 456			
OTHER ELEMENTS FOR RECONCILIATION WITH OWN FUNDS						
12	Shortfall of expected losses vs provisions (IRB models)			(89)		12
13	Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities			(5 041)		27a
14	Insufficient coverage for non-performing exposures			(128)		27a
15	Other regulatory adjustments			(11 560)		27a
16	Excess of provisions vs expected losses (IRB models)				54 103	50
	Total own funds			**3 170 326**	**54 103**	

UniCredit Bulbank

TEMPLATE EU CCA: MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS – OWN FUNDS

IN THOUSANDS OF BGN

		a
		Qualitative or quantitative information - Free format
1	Issuer	UniCredit Bulbank AD
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN BG1100001061
2a	Public or private placement	private
3	Governing law(s) of the instrument	Bulgarian
3a	Contractual recognition of write down and conversion powers of resolution authorities	No
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	solo&(sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	ordinary dematerialized registered voting shares with face value of BGN 1 each
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	285 777
9	Nominal amount of instrument	285 777
EU-9a	Issue price	100 per cent
EU-9b	Redemption price	100 per cent
10	Accounting classification	Shareholders' equity
11	Original date of issuance	30.05.2007
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject 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
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible
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, specify instrument type convertible into	N/A
29	If convertible, specify 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
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	17
35	Position in subordination hierarchy 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 it 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, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A

UniCredit Bulbank

TEMPLATE EU CCA: MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS – ELIGIBLE LIABILITIES

		a	b	c	d	e
		Qualitative or quantitative information - Free format	Qualitative or quantitative information - Free format	Qualitative or quantitative information - Free format	Qualitative or quantitative information - Free format	Qualitative or quantitative information - Free format
1	Issuer	UniCredit Bulbank AD	UniCredit Bulbank AD	UniCredit Bulbank AD	UniCredit Bulbank AD	UniCredit Bulbank AD
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS2417110132	XS2574372723	XS2647344287	XS2732160143	XS2703160346
2a	Public or private placement	Private	Private	Private	Private	Private
3	Governing law(s) of the instrument	Italian Law	Italian Law	Italian Law	Italian Law	Italian Law
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	eligible liabilities	eligible liabilities	eligible liabilities	eligible liabilities	eligible liabilities (T2 -after the approval from BNB)
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	solo&(sub-)consolidated	solo&(sub-)consolidated	solo&(sub-)consolidated	solo&(sub-)consolidated	solo&(sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	SNP	SNP	SNP	SNP	T2 (after the approval from BNB)
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	313 mio BGN recognised in eligible liabilities	489 mio BGN recognised in eligible liabilities	196 mio BGN recognised in eligible liabilities	196 mio BGN recognised in eligible liabilities	196 mio BGN recognised in eligible liabilities
9	Nominal amount of instrument	312 933	488 958	195 583	195 583	195 583
EU-9a	Issue price	100	100	100	100	100
EU-9b	Redemption price	100	100	100	100	100
10	Accounting classification	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost
11	Original date of issuance	06/12/2021	27/01/2023	17/07/2023	18/12/2023	27/10/2023
12	Perpetual or dated	dated	dated	dated	dated	dated
13	Original maturity date	06/12/2027	27/01/2029	17/07/2029	18/12/2029	27/10/2033
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	07.12.2026 tax or regulatory call event	27.01.2028 tax or regulatory call event	17.07.2028 tax or regulatory call event	18.12.2029 tax or regulatory call event	27.10.2028 tax or regulatory call event
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
	Coupons / dividends					
17	Fixed or floating dividend/coupon	floating	floating	floating	floating	floating
18	Coupon rate and any related index	3M EURIBOR + 1.62%	3M EURIBOR + 3.03%	3M EURIBOR + 2.09%	3M EURIBOR + 2.04%	3M EURIBOR + 4.51%
19	Existence of a dividend stopper	No	No	No	No	No

UniCredit Bulbank

EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Statutory	Statutory	Statutory	Statutory	Statutory
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 05	Rank 05	Rank 05	Rank 05	Rank 05 (Rank 03 - after the approval from BNB)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior Obligations means any senior obligations of, or other indebtedness of the Issuer, which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer	Senior Obligations means any senior obligations of, or other indebtedness of the Issuer, which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer	Senior Obligations means any senior obligations of, or other indebtedness of the Issuer, which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer	Senior Obligations means any senior obligations of, or other indebtedness of the Issuer, which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer	Unsubordinated unsecured creditors (including depositors, holders of Senior Obligations and Non-Preferred Senior Obligations)
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)					

UniCredit Bulbank

TEMPLATE EU CCYB1 - GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	Breakdown by country:													
	Country: UNITED ARAB EMIRATES	0	48	0	0	0	48	1	0	0	1	13	0.00%	0.00%
	Country: ARMENIA	0	26	0	0	0	26	0	0	0	0	0	0.00%	0.00%
	Country: ARGENTINA	0	2	0	0	0	2	0	0	0	0	0	0.00%	0.00%
	Country: AUSTRIA	0	9 654	0	0	0	9 654	128	0	0	128	1 600	0.01%	0.00%
	Country: AUSTRALIA	0	20	0	0	0	20	0	0	0	0	0	0.00%	1.00%
	Country: BELGIUM	0	453	0	0	0	453	51	0	0	51	638	0.01%	0.00%
	Country: BULGARIA	4 229 877	15 616 705	16 795	0	1 048 803	20 912 180	907 099	473	7 636	915 208	11 440 101	97.27%	2.00%
	Country: CANADA	0	8 665	0	0	0	8 665	176	0	0	176	2 200	0.02%	0.00%
	Country: SWITZERLAND	0	2 430	0	0	0	2 430	27	0	0	27	338	0.00%	0.00%
	Country: CZECH REPUBLIC	0	0	0	0	0	0	0	0	0	0	0	0.00%	2.00%
	Country: GERMANY	650	42 791	0	0	0	43 441	1 505	0	0	1 505	18 813	0.16%	0.75%
	Country: ALGERIA	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
	Country: ESTONIA	0	69	0	0	0	69	0	0	0	0	0	0.00%	1.50%
	Country: EGYPT	0	406	0	0	0	406	49	0	0	49	613	0.01%	0.00%
	Country: SPAIN	0	84	0	0	0	84	0	0	0	0	0	0.00%	0.00%
	Country: FINLAND	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
	Country: FRANCE	1 169	1 639	0	0	0	2 808	83	0	0	83	1 038	0.01%	0.50%
	Country: UNITED KINGDOM	0	25 474	0	0	0	25 474	1 982	0	0	1 982	24 775	0.21%	2.00%
	Country: GEORGIA	0	14	0	0	0	14	0	0	0	0	0	0.00%	0.00%
	Country: GREECE	3	560	0	0	0	563	7	0	0	7	88	0.00%	0.00%
	Country: CROATIA	0	75 707	0	0	0	75 707	1 728	0	0	1 728	21 600	0.18%	1.00%

UniCredit Bulbank

	Country: HUNGARY	224	0	0	0	0	224	14	0	0	14	175	0.00%	0.00%
	Country: INDONESIA	0	20	0	0	0	20	0	0	0	0	0	0.00%	0.00%
	Country: IRELAND	0	38	0	0	0	38	0	0	0	0	0	0.00%	1.00%
	Country: ISRAEL	0	1 991	0	0	0	1 991	57	0	0	57	713	0.01%	0.00%
	Country: INDIA	0	4	0	0	0	4	0	0	0	0	0	0.00%	0.00%
	Country: ITALY	582	6 190	0	0	0	6 772	1 070	0	0	1 070	13 375	0.11%	0.00%
	Country: KYRGYZSTAN	0	125	0	0	0	125	0	0	0	0	0	0.00%	0.00%
	Country: KOREA, REPUBLIC OF	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
	Country: KAZAKHSTAN	0	18	0	0	0	18	0	0	0	0	0	0.00%	0.00%
	Country: LITHUANIA	0	0	0	0	0	0	0	0	0	0	0	0.00%	1.00%
	Country: LATVIA	0	58	0	0	0	58	0	0	0	0	0	0.00%	0.00%
	Country: MOROCCO	0	201	0	0	0	201	15	0	0	15	188	0.00%	0.00%
	Country: MARSHALL ISLANDS	0	69	0	0	0	69	10	0	0	10	125	0.00%	0.00%
	Country: NORTH MACEDONIA	0	11	0	0	0	11	0	0	0	0	0	0.00%	0.00%
	Country: MALTA	0	11	0	0	0	11	1	0	0	1	13	0.00%	0.00%
	Country: NETHERLANDS	0	257 644	0	0	0	257 644	13 364	0	0	13 364	167 050	1.42%	1.00%
	Country: NORWAY	0	23	0	0	0	23	0	0	0	0	0	0.00%	2.50%
	Country: PAKISTAN	0	13	0	0	0	13	0	0	0	0	0	0.00%	0.00%
	Country: POLAND	0	3	0	0	0	3	0	0	0	0	0	0.00%	0.00%
	Country: PALESTINIAN TERRITORY, OCCUPIED	0	3	0	0	0	3	0	0	0	0	0	0.00%	0.00%
	Country: PORTUGAL	0	7	0	0	0	7	0	0	0	0	0	0.00%	0.00%
	Country: ROMANIA	2 499	22	0	0	0	2 521	171	0	0	171	2 138	0.02%	1.00%
	Country: SERBIA	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
	Country: RUSSIAN FEDERATION	0	684	0	0	0	684	20	0	0	20	250	0.00%	0.00%
	Country: SAUDI ARABIA	0	13	0	0	0	13	0	0	0	0	0	0.00%	0.00%
	Country: SWEDEN	0	74	0	0	0	74	0	0	0	0	0	0.00%	2.00%
	Country: SLOVENIA	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.50%
	Country: SLOVAKIA	0	225	0	0	0	225	2	0	0	2	25	0.00%	1.50%
	Country: SYRIAN ARAB REPUBLIC	0	35	0	0	0	35	0	0	0	0	0	0.00%	0.00%
	Country: TUNISIA	0	289	0	0	0	289	44	0	0	44	550	0.00%	0.00%

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	Country: TURKEY	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
	Country: UKRAINE	0	125	0	0	0	125	0	0	0	0	0	0.00%	0.00%
	Country: UNITED STATES	0	7 151	0	0	0	7 151	505	0	0	505	6 313	0.05%	0.00%
	Country: VENEZUELA, BOLIVARIAN REPUBLIC OF	0	7	0	0	0	7	0	0	0	0	0	0.00%	0.00%
	Country: OTHER COUNTRIES	142 727	0	0	0	0	142 727	4 702	0	0	4 702	58 775	0.50%	0.00%
020	Total	4 377 731	16 059 801	16 795	0	1 048 803	21 503 130	932 811	473	7 636	940 920	11 761 507	100.00%	

TEMPLATE EU CCYB2 - AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER

In thousands of BGN

		a
1	Total risk exposure amount	14 101 241
2	Institution specific countercyclical capital buffer rate	1.97%
3	Institution specific countercyclical capital buffer requirement	277 794

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TEMPLATE EU CR10 – SPECIALISED LENDING AND EQUITY EXPOSURES UNDER THE SIMPLE RISKWEIGHTED APPROACH

In thousands of BGN

Template EU CR10.1

Specialised lending : Project finance (Slotting approach)								
Regulatory categories	Remaining maturity	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	2 624	2 592	50%	4 398	1 677	0
	Equal to or more than 2.5 years	407 044	189 821	70%	527 648	335 591	2 112
Category 2	Less than 2.5 years	6 301	6 239	70%	8 772	5 826	35
	Equal to or more than 2.5 years	270 507	27 502	90%	285 021	241 359	2 280
Category 3	Less than 2.5 years	4 136	258	115%	4 139	4 535	110
	Equal to or more than 2.5 years	155 385	8 649	115%	156 443	141 584	4 380
Category 4	Less than 2.5 years	0	0	250%	0	0	0
	Equal to or more than 2.5 years	0	0	250%	0	0	0
Category 5	Less than 2.5 years	14 845	4	-	14 848	0	7 424
	Equal to or more than 2.5 years	28 836	3 109	-	31 168	0	15 584
Total	Less than 2.5 years	27 906	9 093		32 157	12 038	7 569
	Equal to or more than 2.5 years	861 772	229 081		1 000 280	718 534	24 356

Template EU CR10.2

Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expecte d loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	144 135	5 198	50%	147 771	73 886	0
	Equal to or more than 2.5 years	449 488	60 808	70%	480 760	336 435	1 923
Category 2	Less than 2.5 years	113 677	30 159	70%	130 025	90 957	520
	Equal to or more than 2.5 years	306 561	327 384	90%	547 166	492 450	4 377
Category 3	Less than 2.5 years	10 357	684	115%	10 604	12 190	297
	Equal to or more than 2.5 years	26 209	2 690	115%	26 209	30 140	734
Category 4	Less than 2.5 years	1 904	0	250%	1 904	4 760	152
	Equal to or more than 2.5 years	3 268	0	250%	3 268	8 170	261
Category 5	Less than 2.5 years	62 392	1 564	-	62 392	0	31 196
	Equal to or more than 2.5 years	5 630	0	-	5 630	0	2 815
Total	Less than 2.5 years	332 465	37 605		352 696	181 793	32 165
	Equal to or more than 2.5 years	791 156	390 882		1 063 033	867 195	10 110

Note:
UniCredit Bulbank does not have object finance and commodities finance exposures part of the specialized lending asset class.

Template EU CR10.5

Equity exposures under the simple risk-weighted approach						
	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Categories	a	b	c	d	e	f
Private equity exposures	9 716	0	190%	9 716	18 460	78
Exchange-traded equity exposures	1 408	0	290%	1 408	4 083	11
Other equity exposures	0	0	370%	0	0	0
Total	11 124			11 124	22 543	89

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Template EU CCR1 – Analysis of CCR exposure by approach

In thousands of BGN

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	0	0		1.4	0	0	0	0
EU-2	EU - Simplified SA-CCR (for derivatives)	0	0		1.4	0	0	0	0
1	SA-CCR (for derivatives)	44 960	176 476		1.4	312 827	310 010	310 010	129 365
2	IMM (for derivatives and SFTs)			0	0	0	0	0	0
2a	*Of which securities financing transactions netting sets*			0		0	0	0	0
2b	*Of which derivatives and long settlement transactions netting sets*			0		0	0	0	0
2c	*Of which from contractual cross-product netting sets*			0		0	0	0	0
3	Financial collateral simple method (for SFTs)					0	0	0	0
4	Financial collateral comprehensive method (for SFTs)					98 845	98 845	98 845	18 487
5	VaR for SFTs					0	0	0	0
6	**Total**					**411 672**	**408 855**	**408 855**	**147 852**

Template EU CCR2 – Transactions subject to own funds requirements for CVA risk

In thousands of BGN

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	0	0
2	(i) VaR component (including the 3× multiplier)		0
3	(ii) stressed VaR component (including the 3× multiplier)		0
4	Transactions subject to the Standardised method	61 761	9 300
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	0	0
5	**Total transactions subject to own funds requirements for CVA risk**	**61 761**	**9 300**

Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

In thousands of BGN

	Exposure classes	Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks												0
2	Regional government or local authorities												0
3	Public sector entities												0
4	Multilateral development banks												0
5	International organisations												0
6	Institutions												0
7	Corporates									951	1		952
8	Retail												0
9	Institutions and corporates with a short-term credit assessment												0
10	Other items												0
11	**Total exposure value**	0	0	0	0	0	0	0	0	951	1	0	952

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Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale

In thousands of BGN

			a	b	c	d	e	f	g
		PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
1 ... x	Exposure class Institutions (F-IRB)								
1		0.00 to <0.15	335 563	0.08%	15	45.00%	3.00	107 957	0.32
2		0.15 to <0.25	0	0.00%	0	0.00%	0.00	0	0.00
3		0.25 to <0.50	344	0.31%	1	45.00%	5.00	202	0.59
4		0.50 to <0.75	0	0.00%	0	0.00%	0.00	0	0.00
5		0.75 to <2.50	238	1.95%	2	45.00%	0.00	278	1.17
6		2.50 to <10.00	0	0.00%	0	0.00%	0.00	0	0.00
7		10.00 to <100.00	0	0.00%	0	0.00%	0.00	0	0.00
8		100.00 (Default)	0	0.00%	0	0.00%	0.00	0	0.00
x		Sub-total (Exposure class X)	336 145	0.08%	18	45.00%	3.00	108 437	0.32

			a	b	c	d	e	f	g
		PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
1 ... x	Exposure class Corporates (A-IRB)								
1		0.00 to <0.15	39 269	0.14%	3	56.72%	2.08	12 381	0.32
2		0.15 to <0.25	2 451	0.22%	5	52.16%	2.87	1 117	0.46
3		0.25 to <0.50	4 574	0.27%	12	57.53%	2.11	2 249	0.49
4		0.50 to <0.75	3 031	0.66%	11	57.53%	2.18	2 488	0.82
5		0.75 to <2.50	3 421	1.02%	41	57.53%	4.34	3 516	1.03
6		2.50 to <10.00	2 840	3.30%	12	57.53%	9.25	4 018	1.41
7		10.00 to <100.00	2	15.26%	1	57.53%	7.16	4	2.00
8		100.00 (Default)	17	100.00%	2	57.53%	1.96	4	0.24
x		Sub-total (Exposure class X)	55 605	0.43%	87	56.72%	2.63	25 777	0.46

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		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
1 ... x	Exposure class Retail (A-IRB)							
1	0.00 to <0.15	0	0.00%	0	0.00%	0.00	0	0.00
2	0.15 to <0.25	0	0.00%	0	0.00%	0.00	0	0.00
3	0.25 to <0.50	0	0.00%	0	0.00%	0.00	0	0.00
4	0.50 to <0.75	0	0.00%	0	0.00%	0.00	0	0.00
5	0.75 to <2.50	0	0.00%	0	0.00%	0.00	0	0.00
6	2.50 to <10.00	7	6.26%	1	57.53%	10.00	5	0.71
7	10.00 to <100.00	0	0.00%	0	0.00%	0.00	0	0.00
8	100.00 (Default)	0	0.00%	0	0.00%	0.00	0	0.00
x	Sub-total (Exposure class X)	7	6.26%	1	57.53%	10.00	5	0.71
y	**Total (all CCR relevant exposure classes)**	**391 759**	**0.13%**	**106**	**46.66%**	**3.32**	**134 219**	**0.34**

Template EU CCR5 – Composition of collateral for CCR exposures

In thousands of BGN

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
	Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency								
2	Cash – other currencies		4 202		9 331				
3	Domestic sovereign debt								974 657
4	Other sovereign debt						2 121 438		
5	Government agency debt								
6	Corporate bonds								
7	Equity securities								
8	Other collateral								
9	**Total**	**0**	**4 202**	**0**	**9 331**	**0**	**2 121 438**	**0**	**974 657**

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Template EU CR1: Performing and non-performing exposures and related provisions

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			
005	**Cash balances at central banks and other demand deposits**	**5 732 896**	**5 732 896**	**0**	**0**	**0**	**0**	**-66**	**-66**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	**Loans and advances**	**20 217 150**	**16 033 391**	**4 183 759**	**642 463**	**0**	**642 463**	**-344 267**	**-80 857**	**-263 410**	**-476 925**	**0**	**-476 925**	**2 723**	**14 400 978**	**138 082**
020	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
030	*General governments*	282 849	282 849	0	0	0	0	-286	-286	0	0	0	0	0	184 542	0
040	*Credit institutions*	2 247 565	2 247 565	0	0	0	0	-128	-128	0	0	0	0	0	0	0
050	*Other financial corporations*	209 128	196 351	12 777	4 487	0	4 487	-1 046	-898	-148	-4 487	0	-4 487	0	205 969	0
060	*Non-financial corporations*	10 407 253	7 719 760	2 687 493	490 254	0	490 254	-228 671	-57 019	-171 652	-370 472	0	-370 472	1 662	9 768 924	119 498
070	*Of which SMEs*	6 480 667	4 799 296	1 681 371	358 718	0	358 718	-141 077	-36 424	-104 653	-270 585	0	-270 585	1 662	6 253 824	87 502
080	*Households*	7 070 355	5 586 866	1 483 489	147 722	0	147 722	-114 136	-22 526	-91 610	-101 966	0	-101 966	1 061	4 241 543	18 584
090	**Debt securities**	**5 440 509**	**5 440 509**	**0**	**0**	**0**	**0**	**-1 851**	**-1 851**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
100	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	*General governments*	4 961 393	4 961 393	0	0	0	0	-1 479	-1 479		0	0	0	0	0	0
120	*Credit institutions*	413 833	413 833	0	0	0	0	-68	-68	0	0	0	0	0	0	0
130	*Other financial corporations*	21 784	21 784	0	0	0	0	-232	-232	0	0	0	0	0	0	0
140	*Non-financial corporations*	43 499	43 499	0	0	0	0	-72	-72	0	0	0	0	0	0	0
150	**Off-balance-sheet exposures**	**9 116 131**	**7 385 778**	**1 730 353**	**49 716**	**0**	**49 716**	**-50 173**	**-19 891**	**-30 282**	**-42 026**	**0**	**-42 026**	**0**	**5 725 315**	**7 581**
160	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0		0	0
170	*General governments*	49 777	49 777	0	0	0	0	-5	-5	0	0	0	0		49 270	0
180	*Credit institutions*	1 211 311	1 211 311	0	0	0	0	-81	-81	0	0	0	0		293	0

190	*Other financial corporations*	77 999	75 675	2 324	0	0	0	-66	-47	-19	0	0	0		73 406	0
200	*Non-financial corporations*	7 310 879	5 673 467	1 637 412	48 892	0	48 892	-47 287	-18 941	-28 346	-41 321	0	-41 321		5 482 841	7 571
210	*Households*	466 165	375 548	90 617	824	0	824	-2 734	-817	-1 917	-705	0	-705		119 505	10
220	**Total**	**40 506 686**	**34 592 574**	**5 914 112**	**692 179**	**0**	**692 179**	**-396 357**	**-102 665**	**-293 692**	**-518 951**	**0**	**-518 951**	**2 723**	**20 126 293**	**145 663**

Template EU CR1-A: Maturity of exposures

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	Loans and advances	81 532	6 255 544	5 379 521	8 321 824	0	20 038 421
2	Debt securities	0	526 846	2 138 347	2 773 465	0	5 438 658
3	***Total***	**81 532**	**6 782 390**	**7 517 868**	**11 095 289**	**0**	**25 477 079**

Template EU CR2: Changes in the stock of non-performing loans and advances

In thousands of BGN

		a
		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**677 626**
020	Inflows to non-performing portfolios	347 465
030	Outflows from non-performing portfolios	-382 628
040	Outflows due to write-offs	-37 138
050	Outflow due to other situations	-345 490
060	**Final stock of non-performing loans and advances**	**642 463**

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Template EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

In thousands of BGN

		a	b
		Gross carrying amount	Related net accumulated recoveries
010	**Initial stock of non-performing loans and advances**	**677 626**	
020	Inflows to non-performing portfolios		
030	Outflows from non-performing portfolios	-382 628	
040	Outflow to performing portfolio	-93 222	
050	Outflow due to loan repayment, partial or total	-109 835	
060	Outflow due to collateral liquidations	-19 022	0
070	Outflow due to taking possession of collateral	0	0
080	Outflow due to sale of instruments	-106 764	10 989
090	Outflow due to risk transfers	0	0
100	Outflows due to write-offs	-37 138	
110	Outflow due to other situations	-16 647	
120	Outflow due to reclassification as held for sale	0	-
130	**Final stock of non-performing loans and advances**	**294 998**	

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Template EU CQ1: Credit quality of forborne exposures

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				
005	**Cash balances at central banks and other demand deposits**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	**Loans and advances**	**225 811**	**246 282**	**246 282**	**246 282**	**-17 422**	**-196 547**	**256 970**	**46 927**
020	*Central banks*	0	0	0	0	0	0	0	0
030	*General governments*	0	0	0	0	0	0	0	0
040	*Credit institutions*	0	0	0	0	0	0	0	0
050	*Other financial corporations*	0	4 471	4 471	4 471	0	-4 471	0	0
060	*Non-financial corporations*	221 408	204 294	204 294	204 294	-17 106	-162 043	248 101	42 112
070	*Households*	4 403	37 517	37 517	37 517	-316	-30 033	8 869	4 815
080	**Debt Securities**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
090	**Loan commitments given**	**3 661**	**4 747**	**4 747**	**4 747**	**-146**	**-1 698**	**6 563**	**3 049**
100	***Total***	**229 472**	**251 029**	**251 029**	**251 029**	**-17 568**	**-198 245**	**263 533**	**49 976**

Template EU CQ2: Quality of forbearance

In thousands of BGN

		a
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	146 562
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	11 817

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Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

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
005	**Cash balances at central banks and other demand deposits**	**5 732 896**	**5 732 896**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	**Loans and advances**	**20 217 150**	**20 168 182**	**48 968**	**642 463**	**495 050**	**52 614**	**15 271**	**29 169**	**32 288**	**4 678**	**13 393**	**642 463**
020	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
030	*General governments*	282 849	282 849	0	0	0	0	0	0	0	0	0	0
040	*Credit institutions*	2 247 565	2 247 565	0	0	0	0	0	0	0	0	0	0
050	*Other financial corporations*	209 128	209 128	0	4 487	4 486	0	0	1	0	0	0	4 487
060	*Non-financial corporations*	10 407 253	10 389 962	17 291	490 254	392 292	30 641	7 437	23 924	25 274	1 528	9 158	490 254
070	*Of which SMEs*	6 480 667	6 465 437	15 230	358 728	261 680	30 651	7 429	23 924	25 274	1 038	8 732	358 728
080	*Households*	7 070 355	7 038 678	31 677	147 722	98 272	21 973	7 834	5 244	7 014	3 150	4 235	147 722
090	**Debt securities**	**5 440 509**	**5 440 509**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
100	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
110	*General governments*	4 961 393	4 961 393	0	0	0	0	0	0	0	0	0	0
120	*Credit institutions*	413 833	413 833	0	0	0	0	0	0	0	0	0	0
130	*Other financial corporations*	21 784	21 784	0	0	0	0	0	0	0	0	0	0
140	*Non-financial corporations*	43 499	43 499	0	0	0	0	0	0	0	0	0	0
150	**Off-balance-sheet exposures**	**9 116 131**			**49 716**								**49 716**
160	*Central banks*	0			0								0
170	*General governments*	49 777			0								0
180	*Credit institutions*	1 211 311			0								0
190	*Other financial corporations*	77 999			0								0
200	*Non-financial corporations*	7 310 879			48 892								48 892
210	*Households*	466 165			824								824
220	***Total***	**40 506 686**	**31 341 587**	**48 968**	**692 179**	**495 050**	**52 614**	**15 271**	**29 169**	**32 288**	**4 678**	**13 393**	**692 179**

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Template EU CQ4: Quality of non-performing exposures by geography

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				
010	***On-balance-sheet exposures***	***20 859 613***	***642 463***	***642 463***	***20 857 787***	***819 504***		1 688
020	*BULGARIA*	18 207 826	635 870	635 870	18 206 000	813 354		1 688
070	*Other countries*	2 651 787	6 593	6 593	2 651 787	6 150		0
080	***Off-balance-sheet exposures***	***9 165 847***	***49 716***	***49 716***			***92 199***	
090	*BULGARIA*	7 814 444	45 715	45 715			88 148	
140	*Other countries*	1 351 403	4 001	4 001			4 051	
150	***Total***	**30 025 460**	**692 179**	**692 179**	**20 857 787**	**819 504**	**92 199**	**1 688**

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Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

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			
010	Agriculture, forestry and fishing	720 923	9 304	9 304	720 923	-18 456	0
020	Mining and quarrying	6 200	502	502	6 200	-614	0
030	Manufacturing	2 222 940	96 351	96 351	2 222 348	-134 402	-547
040	Electricity, gas, steam and air conditioning supply	926 495	695	695	926 495	-52 191	0
050	Water supply	30 239	2 980	2 980	30 239	-4 285	0
060	Construction	561 835	30 057	30 057	561 835	-45 815	0
070	Wholesale and retail trade	3 107 749	97 720	97 720	3 107 749	-110 806	0
080	Transport and storage	783 349	16 702	16 702	783 349	-30 812	0
090	Accommodation and food service activities	380 780	69 379	69 379	380 780	-57 967	0
100	Information and communication	127 570	16 502	16 502	126 336	-12 536	-1 141
110	Financial and insurance activities	174 312	30 735	30 735	174 312	-31 322	0
120	Real estate activities	1 318 357	75 418	75 418	1 318 357	-61 013	0
130	Professional, scientific and technical activities	258 224	31 883	31 883	258 224	-23 206	0
140	Administrative and support service activities	220 142	7 885	7 885	220 142	-9 402	0
150	Public administration and defense, compulsory social security	311	0	0	311	-3	0
160	Education	4 675	82	82	4 675	-117	0
170	Human health services and social work activities	21 762	18	18	21 762	-312	0
180	Arts, entertainment and recreation	10 553	559	559	10 553	-514	0
190	Other services	21 091	3 482	3 482	21 091	-3 682	0
200	*Total*	*10 897 507*	*490 254*	*490 254*	*10 895 681*	*-597 455*	*-1 688*

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Template EU CQ6: Collateral valuation - loans and advances

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non-performing								
						Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days						
				Of which past due > 30 days ≤ 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
010	Gross carrying amount	20 859 613	20 217 150	48 968	642 463	496 876	145 587	50 788	15 271	29 169	32 288	4 678	13 393
020	*Of which secured*	10 978 137	10 468 816	23 648	509 321	411 868	97 451	31 436.00	10 222.00	25 318.00	23 198.00	3 028.00	4 249.00
030	*Of which secured with immovable property*	10 482 775	10 126 394	14 861	356 381	295 122	61 259	23 058	4 345	17 797	11 341	1 865	2 853
040	*Of which instruments with LTV higher than 60% and lower or equal to 80%*	2 899 097	2 860 719		38 378	23 696	14 682						
050	*Of which instruments with LTV higher than 80% and lower or equal to 100%*	4 348 913	4 187 014		161 899	133 654	28 245						
060	*Of which instruments with LTV higher than 100%*	0	0		0	0	0						
070	Accumulated impairment for secured assets	-633 514	-255 079	-4 938	-378 435	-290 279	-88 156	-26 452	-6 904	-24 602	-22 921	-3 028	-4 249
080	Collateral												
090	*Of which value capped at the value of exposure*	13 799 464	13 680 439	18 523	119 025	114 075	5 443	3 729	1 602	21	4	0	87
100	*Of which immovable property*	8 732 336	8 639 917	10 234	92 419	88 491	3 928	2 794	1 113	19	2	0	0
110	*Of which value above the cap*	25 092 588	24 215 262	12 784	877 326	864 884	10 654	7 425	3 014	133	82	0	0
120	*Of which immovable property*	16 494 381	15 682 300	13 562	812 081	800 422	11 658	7 968	3 496	133	61	0	0
130	Financial guarantees received	739 596	720 539	5 536	19 057	13 829	5 228	2 059	2 202	694	273	0	0
140	Accumulated partial write-off	-2 723	0	0	-2 723	-393	-2 331	-229	-174	-565	-902	-122	-339

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Template EU CQ7: Collateral obtained by taking possession and execution processes

In thousands of BGN

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	0	0
020	Other than PP&E	26 729	-14 862
030	*Residential immovable property*	2 588	-1
040	*Commercial Immovable property*	24 109	-14 861
050	*Movable property (auto, shipping, etc.)*	32	0
060	*Equity and debt instruments*		
070	*Other collateral*		
080	***Total***	**26 729**	**-14 862**

Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown

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
010	Collateral obtained by taking possession classified as PP&E	4 875	-2 871	1 754	-184								
020	Collateral obtained by taking possession other than that classified as PP&E	84 189	-64 097	26 729	-14 862	1 285	0	2 272	-134	23 172	-14 728		
030	*Residential immovable property*	7 608	-4 610	2 588	-1	1	0	2 074	-1	513	0		
040	*Commercial immovable property*	76 015	-58 983	24 109	-14 861	1 266	0	198	-133	22 645	-14 728		
050	*Movable property (auto, shipping, etc.)*	566	-504	32	0	18	0	0	0	14	0		
060	*Equity and debt instruments*												
070	*Other collateral*												
080	***Total***	**89 064**	**-66 968**	**28 483**	**-15 046**	**1 285**	**0**	**2 272**	**-134**	**23 172**	**-14 728**		

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Template EU AE1 - Encumbered and unencumbered assets

In thousands of BGN

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	Assets of the disclosing institution	1 876 199	1 609 621			29 249 880	8 713 819		
030	Equity instruments					32 907		32 907	0
040	Debt securities	1 609 621	1 609 621	1 609 621	1 609 621	3 081 162	2 796 432	2 733 973	2 474 082
050	of which: covered bonds					218 901		194 079	0
060	of which: securitisations					0		0	0
070	of which: issued by general governments	1 609 621	1 609 621	1 609 621	1 609 621	2 796 432	2 796 432	2 474 082	2 474 082
080	of which: issued by financial corporations					253 974		229 264	0
090	of which: issued by non-financial corporations					42 687		43 101	0
120	Other assets	266 578		-	-	26 135 811	5 917 387	-	-

UniCredit Bulbank

Template EU AE2 - Collateral received and own debt securities issued

In thousands of BGN

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**			2 455 438	2 455 438
140	Loans on demand			0	0
150	Equity instruments			0	0
160	Debt securities			2 455 438	2 455 438
170	of which: covered bonds			0	0
180	of which: securitisations			0	0
190	of which: issued by general governments			2 455 438	2 455 438
200	of which: issued by financial corporations			0	0
210	of which: issued by non-financial corporations			0	0
220	Loans and advances other than loans on demand			0	0
230	Other collateral received			0	0
240	**Own debt securities issued other than own covered bonds or securitisations**				
241	**Own covered bonds and securitisations issued and not yet pledged**				
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**				

Template EU AE3 - Sources of encumbrance

In thousands of BGN

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	1 583 579	1 797 298

UniCredit Bulbank

Template EU CR4 – standardised approach – Credit risk exposure and CRM effects

In thousands of BGN

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	10 765 132	77 024	10 765 132	200 534	287 766	10
2	Regional government or local authorities	88 433	41 100	88 433	19 951	17 687	3 990
3	Public sector entities	421	381	1 233	123	631	124
4	Multilateral development banks	0	4 565	354 317	19 121	0	0
5	International organisations	0	0	0	0	0	0
6	Institutions	1 215	1 015	1 215	203	607	102
7	Corporates	1 338 660	390 788	1 344 607	11 223	1 230 362	9 946
8	Retail	2 924 274	121 998	2 919 717	63 203	2 167 509	45 810
9	Secured by mortgages on immovable property	104	0	104	0	52	0
10	Exposures in default	40 123	106	37 872	53	39 319	53
11	Exposures associated with particularly high risk	0	0	0	0	0	0
12	Covered bonds	0	0	0	0	0	0
13	Institutions and corporates with a short-term credit assessment	0	0	0	0	0	0
14	Collective investment undertakings	0	0	0	0	0	0
15	Equity	0	0	0	0	0	0
16	Other items	0	0	0	0	0	0
17	TOTAL	15 158 362	636 977	15 512 630	314 411	3 743 933	60 035

Template EU CR5 – standardised approach

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		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	8 185 733		20 690	2 754 649								4 593				10 965 665	
2	Regional government or local authorities					108 385											108 385	
3	Public sector entities	0			229			630			497						1 356	
4	Multilateral development banks	373 438															373 438	
5	International organisations																0	
6	Institutions							1 418									1 418	
7	Corporates					12 794		129 082			1 214 905						1 356 781	1 356 781
8	Retail exposures									2 982 920							2 982 920	2 982 920
9	Exposures secured by mortgages on immovable property						0	104									104	104
10	Exposures in default										35 033	2 893					37 926	37 926
11	Exposures associated with particularly high risk																0	
12	Covered bonds																0	
13	Exposures to institutions and corporates with a short-term credit assessment																0	
14	Units or shares in collective investment undertakings																0	
15	Equity exposures																0	
16	Other items																0	
17	**TOTAL**	**8 559 171**	**0**	**20 690**	**2 754 878**	**121 179**	**0**	**131 234**	**0**	**2 982 920**	**1 250 435**	**2 893**	**4 593**	**0**	**0**	**0**	**15 827 993**	**4 377 731**

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Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

In thousands of BGN

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Exposure class Corporates - SME													
	0.00 to <0.15	7 209	55 425	0.36	26 951	0.00	161	0.44	2	4 387	0.16	10	-242
	0.00 to <0.10	5 460	32 944	0.31	15 568	0.00	81	0.48	3	2 324	0.15	4	-225
	0.10 to <0.15	1 749	22 481	0.44	11 383	0.00	80	0.39	2	2 063	0.18	6	-17
	0.15 to <0.25	21 108	172 951	0.38	85 259	0.00	299	0.40	3	20 676	0.24	69	-433
	0.25 to <0.50	274 029	392 881	0.40	420 722	0.00	771	0.36	3	155 264	0.37	583	-4 814
	0.50 to <0.75	391 163	350 961	0.40	519 077	0.01	713	0.39	3	262 676	0.51	1 274	-5 941
	0.75 to <2.50	1 599 673	846 651	0.39	1 834 761	0.01	2 341	0.39	3	1 168 076	0.64	9 926	-32 800
	0.75 to <1.75	1 246 954	727 557	0.39	1 453 868	0.01	1 716	0.40	3	905 882	0.62	6 866	-24 820
	1.75 to <2.5	352 719	119 094	0.42	380 893	0.02	625	0.38	2	262 194	0.69	3 060	-7 980
	2.50 to <10.00	689 416	188 512	0.37	717 396	0.04	1 251	0.35	3	536 150	0.75	10 278	-28 461
	2.5 to <5	521 418	135 350	0.39	537 142	0.03	711	0.35	3	375 553	0.70	6 335	-17 945
	5 to <10	167 998	53 162	0.33	180 254	0.07	540	0.34	3	160 597	0.89	3 943	-10 516
	10.00 to <100.00	40 698	54 754	0.44	63 056	0.24	304	0.34	3	76 167	1.21	5 074	-9 411
	10 to <20	27 661	38 479	0.47	44 744	0.17	152	0.35	2	55 923	1.25	2 753	-7 302
	20 to <30	2 355	905	0.49	2 635	0.22	21	0.43	3	3 849	1.46	242	-349
	30.00 to <100.00	10 682	15 370	0.34	15 677	0.44	131	0.30	3	16 395	1.05	2 079	-1 760
	100.00 (Default)	215 503	25 275	0.58	222 367	1.00	210	0.50	3	40 450	0.18	114 983	-183 414
Subtotal (exposure class)		3 238 799	2 087 410	0.73	3 889 589	0.08	6 050	0.37	3	2 263 846	0.58	142 197	-265 516
Exposure class Corporates - Other													

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	0.00 to <0.15	360 426	586 371	0.35	567 512	0.00	51	0.37	3	167 730	0.30	-1 071	-1 294
	0.00 to <0.10	39 178	163 411	0.40	103 328	0.00	24	0.51	2	23 526	0.23	-63	-60
	0.10 to <0.15	321 248	422 960	0.34	464 184	0.00	27	0.34	4	144 204	0.31	-1 008	-1 234
	0.15 to <0.25	316 521	466 135	0.46	532 603	0.00	54	0.44	3	262 579	0.49	-1 048	-295
	0.25 to <0.50	303 389	975 879	0.39	634 643	0.00	98	0.42	2	346 290	0.55	-5 508	-5 488
	0.50 to <0.75	576 035	529 679	0.43	799 391	0.01	79	0.46	3	610 558	0.76	-18 427	-19 304
	0.75 to <2.50	1 047 391	685 943	0.44	1 289 673	0.01	169	0.47	2	1 360 019	1.05	-45 166	-45 132
	0.75 to <1.75	769 639	534 689	0.44	983 643	0.01	128	0.47	2	953 188	0.97	-41 999	-19 868
	1.75 to <2.5	277 752	151 254	0.42	306 030	0.02	41	0.46	3	406 831	1.33	-3 167	-25 264
	2.50 to <10.00	234 190	391 029	0.47	388 097	0.05	115	0.24	2	285 625	0.74	-17 751	-17 454
	2.5 to <5	127 060	62 103	0.36	149 604	0.03	40	0.44	2	187 212	1.25	-3 240	-2 944
	5 to <10	107 130	328 926	0.49	238 493	0.07	75	0.11	2	98 413	0.41	-14 511	-14 510
	10.00 to <100.00	2 021	1 526	0.27	1 239	0.35	49	0.41	2	2 740	2.21	-344	-345
	10 to <20	47	96	0.46	91	0.11	5	0.59	1	237	2.60	-6	-7
	20 to <30	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
	30.00 to <100.00	1 974	1 430	0.26	1 148	0.37	44	0.39	2	2 503	2.18	-338	-338
	100.00 (Default)	80 728	11 718	0.51	82 279	1.00	89	0.37	3	11 991	0.15	-73 135	-73 135
Subtotal (exposure class)		2 920 701	3 648 280	0.65	4 295 437	0.03	704	0.42	3	3 047 532	0.71	-162 450	-162 447
Exposure class Retail - Secured by real estate SME													
	0.00 to <0.15	2 430	6 782	0.40	5 026	0.00	61	0.13	3	113	0.02	-3	0
	0.00 to <0.10	948	4 856	0.37	2 629	0.00	38	0.13	3	33	0.01	0	0
	0.10 to <0.15	1 482	1 926	0.48	2 397	0.00	23	0.13	3	80	0.03	-3	0
	0.15 to <0.25	6 416	6 308	0.43	9 133	0.00	108	0.14	3	390	0.04	-17	-19
	0.25 to <0.50	41 106	9 003	0.45	44 706	0.00	447	0.17	4	3 909	0.09	-189	-140
	0.50 to <0.75	45 756	5 474	0.46	47 992	0.01	413	0.16	4	5 393	0.11	-265	-352
	0.75 to <2.50	90 666	6 864	0.53	93 123	0.01	953	0.16	3	18 351	0.20	-728	-708
	0.75 to <1.75	61 120	4 937	0.53	63 106	0.01	679	0.15	3	10 568	0.17	-437	-332
	1.75 to <2.5	29 546	1 927	0.52	30 017	0.02	274	0.16	3	7 783	0.26	-291	-376
	2.50 to <10.00	24 765	3 223	0.47	26 205	0.04	264	0.17	3	10 263	0.39	-502	-486

	2.5 to <5	19 312	2 858	0.45	20 530	0.03	204	0.17	3	7 470	0.36	-376	-360
	5 to <10	5 453	365	0.61	5 675	0.07	60	0.16	2	2 793	0.49	-126	-126
	10.00 to <100.00	15 389	691	0.54	15 416	0.34	147	0.19	3	11 265	0.73	-993	-992
	10 to <20	4 020	289	0.57	4 185	0.14	44	0.14	3	2 426	0.58	-146	-139
	20 to <30	2 287	127	0.50	2 350	0.24	23	0.19	2	2 034	0.87	-224	0
	30.00 to <100.00	9 082	275	0.52	8 881	0.45	80	0.21	4	6 805	0.77	-623	-853
	100.00 (Default)	7 064	106	0.54	6 913	1.00	115	0.15	2	368	0.05	-4 209	-4 209
Subtotal (exposure class)		233 592	38 451	0.91	248 514	0.06	2 508	0.16	3	50 052	0.20	-6 906	-6 906
Exposure class Retail - Secured by real estate non-SME													
	0.00 to <0.15	302 877	13 191	0.41	308 220	0.00	4 234	0.08	5	6 449	0.02	-977	-1 266
	0.00 to <0.10	110 330	6 491	0.40	112 941	0.00	1 448	0.09	5	1 778	0.02	-365	-246
	0.10 to <0.15	192 547	6 700	0.41	195 279	0.00	2 786	0.08	5	4 671	0.02	-612	-1 020
	0.15 to <0.25	574 962	14 403	0.42	580 982	0.00	6 847	0.09	5	22 823	0.04	-2 256	-1 217
	0.25 to <0.50	1 325 318	17 015	0.41	1 332 320	0.00	12 355	0.11	5	98 473	0.07	-6 556	-8 638
	0.50 to <0.75	626 229	7 163	0.42	629 217	0.01	4 972	0.13	5	75 028	0.12	-4 828	-3 911
	0.75 to <2.50	842 792	13 781	0.42	848 536	0.01	6 205	0.13	5	161 803	0.19	-13 394	-13 546
	0.75 to <1.75	709 984	10 801	0.42	714 520	0.01	5 185	0.13	5	126 289	0.18	-10 434	-11 077
	1.75 to <2.5	132 808	2 980	0.41	134 016	0.02	1 020	0.13	5	35 514	0.26	-2 960	-2 469
	2.50 to <10.00	227 097	5 259	0.41	229 263	0.05	1 937	0.12	5	86 672	0.38	-10 457	-9 425
	2.5 to <5	153 994	3 386	0.42	155 414	0.03	1 225	0.12	5	53 382	0.34	-5 723	-5 034
	5 to <10	73 103	1 873	0.40	73 849	0.07	712	0.11	5	33 290	0.45	-4 734	-4 391
	10.00 to <100.00	63 751	311	0.45	63 891	0.24	835	0.10	5	37 202	0.58	-16 135	-16 600
	10 to <20	35 010	186	0.45	35 094	0.15	445	0.10	5	19 648	0.56	-5 275	-4 329
	20 to <30	14 215	39	0.51	14 235	0.24	187	0.11	5	9 265	0.65	-4 146	0
	30.00 to <100.00	14 526	86	0.42	14 562	0.46	203	0.11	5	8 289	0.57	-6 714	-12 271
	100.00 (Default)	49 201	129	0.34	49 246	1.00	773	0.14	4	1 224	0.02	-34 415	-34 415
Subtotal (exposure class)		4 012 227	71 252	0.99	4 041 675	0.02	38 158	0.11	5	489 674	0.12	-89 018	-89 018

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Exposure class Retail - Qualifying revolving												
	0.00 to <0.15	2 097	35 798	0.47	19 062	0.00	9 230	0.32	2	385	0.02	-11	-11
	0.00 to <0.10	765	18 129	0.48	9 397	0.00	4 539	0.32	2	145	0.00	-4	-2
	0.10 to <0.15	1 332	17 669	0.47	9 665	0.00	4 691	0.32	2	240	0.02	-7	-9
	0.15 to <0.25	3 421	35 878	0.49	21 180	0.00	16 724	0.32	2	768	0.04	-17	-11
	0.25 to <0.50	10 291	44 442	0.49	32 248	0.00	25 839	0.33	2	1 956	0.06	-37	-49
	0.50 to <0.75	9 404	18 234	0.49	18 416	0.01	13 821	0.34	2	1 738	0.09	-33	-29
	0.75 to <2.50	26 938	25 342	0.50	39 499	0.01	28 710	0.34	2	6 707	0.17	-171	-178
	0.75 to <1.75	20 900	20 734	0.50	31 172	0.01	21 570	0.34	2	4 707	0.15	-116	-132
	1.75 to <2.5	6 038	4 608	0.50	8 327	0.02	7 140	0.35	2	2 000	0.24	-55	-46
	2.50 to <10.00	15 873	15 134	0.51	23 535	0.04	18 361	0.34	2	8 901	0.38	-320	-293
	2.5 to <5	10 940	13 119	0.51	17 596	0.03	14 555	0.34	2	5 661	0.32	-194	-183
	5 to <10	4 933	2 015	0.50	5 939	0.07	3 806	0.34	2	3 240	0.55	-126	-110
	10.00 to <100.00	6 433	2 080	0.49	7 458	0.24	4 451	0.34	2	6 789	0.91	-1 020	-1 038
	10 to <20	3 471	1 340	0.48	4 118	0.14	2 480	0.34	2	3 335	0.81	-188	-144
	20 to <30	1 345	210	0.53	1 456	0.25	928	0.34	2	1 498	1.03	-176	0
	30.00 to <100.00	1 617	530	0.50	1 884	0.45	1 043	0.34	2	1 956	1.04	-656	-894
	100.00 (Default)	1 478	492	0.46	1 706	1.00	1 792	0.58	2	227	0.13	-1 934	-1 934
Subtotal (exposure class)		75 935	177 400	0.64	163 104	0.03	118 928	0.34	2	27 471	0.17	-3 543	-3 543
Exposure class Retail - Other SME												
	0.00 to <0.15	7 431	40 584	0.45	25 744	0.00	1 021	0.55	2	2 290	0.09	-91	-94
	0.00 to <0.10	4 964	26 701	0.45	16 922	0.00	573	0.56	2	1 140	0.07	-15	-12
	0.10 to <0.15	2 467	13 883	0.46	8 822	0.00	448	0.55	2	1 150	0.13	-76	-82
	0.15 to <0.25	11 113	24 099	0.46	21 875	0.00	1 227	0.57	2	4 034	0.18	-84	-49
	0.25 to <0.50	79 370	69 423	0.47	107 319	0.00	3 209	0.58	2	30 213	0.28	-1 273	-856
	0.50 to <0.75	91 219	40 444	0.47	104 167	0.01	2 812	0.58	2	39 131	0.38	-1 459	-2 232
	0.75 to <2.50	288 904	68 933	0.49	308 278	0.01	9 552	0.60	2	167 436	0.54	-6 823	-6 824
	0.75 to <1.75	210 595	53 191	0.49	225 692	0.01	6 770	0.59	2	115 017	0.51	-4 399	-3 013

	1.75 to <2.5	78 309	15 742	0.49	82 586	0.02	2 782	0.60	2	52 419	0.63	-2 424	-3 811
	2.50 to <10.00	83 973	22 162	0.45	90 713	0.04	4 543	0.60	2	63 281	0.70	-5 117	-4 590
	2.5 to <5	66 233	17 857	0.46	72 082	0.04	3 331	0.60	2	49 457	0.69	-3 298	-2 966
	5 to <10	17 740	4 305	0.41	18 631	0.07	1 212	0.60	2	13 824	0.74	-1 819	-1 624
	10.00 to <100.00	43 403	13 318	0.43	47 377	0.29	1 472	0.61	2	50 907	1.07	-12 841	-13 043
	10 to <20	19 592	3 525	0.49	20 301	0.14	640	0.61	2	18 745	0.92	-3 756	-3 105
	20 to <30	6 392	482	0.55	6 592	0.24	210	0.61	2	7 816	1.19	-2 151	0
	30.00 to <100.00	17 419	9 311	0.40	20 484	0.45	622	0.60	2	24 346	1.19	-6 934	-9 938
	100.00 (Default)	35 397	369	0.37	33 321	1.00	2 274	0.78	1	9 341	0.28	-31 801	-31 801
Subtotal (exposure class)		640 810	279 332	0.80	738 794	0.08	26 110	0.57	2	366 633	0.50	-59 489	-59 489
Exposure class Retail - Other non-SME													
	0.00 to <0.15	6 377	13 625	0.45	12 454	0.00	656	0.26	3	785	0.06	-82	-52
	0.00 to <0.10	3 979	10 013	0.45	8 488	0.00	363	0.27	3	459	0.00	-45	-23
	0.10 to <0.15	2 398	3 612	0.43	3 966	0.00	293	0.26	3	326	0.08	-37	-29
	0.15 to <0.25	5 132	8 109	0.45	8 757	0.00	685	0.27	3	1 036	0.12	-53	-77
	0.25 to <0.50	11 917	10 215	0.44	16 442	0.00	1 494	0.31	4	3 103	0.19	-194	-219
	0.50 to <0.75	7 407	7 041	0.45	10 546	0.01	870	0.32	3	2 899	0.27	-143	-132
	0.75 to <2.50	15 715	16 378	0.44	22 751	0.01	1 633	0.26	3	6 875	0.30	-362	-362
	0.75 to <1.75	13 334	13 445	0.45	19 318	0.01	1 262	0.25	3	5 455	0.28	-277	-296
	1.75 to <2.5	2 381	2 933	0.44	3 433	0.02	371	0.30	3	1 420	0.41	-85	-66
	2.50 to <10.00	5 552	16 454	0.45	12 453	0.04	895	0.26	3	4 986	0.40	-435	-392
	2.5 to <5	4 192	13 655	0.45	9 983	0.03	593	0.26	3	3 961	0.40	-308	-300
	5 to <10	1 360	2 799	0.46	2 470	0.07	302	0.25	3	1 025	0.41	-127	-92
	10.00 to <100.00	4 109	16 172	0.46	10 152	0.33	1 040	0.25	3	6 648	0.65	-1 019	-1 054
	10 to <20	1 533	601	0.46	1 664	0.13	288	0.31	4	1 014	0.61	-336	-368
	20 to <30	1 070	0	0.00	890	0.23	226	0.34	4	743	0.83	-256	0
	30.00 to <100.00	1 506	15 571	0.46	7 598	0.38	526	0.23	3	4 891	0.64	-427	-686
	100.00 (Default)	15 754	10	0.43	15 753	1.00	7 786	0.73	2	2 111	0.13	-13 719	-13 719
Subtotal (exposure class)		71 963	88 004	0.68	109 308	0.18	15 059	0.34	4	28 443	0.26	-16 007	-16 007
Total (all exposures classes)		11 194 027	6 390 129	0.77	13 486 421	0.05	207 517	0.33	3	6 273 651	0.47	-195 216	-602 926

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F-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Exposure class Institutions													
	0.00 to <0.15	614 072	1 015 565	0.11	725 037	0.00	53	0.26	2	144 231	0.20	-91	-155
	0.00 to <0.10	613 768	959 956	0.11	722 841	0.00	44	0.26	2	143 479	0.20	-90	-153
	0.10 to <0.15	304	55 609	0.03	2 196	0.00	9	0.45	3	752	0.34	-1	-2
	0.15 to <0.25	0	0	0.00	7	0.00	0	0.45	0	3	0.43	0	0
	0.25 to <0.50	2 446	2 576	0.47	10 870	0.00	6	0.45	2	4 424	0.41	-2	-4
	0.50 to <0.75	0	0	0.50	10 797	0.01	0	0.45	2	5 830	0.54	0	0
	0.75 to <2.50	3 768	1	0.26	17 319	0.01	2	0.45	2	9 705	0.56	-4	0
	0.75 to <1.75	2 365	1	0.25	13 016	0.01	1	0.45	2	6 686	0.51	-1	0
	1.75 to <2.5	1 403	0	0.56	4 303	0.02	1	0.45	3	3 019	0.70	-3	0
	2.50 to <10.00	34 184	9 138	0.26	46 478	0.04	6	0.45	3	67 043	1.44	-74	-74
	2.5 to <5	34 184	9 138	0.26	43 439	0.04	6	0.45	3	65 789	1.51	-74	-74
	5 to <10	0	0	0.00	3 039	0.06	0	0.45	3	1 254	0.41	0	0
	10.00 to <100.00	0	0	0.00	3 136	0.33	0	0.45	3	1 681	0.54	0	0
	10 to <20	0	0	0.00	771	0.16	0	0.45	3	365	0.47	0	0
	20 to <30	0	0	0.00	337	0.27	0	0.45	3	157	0.47	0	0
	30.00 to <100.00	0	0	0.00	2 028	0.41	0	0.45	3	1 159	0.57	0	0
	100.00 (Default)	0	0	0.00	6	1.00	0	0.00	3	3	0.50	0	0
Subtotal (exposure class)		654 470	1 027 280	0.48	813 650	0.0028	67	0.27	3	232 920	0.29	-171	-233

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Exposure class Corporates - Other													
	0.00 to <0.15	35 095	108 287	0.02	37 671	0.00	13	0.45	3	13 509	0.36	-3	-4
	0.00 to <0.10	35 095	108 250	0.02	37 664	0.00	12	0.45	3	13 507	0.36	-3	-4
	0.10 to <0.15	0	37	0.20	7	0.00	1	0.45	3	2	0.29	0	0
	0.15 to <0.25	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
	0.25 to <0.50	0	205	0.50	102	0.00	1	0.45	3	60	0.59	0	0
	0.50 to <0.75	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
	0.75 to <2.50	0	53	0.50	26	0.02	1	0.45	3	32	0.00	0	0
	0.75 to <1.75	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
	1.75 to <2.5	0	53	0.50	26	0.00	1	0.45	3	32	0.00	0	0
	2.50 to <10.00	121	1 508	0.50	877	0.06	4	0.45	3	1 481	1.69	-2	-1
	2.5 to <5	0	931	0.50	468	0.04	2	0.45	3	707	1.51	-1	-1
	5 to <10	121	577	0.50	409	0.08	2	0.45	3	774	1.89	-1	0
	10.00 to <100.00	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
	10 to <20	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
	20 to <30	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
	30.00 to <100.00	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
	100.00 (Default)	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0
Subtotal (exposure class)		35 216	110 053	0.27	38 676	0.0021	19	0.45	3	15 082	0.39	-5	-5
Total (all exposures classes)		689 686	1 137 333	0.47	852 326	0.0021	86	0.34	3	248 002	0.29	-176	-238

Template EU CR6-A – Scope of the use of IRB and SA approaches

In thousands of BGN

		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
		a	b	c	d	e
1	Central governments or central banks	0	10 842 156	100.00%	0.00%	0.00%
1.1	*Of which Regional governments or local authorities*		0	0.00%	0.00%	0.00%
1.2	*Of which Public sector entities*		0	0.00%	0.00%	0.00%
2	Institutions	767 948	932 238	11.90%	88.10%	0.00%
3	Corporates	11 074 516	11 251 018	16.45%	83.50%	0.05%
3.1	*Of which Corporates - Specialised lending, excluding slotting approach*		0	0.00%	0.00%	0.00%
3.2	*Of which Corporates - Specialised lending under slotting approach*		2 173 666	0.00%	100.00%	0.00%
4	Retail	5 339 342	8 138 743	37.12%	62.88%	0.00%
4.1	*of which Retail – Secured by real estate SMEs*		241 408	0.00%	100.00%	0.00%
4.2	*of which Retail – Secured by real estate non-SMEs*		3 958 928	0.00%	100.00%	0.00%
4.3	*of which Retail – Qualifying revolving*		137 520	0.00%	100.00%	0.00%
4.4	*of which Retail – Other SMEs*		822 985	17.40%	82.60%	0.00%
4.5	*of which Retail – Other non-SMEs*		99 738	0.00%	100.00%	0.00%
5	Equity	30 929	30 929	0.00%	100.00%	0.00%
6	Other non-credit obligation assets	972 988	972 988	0.00%	100.00%	0.00%
7	**Total**	**18 185 723**	**32 168 072**	**46.20%**	**53.78%**	**0.02%**

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Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

In thousands of BGN

A-IRB		Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks														
2	Institutions														
3	Corporates	8 511 364	1.42%	24.14%	24.14%			6.38%	6.38%			5.14%		5 552 137	5 328 288
3.1	*Of which Corporates – SMEs*	4 061 879	0.37%	33.08%	33.08%			2.94%	2.94%			4.63%		2 441 348	2 271 918
3.2	*Of which Corporates – Specialised lending*														
3.3	*Of which Corporates – Other*	4 449 485	2.37%	15.99%	15.99%			9.51%	9.51%			5.60%		3 110 789	3 056 370
4	Retail	5 338 995	0.00%	58.07%	58.07%			0.50%	0.50%			0.71%		989 571	965 968
4.1	*Of which Retail – Immovable property SMEs*	251 087	0.00%	83.72%	83.72%			0.15%	0.15%			1.10%		51 086	50 052
4.2	*Of which Retail – Immovable property non-SMEs*	4 041 675	0.00%	71.51%	71.51%			0.14%	0.14%			0.00%		489 674	489 674
4.3	*Of which Retail – Qualifying revolving*	163 105	0.00%	0.00%	0.00%			0.00%	0.00%			0.00%		27 471	27 471
4.4	*Of which Retail – Other SMEs*	771 715	0.00%	0.00%	0.00%			1.58%	1.58%			4.28%		390 107	369 091
4.5	*Of which Retail – Other non-SMEs*	111 414	0.00%	0.00%	0.00%			7.73%	7.73%			1.89%		31 232	29 681
5	Total	13 850 359	0.87%	37.22%	37.22%			4.11%	4.11%			3.43%		6 541 708	6 294 256

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	F-IRB	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks														
2	Institutions	767 945	0.00%	0.00%	0.00%			0.04%	0.04%			0.00%		212 318	212 318
3	Corporates	2 470 699	0.00%	0.00%	0.00%			0.04%	0.04%			0.00%		1 781 960	1 781 960
3.1	*Of which Corporates – SMEs*														
3.2	*Of which Corporates – Specialised lending*	2 432 023	0.00%	0.00%	0.00%			0.05%	0.05%			0.00%		1 766 878	1 766 878
3.3	*Of which Corporates – Other*	38 675	0.00%	0.00%	0.00%			0.00%	0.00%			0.00%		15 083	15 083
4	Total	3 238 644	0.00%	0.00%	0.00%			0.04%	0.04%			0.00%		1 994 277.99	1 994 277.99

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Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach

In thousands of BGN

		Risk weighted exposure amount 31.12.2023
		a
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**7 777 138**
2	Asset size (+/-)	1 558 972
3	Asset quality (+/-)	-197 696
4	Model updates (+/-)	-268 192
5	Methodology and policy (+/-)	0
6	Acquisitions and disposals (+/-)	0
7	Foreign exchange movements (+/-)	0
8	Other (+/-)	0
9	**Risk weighted exposure amount as at the end of the reporting period**	**8 870 222**

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Template CR9 –IRB approach – Back-testing of PD per exposure class (fixed PD scale)

In thousands of BGN

A-IRB

Exposure class Corporates - SME	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
	0.00 to <0.15	240	0	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	43	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	197	0	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	379	0	0.00%	0.00%	0.00%	0.00%
	0.25 to <0.50	956	0	0.00%	0.00%	0.00%	0.00%
	0.50 to <0.75	849	1	0.00%	0.01%	0.01%	0.00%
	0.75 to <2.50	2 860	6	0.00%	0.01%	0.01%	0.00%
	0.75 to <1.75	2 149	3	0.00%	0.01%	0.01%	0.00%
	1.75 to <2.5	711	3	0.00%	0.02%	0.02%	0.00%
	2.50 to <10.00	1 467	19	0.01%	0.04%	0.05%	0.01%
	2.5 to <5	1 055	10	0.01%	0.03%	0.04%	0.00%
	5 to <10	412	9	0.02%	0.07%	0.07%	0.02%
	10.00 to <100.00	317	7	0.02%	0.24%	0.29%	0.06%
	10 to <20	123	3	0.02%	0.17%	0.13%	0.06%
	20 to <30	46	0	0.00%	0.22%	0.25%	0.14%
	30.00 to <100.00	148	4	0.03%	0.44%	0.44%	0.01%
	100.00 (Default)	535	0	0.00%	1.00%	1.00%	0.00%

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Exposure class Corporates - Other	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
	0.00 to <0.15	43	0	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	23	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	20	0	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	38	0	0.00%	0.00%	0.00%	0.00%
	0.25 to <0.50	97	0	0.00%	0.00%	0.00%	0.00%
	0.50 to <0.75	64	0	0.00%	0.01%	0.01%	0.00%
	0.75 to <2.50	204	4	0.02%	0.01%	0.01%	0.01%
	0.75 to <1.75	155	0	0.00%	0.01%	0.01%	0.00%
	1.75 to <2.5	49	4	0.08%	0.02%	0.02%	0.04%
	2.50 to <10.00	130	2	0.02%	0.05%	0.03%	0.01%
	2.5 to <5	121	2	0.02%	0.03%	0.03%	0.01%
	5 to <10	9	0	0.00%	0.07%	0.07%	0.01%
	10.00 to <100.00	18	0	0.00%	0.35%	0.34%	0.05%
	10 to <20	2	0	0.00%	0.11%	0.11%	0.07%
	20 to <30	1	0	0.00%	0.00%	0.24%	0.00%
	30.00 to <100.00	15	0	0.00%	0.37%	0.38%	0.00%
	100.00 (Default)	897	0	0.00%	1.00%	1.00%	0.00%

Exposure class Retail - Secured by real estate SME	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
	0.00 to <0.15	42	0	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	24	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	18	0	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	74	1	0.01%	0.00%	0.00%	0.00%

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	0.25 to <0.50	266	0	0.00%	0.00%	0.00%	0.00%
	0.50 to <0.75	328	1	0.00%	0.01%	0.01%	0.00%
	0.75 to <2.50	776	5	0.01%	0.01%	0.01%	0.00%
	0.75 to <1.75	592	5	0.01%	0.01%	0.01%	0.00%
	1.75 to <2.5	184	0	0.00%	0.02%	0.02%	0.00%
	2.50 to <10.00	242	6	0.02%	0.04%	0.04%	0.02%
	2.5 to <5	175	3	0.02%	0.03%	0.03%	0.01%
	5 to <10	67	3	0.04%	0.07%	0.07%	0.02%
	10.00 to <100.00	152	15	0.10%	0.34%	0.45%	0.05%
	10 to <20	34	2	0.06%	0.14%	0.15%	0.04%
	20 to <30	17	3	0.18%	0.24%	0.25%	0.07%
	30.00 to <100.00	101	10	0.10%	0.45%	0.59%	0.07%
	100.00 (Default)	136	0	0.00%	1.00%	1.00%	0.00%

Exposure class Retail - Secured by real estate non-SME	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
	0.00 to <0.15	5 141	0	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	8	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	5 133	0	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	4 480	3	0.00%	0.00%	0.00%	0.00%
	0.25 to <0.50	7 924	5	0.00%	0.00%	0.00%	0.00%
	0.50 to <0.75	3 990	6	0.00%	0.01%	0.01%	0.00%
	0.75 to <2.50	8 216	15	0.00%	0.01%	0.01%	0.00%
	0.75 to <1.75	6 469	11	0.00%	0.01%	0.01%	0.00%
	1.75 to <2.5	1 747	4	0.00%	0.02%	0.02%	0.00%
	2.50 to <10.00	3 412	29	0.01%	0.05%	0.05%	0.01%
	2.5 to <5	2 024	13	0.01%	0.03%	0.04%	0.00%
	5 to <10	1 388	16	0.01%	0.07%	0.07%	0.01%
	10.00 to <100.00	1 516	79	0.05%	0.24%	0.21%	0.04%

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	10 to <20	896	27	0.03%	0.15%	0.14%	0.02%
	20 to <30	383	30	0.08%	0.24%	0.24%	0.05%
	30.00 to <100.00	237	22	0.09%	0.46%	0.42%	0.08%
	100.00 (Default)	1 155	0	0.00%	1.00%	1.00%	0.00%

Exposure class Retail - Qualifying revolving	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
	0.00 to <0.15	29 120	51	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	0	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	29 120	51	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	12 880	50	0.00%	0.00%	0.00%	0.00%
	0.25 to <0.50	14 868	55	0.00%	0.00%	0.00%	0.00%
	0.50 to <0.75	8 620	35	0.00%	0.01%	0.01%	0.00%
	0.75 to <2.50	25 022	161	0.01%	0.01%	0.01%	0.00%
	0.75 to <1.75	17 934	105	0.01%	0.01%	0.01%	0.00%
	1.75 to <2.5	7 088	56	0.01%	0.02%	0.02%	0.01%
	2.50 to <10.00	20 077	414	0.02%	0.04%	0.05%	0.01%
	2.5 to <5	11 388	157	0.01%	0.03%	0.04%	0.01%
	5 to <10	8 689	257	0.03%	0.07%	0.07%	0.02%
	10.00 to <100.00	7 255	821	0.11%	0.24%	0.17%	0.07%
	10 to <20	5 687	461	0.08%	0.14%	0.14%	0.05%
	20 to <30	1 358	310	0.23%	0.25%	0.24%	0.15%
	30.00 to <100.00	210	50	0.24%	0.45%	0.53%	0.21%
	100.00 (Default)	3 091	0	0.00%	1.00%	1.00%	0.00%

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Exposure class Retail - Other SME	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to <0.15	2 498	10	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	371	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	2 127	10	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	1 304	4	0.00%	0.00%	0.00%	0.00%
	0.25 to <0.50	2 556	21	0.01%	0.00%	0.00%	0.00%
	0.50 to <0.75	2 281	14	0.01%	0.01%	0.01%	0.00%
	0.75 to <2.50	9 345	144	0.02%	0.01%	0.01%	0.01%
	0.75 to <1.75	6 925	79	0.01%	0.01%	0.01%	0.01%
	1.75 to <2.5	2 420	65	0.03%	0.02%	0.02%	0.01%
	2.50 to <10.00	4 253	180	0.04%	0.04%	0.05%	0.02%
	2.5 to <5	3 138	85	0.03%	0.04%	0.04%	0.02%
	5 to <10	1 115	95	0.09%	0.07%	0.07%	0.04%
	10.00 to <100.00	2 251	154	0.07%	0.29%	0.42%	0.08%
	10 to <20	682	54	0.08%	0.14%	0.14%	0.06%
	20 to <30	237	28	0.12%	0.24%	0.24%	0.08%
	30.00 to <100.00	1 332	72	0.05%	0.45%	0.59%	0.12%
	100.00 (Default)	3 289	0	0.00%	1.00%	1.00%	0.00%

Exposure class Retail - Other non-SME	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to <0.15	1 256	3	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	0	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	1 256	3	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	540	1	0.00%	0.00%	0.00%	0.00%

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	0.25 to <0.50	771	1	0.00%	0.00%	0.00%	0.00%
	0.50 to <0.75	599	1	0.00%	0.01%	0.01%	0.00%
	0.75 to <2.50	2 093	12	0.01%	0.01%	0.01%	0.00%
	0.75 to <1.75	1 338	5	0.00%	0.01%	0.01%	0.00%
	1.75 to <2.5	755	7	0.01%	0.02%	0.02%	0.01%
	2.50 to <10.00	2 350	27	0.01%	0.04%	0.05%	0.01%
	2.5 to <5	1 341	12	0.01%	0.03%	0.04%	0.01%
	5 to <10	1 009	15	0.01%	0.07%	0.08%	0.01%
	10.00 to <100.00	1 881	273	0.15%	0.33%	0.21%	0.07%
	10 to <20	1 096	56	0.05%	0.13%	0.14%	0.03%
	20 to <30	580	151	0.26%	0.23%	0.26%	0.11%
	30.00 to <100.00	205	66	0.32%	0.38%	0.39%	0.21%
	100.00 (Default)	7 366	0	0.00%	1.00%	1.00%	0.00%

F-IRB

Exposure class Institutions	PD range	Number of obligors in the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
	0.00 to <0.15	42	0	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	29	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	13	0	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	11	0	0.00%	0.00%	0.00%	0.00%
	0.25 to <0.50	3	0	0.00%	0.00%	0.00%	0.00%
	0.50 to <0.75	3	0	0.00%	0.01%	0.01%	0.00%
	0.75 to <2.50	4	0	0.00%	0.01%	0.02%	0.00%
	0.75 to <1.75	1	0	0.00%	0.01%	0.02%	0.00%
	1.75 to <2.5	3	0	0.00%	0.02%	0.02%	0.00%
	2.50 to <10.00	2	0	0.00%	0.04%	0.03%	0.00%
	2.5 to <5	2	0	0.00%	0.04%	0.03%	0.00%
	5 to <10	0	0	0.00%	0.06%	0.00%	0.00%

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	10.00 to <100.00	0	0	0.00%	0.33%	0.00%	0.00%
	10 to <20	0	0	0.00%	0.16%	0.00%	0.00%
	20 to <30	0	0	0.00%	0.27%	0.00%	0.00%
	30.00 to <100.00	0	0	0.00%	0.41%	0.00%	0.00%
	100.00 (Default)	0	0	0.00%	1.00%	0.00%	0.00%

Exposure class Corporates - Other	PD range	Number of obligors in the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
	0.00 to <0.15	12	0	0.00%	0.00%	0.00%	0.00%
	0.00 to <0.10	8	0	0.00%	0.00%	0.00%	0.00%
	0.10 to <0.15	4	0	0.00%	0.00%	0.00%	0.00%
	0.15 to <0.25	0	0	0.00%	0.00%	0.00%	0.00%
	0.25 to <0.50	3	0	0.00%	0.00%	0.00%	0.00%
	0.50 to <0.75	1	0	0.00%	0.00%	0.01%	0.00%
	0.75 to <2.50	0	0	0.00%	0.02%	0.00%	0.00%
	0.75 to <1.75	0	0	0.00%	0.00%	0.00%	0.00%
	1.75 to <2.5	0	0	0.00%	0.00%	0.00%	0.00%
	2.50 to <10.00	4	0	0.00%	0.06%	0.05%	0.00%
	2.5 to <5	3	0	0.00%	0.04%	0.04%	0.00%
	5 to <10	1	0	0.00%	0.08%	0.08%	0.00%
	10.00 to <100.00	2	0	0.00%	0.00%	0.19%	0.00%
	10 to <20	2	0	0.00%	0.00%	0.19%	0.00%
	20 to <30	0	0	0.00%	0.00%	0.00%	0.00%
	30.00 to <100.00	0	0	0.00%	0.00%	0.00%	0.00%
	100.00 (Default)	0	0	0.00%	0.00%	0.00%	0.00%

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Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

In thousands of BGN

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	11 232 191.00	14 539 060.00	13 799 464.00	739 596.00	
2	Debt securities	5 438 658.00	0	0	0	
3	Total	16 670 849.00	14 539 060.00	13 799 464.00	739 596.00	
4	*Of which non-performing exposures*	27 456.00	138 082.00	119 025.00	19 057.00	
EU-5	*Of which defaulted*					

Template EU MR1 - Market risk under the standardised approach

In thousands of BGN

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	5 913
2	Equity risk (general and specific)	0
3	Foreign exchange risk	0
4	Commodity risk	0
	Options	
5	Simplified approach	0
6	Delta-plus approach	0
7	Scenario approach	0
8	Securitisation (specific risk)	0
9	**Total**	5 913

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Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

In thousands of BGN

	Banking activities	a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches					
3	*Subject to TSA:*					
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA	934 885	965 251	1 127 810	93 483	1 168 538

Template EU IRRBB1 - Interest rate risks of non-trading book activities

In thousands of BGN

	Supervisory shock scenarios	a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	- 0.0510		0.0125	
2	Parallel down	0.0001		- 0.0258	
3	Steepener	0.0047			
4	Flattener	- 0.0129			
5	Short rates up	- 0.0303			
6	Short rates down	0.0121			

Behavioral model implemented for Non-maturity deposits.
Average duration of 1.5Y and longest duration of 36Y.

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Template EU-SEC1 - Securitisation exposures in the non-trading book

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
			of which SRT		of which SRT											
1	**Total exposures**	**0**	**0**	**0**	**0**	**954 472**	**954 472**	**954 472**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2	Retail (total)															
3	residential mortgage															
4	credit card															
5	other retail exposures															
6	re-securitisation															
7	Wholesale (total)	0	0	0	0	954 472	954 472	954 472	0	0	0	0	0	0	0	0
8	loans to corporates	0	0	0	0	954 472	954 472	954 472	0	0	0	0	0	0	0	0
9	commercial mortgage															
10	lease and receivables															
11	other wholesale															
12	re-securitisation															

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Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250 % RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**954 472**	**0**	**0**	**0**	**0**	**954 472**	**0**	**0**	**0**	**0**	**95 447**	**0**	**0**	**0**	**0**	**7 636**	**0**
2	Traditional transactions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Securitisation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Retail	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Of which STS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Wholesale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Of which STS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Re-securitisation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Synthetic transactions	954 472	0	0	0	0	954 472	0	0	0	0	95 447	0	0	0	0	7 636	0
10	Securitisation	954 472	0	0	0	0	954 472	0	0	0	0	95 447	0	0	0	0	7 636	0
11	Retail underlying	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Wholesale	954 472	0	0	0	0	954 472	0	0	0	0	95 447	0	0	0	0	7 636	0
13	Re-securitisation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

In thousands of BGN

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
1	**Total exposures**	**2 097 911**	**0**	**0**
2	Retail (total)	305	0	0
3	residential mortgage	0	0	0
4	credit card	0	0	0
5	other retail exposures	305	0	0
6	re-securitisation	0	0	0
7	Wholesale (total)	2 097 606	0	0
8	loans to corporates	2 097 606	0	0
9	commercial mortgage	0	0	0
10	lease and receivables	0	0	0
11	other wholesale	0	0	0
12	re-securitisation	0	0	0

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

In thousands of BGN

		a
		Applicable amount
1	Total assets as per published financial statements	32 460 012
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-1 928
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	0
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustment for eligible cash pooling transactions	0
8	Adjustment for derivative financial instruments	177 777
9	Adjustment for securities financing transactions (SFTs)	441 317
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2 810 840
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	0
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0
12	Other adjustments	298 489
13	**Total exposure measure**	**36 186 507**

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Template EU LR2 - LRCom: Leverage ratio common disclosure

In thousands of BGN

		CRR leverage ratio exposures	
		a	b
		31.12.2023	31.12.2022
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	30 543 869	28 731 846
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-9 330	-11 714
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	0
5	(General credit risk adjustments to on-balance sheet items)	0	0
6	(Asset amounts deducted in determining Tier 1 capital)	-52 674	-49 453
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	30 481 865	28 670 679
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	62 943	99 056
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0	0
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	292 701	268 666
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	0
EU-9b	Exposure determined under Original Exposure Method	0	0
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0	0
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0	0
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	0	0
11	Adjusted effective notional amount of written credit derivatives	0	0
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
13	Total derivatives exposures	355 644	367 722

UniCredit Bulbank

Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	2 096 841	915 000
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0
16	Counterparty credit risk exposure for SFT assets	441 317	2 329
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0	0
17	Agent transaction exposures	0	0
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	0	0
18	Total securities financing transaction exposures	2 538 158	917 329
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	8 846 076	7 441 053
20	(Adjustments for conversion to credit equivalent amounts)	-6 035 236	-4 998 345
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)		
22	Off-balance sheet exposures	2 810 840	2 442 708
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0	0
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	0	0
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	0	0
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	0	0
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	0	0
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	0	0
EU-22g	(Excluded excess collateral deposited at triparty agents)	0	0
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	0	0
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	0	0
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	0	0
EU-22k	(Total exempted exposures)	0	0
Capital and total exposure measure			
23	Tier 1 capital	3 170 326	3 111 187
24	Total exposure measure	**36 186 507**	**32 398 438**

UniCredit Bulbank

	Leverage ratio		
25	Leverage ratio (%)	8.76%	9.60%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	8.76%	9.60%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.76%	9.60%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	NA	NA
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	2 096 841	915 000
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	2 096 841	915 000
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	36 186 507	32 398 438
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	36 186 507	32 398 438
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.76%	9.60%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.76%	9.60%

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

In thousands of BGN

		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**30 543 869**
EU-2	Trading book exposures	4 381
EU-3	Banking book exposures, of which:	30 539 488
EU-4	Covered bonds	413 765
EU-5	Exposures treated as sovereigns	10 765 132
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	88 854
EU-7	Institutions	241 784
EU-8	Secured by mortgages of immovable properties	4 638 292
EU-9	Retail exposures	4 761 942
EU-10	Corporates	7 315 332
EU-11	Exposures in default	163 592
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	2 150 795

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Template EU LIQ1 - Quantitative information of LCR

In thousands of BGN

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2023	30.09.2023	30.06.2023	31.03.2023
EU 1b	Number of data points used in the calculation of averages								
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					10 399 860	10 439 410	10 818 431	10 745 894
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	15 752 205	15 263 098	14 958 230	14 705 274	1 260 864	1 225 205	1 206 806	1 196 170
3	*Stable deposits*	7 944 821	7 605 377	7 366 706	7 128 885	397 241	380 269	368 335	356 445
4	*Less stable deposits*	7 807 383	7 657 721	7 591 524	7 576 389	863 623	844 936	838 471	839 725
5	Unsecured wholesale funding	8 448 007	8 657 434	8 637 770	8 454 744	3 861 888	3 880 261	3 989 853	3 801 398
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	809 226	745 774	641 055	599 196	180 306	164 513	140 117	129 961
7	*Non-operational deposits (all counterparties)*	7 637 390	7 910 305	7 995 556	7 852 418	3 680 192	3 714 394	3 848 576	3 670 512
8	*Unsecured debt*	1 391	1 354	1 159	925	1 391	1 354	1 159	925
9	*Secured wholesale funding*					0	0	0	0
10	Additional requirements	12 684 077	12 682 648	11 368 809	11 519 463	7 589 052	7 717 492	6 498 666	6 890 445
11	*Outflows related to derivative exposures and other collateral requirements*	7 003 209	7 162 582	5 958 947	6 369 319	7 003 209	7 162 582	5 958 947	6 369 319
12	*Outflows related to loss of funding on debt products*	0	0	0	0	0	0	0	0
13	*Credit and liquidity facilities*	5 680 868	5 520 066	5 409 863	5 150 144	585 843	554 910	539 719	521 126

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14	Other contractual funding obligations	15 976	16 710	82 334	17 186	15 976	16 710	78 035	17 186
15	Other contingent funding obligations	2 517 094	2 468 554	2 761 785	1 727 047	128 413	128 310	165 641	90 692
16	TOTAL CASH OUTFLOWS					12 861 519	12 971 680	11 945 852	11 998 096
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	612 937	341 149	518 082	960 444	0	0	0	0
18	Inflows from fully performing exposures	601 406	580 451	660 950	399 651	519 532	526 991	583 346	323 618
19	Other cash inflows	6 999 927	7 169 530	5 962 994	6 364 035	6 999 927	7 169 530	5 962 994	6 364 035
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	TOTAL CASH INFLOWS	8 214 270	8 091 130	7 142 026	7 724 131	7 519 459	7 696 521	6 546 340	6 687 653
EU-20a	*Fully exempt inflows*	0	0	0	0	0	0	0	0
EU-20b	*Inflows subject to 90% cap*	0	0	0	0	0	0	0	0
EU-20c	*Inflows subject to 75% cap*	8 214 270	8 091 130	7 142 026	7 724 131	7 519 459	7 696 521	6 546 340	6 687 653
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					10 399 860	10 439 410	10 818 431	10 745 894
22	TOTAL NET CASH OUTFLOWS					5 342 060	5 275 159	5 399 512	5 310 443
23	LIQUIDITY COVERAGE RATIO					194.68%	197.90%	200.36%	202.35%

UniCredit Bulbank

Template EU LIQ2: Net Stable Funding Ratio

In thousands of BGN

31.12.2023

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	2 855 203	0	0	861 273	3 716 476
2	*Own funds*	2 855 203	0	0	54 460	2 909 663
3	*Other capital instruments*		0	0	806 813	806 813
4	Retail deposits		16 346 222	0	0	15 122 706
5	*Stable deposits*		8 222 131	0	0	7 811 024
6	*Less stable deposits*		8 124 091	0	0	7 311 682
7	Wholesale funding:		10 100 603	0	1 401 378	5 391 279
8	*Operational deposits*		790 292	0	0	22 108
9	*Other wholesale funding*		9 310 311	0	1 401 378	5 369 171
10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	204 380	89 589	0	352 367	352 367
12	*NSFR derivative liabilities*	204 380				
13	*All other liabilities and capital instruments not included in the above categories*		89 589	0	352 367	352 367
14	Total available stable funding (ASF)					24 582 828
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					370 582
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		7 427 691	1 311 026	11 550 096	12 526 635
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		1 900 895	0	0	0
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		807 512	495 711	3 041 481	3 370 088
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		4 240 311	713 974	4 164 519	8 721 298

30.09.2023

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	2 838 820	0	0	716 722	3 555 542
2	*Own funds*	2 838 820	0	0	51 866	2 890 686
3	*Other capital instruments*		0	0	664 856	664 856
4	Retail deposits		15 547 061	0	0	14 380 822
5	*Stable deposits*		7 769 355	0	0	7 380 887
6	*Less stable deposits*		7 777 706	0	0	6 999 935
7	Wholesale funding:		10 278 902	0	1 006 702	5 068 035
8	*Operational deposits*		731 232	0	0	14 244
9	*Other wholesale funding*		9 547 670	0	1 006 702	5 053 791
10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	222 118	13 517	0	231 906	231 906
12	*NSFR derivative liabilities*	222 118				
13	*All other liabilities and capital instruments not included in the above categories*		13 517	0	231 906	231 906
14	Total available stable funding (ASF)					23 236 305
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					263 943
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		7 825 098	1 198 682	10 911 720	12 110 988
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		2 043 597	0	0	0
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		801 872	499 111	2 610 031	2 939 774
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		4 567 496	579 759	4 203 922	8 740 768

UniCredit Bulbank

21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		757 314	89 682	622 756	3 494 847
22	*Performing residential mortgages, of which:*		423 958	99 941	3 854 451	0
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		336 195	94 442	3 718 360	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		55 015	1 400	489 645	435 249
25	Interdependent assets		0	0	0	0
26	Other assets:		3 187 644	7 005	630 849	688 396
27	*Physical traded commodities*				0	0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0	0	0	0
29	*NSFR derivative assets*		0	0	0	0
30	*NSFR derivative liabilities before deduction of variation margin posted*		204 380	0	0	10 219
31	*All other assets not included in the above categories*		204 380	0	0	10 219
32	Off-balance sheet items		3 233 568	1 144 328	4 143 144	563 651
33	Total RSF					14 149 264
34	Net Stable Funding Ratio (%)					173.74%

21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		1 601 677	99 314	724 134	3 895 803
22	*Performing residential mortgages, of which:*		391 384	95 784	3 612 852	0
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		327 322	89 853	3 461 068	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		20 749	24 028	484 915	430 446
25	Interdependent assets		0	0	0	0
26	Other assets:		3 038 435	5 935	625 024	702 331
27	*Physical traded commodities*				0	0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0	0	0	0
29	*NSFR derivative assets*		27 809	0	0	27 809
30	*NSFR derivative liabilities before deduction of variation margin posted*		222 118	0	0	11 106
31	*All other assets not included in the above categories*		2 788 508	5 935	625 024	663 416
32	Off-balance sheet items		3 938 663	486 345	3 810 428	576 249
33	Total RSF					13 653 511
34	Net Stable Funding Ratio (%)					170.19%

30.06.2023

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	2 837 908	0	0	503 631	3 341 539
2	*Own funds*	2 837 908	0	0	52 301	2 890 209
3	*Other capital instruments*		0	0	451 330	451 330
4	Retail deposits		15 226 789	0	0	14 077 206
5	*Stable deposits*		7 461 918	0	0	7 088 822
6	*Less stable deposits*		7 764 871	0	0	6 988 384
7	Wholesale funding:		10 136 970	0	808 855	4 760 261
8	*Operational deposits*		669 610	0	0	10 531
9	*Other wholesale funding*		9 467 360	0	808 855	4 749 730

31.03.2023

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	2 814 678	0	0	309 989	3 124 667
2	*Own funds*	2 814 678	0	0	48 271	2 862 949
3	*Other capital instruments*		0	0	261 718	261 718
4	Retail deposits		14 895 327	0	0	13 768 459
5	*Stable deposits*		7 253 297	0	0	6 890 632
6	*Less stable deposits*		7 642 030	0	0	6 877 827
7	Wholesale funding:		10 630 967	0	807 562	4 950 848
8	*Operational deposits*		657 113	0	0	9 721
9	*Other wholesale funding*		9 973 854	0	807 562	4 941 127

UniCredit Bulbank

10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	228 909	8 762	0	233 058	233 058
12	*NSFR derivative liabilities*	228 909				
13	*All other liabilities and capital instruments not included in the above categories*		8 762	0	233 058	233 058
14	Total available stable funding (ASF)					22 412 064
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					235 253
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		7 859 341	1 682 842	9 860 506	11 416 117
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		2 302 229	589 460	0	294 730
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		699 528	469 951	2 494 124	2 799 052
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		4 411 666	510 526	3 849 404	8 205 648
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		1 537 941	96 184	675 148	3 676 537
22	*Performing residential mortgages, of which:*		394 549	86 994	3 408 231	0
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		333 872	80 987	3 227 504	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		51 369	25 911	108 747	116 687
25	Interdependent assets		0	0	0	0
26	Other assets:		2 460 847	5 340	594 825	651 789

10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	226 679	-13 429	17 347	725 056	733 730
12	*NSFR derivative liabilities*	226 679				
13	*All other liabilities and capital instruments not included in the above categories*		-13 429	17 347	725 056	733 730
14	Total available stable funding (ASF)					22 577 704
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					324 629
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		8 487 125	1 415 981	9 417 497	10 867 302
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		3 121 694	195 987	0	97 994
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		720 301	442 368	2 334 413	2 627 627
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		4 151 943	693 605	3 696 315	7 993 906
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		435 209	207 643	387 658	2 906 081
22	*Performing residential mortgages, of which:*		443 281	84 021	3 225 885	0
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		375 441	77 130	3 064 999	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		49 906	0	160 884	147 775
25	Interdependent assets		0	0	0	0
26	Other assets:		2 329 205	9 283	584 462	631 934

27	*Physical traded commodities*				0	0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0	0	0	0
29	*NSFR derivative assets*		0	0	0	0
30	*NSFR derivative liabilities before deduction of variation margin posted*		228 909	0	0	11 445
31	*All other assets not included in the above categories*		2 231 938	5 340	594 825	640 344
32	Off-balance sheet items		3 859 116	368 160	4 004 692	571 479
33	Total RSF					12 874 638
34	Net Stable Funding Ratio (%)					174.08%

27	*Physical traded commodities*				0	0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0	0	0	0
29	*NSFR derivative assets*		0	0	0	0
30	*NSFR derivative liabilities before deduction of variation margin posted*		226 679	0	0	11 334
31	*All other assets not included in the above categories*		2 102 526	9 283	584 462	620 600
32	Off-balance sheet items		2 732 739	581 896	3 399 885	450 045
33	Total RSF					12 273 910
34	Net Stable Funding Ratio (%)					183.95%

UniCredit Bulbank

Template EU REM1 - Remuneration awarded for the financial year

In thousands of BGN

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	5	9	0	83
2		Total fixed remuneration	52	1757	0	4261
3		Of which: cash-based	52	1757	0	4261
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	0	0	0	0
5		Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
EU-5x		Of which: other instruments	0	0	0	0
6		(Not applicable in the EU)				
7		Of which: other forms	0	0	0	0
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	5	9	0	83
10		Total variable remuneration	0	1371	0	1319
11		Of which: cash-based	0	570	0	1255
12		Of which: deferred	0	267	0	26
EU-13a		Of which: shares or equivalent ownership interests	0	802	0	21
EU-14a		Of which: deferred	0	802	0	21
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	43
EU-14b		Of which: deferred	0	0	0	43
EU-14x		Of which: other instruments	0	0	0	0
EU-14y		Of which: deferred	0	0	0	0
15		Of which: other forms	0	0	0	0
16		Of which: deferred	0	0	0	0
17	Total remuneration (2 + 10)		52	3129	0	5580

Template EU REM3 - Deferred remuneration

In thousands of BGN

		a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	0	0	0	0	0	0	0	0
2	Cash-based	0	0	0	0	0	0	0	0
3	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
4	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
5	Other instruments	0	0	0	0	0	0	0	0
6	Other forms	0	0	0	0	0	0	0	0
7	MB Management function	1 545	188	1 357	0	0	0	188	106
8	Cash-based	587	83	504	0	0	0	83	0
9	Shares or equivalent ownership interests	958	106	853	0	0	0	106	106
10	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
11	Other instruments	0	0	0	0	0	0	0	0
12	Other forms	0	0	0	0	0	0	0	0
13	Other senior management	0	0	0	0	0	0	0	0
14	Cash-based	0	0	0	0	0	0	0	0
15	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
16	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
17	Other instruments	0	0	0	0	0	0	0	0
18	Other forms	0	0	0	0	0	0	0	0
19	Other identified staff	310	105	205	0	0	0	105	73
20	Cash-based	94	32	62	0	0	0	32	
21	Shares or equivalent ownership interests	201	73	128	0	0	0	73	73
22	Share-linked instruments or equivalent non-cash instruments	16	0	16	0	0	0	0	0
23	Other instruments	0	0	0	0	0	0	0	0
24	Other forms	0	0	0	0	0	0	0	0
25	Total amount	1 855	293	1 562	0	0	0	293	178

UniCredit Bulbank

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

In thousands of BGN

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						-
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										97
2	Of which: members of the MB	5	9	14							
3	Of which: other senior management				6	50	0	9	18	0	
4	Of which: other identified staff				0	0	0	0	0	0	
5	Total remuneration of identified staff	52	3129	3181	353	3293	0	770	1164	0	
6	Of which: variable remuneration	0	1371	1371	96	787	0	141	296	0	
7	Of which: fixed remuneration	52	1757	1810	257	2507	0	629	868	0	

UniCredit Bulbank

Declaration by the Manager charged with preparing the financial reports

The undersigned, Mrs. Sandra Vojnovic – Chief Financial Officer and Member of the Management Board of UniCredit Bulbank, in her 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 25, 2024

Mrs. Sandra Vojnovich

Chief Financial Officer
and Member of the Management Board
of UniCredit Bulbank

/signature/