Annual report
2025

Central
Cooperative
Bank
Our clients feel important

CONTENTS

MESSAGE FROM THE MANAGEMENT

Ladies and Gentlemen,

We, the Executive Directors and Procurator of Central Cooperative Bank Plc, would like to use this opportunity to inform you about our achievements and accolades in 2025. Central Cooperative Bank Plc is a universal commercial bank with a pronounced focus on retail banking. As at 31.12.2025 the Bank assets are BGN 10 billion, shareholders' equity amounts to BGN 1 013 686 thousand and the net profit is BGN 87 million.

Last year was our 17th year as a member of the European Union and we ranked on the 6th place among Bulgarian banks in terms of total assets.

Among our goals for 2026 are: increasing the total assets of the Bank, respectively the market share; developing and defending the leadership position in the use of the most contemporary channels of distributing the bank products; streamlining and constant adaptation of the client model of the operative organization with the aim of maintaining the high quality of the bank servicing; deploying the positions in retail banking; increasing the volume and the relative share in the loan portfolio of loans to individuals – consumer and mortgage loans; profiting from the synergy in rendering services to the insurance companies, the pension companies, the health insurance companies and the investment companies from the group of Chimimport – the main shareholder of the Bank; offering services and financing of projects of agricultural producers – under the programs of the structural funds of EU and increasing the qualification of the employees and streamlining the mechanisms for stimulating employees.

We make our clients feel important. The Bank management and staff have committed their efforts to defending the already achieved position and further improving in the banking field. We look forward to continue working with you and sharing best practices and recommendations.

Sincerely yours,

Georgi Kostov	**Nikola Kedev**	**Sava Stoynov**	**Tihomir Atanassov**
Executive Director	Executive Director	Executive Director	Procurator

FINANCIAL HIGHLIGHTS AS AT 31.12.2025

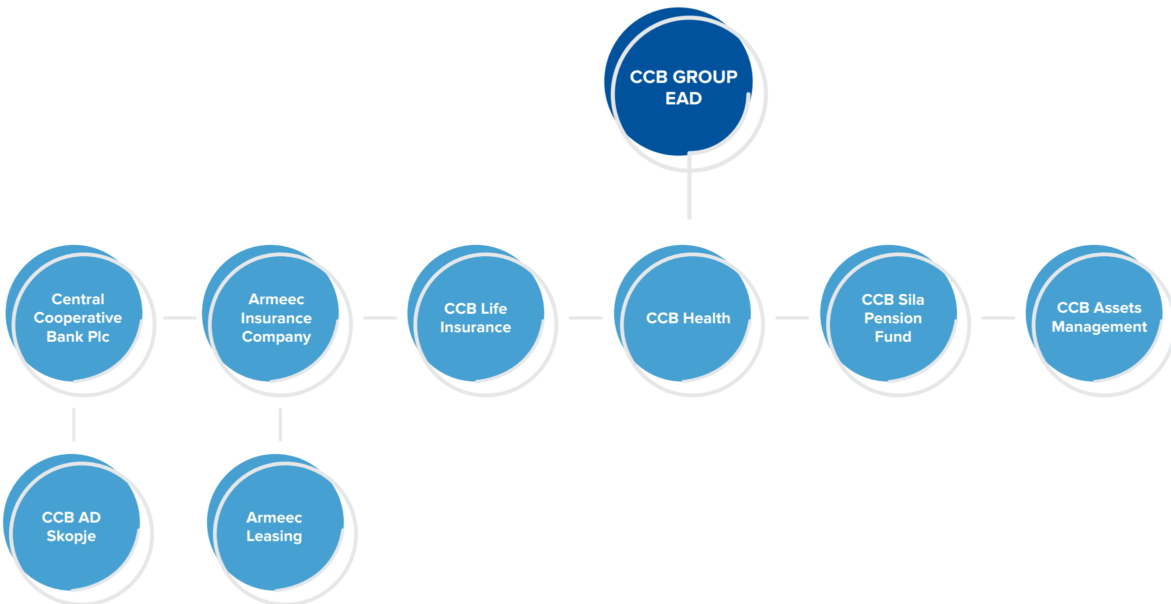
Main indicators from the Balance Sheet and the Income Statement	As at 31.12.2025 Thousand BGN	As at 31.12.2024 Thousand BGN
Total assets	10,317,649	9,083,178
Share capital	127,130	127,130
Shareholders' equity	1,013,686	858,115
Total deposits	9,206,222	8,141,098
Deposits from non-financial institutions	9,175,510	8,122,708
Advanced loans and advances to customers, net	3,319,796	3,147,106
Net interest income	210,184	221,470
Non-interest income	58,801	59,122
Total income	268,985	280,592
Operating expenses	171,063	165,339
Net profit	86,728	95,902

Financial highlights	As at 31.12.2025	As at 31.12.2024
ROaE %	9.45%	11.77%
ROaA %	0.91%	1.11%
Shareholders' equity / total assets %	9.82%	9.44%
Operating expenses / total assets %	1.65%	1.82%
Operating expenses / total income %	63.59%	58.92%
Loans to customers / total assets %	32.17%	34.64%
Total deposits / total assets %	89.22%	89.62%
Deposits from non-financial institutions / total assets %	88.93%	89.42%
Total capital adequacy	28.55%	20.34%

Recourses	As at 31.12.2025 Number	As at 31.12.2024 Number
Number of customers	1,975,719	1,959,904
Nostro accounts	16	16
Locations, including branches	277	286
Personnel	1698	1714

TODAY

Central Cooperative Bank Plc is a universal commercial bank, belonging to the financial structure of CCB Group EAD. Together with the remaining companies, the bank comprises the full array of services in the field of financial intermediation, products and services with an emphasis on SME lending and retail banking for its clients.



As a universal commercial bank CCB Plc offers an array of financial products and services, which correspond to the competitive requirements of the dynamically changing market environment. The Bank constantly strives to deploy the spectrum of financial intermediation and works hard to create new and develop the known products and services.

CCB Plc. is a full member of the International Cooperative Banking Association and the European Association of Cooperative Banks.

The Bank is a full member of MasterCard Europe and Visa International, offers the Maestro and MasterCard cards and the family of Visa cards.

Central Cooperative Bank Plc is an indirect member of EBA STEP2 SCT and a direct member of TARGET2.

The Bank is an indirect member of International Swaps and Derivatives Association, Inc – ISDA.

CCB Plc maintains good relationships with a number of correspondent banks, improving the business contacts with them. The Bank has nearly 200 correspondents and 16 Nostro accounts, as well as a number of lines for documentary operations for various amounts and trade finance for the import of investment products, made in EU. Through the MM and FX limits, the bank maintains the wide spectrum of the offered products and services.

CCB Plc has a license to carry out transactions as an investment intermediary on the Bulgarian capital market, acting on its behalf and at its expense, as well as on behalf and at the expense of its clients.

CCB Plc. is a primary dealer of government securities on the Bulgarian domestic market.

The Bank provides an easy access to all range of its products via a well-developed branch network, offering quick and modern solutions to its customers. At present the Bank has 277 branches and offices all over the country and abroad.

BRIEF HISTORY

On 28 March 1991 Central Cooperative Bank was registered with a resolution of the Sofia City Court. At first the Bulgarian National Bank Management Board issued a license to CCB Plc for carrying out bank activity on the territory of the country.

The founders of the bank were Central Cooperative Union, the regional cooperative unions and more than 1100 cooperative organizations. In the beginning its mission was to contribute to the development of the cooperative system in Bulgaria. Passing through different development periods, the Bank established itself as a universal commercial bank nowadays.

Since 12 March 1993 the Bank is authorized to carry out operations abroad as well.

Since July 1993 CCB Plc is an associate member of the European Association of Cooperative Banks, domiciled at Brussels.

On 4 March 1999 CCB Plc received the statute of a publicly listed company, and in this way became one of the two Bulgarian banks, the shares of which were traded on the Bulgarian Stock Exchange - Sofia.

Up to 2001 CCB Plc shareholders included: Central Cooperative Union, Bulbank AD, the State Agricultural Fund, the Bank Consolidation Company etc.

At the beginning of 2002 the share of Bank Consolidation Company AD amounting to 32.77% was acquired through bidding by Chimimport JSC, which became the main shareholder of Central Cooperative Bank Plc.

In 2002 CCB Plc received a license from MasterCard Europe – a prestigious international card organization for the issuance and acceptance of the international Maestro debit cards and Mastercard credit cards.

In 2003 CCB Plc acquired a license for a Bulgarian agent of Western Union, the international fast money transfer company.

In September 2004 Central Cooperative Bank Plc became a member of the Management Board of the International Cooperative Banking Association, together with over 52 credit institutions from 36 countries.

At the end of 2004 CCB Plc increased its capital from BGN 16 169 564 to BGN 32 338 128 via the issuance of 16 168 564 shares, having a par and issue value of BGN 1. The Bank's main shareholder is CCB Group Assets Management EAD, which is 100% property of Chimimport Plc.

On 27 May 2005 the Bank became a principal member of Visa International and at the beginning of 2006 we started offering the family of Visa cards.

In September 2005 CCB Plc took a decision to increase its share capital by 50% and as of the end of the year it amounted to BGN 48 507 186, and the shareholders' equity was BGN 80,928 thousand.

In December 2005 CCB Plc received a permit from the Central Bank of Cyprus to open its first foreign branch in Nicosia.

On 11 May 2006 CCB Plc signed a second Syndicated Term Loan Facility, whereas the initial amount of EUR 11.000.000 was increased to EUR 27.500.000 with the participation of 12 foreign banks. The syndicated loan was arranged by HSH Nordbank AG and Raiffeizen Zentralbank Österreich AG.

At the end of June 2006 the General Meeting of Shareholders of CCB Plc took a decision to increase the capital by 50% and at the end of the year the Bank share capital amounted to BGN 72 760 779.

Since 1 January 2007, with Bulgaria's accession to EU, CCB Plc has acquired the statute of a full member of the European Association of Cooperative Banks.

In June 2007 the General Meeting of Shareholders of CCB Plc. took a decision to increase the capital and at the end of the year it amounts to BGN 83 155 092.

In September 2007 the first foreign branch of CCB Plc. was opened in Nicosia, Cyprus.

On 28 February 2008 CCB Plc acquired the Macedonian bank Sileks Bank AD Skopje, which was renamed to Central Cooperative Bank AD Skopje on 22 October 2008. At present CCB Plc has 82.63% of the voting shares of the capital of CCB AD Skopje.

On 15 August 2008 Central Cooperative Bank Plc joined ISDA - International Swaps and Derivatives Association as a user.

In October 2008 CCB Plc became an indirect member of EBA STEP2 SCT.

In February 2010 CCB Plc became an direct member of TARGET2.

In December 2010 the Bulgarian Credit Rating Agency awarded to Central Cooperative Bank Plc a long-term credit rating, grade: BBB, outlook: stable and a short-term rating: A-2.

As at 31.12.2010 CCB Plc ranks among the first 10 Bulgarian banks in terms of total assets according to the BNB classification.

On 3 January 2011 “Stater Banka” AD, Kumanovo, the Republic of Macedonia merged with CCB Plc, Skopje.

At the beginning of 2011 CCB Plc became the main shareholder of ZAO AKB Tatinvestbank, Kazan, the Republic of Tatarstan, Russian Federation.

On 28 March 2011 CCB Plc celebrated twenty years of its establishment.

On 21.07.2011 the Management Board of CCB Plc took a decision for a company capital increase from BGN 83 155 092 to BGN 113 155 092, whereas as at 31.12.2011 the total equity of the Bank amounts to BGN 332,781 thousand.

In the second quarter of 2012 CCB Plc started the issuance of international Visa Platinum credit cards.

In 2012 CCB Plc continued implementing the project for the establishment of a second foreign branch on the territory of EU.

In 2013 CCB introduced new products and services in retail banking and the card business, among which the Mobb service and promotional conditions for the product “Home for you”.

At the end of 2013 CCB ranked on the eight place among Bulgarian banks in terms of total assets.

In 2014 the Bank started offering contactless Visa payWave debit and credit cards and contactless Maestro PayPass debit cards.

In October 2014 CCB started offering the CashM service to its clients.

In 2014 CCB Plc preserved the eight place among Bulgarian banks according to total assets.

Since February 2015 the Bank started the offering of debit cards of high class Visa Debit.

April 2015 Successfully and on time we finalized the process of the full migration of all IT systems to move the head-office of the Bank to the new administrative building (former Pliska Hotel) at: the city of Sofia, 87 Tsarigradsko shose blvd; The administration of the Bank carries out its activity in the new office building at 87 Tsarigradsko shose blvd.

In May 2015 the Bank started issuing Emotion contactless cards, where the client is entitled to choose the design of his/her card.

In July 2015 the Bank started offering a new type of credit card of exceptionally high class, intended for the most special clients - World MasterCard.

In 2015 new traders, offering rebates to the clients with club cards joined the CCB Club loyalty program.

In 2015 during the whole year there continued the update of the parameters and the conditions of the credit products for individuals.

As at 31.12.2016 the financial result of CCB Plc increases 4 times compared to the previous year.

As at 31.12.2017 the assets of the Bank increased by 9% and the financial result increased by 38% compared to 2016.

In 2018 the Bank offered new products and services in the field of retail banking, as well as more advantageous conditions for consumer and mortgage loans.

In October 2019 CCB joined the initiative of SWIFT “GPI – Global Payments Innovation” and in this way it became the second bank, which implemented GPI in Bulgaria.

In 2020, despite the COVID-19 crisis, CCB Plc realized a net profit of 20 million BGN and total assets of 6,6 billion BGN.

In 2022 the Bank offered new products and services in the field of retail banking, as well as more advantageous conditions for consumer and mortgage loans.

As at 31.12.2023 CCB ranked on the sixth place among Bulgarian banks in terms of total assets.

As at 31.12.2024 the total assets of CCB exceeded BGN 9 billion.

As at 31.12.2025 the total assets of CCB exceeded BGN 10 billion.

MANAGERIAL TEAM

Central Cooperative Bank Plc has a two-tier system of management, which consists of a Supervisory Board and a Management Board.

The Supervisory Board consists of three members and elects the Management Board and a Procurator. The Management Board on its part elects the Executive Directors with the approval of the Supervisory Board.

At present the following members are included in the Supervisory Board and the Management Board:

1. Supervisory Board:

Chairperson:	Konstantin Velev
Members:	Ivo Kamenov Rayna Kuzmova Central Cooperative Union Represented by Peter Stefanov

2. Management Board:

Chairperson:	Tsvetan Botev
Members:	Sava Stoynov - Deputy-Chairperson and Executive Director Nikola Kedev – Executive Director Georgi Kostov - Executive Director Aleksander Kerezov Prof. Dr. Bisser Slavkov

3. Procurator: Tihomir Atanassov

SHARE CAPITAL AND SHAREHOLDERS

On 21.07.2011 the Management Board of Central Cooperative Bank Plc took a decision for a company capital increase from BGN 83 155 092 to BGN 113 155 092 via the issuance of 30 000 000 ordinary book-entry voting shares with a nominal value BGN 1 and an issue value of BGN 1,50.

Till the end of the subscription 29 999 199 shares were subscribed and paid. As a result of this the amount of BGN 44 998 798.50 was credited to the capital raising account of CCB Plc.

The capital of the Bank to the amount of BGN 113 154 291 after the increase was entered in the Companies Register on 15.12.2011.

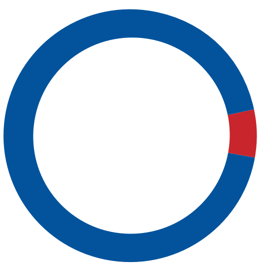
As at 31 December 2024 the shareholders' equity amounts to BGN 1,013,686 thousand. The capital adequacy is 28.55%, which is above the requirements according to Ordinance No. 8 of BNB on the capital adequacy of Banks.

Shareholders of CCB Plc as at 31 December 2025	Share (%)
CCB Group EAD, Sofia	**61.05%**
Armeec insurance company JSC	**7.07%**
UPF Suglasie	**6.98%**
Chimimport JSC	**8.24%**
Other	**16.66%**

As at December 31, 2025 the shareholders of CCB Plc are 4,726 individuals and 1,088 legal entities.

The shares of CCB Plc are traded at the Bulgarian Stock Exchange since 4 March 1999. In the last 25 years the CCB Plc shareholders' structure has significantly changed three times – in June 1999, when Bulbank AD sold to the State Agricultural Fund its share of 35%; in June 2001 when the share of the State Agricultural Fund, which had been acquired by the Bank Consolidation Company, was purchased by "Chimimport" JSC and at the end of 2004, when the shares of Central Cooperative Union were acquired by "Chimimport" JSC through CCB Group EAD.

Breakdown of share capital



● 94% Legal entities (Bulgarian and foreign)

● 6% Individuals (local and foreign)

ACTIVITY OVERVIEW

Central Cooperative Bank Plc is a universal commercial bank, offering a broad spectrum of financial products and services. The Bank endeavors to follow the competitive requirements of the constantly changing environment and deploys its array of products and services in the field of financial intermediation, putting an emphasis on financing SMEs and servicing its retail clients.

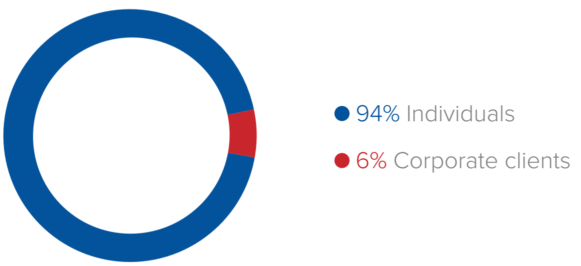
The Bank is one of the leaders on the market in rendering services to the agricultural sector and the related production activities. In 2025 CCB Plc continued to offer the array of credit products and services in the field of consumer lending, as well as lending to SMEs. Following the set goals, the Bank deployed its activity as a "retail bank" and achieved good positions in the market of SMEs, attracting more and more clients in this sector.

CLIENT STRUCTURE

A considerable contribution for the success and established market positions of the Bank belongs to its clients. For this reason CCB Plc attracted more clients, especially individuals, households, SMEs. The Bank's portfolio is entirely subordinated to the needs and desires of clients. The efforts are concentrated on offering competitive and attractive products.

Sector	31.12.2025	31.12.2024
Individuals	**1,850,726**	**1,836,354**
Commerce	**66,442**	**66,054**
Transport and communications	**6,427**	**6,347**
Industry and construction	**12,283**	**12,149**
Agriculture and forestry, hunting and fishing	**6,153**	**6,063**
Finance, loans and insurance	**2,572**	**2,539**
Education	**4,026**	**3,906**
Healthcare, sports and tourism	**2,795**	**2,725**
Other	**24,295**	**23,767**
Total:	**1,975,719**	**1,959,904**

The clients of the Bank again increased and reached 1,975,719 at the end of 2025. Compared to the previous year the increase is in the amount of 0,8%, whereas the results take into consideration mainly the increase in individuals. Their share increased by 15,815 compared to 2024. The positive growths that is observed in the last several years is mainly due to the ambition of the Bank to develop in one of the most competitive for the banking sector segment, namely retail banking. There is a growth in lending to SMEs.



RETAIL BANKING

Card products

In 2025 CCB AD confirmed its strategic presence as one of the leading bank card issuers in Bulgaria, developing a portfolio that meets the highest international standards. The Bank maintains an extremely diverse range of products, including the international Mastercard and Visa brands, as well as highly specialized solutions such as the co-branded credit card Visa CCB-Bulgaria Air and the prestigious series Visa Platinum, Visa Infinite and World Mastercard. An important focus of the supply is the possibility of personalising customers through the EMOTION cards, which allow choosing an individual vision from a rich gallery of over 50 designs. All card products of the Bank have integrated the contactless payment technology, providing consumers with speed, convenience and security in every transaction.

The financial parameters of CCB credit products remain among the most competitive on the market, with the Bank offering a clear and segmented tariff structure. Individual customers can choose between standard Classic and Standard cards with an annual fee of €21.00 and an interest rate of 15%, and Gold cards where the annual fee is €47.00 and the interest rate is reduced to 12%. Particular attention should be paid to the highest-end products, Visa Platinum and World Mastercard, which are distinguished by preferential financial conditions: an annual fee of EUR 62.00 and EUR 77.00 respectively, and an annual interest rate of only 10% and 9%. These premium solutions are purposefully designed for customers with high income and prestigious social status, combining attractive levels of appreciation with a rich package of additional services.

A distinctive feature of the Bank credit cards is the granted grace period, which covers all operations, including cash withdrawals. This period is up to 45 days for the mass and business segments and up to 60 days for premium cardholders (Gold, Platinum and World), which provides customers with a high degree of financial flexibility.

Service to the corporate sector is based on complex solutions, combining the specialized contactless debit cards Visa Debit Commercial and Debit Mastercard Commercial with a rich portfolio of credit instruments. Legal entities have the option to choose between Business credit cards with an annual fee of EUR 26.00 and high-end Gold cards with a fee of EUR 47.00. These products, complemented by Visa Bulgaria's exclusive commercial offerings, have been developed with a vision of modern company cost management and provide companies with tools for easy operational cost optimization and effective cash flow control. The possibility to include the cards in package offers, combining preferential terms in basic banking services and e-banking with QES, creates a complete ecosystem that supports business expansion and sustainable financial management of corporate clients.

In the retail segment CCB focused on premium debit solutions Visa Debit Infinite and World Debit Mastercard. They have been designed for clients with a high social and financial status, who value personal attitude and additional privileges. Possession of these cards is subject to the use of significant credit products or the availability of a serious resource at the Bank, against which customers receive a large package of services. It includes free travel insurance with medical coverage and over 20 types of risks, higher discounts in the CCB Club program and a monthly Cashback of 0.5% for all purchases with Visa Debit Infinite.

The introduction of the premium Visa Debit Infinite product in 2025 marked a successful start for CCB in the high-tech debit solutions segment, with a total of 753 cards issued by the end of the reporting year. The analysis of the operational data shows a positive reaction on the part of the target segment, expressed by a high card activation rate (84%) and a solid average active card turnover of approximately BGN 10 600 for the first half of the product launch. The leading share of mobile payments, amounting to 48%, is a strong proof that the product is correctly positioned to the digitally active customer base and successfully established itself as the main tool for managing everyday expenses.

These indicators are in full sync with the strategic orientation of the Bank for the development of innovative products and strengthening the presence in the Premium segment. Despite the stable start and modern positioning, the current analysis also outlines specific areas for optimization. The significant share of cash withdrawals (41% of total turnover) and the level of international activity of 15% indicate the potential for further development of the revenue capacity of the product. At the same time, the penetration of online channels and the frequency of CNP (Card Not Present) transactions provide an opportunity for a more serious penetration into the competitive environment of e-commerce.

The sustainability of the product is supported by close cooperation with Visa, including co-financing of the Cashback program, marketing initiatives and employee incentives. This partnership creates a solid basis for future market share expansion. The next phase of the development of Visa Debit Infinite envisages building on the success achieved through strategic partnerships with key merchants and targeted campaigns to stimulate POS and online payments. The ultimate goal is to transform cash operations into digital transactions and increase international activity, which will ensure sustainable revenue growth and will establish Visa Debit Infinite as a leading debit card in the Premium segment of the Bulgarian market.

Travel comfort is taken to a new level by providing a free access to elite airport business lounges. Visa Debit Infinite cardholders enjoy VIP zones in Sofia, Vienna, Frankfurt, Dubai, Istanbul, Doha and Abu Dhabi, while World Debit Mastercard holders have 6 free visits per year to LoungeKey's global network. In addition, World Mastercard provides exclusive extras such as a free SMS for each transaction, Priority Pass membership for over 700 lounges worldwide, and 16 free accesses per year via LoungeKey. Visa Platinum customers also benefit from preferences such as the Everyday Concierge Personal Assistant service, free extra luggage on flights with Bulgaria Air and cashback when purchasing airline tickets.

To stimulate active use and loyalty, the Bank maintains attractive campaigns with key partners such as Lukoil and A1. Through the Cashback programme, cardholders receive back to their account a percentage of the value of their purchases – up to 1.5% at Lukoil's locations and 3% for purchases from the A1 online store. To finalize the premium experience, Concierge and Airport Security Fast Track services provide high-end Mastercard card holders with the professional assistance of a personal booking assistant and priority passage through airport inspections at over 70 international airports, saving time and providing impeccable comfort.

Development of CCB card products in 2025

In the past 2025 CCB implemented a series of significant projects that strengthened the institution's position in the field of innovation and customer solutions. A key focus in the product portfolio was the official launch of the **Visa Debit Infinite** premium debit card on March 4. This exclusive product, aimed at customers with CCB Club gold cards, combines exquisite design with a wide range of privileges. The card provides payment security and added value through the travel assistance abroad insurance policy, VIP access to airport business lounges and an attractive cashback program, while offering flexible tariff plans tailored to individual needs.

In parallel with the development of physical card products, Central Cooperative Bank took a decisive step towards improving digital security. On 8 April, the **'Biometric OW Certificate'** service was launched in the CCB Mobile mobile application, which changed the way internet payments are confirmed. Fingerprint identification or facial recognition eliminated the need to use static and dynamic 3D passwords. This innovation significantly shortened the authorization time and provided a high level of protection, minimizing the risk of unauthorized access.

On the same date, in line with the international standards of Mastercard and Visa, the **Click to Pay** solution was implemented. This service allows cardholders to make fast and secure online purchases without manual data entry at the merchants. Thanks to the technology of tokenization, in which the real number of the card is not shared, the Bank guarantees peace of mind and security in the e-commerce environment. The functionality is easily activated through the mobile application, which makes it an effective tool for the modern user.

At the end of the year, on 8 December, the portfolio was complemented by the innovative **Subscription Manager** service. This feature in CCB Mobile gives Visa cardholders precise control over recurring costs for streaming platforms and digital subscriptions. This tool provides full clarity on where the card data is stored, helping to improve financial planning. Initially available on iOS devices, the service is proof of CCB's aspiration for personalized solutions, and in 2026 it will be extended to Android users.

For 2026 CCB plans to upgrade its digital transformation with a focus on personalization and sustainability of services. Already in the first quarter of the year, the development of digital tools is envisaged by expanding the scope of subscription management functionality. Through **Subscription Manager** and for the Mastercard cardholders comprehensive control will be offered over periodic payments, providing full transparency on automatic transactions.

A new approach to card issuing through the introduction of **digital cards** is also to be presented. This innovation will allow you to request and receive a payment instrument entirely remotely through the mobile application, without the need for a physical carrier. With the possibility of immediate integration into digital wallets, the solution is aimed at consumers seeking speed, convenience and environmentally friendly alternatives.

Security and individual controls remain a priority and the **Transaction Control** platform will be available to Visa cardholders in 2026. This tool will enable self-modelling of the security profile of the cards in real time by setting their own usage rules and personalized notifications, which increases trust in daily payments.

In technological aspect CCB is working on key infrastructure projects to ensure continuity of processes. The implementation of advanced **Disaster Recovery solutions** for tokenization builds a secure environment, ensuring the stability of mobile payments and minimizing operational risks in all circumstances.

In addition, it is planned to direct innovation towards the business sector through **Tap on Phone** technology. This strategic decision will allow merchants to use their mobile devices as payment acceptance terminals, eliminating the need for specialized hardware. In this way CCB will support the digitalization of the business, offering flexible and affordable solutions for accepting card payments anywhere and anytime.

Market positions and statistics

In 2025 CCB AD confirmed its good market positions in issuing bank cards, with the total number of issued cards of the Bank as at 31 December 2025 amounting to 402,556.

CCB AD managed to maintain good market shares also in terms of the development of its network of ATMs and POS terminals. The number of virtual POS terminals in 2025 was 731. At the end of 2025, the total number of ATM terminals of CCB was 508. The total number of CCB POS terminals at the end of 2025 was 5,553, including POS terminals in bank lounges. All new POS terminals at merchants that the Bank installs have the new functionality for acquiring contactless payments.

The total number of international credit cards issued at the end of December 2024 was 22 042, of which Mastercard - 11 924 and Visa - 10 118.

The following table presents synthesized information of the card products and services, offered by CCB AD.

ATMs, POS terminals, credit and debit cards	31.12.2024	31.03.2025	30.06.2024	30.09.2025	31.12.2025
ATMs					
ATM Devices (ATMs)	530	510	513	524	508
POS terminals					
POS devices in retail outlets	5,123	5,064	5,038	5,099	5,297
POS devices in the Bank branches	261	259	259	259	256
Virtual POS devices	738	715	716	724	731
Total POS	6,122	6,038	6,013	6,082	6,284
Credit cards					
Mastercard Standard	10,799	10,789	10,879	10,869	10,836
Mastercard Gold	624	666	693	692	695
Mastercard World	289	324	345	354	370
Mastercard Business	48	45	25	24	23
Visa Classic	8,960	8,810	8,672	8,599	8,551
Visa Gold	1,117	1,097	1,082	1,080	1,075
Visa Platinum	481	478	470	461	465
Visa Business	38	34	31	28	27
Total credit cards	22,356	22,243	22,197	22,107	22,042

Debit cards					
Debit MasterCard	**236,122**	**230,892**	**227,270**	**224,064**	**221,104**
Debit MasterCard Commercial	**3,959**	**4,026**	**4,110**	**4,138**	**4,199**
World Debit MasterCard	**32,910**	**34,011**	**35,265**	**35,804**	**36,285**
VISA Debit	**120,405**	**117,746**	**115,931**	**114,605**	**113,328**
Visa Debit Commercial	**3,606**	**3,572**	**3,586**	**3,602**	**3,640**
Visa Debit Infinite	**0**	**274**	**498**	**675**	**753**
Bcard	**1100**	**1 129**	**1 148**	**1 150**	**1 205**
Total debit cards	**398,102**	**391,650**	**387,808**	**384,038**	**380,514**
Total debit cards	**465,019**	**461,671**	**455,884**	**450,035**	**442,235**

Promotions for CCB cardholders with Visa and Mastercard debit and credit cards

In 2025 CCB implemented a large-scale and consistent programme of promotional activities, aimed at the sustainable development of consumer habits and the promotion of mobile and cashless payments as a convenient method in everyday life. In close cooperation with the international card organizations Visa and Mastercard, the Bank conducted a series of campaigns that combined technological innovation with attractive consumer incentives.

Central to the digital strategy was the quarterly campaign with Visa, focused on promoting mobile wallets. By structuring the activity in three one-month sub-periods with specific transactional goals, the initiative motivates cardholders to use their smart devices for everyday purchases. Successful fulfilment of the activity criteria provided hundreds of customers with the possibility of a direct cashback, and the big prize – the innovative Citroën Ami electric car – highlighted CCB's commitment to modern and environmentally friendly urban solutions.

In the Travel & Leisure segment, several key initiatives focused on international customer mobility have been implemented. The "Pack the suitcases with Visa and CCB" campaign focused on the advantages of digital payment, with every transaction through a mobile device counted with double weight in the raffle for luxury holiday packages and prestigious Samsonite accessories. This line has been upgraded by the 'Pay easily and securely with Visa when you travel' programme, which stimulates the active use of cards abroad through direct financial bonuses for payments at restaurants outside the country. Additional value for the premium segment was also provided through the long-term partnership with the operator Dufry at the Sofia Airport, providing exclusive discounts of 20% for the Visa Premium card holders.

Strategic partnerships with global lifestyle brands and leading retail chains also played a key role in 2025. Joint projects with Mastercard, such as "Pay and Get with Lidl", have given cardholders access to prestigious international events, such as the Electric Castle music festival in Romania. In the same vein, Visa's collaboration with The Walt Disney Company and BILLA has opened up opportunities for families – Bank clients to enjoy unforgettable trips to Disneyland® Paris and preferences in the Disney Store, tying banking products to emotional and shared experiences.

Support for the education sector and the young generation of consumers was implemented through the ‘Back to school with Visa and CCB’ targeted campaign. It has successfully promoted the use of smartwatches and phones for payment among active cardholders, providing a prize pool of high-end technology equipment from the MacBook series and other smart devices. In parallel to taking care of end-users, CCB has also actively supported the acceptance of payments by businesses through the ‘Bulgaria without cash payments’ initiative. The program motivates merchants across the country to modernize their infrastructure by installing new POS terminals, expanding the capacity of the cashless economy in the country.

At the end of the period, the ‘Be a Master in the Game with CCB and Mastercard!’ campaign strengthened the Bank’s position as an institution that turns standard banking services into a source of added value and new opportunities. All implemented initiatives during the year led not only to an increase in the volume of transactions, but also to a lasting increase in customer loyalty and awareness of the security and advantages of modern card payments.

Implemented campaigns to promote the issuance of cards

In 2025 CCB implemented a series of targeted campaigns, aimed at both attracting new customers and increasing the motivation of employees in the branch network. A key element in the market expansion strategy was the large-scale ‘Excellence Program’, covering Mastercard debit and credit cards. The initiative offered consumers extremely competitive financial terms, including an annual fee waiver for the first year and a preferential interest rate of 0% for the first six months after credit card activation. The program was structured to promote the long-term use of products through defined turnover criteria that allow cardholders to maintain preferential conditions for subsequent periods.

Along with the customer promotions, the Bank has also implemented specialized mechanisms to stimulate the teams in offering the new premium product Visa Debit Infinite. In the period immediately after the launch of the card, a campaign was carried out, which put emphasis not only on the issue itself, but also on the digitization of the product. The criteria for success included activation of the card and making mobile payments, which corresponds to CCB’s strategic goal of switching to digital payments at the moment of receiving the product.

In order to maintain high trading activity, the domestic motivational “bonus for activity’ programme was also implemented in the second half of the year. It aimed to further encourage efforts in offering top-class debit cards. The program relied on an individual approach and a clear bonus structure for achieved results, while rewarding the most effective employees with additional cash prizes. These internal initiatives have proven to be effective, not only increasing the number of premium cards issued, but also contributing to a higher commitment and professional preparation of the teams in the presentation of complex banking products.

CCB Club Loyalty Program

In 2025 the CCB Club program maintained its sustainable development.

The CCB Club program involves 9 partners who provide the following discounts:

- Bulgaria Air provides customers with an attractive discount of 5% on the price of airline tickets, to which is added the discount when paying with the CCB-Bulgaria Air co-branded credit card. Highly appreciated by customers is also the preference, which is given in the form of free transportation of additional luggage with each flight of Bulgaria Air.

- Armeec Insurance Company AD provides the opportunity to accrue bonus points under the program in combination with the use of various other discounts by the insurance company;

- Lukoil, due to the nature of its business, provides the highest frequency of bonus sales:
    - CCB Club Gold Card – a discount of 4%;
    - CCB Club Silver Card - a discount of 3.5%;
    - CCB Club Business card - a discount of 3.5%;
    - Standard CCB Club card – a 3% discount is maintained;

- HomeMax store chain – a discount of 5%;

- COOP retail chain – a discount of 3%;

- BM Market Food chain - a discount of 3%;

- Grand Optics & Joy Optics chains – a discount of 20%;

- Special offers from A1 for members of the CCB Club program;

By the end of 2025, the number of customers participating in the CCB Club loyalty program increased by 1,559 and reached 585,760, and the number of customers with activated club cards increased to 235,415.

The CCB Bonus Programme

CCB AD continues to develop the CCB Bonus programme. The main goal is to direct the cardholders of the Bank to the commercial sites of selected partners, in which they have the opportunity to benefit from special discounts. The CCB Bonus program is an important advantage for customers when choosing a bank, not only for credit but also for debit cards. It is oriented towards stimulating card payments and creating relationships of lasting partnership with both customers and merchants. The mobile version of CCB Bonus allows customers to access the catalogue through mobile devices and to be informed at any time about retail outlets, where they can benefit from a discount. At the end of the year, the catalogue is also visible through the mobile application CCB Mobile, which provides additional convenience for customers to take advantage of the program.

CONSUMER AND MORTGAGE LENDING

The main focus in the retail lending of Central Cooperative Bank AD in 2025 was on mortgage lending to individuals, and in this segment CCB AD once again took the 6th place in terms of absolute portfolio volume. The Bank continued to attract customers with a good profile and high income. The market for mortgage loans was with increased dynamics of activity for another consecutive year, with banks actively improving the parameters of their products in order to attract new customers.

Ranking of banks according to their retail portfolios:

Retail exposures as at 31.12.2025 in thousand BGN

Nº	BANKS	Q4 2024	Q4 2025	Change in % in one year
1	DSK BANK	14 079 437	17 064 249	21.20%
2	UNITED BULGARIAN BANK	10 075 837	12 107 449	20.16%
3	EUROBANK EFG BULGARIA	8 437 698	10 130 681	20.06%
4	UNICREDIT BULBANK	5 324 311	6 954 667	30.62%
5	FIRST INVESTMENT BANK	3 061 453	3 769 977	23.14%
6	TBI BANK	2 232 166	2 657 083	19.04%
7	**CENTRAL COOPERATIVE BANK**	**1 547 228**	**1 741 976**	**12.59%**
8	ALLIANZ BANK BULGARIA	1 477 256	1 621 023	9.73%
9	PROCREDIT BANK (BULGARIA)	301 453	622 177	106.39%
10	BACB	490 948	605 434	23.32%
11	D COMMERCE BANK	268 609	316 050	17.66%
12	CB INVESTBANK	246 295	290 206	17.83%
13	MUNICIPAL BANK	174 535	231 809	32.82%
14	INTERNATIONAL ASSET BANK	116 507	150 149	28.88%
15	TEXIM BANK	69 624	76 782	10.28%
	BANK SYSTEM	**47 992 051**	**58 429 967**	**21.75%**

Residential mortgage loans as of 31.12.2025 in thousand BGN

Nº	BANKS	Q4 2024	Q4 2025	Change in % in one year
1	DSK BANK	6 925 420	9 502 562	37.21%
2	UNITED BULGARIAN BANK	6 166 059	7 782 646	26.22%
3	UNICREDIT BULBANK	5 105 552	6 762 463	32.45%
4	EUROBANK EFG BULGARIA	4 555 471	5 799 223	27.30%
5	FIRST INVESTMENT BANK	1 490 752	1 853 822	24.35%
6	**CENTRAL COOPERATIVE BANK**	**1 179 205**	**1 359 192**	**15.26%**
7	ALLIANZ BANK BULGARIA	976 210	1 084 020	11.04%
8	PROCREDIT BANK (BULGARIA)	221 281	446 240	101.66%
9	BACB	327 700	424 814	29.64%
10	D COMMERCE BANK	215 596	257 569	19.47%
11	CB INVESTBANK	161 947	197 228	21.79%
12	MUNICIPAL BANK	85 989	128 793	49.78%
13	INTERNATIONAL ASSET BANK	88 003	115 711	31.49%
14	TEXIM BANK	35 771	42 341	18.37%
15	TOKUDA BANK	36 818	36 811	-0.02%
	BANK SYSTEM	**27 576 717**	**35 799 225**	**29.82%**

Consumer loans as of 31.12.2025 in thousand BGN

Nº	BANKS	Q4 2024	Q4 2025	Change in % in one year
1	DSK BANK	7 457 327	8 230 123	10.36%
2	EUROBANK EFG BULGARIA	4 059 221	4 590 264	13.08%
3	UNITED BULGARIAN BANK	3 677 379	4 140 313	12.59%
4	TBI BANK	2 232 166	2 657 083	19.04%
5	FIRST INVESTMENT BANK	1 570 701	1 916 155	21.99%
6	**CENTRAL COOPERATIVE BANK**	**783 755**	**861 554**	**9.93%**
7	ALLIANZ BANK BULGARIA	470 114	502 693	6.93%
8	BACB	184 192	233 424	26.73%
9	CB INVESTBANK	149 593	175 860	17.56%
10	PROCREDIT BANK (BULGARIA)	80 130	175 004	118.40%
11	D COMMERCE BANK	109 714	133 087	21.30%
12	UNICREDIT BULBANK	129 771	115 626	-10.90%
13	MUNICIPAL BANK	89 572	99 301	10.86%
14	TEXIM BANK	43 581	46 854	7.51%
15	INTERNATIONAL ASSET BANK	28 504	34 438	20.82%
	BANK SYSTEM	**21 090 111**	**23 940 260**	**13.51%**

In 2025 the Bank focused on customer segmentation and categorisation into several target groups, for which it offered highly competitive offers. The Bank relied on a personal approach and bidding on special, individual for the individual client parameters of the loan transactions. The offering of credit products with special conditions for employees of well-known and stable companies with whom there is no contract for the transfer of salaries continued.

For 2025 the Bank has granted new retail loans for **BGN 523.3 million**, of which:
• **BGN 354.4 million** in new mortgage loans
• **BGN 168.9 million** in new consumer loans, including loans, credit cards and overdrafts.

PORTFOLIO:	For 2025	
	number	volume
MORTGAGE LOANS	1 902	354,4
CUSTOMER LOANS	9 018	168,9
TOTAL	**10 920**	**523,3**

CCB Cyprus branch

In December 2005 the Bank obtained a banking license, issued by the Central Bank of Cyprus, by virtue of which the Bank is authorized to perform banking operations as a legally licensed bank branch on the territory of the Republic of Cyprus, in compliance with the requirements of the Cyprus Banking Law. The Branch started its banking activities on the territory of Cyprus on 1 September 2007. One of the main purposes of opening the first branch of the Bank overseas, apart from going abroad, is to grasp the big Bulgarian community that lives and works on the island. Unofficial sources inform that there are more than 30 000 Bulgarians in Cyprus at present. CCB Plc is a long established bank with traditions, expertise and extremely good reputation and Bulgarians have complete trust in it.

The core competence of the Bank is retail banking. The Cyprus Branch offers maintaining and transactions on current and deposit accounts in Euro, USD and BGN, transferring funds from the Cyprus branch to the rest of the 271 locations in Bulgaria at the most favourable rate on the island, granting of both consumer and mortgage loans to physical and legal persons, debit and credit cards, payment of consumables in Bulgaria, payment to numerous suppliers of a variety of services in Bulgaria, Internet banking facilities, cash in Bulgarian leva and others.

The Branch joined the local payment system JCC Transfer, as well as the check clearing house in Cyprus, which allowed a broader assortment of services. Moreover, the wish of numerous clients who would like to deposit their salaries into their accounts is a reality.

All staff are highly educated and speaking several languages, amongst which are Bulgarian, Greek, English, Russian and Persian. Two of the staff have previous experience in serving the Cyprus International Business Companies, which increases the array of offered services.

Last but not least, the Cyprus Branch is conveniently located at the main artery of Nicosia – Makarios Avenue, which facilitates the clients, arriving from other towns and villages in Cyprus.

INTERNATIONAL PAYMENTS

The outgoing and incoming customer wire transfers, the local payments in foreign currency and the transit transfers (where neither the ordering customers, nor the beneficiaries are clients of CCB Plc) are processed by a department at the Bank head-office, which consists of highly qualified professionals, specialized in several directions:
• Transfers
• Documentary operations and trade finance
• Western Union

Credit transfers are the most common form of payment, used by clients individuals and by our business clients. For their quality and efficient performance in 2025 the Bank maintained 16 correspondent Nostro accounts in 15 of the currencies most used by business and the population - EUR, USD, GBP, CHF, DKK, SEK, NOK, JPY, CAD, PLN, CZK, RON, RUB, TRY and MKD. The correspondent banks, where CCB maintains its Nostro accounts are some of the most reputable and stable international financial institutions, including Bank of New York Mellon, New York, UniCredit S.p.A., Milan, Landesbank Baden-Wuerttemberg, Stuttgart, PostFinance AG, Berne, Sumitomo Mitsui Banking Corporation, Tokyo, DnB NOR Bank ASA, Oslo, PKO Bank Polski SA, Warsaw, etc. Besides, by virtue of special negotiations with Bank of New York Mellon, CCB effects transfers in over 120 rarely used currencies, such as Australian and New Zealand dollars, Hungarian Forints, Chinese renminbi, Indian rupee, Indonesian rupee, South African Rand, Israeli shekel, Korean Republic Won, Malaysian ringgit, Philippine peso, etc.

Breakdown of the cross-border customer transfers at CCB Plc in 2025 according to currencies

Currency	percentage share in the number of transactions	percentage share in the value of transactions
EUR	**93.85%**	**83.75%**
USD	**3.31%**	**13.25%**
GBP	**1.65%**	**1.83%**
CHF	**0.45%**	**0.50%**
Scandinavian currencies	**0.35%**	**0.16%**
Other currencies	**0.39%**	**0.53%**

Besides via the classical correspondent banking channels, CCB Plc performs and receives its customer transfers via several payment systems for EUR, in which the Bank has the statute of a direct participant.

• - Since February 2010 CCB Plc is a direct participant in the Trans-European Automated Real-time Gross settlement Express Transfer system **TARGET2**.

• Since December 2020 CCB Plc is a direct participant in the Pan- European payment system for SEPA credit transfers EBA **STEP2**, and became the second bank in Bulgaria with direct participation in the biggest payment system for SEPA transfers in Europe. (Previously, since 2009 CCB Plc was an indirect participant via a correspondent bank in the EURO Zone).

- In December 2024 CCB Plc joined the TIPS system for instant SEPA payments in EUR as a direct participant via the technical cooperation of BORICA in its role of an instructing party and in this way CCB Plc became one of the first banks in Bulgaria, which offered the product instant SEPA transfer in EUR on the local market of financial services.

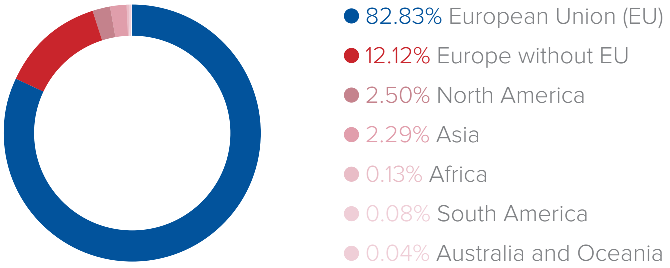
In October 2019 CCB joined the initiative of SWIFT "GPI – Global Payments Innovation" and in this way it became the second bank in Bulgaria that implemented GPI. The integration of GPI within the CCB system was the subsequent serious step for improving the speed and quality of the cross-border transfers of the Bank's clients. GPI provides additional possibilities for tracking the transfers in real time, and also guarantees transparency with respect to the bank charges and FX rates in the performance of the wire transfers via SWIFT.

Outgoing wire transfers at CCB Plc for 2025 according to geographic regions

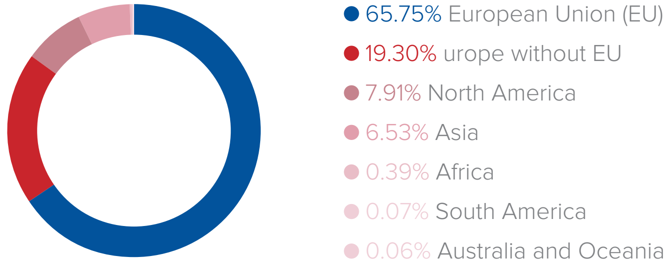
Regarding the outgoing customer transfers in foreign exchange in 2025 the most important countries were Germany, Lithuania, Greece, Netherlands, North Macedonia, Spain, Italy, Belgium, Austria, France, Great Britain, USA, Poland, Turkey and Romania. During the year transfers were ordered to 111 countries.

The diagrams below present the share of the distinct geographic economic regions all over the world with respect to the received transfers in terms of number and value.

Breakdown of the outgoing wire transfers according to the number of transactions



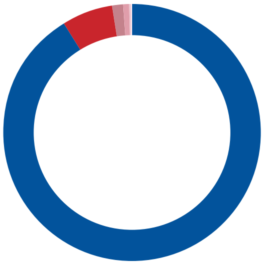
Breakdown of the outgoing wire transfers according to the value of transactions



Incoming wire transfers at CCB Plc for 2025 according to geographic regions

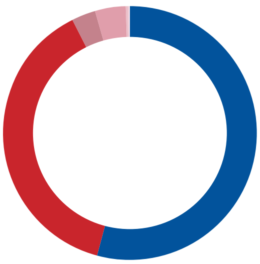
The main countries for incoming customer transfers in 2025 were Germany, Netherlands, Belgium, France, Luxembourg, Ireland, Great Britain, Austria, Lithuania, Spain, Greece, Italy, Cyprus, USA, Switzerland, Poland, Czech Republic, Romania and Sweden. During last year CCB received customer transfers from 106 countries.

Breakdown of the incoming wire transfers according to the number of transactions



- 91.16% European Union (EU)
- 6.51% Europe without EU
- 1.30% North America
- 0.92% Asia
- 0.06% Africa
- 0.04% AAustralia and Oceania
- 0.01% South America

Breakdown of the incoming wire transfers according to the value of transactions



- 54.26% European Union (EU)
- 38.41% Europe without EU
- 4.16% North America
- 2.96% Asia
- 0.16% Africa
- 0.04% South America
- 0.02% Australia and Oceania

The transactions concerning documentary operations (documentary LCs and documentary collections) have significantly smaller share compared to the credit transfers, due to the greater complexity and higher price. In 2025 our corporate clients many times used the services of the documentary payments and trade finance department of CCB, which in addition to the quality processing of the documentary transactions, provided expert consulting for commercial transactions, involving import, export and reexport.

Since 2003 CCB Plc is a licensed agent for Bulgaria of the American company Western Union – one of the global leaders in the fast money transfers. In 2025 the Bank offered the services of Western Union in its 259 offices, and for its individual clients with checking accounts with CCB– also via the platform for Internet banking. The Western Union money transfers enjoy great popularity among the population – especially in the regions with great migration and for this reason in 2025 thousands of Bank clients received and sent money from and to their relatives abroad at CCB locations.

FINANCIAL MARKETS

In 2025 financial markets continued to be one of the important segments in the activity of CCB Plc. The Bank affirmed its position as one of the most active banks on the interbank FX market and banknote trade. Being a primary dealer of government securities on the domestic primary market, CCB Plc. effects transactions on its behalf and at its expense and also at the expense of its clients. It maintains excellent relationships with first class foreign banks and places huge amounts of deposits on the Bulgarian and the international markets.

Foreign exchange

In the field of foreign exchange the Bank offers a number of products and consulting services to investors and corporate clients, as well as to correspondent banks – spot, forward and swap transactions, options, derivatives, hedging, etc. The Bank actively uses the existing FX lines from big European banks. In 2025 CCB Plc continued to use the full capacity of its trading lines, provided by leading financial institutions. The Bank has ISDA agreements with leading European financial institutions, which make it possible for the Bank to provide a wider spectrum of services to its clients.

The Bank has lines for margin and netting trade with several leading financial and brokerage houses, such as Sucden Financial, Man Financial and LaSalle Investment Management. In this way the Bank gives the opportunity to its clients to trade on the international financial markets, concluding contracts for margin trade. These lines allow the Bank to conclude speculative transactions at its expense upon limited risk.

Securities

In 2025 CCB Plc continued to actively participate in the primary and secondary market of government securities. In the commerce with government securities of leading importance to the Bank was the acquisition of securities at higher yield, whereas income generating alternatives were sought. During last year the Bank increased its portfolio of securities. Besides the commerce with government securities, CCB Plc was active in the commerce with government bonds, issued by member countries of the European Union.

Capital markets

CCB Plc has a full license of an investment intermediary since 1997 and offers the following investment services:
• effecting orders for the purchase or sale of securities at the expense of clients or at its own expense;
• preparing prospectuses for initial public offering of securities;
• accepting securities issues.

INFORMATION TECHNOLOGY

The Bank services its customers on the basis of contemporary banking information technologies. The IT experts within CCB Plc endeavor to assist the business units to keep and extend the market share of the Bank in the country and abroad. In 2025 the Bank information technologies were concentrated on the following main aspects:

- Deploying the features of the centralized information system “AIS 2” used at CCB Plc, a development of “Datamax” AD. Using the advantages of “AIS 2”, the Bank offers to its customers complete bank servicing. From intrabank and interbank payments in BGN and foreign currency in real time, international payments, lending, card payments, depositing funds, payments between clients without the requirement for customers to have opened bank accounts, etc, to participation on the stock exchange.

- Development of the system for analysis and generation of reports of the DWH data warehouse type.
- Development of the system for analyzing the clients’ behaviour and prevention of unregulated payments AML.

- Development of the electronic channels for banking, including mobile banking and under PSD2.

- CCB Plc is a licensed agent of the Western Union fast money transfer system and there are over 200 positions for Western Union transactions within the Bank information network.

- CCB Plc is a licensed agent of the EasyPay fast money transfer system, whereas in the information network of the Bank there are over 100 positions for working with EasyPay.

- CCB Plc is a registration operator of the Info notary universal electronic signatures system, whereas in the information network of the Bank there are over 200 positions for working with Info notary.

- CCB Plc is an operator of the system for loyal clients “CCB Club”. In the system there are leading companies from various sectors of the country economy.

- Increasing the average accessibility of the information services via an automatisation of the processes for the services reserving.

PERSONNEL

CCB Plc human resource is the main pillar for effecting the Bank policy and strategy. At the same time via a proper selection, evaluation, qualification, payment and stimulation, the necessary staff is provided for the performance of tasks with regard to the bank’s competitiveness. Considering the specifics of the business of CCB Plc, the requirements to the quality of the work of the employees are especially high. The Bank management aims at creating the conditions for improving the quality of personnel, the personnel professional growing up and development. The ultimate goal is motivating qualified and loyal personnel, unsparing to the objectives of the institution. High-quality experts with the necessary educational background and linguistic qualification work at the Bank.

As at 31.12.2025 the Bank branches of CCB Plc are 48, including a foreign branch in Cyprus. The Bank representative offices and outlets are 229, compared to 238 as at 31.12.2024.

The total staff number of CCB Plc as at 31.12.2025 is 1698 people. In 2024 the total staff number was 1714 people.

The total number of staff at the head-office in 2025 is 440 people, compared to 436 people in 2024.

In 2025 the staff at the bank branches is 1258 people, compared to 1278 people in 2024.

As at 31.12.2025 the total number of the employees /without cleaners, drivers and kitchen workers/ at the head-office and the branches is 1666 people.

Within the Bank in 2025 the employees /without cleaners, drivers and kitchen workers/ at the age up to 40 years old are 484 people or 29% of the total number /without cleaners, drivers and kitchen workers/. The total number of Bank's employees aged between 40 and 50 years old as at 31.12.2025 is 594 or 36%. The Bank's employees above 50 years old are 588 or 35%. The percentage ratio of the age of the employees clearly indicates the European age tendencies on the labour market. For this reason, for the employees at the most vital and creative age and with a certain potential for results in the work, the Bank devotes care and efforts for motivating them for future work at the Bank.

The employees /without cleaners, drivers and kitchen workers/ with bank work experience up to 5 years are 195 people or 12%. These are mainly employees, servicing clients and cashiers.

As at 31.12.2025 the employees with work experience 5-15 years in the bank system are 717 people /without security guards, cleaners, drivers and kitchen workers/ or 43% of all employees, compared to 696 in 2024. These are mainly management staff at the head-office and the branches, employees of the head-office with methodological functions, managers and sales experts, loan officers, heads front office and other employees with high bank qualification at the branches.

In 2025 the employees with work experience above 15 years in the bank system are 754 employees or 45% of the total bank staff.

CCB Plc pays special attention to the education of employees. The share of the employees /without security guards, cleaners, drivers and kitchen workers/ with university education in all its degrees is especially big – 1270 people or 76%. A basic approach upon appointing employees with the proper education and high professionalism is the proper selection of candidates.

In 2025 the Bank employees women /without security guards, cleaners, drivers and kitchen workers/ are 1368 or 82%. Among them 116 women are at managerial positions.

The financial stimulus is dominant in creating and maintaining the interest and motivation of employees. With determining the remuneration at CCB Plc we aim at reaching even better relationship between the labor results and the individual remuneration and stimulate the initiative and the ideas of employees, reach better technological and employment discipline, as well as responsibility in the performance of their work functions. The main aspects in determining the employment remuneration consist of the objective evaluation of the labor of employees and determining their individual work salaries. Under the CCB Social activities program the Bank provides food vouchers to all employees, which is additional income and stimulus for them.

The long-term Concept for Training and Development of the Bank Personnel is the basis for carrying out the training and qualification of employees. On these grounds we developed a Program for Training and Qualifying Employees within the Bank System for 2025, with the following emphasis: loan operations and credit risk, retail banking, international payments, card operations, money markets and securities; information technologies, client servicing, sales skills, etc.

2025 was full of many and various trainings, organized by external training companies and intrabank training companies. Training took place mainly online via the International Banking Institute, different centres for qualification and training of staff, as well as other Bulgarian and international institutions. The Bank employees participated in seminars with regard to the changes and requirements of the European and the Bulgarian legislation. The training of the employees in 2025 was mainly related to the adoption of the euro as the official monetary unit in the Republic of Bulgaria as from 01.01.2026, in compliance with the Law on the Introduction of the Euro in the Republic of Bulgaria and the preparation for the migration of the bank systems for operations in EUR, the changes in the internal procedures and turnover of documents, the customer service upon transition to EUR, management of the cash availabilities and double indication of amounts. Trainings were carried out with regard to the new Law on Cybersecurity and Directive NIS 2, as well as with regard to the introduction of the SAF-T international standard for electronic exchange of data in Bulgaria and on the legal aspects of digitalization of the consumer lending and the forthcoming changes with regard to Directive 2023/2225.

In the period from February to April 2025 training took place of all employees in “Information and cyber security”, provided on an online platform for training, aiming at repeating and increasing the knowledge of staff for protection from various types of cyber attacks. The training was finalized with checking the knowledge of the employees via an online exam. Certificates were awarded to the successful passers. This training is subsequent and building on the inhouse training, organized in 2023 and 2024.

In 2025 the Bank Management continued its cooperation with the VUZF University, Sofia, where as by a decision of the National Parliament of the Republic of Bulgaria as from 11.06.2025 it was reorganized into a university and the new name is University of Insurance and Finance (UZF). In compliance with the requirements of the Law on Higher Education the university proved that it provided quality education to its students. CCB Plc continued to finance entirely the education of its employees in the bachelor and master’s degree. In school year 2024/2025 21 employees of CCB Plc successfully graduated in the MA degree. 5 employees continued their education in the master’s degree, 5 employees in the bachelor degree, 3d course and 3 employees in the bachelor degree, 2d course. There are new volunteers for study at the UZF in school year 2025/2026, with the financing provided by CCB Plc, as follows: 4 people in the master’s degree and 5 people in the bachelor degree. In the master’s degree the preferred programs are “Fintech, finance and digital innovations” and “Financial management and marketing”. The employees are mainly from the head-office of the Bank and they improve their education in the master’s degree. The long-term strategy of the Bank management is to increase the qualification of the CCB employees in the field of economic sciences and the purpose is to prepare highly qualified experts, working at the Bank in the field of the economy, in keeping with the needs of the contemporary economic reality, the practices in Europe and globally for life-long learning and maintaining of good business cooperation with UZF.

BRANCH NETWORK

During last year, via the huge branch network, CCB Plc managed to offer competitive financial products and services to its clients, not only in Bulgaria, but also in Cyprus. In 2025 the Bank put an emphasis on increasing the efficiency and functionality of the built-up network, the good servicing of its clients and an easy access to the array of products.

Via its branch network the Bank aims to be at the disposal of its clients to a maximum extent, to be able to provide to them convenient, quick and quality servicing.

Structural units	31.12.2025	31.12.2024	31.12.2023
Bank locations	277	286	291

THE BANK IN THE FUTURE

Central Cooperative Bank Plc has always endeavored to increase the number of its clients via maintaining an optimum level of risk and excellent financial results.

The goals of the Bank for the future are:
- Increasing the total assets of the Bank, respectively the market share.
- Development and streamlining the control systems and the systems harmonization with the changes in the BNB regulations.
- Developing and defending the leadership position in the use of the most contemporary channels of distributing the bank products.
- Streamlining and constant adaptation of the client model of the operative organization with the aim of maintaining the high quality of the bank servicing.
- Optimizing the branch network of the Bank.
- Deploying the positions in retail banking. Increasing the volume and the relative share in the loan portfolio of loans to individuals – consumer and mortgage loans.
- Deploying the operations with debit and credit cards. Profiting from the full membership and the accepting rights in the two card associations – Mastercard and Visa International. Optimizing the Bank network of POS terminals and ATMs. Defending the third place in the card business.
- Profiting from the synergy in rendering services to the insurance companies, the pension companies, the health insurance companies and the investment companies from the group of Chimimport – the main shareholder of the Bank.
- Offering services and financing of projects of agricultural producers – under the programs of the structural funds of EU.
- Deploying the volume of the loan portfolio of SMEs.
- Attracting the servicing of new budgetary and municipal structures and companies.
- Development of the subsidiary banks in the Republic of Macedonia and Russia.
- Increasing the qualification of the employees and streamlining the mechanisms for stimulating employees.

FINANCIAL REVIEW FOR 2025

MARKET SHARE AND POSITION OF CCB PLC*

According to the classification of BNB, Bulgarian banks are divided into three groups in terms of the amount of the assets: the first group includes the first five banks with the biggest total assets, the second group includes the next 19 banks, and the third group includes the branches of the foreign banks in Bulgaria. At the end of 2025 in terms of total assets CCB Plc occupies the 6th place among all banks, operating on the territory of Bulgaria.

As at 31.12.2025 the total assets of CCB Plc are BGN 10,317,649 thousand respectively. Compared to the same period of last year the total assets increase by BGN 1,234,471 thousand or 13.59%.

The table below presents the main financial highlights of CCB Plc:

Ratio	CCB Plc
Return On Average Equity /ROaE/	**9.45%**
'Return On Average Assets /ROaA/	**0.91%**
Liquidity Coverage Ratio	**280.90%**
Total capital adequacy ratio	**28.55%**
Tier I capital adequacy ratio	**27.85%**

RISK MANAGEMENT

The system for risk management has preventative functions to prevent losses and control the amount of losses and includes:
- policy for risk management;
- rules, methods and procedures for the evaluation and management of the risks;
- organizational structure for risk management;
- parameters and limits for making transactions and operations;
- procedures for reporting, evaluation, information and subsequent control of the risks.

The main principles within the policy of Central Cooperative Bank Plc for risk management are:
- the principle of sharing responsibilities among those who assume risk and those who manage risk;
- the precautionary principle, which assumes the reporting of the simultaneous occurrence of the most unfavourable case for each of the risk weighted assets;
- the principle of managing risk at the source.

The organizational structure for risk management is centralized and has been structured according to the levels of competence as follows:
- **Management Board** – determines the acceptable levels of risk of the Bank within the adopted strategy for development.
- **Specialised collective authorities** – affirm the frameworks and parameters of the bank activity in risk management:
- **Executive Directors and Procurator** – control the process of approval and implementation of adequate policies and procedures within the Strategy for risk management, adopted by the Bank.

**source: data, published on the web site of BNB for supervisory purposes, as well as data of banks, participating in BISERA*

- **Directors of the structural units at the bank** – apply the adopted policy for risk management in organizing the activity of the respective organizational units.

Risk concerns the probability for the factual revenues of a given investment not to correspond to the expected revenues. The specifics of the banking necessitate the implementation of adequate systems for the timely identification and management of the various types of risk. Of special significance are the procedures for managing the risks, the mechanisms for maintaining risks in acceptable boundaries, via an evaluation of the external and internal environment, optimum liquidity, diversification of the portfolio, profitability of the operations. In the activity associated with risk management, CCB Plc applies the new agreement Basel II with the principally new requirements for the management of credit risk and the capital coverage of operational risk.

Credit risk – the probability for the counterparty or borrower not to be able to perform the assumed commitments under contracts with the bank under the conditions and terms specified in the contracts. Detailed procedures are applied in the process of lending concerning the analysis of the economic soundness of each project, the type of collateral, acceptable to the Bank, control over the use of the advanced funds and the associated administration. Every month the Bank makes an evaluation of the risk exposure, stemming from the loan portfolio, classifying and making provisions for loans in the portfolio, according to the requirements of Ordinance N° 9 of BNB. The big loan exposures under Ordinance N° 7 of BNB are subject to constant supervision and reporting. The Bank has adopted and follows the compliance of limits for credit exposure according to regions and branches. The above limits aim at limiting the concentration of the loan portfolio in one or another region and branch, which could lead to an increased credit risk.

Liquidity risk – the probability of a difficulty in the payments due to a mismatch in time of the incoming and outgoing cash flows. The Bank manages its assets and liabilities in a way, which guarantees to it that it can regularly and without any delay perform its everyday commitments, in the normal banking environment and in the conditions of a crisis.

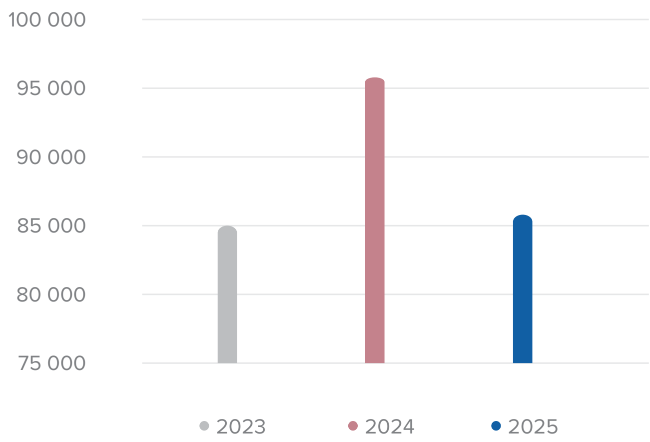
Market risk – the probability of the occurrence of a loss for the Bank as a result of the unfavorable change of the exchange rates, market prices and interest rates;

Operational risk – the probability of direct or indirect losses, stemming from the inadequate functioning or termination of the activity of the processes, systems or staff, internal to the Bank.

INCOME STATEMENT

In 2025 the net profit of Central Cooperative Bank Plc amounts to BGN 86,728 thousand. In 2024 an audited net profit to the amount of BGN 95,902 thousand was realized.

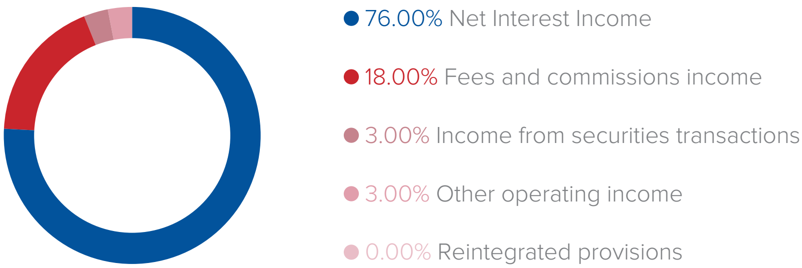
Net profit



The financial indicators for return on average equity and the return on average assets are 9.45% and 0.91% respectively. The total capital adequacy of the Bank is 28.55%.

In 2025 the net interest income of CCB Plc remains the main source of income and it amounts to BGN 210,184 thousand. The share of the net interest income in total income is 76%. The fees and commissions income has a share of 18% in total income, and the income from securities transactions with a share of 3%. The other operating income to the amount of 3% includes income from dividend, cession contracts, the sale of fixed tangible assets, etc.

Income breakdown



The interest expenses in 2025 are to the amount of BGN 7,810 thousand, compared to their amount of BGN 4,115 thousand in 2024. The increase of these expenses amounts to - 89,79%. The net fees and commissions income decrease compared to 2024 and reach BGN 50,940 thousand.

At the end of 2025 there is an increase in the realized net profit from transactions in securities, which is to the amount of BGN 7,695.

The operating expenses of CCB Plc in 2025 increase by 3.46% compared to their level at the end of 2024 and reach the absolute value of BGN 171,063 thousand.

The ratio operating expenses / total income decreases to 63.59% compared to 58.92% in 2024.

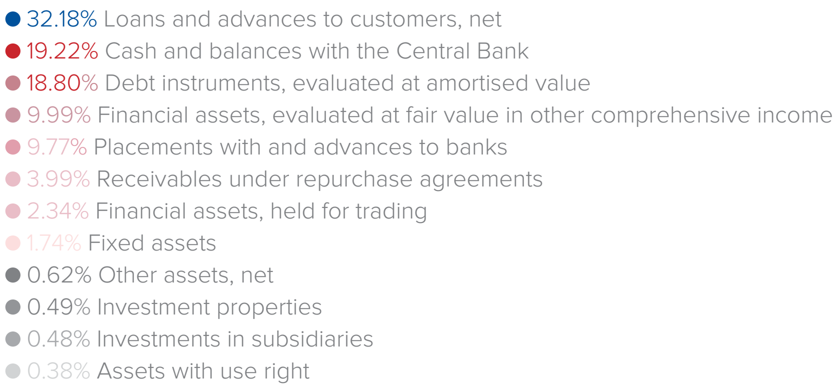
AN ANALYSIS OF THE ASSETS AND LIABILITIES

Assets

As at 31 December 2025 the book value of the assets of CCB Plc is BGN 10,317,649 thousand, whereas a year earlier they amount to BGN 9,083,178 thousand. Compared to 31 December 2024 the assets increase by BGN 1,234,471 thousand or 13.59%.

The assets breakdown during last year has been reflected in the table below:

Assets breakdown

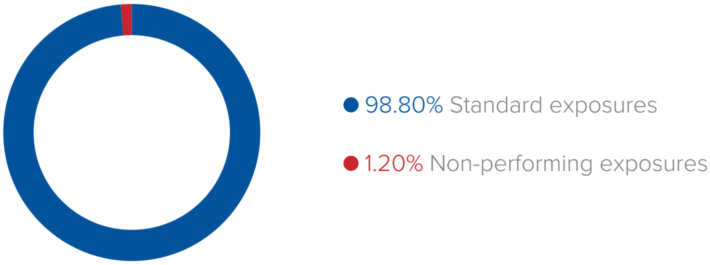


The cash and balances with BNB amount to BGN 1,982,544 thousand and are 19.22% of total assets, compared to 21.56% in 2024. The funds with first-class banks, correspondent accounts and short-term deposits have a weight of 9.77% of the Bank assets, compared to 1.91% a year earlier.

The investments in securities, including government securities, corporate bonds, shares and compensation instruments are an instrument for improving the profitability of the Bank. Their amount has 3.99% of total assets, compared to 6.52% in 2024. Central Cooperative Bank Plc maintains a diversified portfolio, the main purpose of which is increasing the gains and profits from the traded securities, as well as the provision of a high degree of liquidity.

The greatest share in total assets have the loans and advances granted to clients. As at 31.12.2025 the loan portfolio of the Bank amounts to BGN 3,319,796 thousand, compared to BGN 3,147,106 thousand one year earlier. In 2025 total loans have 32.18% of the assets, whereas a year earlier they amount to 34.65% of total assets. The Bank constantly aims at improving its market positions in retail banking, as well as financing SMEs.

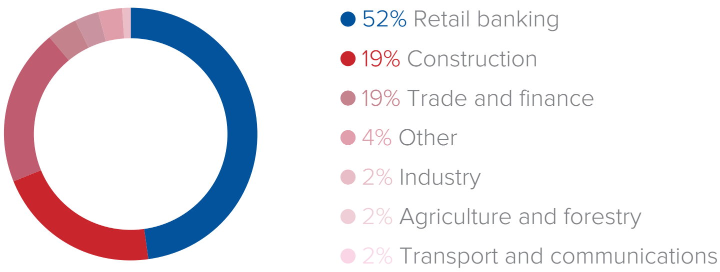
Breakdown of the loan portfolio according to the classification of credit risk



The quality of the loan portfolio is very good, the regular exposures are 98.80%, and the non-performing exposures have a share of 1.20%.

As at 31.12.2025 the breakdown of the granted loans and advances to clients at amortised value has been reflected in the table below, as follows:

Granted loans and advances to clients



Liabilities

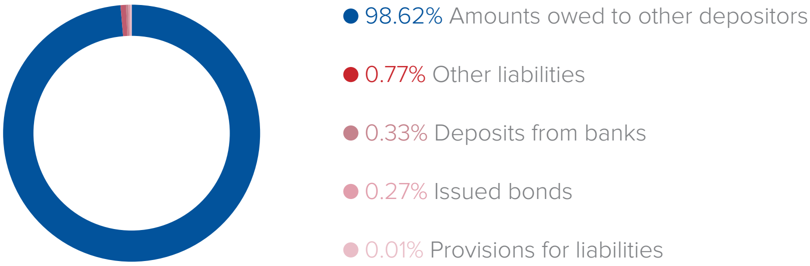
CCB Plc maintains a stable structure of the attracted funds, which allows it not to be dependent on external financing.

As at 31.12.2025 the total liabilities of CCB Plc are BGN 9,303,963 thousand. They have 90.17% of the total liabilities, whereas their increase compared to the previous year is by 13%.

The main source of attracted funds for CCB Plc are the attracted funds from other depositors – individuals, companies and other institutions. Their amount reaches BGN 9,175,510 thousand, which is 98.62% of the total liabilities. In 2024 they were BGN 8,122,708 thousand.

The breakdown of the Bank liabilities has been illustrated in the following graph:

Liabilities breakdown

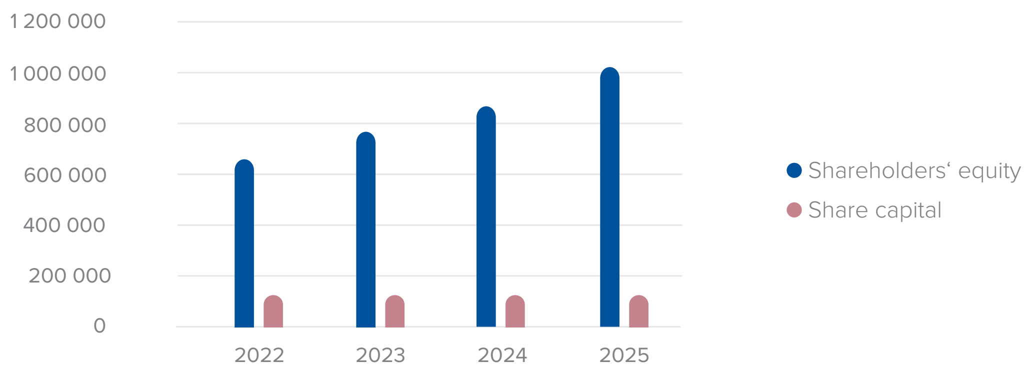


The considerable share of the funds attracted from the population is an important and stable source for the Bank. This is due to the strategy chosen by the Bank to concentrate on retail banking.

Shareholders' equity

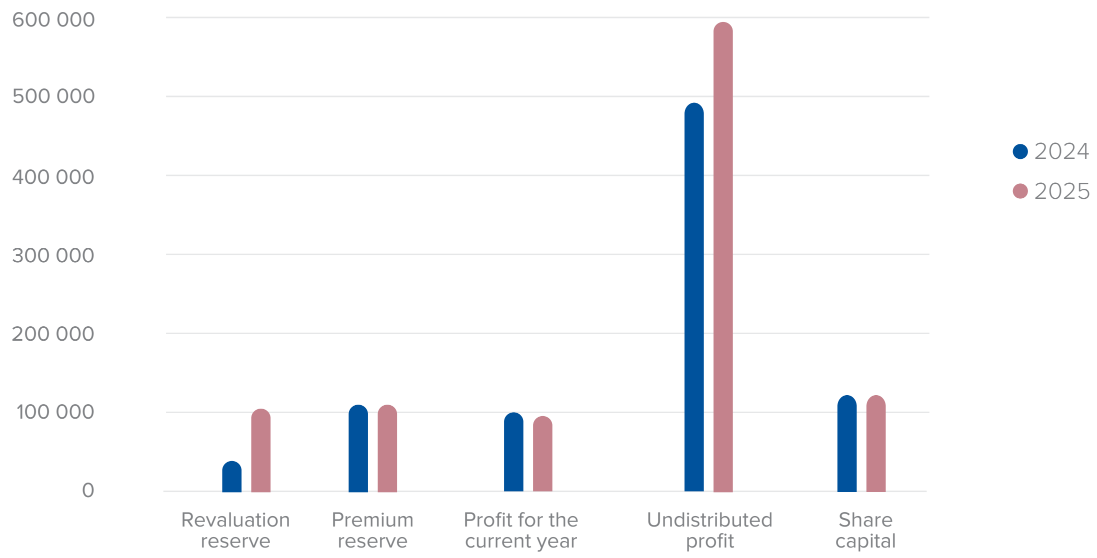
At the end of 2025 shareholders' equity of CCB Plc amounts to BGN 1,013,686 thousand. The increase in shareholders' equity compared to the previous year is over 18% and is mostly the result of the capitalized profit and the increased reserves. As at 31 December 2025 the issued, called and paid in share capital of the Bank consists of 127,129,970 ordinary voting shares, with a nominal value of BGN 1 for each share. The net profit in 2025 is to the amount of BGN 86,728 thousand, whereas at the end of 2024 it was BGN 95,902 thousand.

Increase in shareholders' equity and share capital



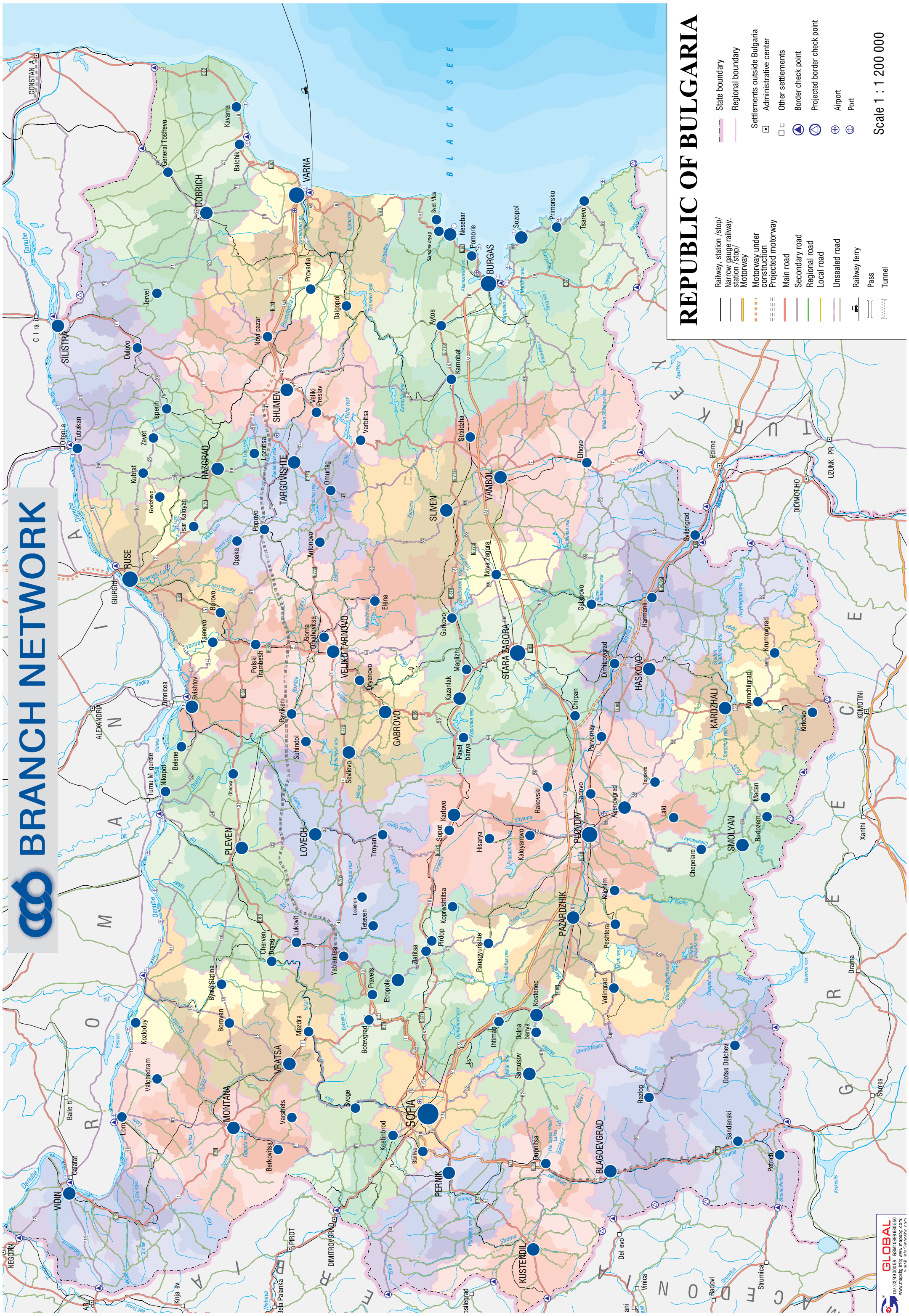
During this year the Bank continues its present policy via capitalization of the profits to assist the capital increase and its assets.

Shareholders‘ equity



Central Cooperative Bank Plc is a public company, the share of which are traded on the Bulgarian Stock Exchange since March 1999.

APPENDIX Nº1: BRANCH NETWORK



BRANCH NETWORK OF CENTRAL COOPERATIVE BANK

Asenovgrad Branch
4230 Asenovgrad
8, Rechna Str.
phone: +359 331/ 20 612

Blagoevgrad Branch
2700 Blagoevgrad
13, Vasil Levski Str.
phone: +359 73/ 882 961

Burgas Branch
8000 Burgas
4, Kont Androvanti Str.
phone: +359 56/ 874 500

Varna Branch
9000 Varna
58A, Saborni Blvd.
phone: +359 52/660 051

Veliko Tarnovo Branch
5000 Veliko Tarnovo
4, Nikola Gabrovski Str.
phone: +359 62/ 62 15 31

Vidin Branch
3700 Vidin
1, Tsar Simeon Veliki Str.
phone: +359 94/ 600 152

Vratsa Branch
3000 Vratsa
5, Lukashov Str.
phone: +359 92/ 62 25 39

Vazrazhdane Branch
1303 Sofia
3, Vazrazhdane Sq.
phone: +359 2/9 234 811

Gabrovo Branch
5300 Gabrovo
54, Bryanska Str.
phone: +359 66/ 817 021

Dobrich Branch
9300 Dobrich
1, Bulgaria Blvd.
phone: +359 58/ 653 656

Dondukov Branch
1000 Sofia
7B, Knyaz Al. Dondukov Blvd.
phone: +359 2/ 9 306 911

Darvenitsa Branch
1756 Sofia
8, Sv. Kliment Ohridski Blvd.
phone: +359 2/ 8 167 953

Etropole Branch
2180 Etropole
92, Ruski Blvd.
phone: +359 720/ 63 683

Kazanlak Branch
6100 Kazanlak
8, Rila Str.
phone: +359 431/ 68 241

Karlovo Branch
4300 Karlovo
57, General Kartsov Str.
tel.: 0335/ 904 70

Kostenets Branch
2030 Kostenets
11A, Targovska Str.
phone: +359 7142/ 30 80

Kardzhali Branch
6600 Kardzhali
47, Republikanska Str.
phone: +359 361/ 60 912

Kyustendil Branch
2500 Kyustendil
22, Konstantinova banya Str.
phone: +359 78/ 551 115

Lovech Branch
5500 Lovech
10, Akad. Anastas Ishirkov Str.
phone: +359 68/ 600 565

Madrid Branch
1505 Sofia
37-39, Madrid Blvd.
phone: +359 2/ 81 44 921

Mladost Branch
1784 Sofia, zh.k. Mladost 1
14, Andrey Saharov Blvd.
phone: +359 2/ 816 79 53

Montana Branch
3400 Montana
59, Treti mart Blvd.
phone: +359 96/ 300 810

Nesebar Branch
8230 Nesebar
Zhulieta Shishmanova Sq.
(Kulturen tsentar Artium)
phone: +359 554/ 29 966

Pazardzhik Branch
4400 Pazardzhik
7, Esperanto Str.
phone: +359 34/ 401 616

Pernik Branch
2300 Pernik
4, Krakra Pernishki Str.
phone: +359 76/ 688 330

Pleven Branch
5800 Pleven
150, Vasil Levski Str.
phone: +359 64/ 882 310

Plovdiv Branch
4000 Plovdiv
5, Betoven Str.
phone: +359 32/ 654 969

Plovdiv-Bulgaria Branch
4003 Plovdiv
50, Kapitan Raycho Str.
phone: +359 32/ 921 138

Razgrad Branch
7200 Razgrad
7, Stefan Karadzha Str.
phone: +359 84/ 661 290

Ruse Branch
7000 Ruse
1, Han Kubrat Sq.
phone: +359 82/ 826 070

Samokov Branch
2000 Samokov
33, Targovska Str.
phone: +359 722/ 68 910

Svishtov Branch
5250 Svishtov
104, Tsar Osvoboditel Str.
phone: +359 631/ 61 254

Sevlievo Branch
5400 Sevlievo
70, Stara planina Str.
phone: +359 675/85 055

Silistra Branch
7500 Silistra
1, G. S. Rakovski Str.
phone: +359 86/ 821 236

Sliven Branch
8800 Sliven
1, Aleksandar Stamboliyski Sq.
phone: +359 44/ 662 945

Smolyan Branch
4700 Smolyan
11, Bulgaria Blvd.
phone: +359 301/ 62 163

Sofia-grad Branch
1000 Sofia
103, G. S. Rakovski Str.
phone: +359 2/ 9 266 114

Sofia-Zapad Branch
1359 Sofia
Pancho Vladigerov Blvd., block 442
phone: +359 2/ 9 238 022

Sofia-Yug Branch
1612 Sofia, zh.k. Hipodruma
23, Emine Str.
phone: +359 2/ 8 188 081

Stara Zagora Branch
6000 Stara Zagora
54, Kolyo Ganchev Str.
phone: +359 42/ 220 369

Targovishte Branch
7700 Targovishte
5, Vasil Levski Str.
phone: +359 601/ 69 111

Haskovo Branch
6300 Haskovo
1, Skopie Str.
phone: +359 38/ 607 830

Central Branch
1463 Sofia
18, Gurgulyat Str.
phone: +359 2/ 9 263 062

Central Office Branch
1113 Sofia
87, Tsarigradsko shose Blvd.
phone: +359 2/ 923 47 54

Cherno more Branch
8130 Sozopol
17, Apolonia Str.
phone: +359 550/ 26 371

Shumen Branch
9700 Shumen
13A, Slavyanski Blvd.
phone: +359 54/ 868 930

Yambol Branch
8600 Yambol
7, Osvobozhdenie Sq.
phone: +359 46/ 662 045

Cyprus Branch
Nicosia, Cyprus
1070 Nicosia, Cyprus, 69, Arch. Makarios III Ave., Tlais Tower
phone: +357 22 447 757

APPENDIX N°2: NOSTRO ACCOUNTS

Bank	BIC	Currency	Account N°
UniCredit SPA, Milan	UNCRITMM	EUR	0995 172
Landesbank Baden-Wuerttemberg, Stuttgart	SOLADEST	EUR	2809474
The Bank of New York Mellon, New York, USA	IRVTUS3N	USD	8901366536
PostFinance AG, Berne, Switzerland	POFICHBE	CHF	91-160-3
The Bank of New York Mellon (International) Limited, London, UK	IRVTGB2X	GBP	3506738260
The Bank of New York Mellon, New York, USA	IRVTUS3N	CAD	8033062320
The Bank of New York Mellon, New York, USA	IRVTUS3N	DKK	8033062304
The Bank of New York Mellon, New York, USA	IRVTUS3N	SEK	8033062312
DnB NOR Bank ASA, Oslo	DNBANOKK	NOK	7001.02.05172
Sumitomo Mitsui Banking Corporation, Tokyo	SMBCJPJT	JPY	4280
PKO BANK POLSKI SA	BPKOPLPW	PLN	PL09102000161201110000005877
Central Cooperative Bank AD Skopje	CECBMK22	MKD	BBAN320-9100030020-62
AKTIF YATRIRIM BANKASI A.S., Istanbul, Turkiye	CAYTTRISXXX	TRY	TR090014300000000026278370
Raiffeisen Bank SA, Bucharest, Romania	RZBRROBU	RON	RO26RZBR8000000202309461
Raiffeisen Bank S.A., Prague	RZBCCZPPXXX	CZK	9010010852
JSC IC Bank	CECBRU2K	RUB	30111810000000000001

INDEPENDENT AUDITORS' REPORT

To the shareholders of Central Cooperative Bank AD
1113, Sofia, 87 Tsarigradsko shosse blvd.

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying separate financial statements of Central Cooperative Bank AD (the "Bank"), which comprise the separate statement of financial position as at 31 December 2025, and the separate statement of profit and loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU and Bulgarian legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bulgaria. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and advances to customers

Key audit matter

As of 31 December 2025, Loans and advances to customers represent 32% part of the Bank's total assets and their carrying amount is BGN 3 319 796 thousand, incl. gross carrying amount of BGN 3 373 502 thousand less expected credit losses and impairment at the amount of BGN 53 706 thousand.

The Bank applies impairment model based on the expected credit losses in accordance with the requirements of IFRS 9 Financial Instruments.

The models used are based on the probability of default and the expected loss given default. The input data for the models, the calculation methods, and their application depend on the Bank's management's judgment.

The classification of financial instruments to impairment stages is a result of combination of quantitative and qualitative factors.

The statistical models used for impairment of collectively assessed financial assets are based on the probability of default (PD), the estimated amount of the loss given default (LGD) for each asset, applying amortisation with the effective interest rate (EIR) in the calculation of the expected exposure at default (EAD). The Input data for the models, calculation methodologies and their application depend on the Bank management's judgment.

The assessment of expected credit losses from impairment of loans and advances to customers requires the Bank's management to apply a significant level of estimates in applying accounting estimates in the following areas:
- the exposure's classification by impairment stages and the identification of exposures with credit quality deterioration;
- the assumptions included in the statistical model's risk parameters for determining expected credit losses with inputs obtained from internal and external sources;
- the factors and expected scenarios involved, impacted by the wide range of existing and potential consequences of negative macroeconomic development that may have an effect on expected credit losses.

We identified the determination of impairment of loans and advances to customers of the Bank as a key audit matter due to the following factors:
- the extent and timing of impairment recognition on loans and advances to customers;
- the high degree of uncertainty in the accounting estimates associated with the models used to calculate expected credit losses.

Notes 4.8, 9 and 36 to the separate financial statements provide disclosures about management's estimates and assumptions in developing the Bank's expected credit losses from impairment of the Bank's loans and advances to customers for 2025.

How our audit addressed the key audit matter

We analysed the compliance of the Bank's expected credit loss models with the requirements of IFRS 9 Financial Instruments. During our joint audit, our audit procedures included, but were not limited to, the following:
- Inquiries and obtaining an understanding of the processes, policies and criteria and models used by the Bank to classify and subsequently reporting for loans and advances to customers and verifying that these criteria comply with the requirements of IFRS 9 Financial Instruments;
- reviewing and evaluating the policies and procedures developed by the Bank for models to calculate expected credit losses on loans and advances to customers;
- procedures for verifying that related controls for monitoring of granted loans have been established and implemented by the Bank, and assessing their operational effectiveness;
- assessing the adequacy of the policies, procedures and process controls in place to develop further audit procedures to ensure that we are able to address the risks of material misstatement related to the estimated credit losses on loans and advances to customers.
- for exposures impaired on an individual and collective basis, we applied professional judgement to analyse and evaluate the key assumptions used in applying the expected credit loss models and impairment calculations for loans and advances to customers and the impact of macroeconomic indicators and scenarios used;
- quality review of the historical data used in the calculation of the risk parameters.

For samples of loan portfolio exposures, we performed:
- assessed the appropriateness of the methodologies used to determine expected credit losses and impairments;
- reviewing, on a sample basis, selected loans in the loan portfolio for classification by stage, the existence of significant credit risk factors or default events and their impact on the value of loans and advances to customers;
- an analysis of the borrowers' financial condition and an inquiry as to whether there are any deviations from compliance with contractual terms, taking into account the impact of macroeconomic conditions on the customer's industry, the valuation of assets provided as collateral and other factors that may affect the collectability of loans, verified on a sample basis;
- an analysis of management's key assumptions and judgements, including an assessment of the cash flow scenarios used;
- a recalculation of the impairment of a sample of exposures based on the values of the risk parameters resulting from the application of the models.

We have assessed the completeness, appropriateness and adequacy of the disclosures in the Bank's separate financial statements with regard to the disclosures of key assumptions and judgements relating to the requirements of IFRS 9 for the classification and impairment of the Bank's loans and advances to customers.

Information Other than the Separate Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual separate management report, including the corporate governance statement, the report on remuneration, prepared in accordance with Bulgarian Accountancy Act, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards, as adopted by the EU, and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We are jointly liable for the performance of our joint audit and the issued joint auditors' opinion in accordance with the requirements of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act. Upon acceptance and performance of the joint audit engagement on which we report, we have complied with the "Guidelines on performance of joint audit" issued by Bulgarian Institute of Certified Public Accountants and Bulgarian Commission for Public Oversight of Statutory Auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional matters, required to be reported by the Accountancy Act and Public Offering of Securities Act

In addition to our responsibilities for reporting under ISAs, described above in section "Information Other than the Separate Financial Statements and Auditor's Report Thereon", regarding annual management report, including the corporate governance statement, the report on remuneration, we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act and Article 100m, paragraph 10 in relation to Article 100m, paragraph (8), subparagraphs (3) and (4) of Bulgarian Public Offering of Securities Act.

Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act

Based on the procedures performed, we describe the outcome of our work:

(a) the information in the management report is consistent with the separate financial statements for the same reporting period;

(b) The separate annual report on the activities has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act and of Art. 100n, paragraph 7 of the Public Offering of Securities Act. We note that in points 8 and 9 of the Appendix to the Separate Activity Report containing information according to Ordinance No 2 / 09.11.2021 in relation to Article 100n, paragraph 7, point 2 of the Public Offering of Securities Act, the Bank has provided summary data on funds raised and loans granted, stating that more detailed information cannot be provided due to restrictions arising from Article 62 of the Credit Institutions Act on banking and professional secrecy.

(c) as a result of the acquired knowledge and understanding of the activities of the Bank and the environment in which it operates, we have found no cases of material misrepresentation in the management report;

(d) the corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100m, paragraph (8) of Bulgarian Public Offering of Securities Act;

(e) the report on compliance with the remuneration policy has been prepared in accordance with the requirements of the ordinance pursuant to Article 116c, paragraph 1 of Bulgarian Public Offering of Securities Act and the information in it is consistent with the separate financial statements for the same reporting period.

Statement Pursuant to Article 100m, Paragraph (10) of Bulgarian Public Offering of Securities Act

Based on the procedures performed and our knowledge of the Bank and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Bank in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the corporate governance statement, being a component of the annual management report.

Additional reporting concerning the audit of financial statements in connection with Article 100n, paragraph (4), subparagraph (3) of Bulgarian Public Offering of Securities Act

• Statement on Article 100m, paragraph 4, subparagraph (3), item "b" of Public Offering of Securities Act

Related party transactions are disclosed in note 38 Transactions and balances with Related parties to the separate financial statements. Based on the performed audit procedures on related party transactions as part of our audit of separate financial statements as a whole, no facts, circumstances or other information have come to our attention that caused us to conclude that the related party transactions are not disclosed in the accompanying separate financial statements for the year ended on 31 December 2025 in all material respects, in accordance with the requirements of IAS 24 „Related Party Disclosures". The results of our audit procedures on related party transactions were taken into consideration for the purposes of issuing an auditor's opinion on the separate financial statements as a whole, not for issuing a separate opinion only on related party transactions

• Statement on Article 100m, paragraph (4), subparagraph 3, item "c" of Public Offering of Securities Act

Our responsibilities for audit of the separate financial statements as a whole, described in our report in section „Responsibilities of the Auditor for the Audit of Financial Statements", include assessment whether the separate financial statements present fairly the significant transactions and events. Based on the performed audit procedures on the significant transactions, which are fundamental to the separate financial statements for the year ended on 31 December 2025, no facts, circumstances or other information have come to our attention that caused us to conclude that there are instances of unfair presentation and disclosure in accordance with the requirements of IFRS Accounting Standards, as adopted by the EU. The results of our audit procedures on the significant transactions and events of the Bank, which are material to the separate financial statements, were taken into consideration for the purposes of issuing an auditor's opinion on the separate financial statements as a whole, not for issuing a separate opinion only on the significant transactions.

Reporting on compliance of the electronic format of the separate financial statements included in the annual separate financial report on the activity under Art. 100n, paragraph 4 of Bulgarian Public Offering of Securities Act with the requirements of ESEF Regulation

In addition to our responsibilities and reporting under ISA, described above in the section "Auditor's Responsibilities for the Audit of the Separate Financial Statements", we have followed the procedures in accordance with the Guidelines on Issuing of Audit Opinion regarding the Implementation of the European Single Electronic Format (ESEF) for the separate financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU)" of Bulgarian Institute of Chartered Accountants (ICPA) in Bulgaria". These procedures include verifying the electronic file format and whether the human readable part of it corresponds to the audited separate financial statements and expressing an opinion regarding the compliance of the electronic format of the separate financial statements of Central Cooperative Bank AD for the year ending 31 December 2025, contained in the electronic file „5299002142DS5ONT5540-20251231-BG-SEP.xhtml with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation"). Based on these requirements, the electronic format of the separate financial statements included in the annual separate financial report on the activity under Art. 100n, para. 4 of Bulgarian Public Offering of Securities Act, must be submitted in XHTML format.

The management of the Company is responsible for the application of the requirements of ESEF Regulation when preparing the electronic format of the separate financial statements in XHTML.

Our opinion is only regarding the electronic format of the separate financial statements included in the electronic file „5299002142DS5ONT5540-20251231-BG-SEP.xhtml" and does not include the other information contained in the annual separate financial report on the activity under art. 100n, para. 4 of Bulgarian Public Offering of Securities Act.

Based on the performed procedures, our opinion is that the electronic format of the separate financial statements of the Company for the year ended 31 December 2025, contained in the attached electronic file „5299002142DS5ONT5540-20251231-BG-SEP.xhtml", is prepared in all material aspects in accordance with the requirements of the ESEF Regulation.

Additional reporting in accordance with Ordinance No 58/2018 of the Financial Supervision Commission

Statement Pursuant to Art. 11 of Ordinance No 58/2018 of the Financial Supervision Commission on the requirements for the protection of clients' financial instruments and cash, for the management of products and for granting or receiving remunerations, commissions, other cash or non-cash benefits.

Based on our audit procedures and our understanding of the Bank's operations in the context of our audit of the separate financial statements as a whole, our opinion is that the created organization in relation to the custody of client assets complies with the requirements of Art. 3-10 of Ordinance No. 58 of FSC and Art. 92-95 of the Markets in Financial Instruments Act regarding the Bank's activity as an investment intermediary.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act in relation to Article 10 of Regulation (EC) N° 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act and in relation with Article 10 of Regulation (EC) N° 537/2014, we report additionally the information as follows:

- Grant Thornton OOD and RSM BG OOD were appointed as statutory joint auditors of the separate financial statements of Central Cooperative Bank AD for the year ended on 31 December 2025 by the general meeting of shareholders, held of 26 June 2025 for a period of one year.
- The audit of the separate financial statements of the Bank for the year ended on 31 December 2025 has been performed for ninth consecutive years by Grant Thornton OOD and for the third consecutive year by RSM BG OOD.
- In support of our joint audit opinion, we have provided a description of the most significant assessed risks of material misstatement, a summary of the joint auditors' response and where relevant, key observations arising with respect to those risks in the section „Key audit matters" of this report.
- We confirm that our joint audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act were not provided.
- We confirm that we remained independent of the Bank in performing the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Bank in addition to the statutory audit which have not been disclosed in the management report or separate financial statements.

For Grant Thornton OOD
Audit firm, reg.N° 32

Georgi Nikolaev Stoyanov — Digitally signed by Georgi Nikolaev Stoyanov Date: 2025.03.28 11:40:15 +02'00'

Georgi Stoyanov
Registered auditor responsible for the audit

MARIY GEORGIEV APOSTOLOV — Digitally signed by MARIY GEORGIEV APOSTOLOV Date: 2025.03.28 11:46:18 +02'00'

Mariy Apostolov
Managing partner

Grant Thornton OOD
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For RSM BG OOD
Audit firm, Reg.N°173

Mariana Petrova Mihaylova — Digitally signed by Mariana Petrova Mihaylova Date: 2025.03.28 14:09:55 +02'00'

Mariana Mihaylova, PhD
Registered auditor responsible for the audit

Mariana Petrova Mihaylova — Digitally signed by Mariana Petrova Mihaylova Date: 2025.03.28 14:30:07 +02'00'

Mariana Mihaylova, PhD
Managing partner

RSM BG OOD
9, Fritjof Nansen Str., 1124 Sofia
tel.: +359 2 987 55 22
e-mail: office@rsmbg.bg
website: www.rsmbg.bg

30 March 2026
Sofia, Bulgaria

CENTRAL COOPERATIVE BANK AD

SEPARATE FINANCIAL STATEMENTS
SEPARATE ANNUAL ACTIVITY REPORT
INDEPENDENT AUDITORS' REPORT

31 December 2025

Unofficial translation from Bulgarian

SEPARATE STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31.12.2025 BGN'000	31.12.2024 BGN'000
Cash and balances with the Central Bank	5	1 982 544	1 958 009
Placements with and advances to banks	6	1 007 880	173 641
Receivables under repurchase agreements	7	412 073	592 067
Financial assets at fair value through profit or loss	8	241 833	247 265
Loans and advances to customers	9	3 319 796	3 147 106
Other assets	10	64 484	44 229
Financial assets at fair value through other comprehensive income	11	1 031 234	845 108
Debt instruments at amortized cost	12	1 939 638	1 834 837
Investments in subsidiaries	13	49 516	49 416
Non-current tangible and intangible assets	14	179 375	107 979
Right-of use assets	15	39 199	35 167
Investment property	16	50 077	48 354
TOTAL ASSETS		**10 317 649**	**9 083 178**
LIABILITIES AND SHAREHOLDERS' EQUITY LIABILITIES			
Deposits from banks	17	30 712	18 390
Deposits from customers	18	9 175 510	8 122 708
Debt issued	19	25 463	25 463
Provisions for liabilities	20	431	522
Other liabilities	21	71 847	57 980
TOTAL LIABILITIES		**9 303 963**	**8 225 063**
SHAREHOLDERS' EQUITY			
Issued capital	22.1	127 130	127 130
Premium reserve	22.2	110 470	110 470
Other reserves, including retained earnings	22.3	579 225	483 304
Revaluation reserve	22.4	110 133	41 309
Profit for the year		86 728	95 902
TOTAL SHAREHOLDERS' EQUITY		**1 013 686**	**858 115**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**10 317 649**	**9 083 178**

The accompanying notes from 1 to 42 are an integral part of these separate financial statements.
This document is a translation of the original Bulgarian text, in case of divergence the Bulgarian text shall prevail.

These separate financial statements have been approved by the Management Board and signed on behalf of Central Cooperative Bank AD on 27 March 2026 by:

Georgi Kostov
Executive Director
GEORGI KOSEV KOSTOV Digitally signed by GEORGI KOSEV KOSTOV Date: 2025.03.27 16:52:30 +02'00'

Nikola Kedev
Executive Director
NIKOLA STEFANOV KEDEV Digitally signed by NIKOLA STEFANOV KEDEV Date: 2025.03.27 15:58:18 +02'00'

Sava Stoynov
Executive Director
SAVA MARINOV STOYNOV Digitally signed by SAVA MARINOV STOYNOV Date: 2025.03.27 16:21:51 +02'00'

Tihomir Atanassov
Procurator
Tihomir Angelov Atanasov Digitally signed by Tihomir Angelov Atanasov Date: 2025.03.27 17:21:41 +02'00'

Yordan Hristov
Chief Accountant
IORDAN BORISOV HRISTOV Digitally signed by IORDAN BORISOV HRISTOV Date: 2025.03.27 16:13:24 +02'00'

With Auditors' Report:
Grant Thornton OOD, audit company,
Reg. No 032

Georgi Stoyanov,
Registered Auditor
responsible for the audit
Georgi Nikolaev Stoyanov Digitally signed by Georgi Nikolaev Stoyanov Date: 2025.03.28 11:40:15 +02'00'

Mariy Apostolov,
Statutory Manager
MARIY GEORGIEV APOSTOLOV Digitally signed by MARIY GEORGIEV APOSTOLOV Date: 2025.03.28 11:48:18 +02'00'

RSM BG OOD, audit company,
Reg. No 173

Mariana Mihaylova, PhD,
Registered Auditor,
responsible for the audit
Mariana Petrova Mihaylova Digitally signed by Mariana Petrova Mihaylova Date: 2025.03.28 14:09:55 +02'00'

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SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2025 BGN'000	2024 BGN'000
Interest revenue calculated using the effective interest method	23	217 377	225 342
Other interest income	23	617	243
Interest expense	23	(7 810)	(4 115)
Net interest income		**210 184**	**221 470**
Fees and commissions income	24	77 193	76 626
Fees and commissions expense	24	(26 253)	(24 934)
Net fees and commissions income		**50 940**	**51 692**
Gains from transactions with securities, net	25	7 695	4 172
Foreign exchange losses, net	26	(7 076)	(2 398)
Other operating income, net	27	7 242	5 656
Operating expenses	28	(171 063)	(165 339)
(Reversed)/ Accrued provisions for liabilities		92	(213)
Credit loss expense on financial assets	29	(3 035)	(9 390)
Profit before taxes		**94 979**	**105 650**
Income tax expense	30	(8 251)	(9 748)
PROFIT FOR THE YEAR		**86 728**	**95 902**
Other comprehensive loss			
Items reclassified to profit or loss:			
Profit on debt instruments at fair value through other comprehensive income, net of taxes	22.4	1 640	2 405
Items not reclassified in the profit or loss:			
Revaluation of non-financial assets, net of taxes	22.4	65 419	2 536
Gains on equity instruments at fair value through other comprehensive income, net of taxes	22.4	2 090	2 664
Revaluation of payables under defined benefit plans	22.4	(306)	(322)
Total other comprehensive profit/ (loss)		**68 843**	**7 283**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**155 571**	**103 185**
Earnings per share			
Earnings per share (in BGN)	31	0.68	0.75
Diluted earnings per share (in BGN)	31	0.65	0.72

The accompanying notes from 1 to 42 are an integral part of these separate financial statements.
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Date: 2025.03.28 14:30:07 +02'00'

The accompanying notes from 1 to 42 are an integral part of these separate financial statements.
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SEPARATE STATEMENT OF CASH FLOW

	2025 BGN'000	2024 BGN'000
Cash flows from operating activities:		
Profit before taxes	94 979	105 650
Change in operating assets		
Decrease / (Increase) in receivables on repurchase agreements	180 635	(150 981)
Increase in financial assets at fair value through profit or loss	11 493	(26 313)
Increase of financial assets at fair value through other comprehensive income, net	(186 126)	(238 166)
Increase in loans and advances to customers	(175 906)	(130 704)
Decrease in other assets	1 517	163
Total change in operating assets	(168 387)	(546 001)
Decrease in other assets	163	4 812
Total change in operating assets	**(548 537)**	**(79 363)**
Change in operating liabilities:		
Increase in deposits from banks	12 322	4 303
Increase in amounts owed to other depositors	1 052 802	789 000
Changes in liabilities for provisions	(91)	212
Increase / (Decrease) in other liabilities	5 656	(1 202)
Total change in operating liabilities	**1 070 689**	**792 313**
Other non-cash transactions, included in profit before tax		
Net gain from investing activities	(6 061)	(1 672)
Change in fair value of investment property	(1 723)	(99)
Increase of adjustment for impairment of loans and advances to banks	(10)	5
Change in impairment of repurchase transactions	(641)	634
Increase of adjustment for impairment of loans and advances to clients	3 216	6 184
Decrease of adjustment for impairment of financial assets at amortized cost	(1 337)	(141)
Increase of adjustment for impairment of financial assets at fair value through other comprehensive income	1 808	2 708
Change in provision of liabilities	92	(213)
Depreciation and amortization	22 027	21 306
Changes in the carrying amount of assets written-off	(1 259)	(1 948)
Total other non-cash transactions, included in profit before tax	**16 112**	**26 764**
Change in deferred taxes	304	457
Income tax paid	(29 875)	(10 549)
NET CASH FLOW FROM OPERATING ACTIVITIES	**983 822**	**368 634**

The accompanying notes from 1 to 42 are an integral part of these separate financial statements.
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SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)

Cash flows from investing activities:		
Acquisition of financial assets at amortized cost, net	(103 464)	(351 777)
Payments for purchase of non-current assets	(6 431)	(4 778)
Proceeds from sale of non-current assets	1 653	2 224
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(108 242)**	**(354 331)**
Cash flows from financing activities		
Interest paid on issued bonds (Note 34)	(915)	(915)
Lease payments (Note 34)	(13 941)	(12 935)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(14 856)**	**(13 850)**
CHANGE IN CASH AND CASH EQUIVALENTS, NET	860 724	453
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2 126 783	2 126 330
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (NOTE 33)	**2 987 507**	**2 126 783**

Operating cash flows, related to interest and commissions	**2025 BGN'000**	**2024 BGN'000**
Proceeds from interest	219 944	222 168
Interest payments	(7 642)	(5 911)
Proceeds from commissions	77 193	76 626
Payments for commissions	(26 253)	(24 934)

These separate financial statements have been approved by the Management Board and signed on behalf of Central Cooperative Bank AD on 27 March 2026 by:

Georgi Kostov
Executive Director
GEORGI KOSEV KOSTOV Digitally signed by GEORGI KOSEV KOSTOV Date: 2025.03.27 16:52:30 +02'00'

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Yordan Hristov
Chief Accountant
IORDAN BORISOV HRISTOV Digitally signed by IORDAN BORISOV HRISTOV Date: 2025.03.27 16:13:24 +02'00'

With Auditors' Report:
Grant Thornton OOD, audit company,
Reg. No 032

Georgi Stoyanov,
Registered Auditor
responsible for the audit
Georgi Nikolaev Stoyanov Digitally signed by Georgi Nikolaev Stoyanov Date: 2025.03.28 11:40:15 +02'00'

Mariy Apostolov,
Statutory Manager
MARIY GEORGIEV APOSTOLOV Digitally signed by MARIY GEORGIEV APOSTOLOV Date: 2025.03.28 11:48:16 +02'00'

RSM BG OOD, audit company,
Reg. No 173

Mariana Mihaylova, PhD,
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responsible for the audit
Mariana Petrova Mihaylova Digitally signed by Mariana Petrova Mihaylova Date: 2025.03.28 14:09:55 +02'00'

Mariana Mihaylova, PhD,
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Mariana Petrova Mihaylova Digitally signed by Mariana Petrova Mihaylova Date: 2025.03.28 14:30:07 +02'00'

The accompanying notes from 1 to 42 are an integral part of these separate financial statements.
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SEPARATE STATEMENT OF CHANGES IN EQUITY

BGN'000	Issued capital BGN'000	Premium reserve BGN'000	Other reserves, including retained earnings BGN'000	Revaluation reserves BGN'000	Profit for the year BGN'000	Total BGN'000
BALANCE AS OF 1 JANUARY 2024	**127 130**	**110 470**	**397 706**	**34 412**	**85 209**	**754 927**
Profit for the year	-	-	-	-	95 902	95 902
Other comprehensive income for the year	-	-	-	7 283	-	7 283
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**-**	**7 283**	**95 902**	**103 185**
Transfer of profit from previous periods	-	-	85 209	-	(85 209)	-
Effect of derecognition of equity instruments measured through other comprehensive income	-	-	386	(386)	-	-
Other movements	-	-	3	-	-	3
BALANCE AS OF 31 DECEMBER 2024	**127 130**	**110 470**	**483 304**	**41 309**	**95 902**	**858 115**
Profit for the year	-	-	-	-	86 728	86 728
Other comprehensive income for the year	-	-	-	68 843	-	68 843
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**-**	**68 843**	**86 728**	**155 571**
Transfer of profit from previous periods	-	-	95 902	-	(95 902)	-
Effect of derecognition of equity instruments measured through other comprehensive income	-	-	19	(19)	-	-
BALANCE AS OF 31 DECEMBER 2025	**127 130**	**110 470**	**579 225**	**110 133**	**86 728**	**1 013 686**

These separate financial statements have been approved by the Management Board and signed on behalf of Central Cooperative Bank AD on 27 March 2026 by:

GEORGI KOSEV KOSTOV Digitally signed by GEORGI KOSEV KOSTOV Date: 2025.03.27 16:52:30 +02'00'
Georgi Kostov
Executive Director

NIKOLA STEFANOV KEDEV Digitally signed by NIKOLA STEFANOV KEDEV Date: 2025.03.27 15:58:18 +02'00'
Nikola Kedev
Executive Director

SAVA MARINOV STOYNOV Digitally signed by SAVA MARINOV STOYNOV Date: 2025.03.27 16:21:51 +02'00'
Sava Stoynov
Executive Director

Tihomir Atanassov
Procurator
Tihomir Angelov Atanasov Digitally signed by Tihomir Angelov Atanasov Date: 2025.03.27 17:21:41 +02'00'

Yordan Hristov
Chief Accountant
IORDAN BORISOV HRISTOV Digitally signed by IORDAN BORISOV HRISTOV Date: 2025.03.27 16:13:24 +02'00'

With Auditors' Report:
Grant Thornton OOD, audit company,
Reg. No 032

Georgi Stoyanov,
Registered Auditor
responsible for the audit
Georgi Nikolaev Stoyanov Digitally signed by Georgi Nikolaev Stoyanov

RSM BG OOD, audit company,
Reg. No 173

Mariana Mihaylova, PhD,
Registered Auditor,
responsible for the audit
Mariana Petrova Mihaylova Digitally signed by Mariana Petrova Mihaylova

Mariy Apostolov,
Statutory Manager
MARIY GEORGIEV APOSTOLOV Digitally signed by MARIY GEORGIEV APOSTOLOV

Mariana Mihaylova, PhD,
Statutory Manager
Mariana Petrova Mihaylova Digitally signed by Mariana Petrova Mihaylova Date: 2025.03.28 14:30:07 +02'00'

The accompanying notes from 1 to 42 are an integral part of these separate financial statements.
This document is a translation of the original Bulgarian text, in case of divergence the Bulgarian text shall prevail.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND ACTIVITY OVERVIEW

Central Cooperative Bank AD, Sofia (the "Bank") is a joint stock company established in 1991, UIC 831447150, seat and management address at 87, Tsarigradsko shosse, Sofia 1086, Bulgaria.

The Bank's activities and operations are governed by the Law on Credit Institutions. The Bank currently operates under a banking license issued by the Bulgarian National Bank (BNB), pursuant to which it may accept deposits in local and foreign currency, extend loans in local and foreign currency, open and maintain nostro accounts in foreign currency abroad, deal with securities and foreign currency and perform all other banking activities and transactions, permitted by the Law on Credit Institutions.

In December 2005 the Bank obtained a bank license, issued by the Central Bank of Cyprus, under which the Bank is authorized to perform bank activity through a legally licensed bank branch on the territory of the Republic of Cyprus, in compliance with the requirements of the Cyprus Law on Banks. The Bank started its banking activity on the territory of Cyprus in 2007 through its bank branch.

The Bank is a public entity and is listed on the Bulgarian Stock Exchange AD with BSE code (CCB/4CF). The Bank is a member of the European Association of Cooperative Banks. The Bank has a primary dealer status for transactions with Bulgarian government securities

The Bank provides services as investment intermediary under the provisions of the Public Offering of Securities Act (POSA). As an investment intermediary, the Bank complies with specific requirements for protection of clients' interests under the Markets in Financial Instruments Act (MFIA) and Ordinance 38 issued by the Financial Supervision Commission (FSC). The Bank implements organization related to the conclusion and execution of contracts with customers involving requesting customer data, keeping records and clients' assets in accordance with the reporting requirements for keeping clients' assets under art. 122-126 of Ordinance 38/21.05.2020 on the Requirements to the Activities of Investment Intermediaries and Chapter II, art. 3-10 of Ordinance 58 as of 28.02.2018 outlining the requirements for protection of the customers' financial instruments and cash, for product management and for providing or receiving considerations, commissions, other cash and non-cash benefits.

As of 31 December 2025 the Bank's operations are conducted through a head-office located in Sofia, Bulgaria, 47 branches and 203 remote offices throughout the country, 26 remote employees in Bulgaria and 1 branch in the Republic of Cyprus.

The ultimate controlling parent company of the Bank, which prepares consolidated financial statements and whose shares are not listed on the Bulgarian Stock Exchange, is Invest Capital AD.

2. STATEMENT OF COMPLIANCE WITH IFRS AND GOING CONCERN

2.1. Statement of compliance with IFRS, as adopted by the EU

The separate financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the EU (IFRS Accounting Standards, as approved by the EU). Within the meaning of para. 1, item 8 of the Supplementary Provisions to the Accountancy Act, applicable in the Republic of Bulgaria, the term "IFRS as approved by the EU" stands for the International Accounting Standards (IAS), adopted in compliance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

Management is responsible for the preparation and fair presentation of the information in these financial statements.

These financial statements are separate financial statements prepared for the year ended 31 December 2024. These separate financial statements have been prepared for general purposes under the going concern principle.

The Bank controls the subsidiaries Central Cooperative Bank AD Skopje, the Republic of North Macedonia and CCB Assets Management EAD, Wine Assets EOOD, Winery Assets EOOD, Sofia, the Republic of Bulgaria.

These financial statements are separate financial statements. The Bank also prepares consolidated financial statements in accordance with IFRS, developed and published by IASB and approved by the EU, where the investments in subsidiaries are reported and disclosed in accordance with IFRS 10 Consolidated financial statements and which will be published after the date of issuance of these separate financial statements.

2.2. Going concern principle

At the date of preparation of these separate financial statements, management has made an assessment of the Entity's ability to continue as a going concern based on available information for the foreseeable future. After making enquiries, the management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the separate financial statements.

3. NEW OR REVISED STANDARDS AND INTERPRETATIONS

3.1. New standards, amendments and interpretations to existing standards as at 1 January 2025

The Bank has adopted the following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Bank's separate financial statements for the annual period beginning 1 January 2025:

Amendments to IAS 21 "The effects of changes in foreign exchange rates: Lack of exchangeability", effective from 1 January 2025, adopted by the EU
Lack of Exchangeability amends IAS 21 to:
- specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

3.2. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2025 and have not been applied early by the Company. They are not expected to have a material impact on the Company's financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. A list of the changes in the standards is provided below:

Annual Improvements Volume 11, effective from 1 January 2026, adopted by the EU
Annual Improvements Volume 11 cover wide area of topics in the following standards:

• IFRS 1 First-time Adoption of International Financial Reporting Standards
Hedge accounting by a first-time adopter. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.

• IFRS 7 Financial Instruments: Disclosures
- Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.
- Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
- Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.

• IFRS 9 Financial Instruments
- Lessee derecognition of lease liabilities. The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.

- Transaction price. The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.

• IFRS 10 Consolidated Financial Statements
- Determination of a 'de facto agent'. The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

• IAS 7 Statement of Cash Flows
- Cost method. The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective from 1 January 2026, adopted by the EU
The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:
• Derecognition of a financial liability settled through electronic transfer. The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

• Classification of financial assets
- Contractual terms that are consistent with a basic lending arrangement. The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Assets with non-recourse features. The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- Contractually linked instruments. The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

• Disclosures
- Investments in equity instruments designated at fair value through other comprehensive income. The requirements in IFRS 7 are amended for disclosures that an entity provides in

respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

- Contractual terms that could change the timing or amount of contractual cash flows. The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

IFRS 18 Presentation and Disclosure in Financial Statements effective from 1 January 2027, not yet adopted by the EU

IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred to IFRS 18 and other Standards. IFRS 18 will affect all companies in all industries. Although IFRS 18 will not affect how companies measure financial performance, it will affect how companies present and disclose financial performance. IFRS 18 aims to improve financial reporting by:

- requiring additional defined subtotals in the statement of profit or loss. Adding defined subtotals to the statement of profit or loss makes companies' financial performance easier to compare and provides a consistent starting point for investors' analysis.
- requiring disclosures about management-defined performance measures. Requiring companies to disclose information about management-defined performance measures increases discipline over their use and transparency about their calculation.
- adding new principles for grouping (aggregation and disaggregation) of information. Setting out requirements on whether information should be in the primary financial statements or the notes and providing principles on the level of detail needed improves effective communication of information.

IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU

The objective of IFRS 19 is to specify the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. An entity may elect to apply this Standard in its consolidated, separate or individual financial statements if, and only if, at the end of the reporting period it is a subsidiary, it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 set out the detailed disclosures that an entity applying IFRS 19 is required to make. These disclosure requirements are a reduced version of those set out in other IFRS Accounting Standards. Of the 34 IFRS Accounting Standards that include disclosure requirements, IFRS 19 provides reduced disclosure requirements for 30 of them. The disclosure requirements for 3 standards have to be applied in full (IFRS 8, IFRS 17 and IAS 33). Entities applying IAS 26 Accounting and Reporting by Retirement Benefit Plans do not meet the 'not have public accountability' criterion and are therefore not eligible to apply IFRS 19.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU
The amendments include reduced disclosure requirements, excluding objectives and guidance on areas such as supplier finance arrangements, Pillar Two rules, and financial instruments, and replacing management-defined performance measures with a cross-reference to IFRS 18.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, effective from 1 January 2027, not yet adopted by the EU
The amendments address a specific scenario where a parent entity (whose presentation currency is hyperinflationary) consolidates a foreign operation (whose functional currency is non-hyperinflationary). The comparative figures for foreign operations with non-hyperinflationary functional currencies must be restated using the general price index (as per IAS 29) when presented in the hyperinflationary presentation currency.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1. Overall considerations

The material accounting policies that have been used in the preparation of these Separate financial statements are summarized below.

The separate financial statement is prepared on an accrual basis and in accordance with the historical cost principle, modified to fair value for financial assets and liabilities measured at fair value through profit or loss, and fair value through other comprehensive income, as well as fair value for investment properties and revalued value for buildings used in banking operations. All other financial assets and liabilities are measured at amortized cost or acquisition cost.

The basis of measurement are described in further detail in the accounting policy below.

The financial statements are presented in Bulgarian lev, which is the Bank's functional currency. All amounts are presented in thousands of levs (BGN thousand) (including comparative information for 2024) unless otherwise stated.

It should be noted that in preparing the presented financial statement, accounting estimates and assumptions have been used. Although these are based on information provided to management as of the date of preparation of the financial statements, actual results may differ from the estimates and assumptions made.

4.2. Presentation of separate financial statements

The financial statements have been presented in accordance with IAS 1 "Presentation of Financial Statements". The Bank has elected to present the statement of profit or loss and other comprehensive income as a single statement.

Two comparative periods are presented for the statement of financial position when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements and this has a material impact on the statement of financial position at the beginning of the preceding period.

When necessary, comparative data is reclassified (and recalculated) to achieve comparability with changes in presentation in the current year. During the period, the bank has made a change in presentation in the statement of financial position, statement of profit or loss, and statement of cash flows.

4.3. Interest income and expenses

The interest income and interest expenses are recognized by taking into account the effective interest of the respective financial asset or liability in all its material aspects. Interest income and interest expense include amortization of discount, premium and other differences between the initial book value and the value at maturity of interest-bearing instruments calculated by the effective interest rate (for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial liabilities at amortized cost).

The effective interest rate is the rate that exactly discounts the estimated future cash flows of the financial instrument over its expected life, or if applicable, for a shorter period, to the net book value of the financial asset or financial liability. The future cash flows are estimated by taking into account the contractual terms of the instrument. The calculation of the effective interest rate includes all fees and consideration paid to or received between the parties to the contract that are directly related to the specific agreement, transaction costs and all other premiums or rebates.

The interest income and interest expenses presented in the statement of profit or loss and other comprehensive income, include:

- calculated based on the effective interest rate;
  - interest from financial assets and liabilities at amortized cost;
  - interest on debt instruments at fair value through other comprehensive income (FVTOCI);
  - payables on lease agreements;
- calculated on other bases;
  - interest from financial assets at fair value through profit or loss;
  - negative interest on assets

The Bank calculates interest income and expenses on financial assets, other than those considered credit impaired, by applying the interest income to the gross book value of the financial asset.

4.4. Fees and commissions income and expenses

Fees and commissions income and expenses are recognized in profit or loss when the respective service is performed or received. All fees and commissions that are not an integral part of the effective interest rate of the financial instrument are accounted for in accordance with IFRS 15.

The following five-step model is used to determine whether and how revenue should be recognized in accordance with IFRS 15 Revenue from contracts with customers:

1. Identify the contract with a customer
2. Identify all the performance obligations
3. Determine the transaction price

4. allocate the transaction price to each performance obligation
5. recognise revenue when a performance obligation is satisfied.

Revenue is recognized over time when or until the Bank fulfils its obligations when it transfers the promised services to its customers.

The Bank recognizes as contract liabilities consideration received for unfulfilled performance obligations and presents them as other liabilities in the statement for financial position. Prepaid fees on issued bank guarantees and undrawn credit commitments are recognized under Other liabilities in the Statement of Financial Position. In Note 21, the indicated amounts are presented as Deferred Income.

Similarly, if the Bank fulfils a performance obligation before it receives the consideration it recognizes in the statement of financial position either a contract asset or receivable depending on whether or not something other than a certain time to obtain the consideration is required.

Fees and commissions consist mainly of fees for bank transfers in Bulgaria and abroad, fees for servicing accounts, fees related to loan exposures, servicing off- balance sheet commitments and revenue as disclosed in Note 24.

In all cases the total transaction price for a certain contract is allocated between the various performance obligations based on the relatively separate sales prices of the separate products and services. The consideration which the Bank receives is determined in the various Bank's tariffs and does not include variable component. The transaction price under the contract excludes all amounts collected on behalf and at the expense of third parties. Fees and commissions income is recognized over time. Significant part of the fees and commissions income is recognized after the service is provided and the consideration is collected from the customer.

Commissions arising from foreign currency transactions are reported in the statement of profit or loss and other comprehensive income on their receipt. Fees and commissions for granting and management of loans when considered to be part of the effective income are amortized during the loan term and are recognized as current financial income during the period by applying the effective interest method.

4.5. Foreign currency transactions

Transactions denominated in foreign currency are converted into BGN at the exchange rates set by BNB for the transaction date. Receivables and liabilities denominated in foreign currency are converted into BGN as of the date of statement of financial position preparation at the exchange rates of BNB for the same date.

Net foreign exchange rate gains or losses, arising from translation at the rates of BNB as of the transaction date, are included in profit or loss and other comprehensive income for the period, when they arise.

The Bank carries out daily revaluation of all currency assets and liabilities and off-balance sheet positions at the official BNB rate for the respective day, with the exception of non-monetary positions in foreign currency within the meaning of IAS 21, which are reported at exchange rate as of the transaction date. The net gains and losses, arising from revaluation of balance sheet currency positions, are reported in profit or loss for the period, in which they arise.

As of 2002 the Bulgarian Lev is fixed to the Euro at the rate of EUR 1 = BGN 1.95583.

The exchange rates of USD and the Bulgarian Lev as of 31 December 2025 and 2024 are as follows:

31 December 2025	31 December 2024
1 USD = 1.66355 BGN	1 USD = 1.8826 BGN

The functional currency of the Bank's branch in the Republic of Cyprus is EUR.

As of 1 March 2022, the European Central Bank and the Bulgarian National Bank discontinued the publication of official exchange rates for euro–Russian rouble and Bulgarian lev–Russian rouble, respectively. In this context, and in applying the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates", the Bank assessed the existence of a lack of convertibility between the respective currencies at the dates of initial recognition and subsequent measurement of its exposures denominated in Russian roubles.

In accordance with the amendments to IAS 21 issued by the International Accounting Standards Board in August 2023, a currency is considered convertible when the Bank is able to obtain the other currency within a reasonable administrative period and through a market or exchange mechanism in which the transaction creates enforceable rights and obligations. Based on the performed assessment, the Bank concluded that, as at the relevant reporting dates, the Russian rouble is not convertible into euro for the purposes of settling the related exposures, due to imposed foreign exchange restrictions and the lack of access to an active and liquid market.

In the presence of a lack of exchangeability, the Bank applied the requirements of IAS 21 for estimating a spot exchange rate, using its best estimate of the rate at which an orderly exchange transaction between market participants would take place under prevailing economic conditions at the measurement date. For this purpose, the Bank determined a closing cross-rate of Russian rouble – euro – Bulgarian lev, published by the Central Bank of the Russian Federation.

In accordance with the requirements of the IAS 21 amendments, the derived exchange rate used was compared with observable benchmark rates from several exchange-traded and over-the-counter markets in countries within and outside the European Union, to which the Bank has access. As a result of this comparative analysis, Management concluded that the determined rate represents a reasonable and reliable approximation of the rate at which an orderly exchange transaction between independent market participants would occur at the relevant reporting date.

Management has assessed that the use of an estimated exchange rate due to lack of convertibility results in an increased level of measurement uncertainty. Accordingly, the present financial statements include disclosures regarding the nature of the restrictions, the approach used to determine the exchange rate, and the potential risks associated with changes in convertibility conditions. The Bank monitors developments in the market and regulatory environment and will update its approach and disclosures in the event of changes in circumstances.

4.6. Dividend income

Dividend is recognized by the Bank in profit or loss only when:
a) the right of the Bank to receive payment of a dividend is established;
b) there is probability that the Bank will receive economic benefit related to the dividend;
c) the amount of the dividend may be reliably measured

4.7. Net profits from securities transactions

Net gains from securities transactions include gains and losses on the sale or change in fair value of these assets, exchange differences resulting from the revaluation of these assets and liabilities denominated in foreign currency. Additional information is presented in Note 25.

4.8. Financial assets and liabilities

4.8.1. Initial recognition of financial instruments

Financial assets and financial liabilities are initially recognized in the Bank's statements of financial position only when the Bank becomes a party under the contract provisions of the instrument. Their initial accounting recognition is based on the settlement date.

Except for trade receivables, upon initial recognition, the Bank measures a financial asset or financial liability at its fair value, plus or minus, in the case of a financial asset or financial liability not measured at fair value through profit or loss, transaction costs that are directly related to the acquisition or issue of the financial asset or financial liability. The transaction costs included in the acquisition cost are fees, commissions and other fees paid to agents, brokers, consultants, dealers and others directly involved in the transaction, taxes, fees, permits and other paid at exchanges and regulatory authorities. All other costs are reported as current for the period in which they arise. The cost of acquisition does not include interest in the financial asset that was not paid at the acquisition date.

4.8.2. Classification of financial instruments

Financial assets

The Bank classifies the financial assets as subsequently measured at amortized cost, at fair value through other comprehensive income or fair value through profit or loss on the basis of two conditions:
a) business model for managing the financial assets; and
b) contractual cash flow characteristics of the financial assets (check for only solely payment of principal and interest – SPPI test).

When the cash flows meet the SPPI test and the business model for holding the instruments is to receive the contractual cash flows, the Bank classifies the debt instruments at amortised cost. When the business model for holding the financial instruments is for trading purposes and holding the assets to earn principal and interest, on initial recognition, the Bank classifies those assets as debt instruments at fair value through other comprehensive income.

Defining the business model for the management of the financial assets

The business model refers to the way in which the Bank manages its financial assets for generating cash flows, i.e. the business model of the Bank determines whether the cash flows will be generated for collecting contractual cash flows, sale of financial assets or for both.

The business models applied by the Bank are as follows:
• business model whose objective is to collect the contractual cash flows
• business model whose objective is both to collect contractual cash flows and to sell financial assets
• other business model of fair value measurement through profit or loss, through which the Bank manages the financial assets for the objective of realizing cash flows through sale of assets.

Characteristics of the contractual cash flows of the financial asset

Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding

The Bank classifies a financial asset based on the characteristics of its contractual cash flows. The contractual cash flows and the chosen business model that represent solely payments of principal and interest on the principal amount outstanding, correspond to the basic lending agreement. In the basic lending agreement, the main elements that determine the interest are the time value of money and the credit risk. Interest may also include consideration for assuming other basic risks – liquidity risk, price of borrowings and amounts for covering administrative expenses for the loan, related to holding the financial asset for a certain period of time and profit margin.

Financial liabilities

The Bank's financial liabilities include deposits received, liabilities under bonds, lease contracts liabilities, commercial and other financial liabilities.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs, unless the Bank has designated a financial liability as measured at fair value through profit and loss.

The Bank classifies all financial liabilities as subsequently measured at amortised cost, with the exception of the derivative liabilities, which are measured at fair value through profit or loss.

4.8.3. Subsequent measurement of financial instruments

Financial assets
After initial recognition, classification and measurement the Bank measures a financial asset at: a) amortized cost; b) fair value through other comprehensive income; or c) fair value through profit or loss.

The Bank applies the requirements for impairment of IFRS 9 regarding debt financial assets that are measured at amortized cost, debt financial assets at fair value through other comprehensive income, as well as issued financial guarantees and credit commitments.

Financial assets at amortized cost

The Bank measures a financial asset – debt instrument at amortized cost, if the following two conditions are met: a) a financial asset is held within a business model whose objective is to collect the contractual cash flows; and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost is the asset's original carrying amount minus principal repayments plus or minus the accumulated amortization of the difference between that initial value and the maturity value calculated using the effective interest method and adjusted for each loss allowance.

Expected credit losses

For the purpose of determining the expected credit losses, the Bank groups the financial assets at the debtor level in one of the following stages:

- Stage 1 – which comprises newly originated financial assets as well as assets whose credit risk has not significantly increased since initial recognition;
- Stage 2 – which comprises financial assets whose credit risk has significantly increased since initial recognition
- Stage 3 – which comprises financial assets at default.

Purchased or originated financial assets with credit impairment

For these financial assets, an entity applies the effective interest rate adjusted for credit losses to the amortised cost of the financial asset at initial recognition.

Credit risk on a financial asset can be defined as low on the basis of an external credit rating and the Bank's ability to meet its obligations in the short term, and any adverse changes to economic and business conditions in the long run could, but are not necessarily reduce the debtor's ability to perform his duties. Exposures with no significant deterioration in credit quality after their initial recognition include exposures where the delay of agreed payments are up to 30 days and no significant credit risk increases are identified.

The estimate for determining exposures with significant increase of credit risk is based on a combination of automatic and other internally determined indicators.

The Bank considers that there has been a significant increase in credit risk on a financial asset when contractual payments are overdue between 31 and 90 days, or when the past due period exceeds 90 days but the amount is not material; when concessions have been granted to a debtor due to financial difficulties and such concessions do not result in a substantial reduction of the financial obligation (below 1%), and consequently do not lead to classification of the exposures as defaulted; or when the debtor is under a probation period following concessions granted by the Bank (forborne exposures). The assessment for identifying exposures as having significantly deteriorated credit quality also includes other indicators, such as changes in the debtor's payment status, for example changes in the debtor's financial condition (e.g. a decline in revenues of more than 30%, loss of a key customer representing more than 50% of sales, accumulated losses, etc.), which are expected to lead to a significant change in its ability to meet its obligations; identified adverse information and market data related to the debtor that significantly increase credit risk; changes in the Bank's approach to managing a given exposure; and other relevant factors.

For defaulted exposures, the Bank uses the guidelines of Regulation (EU) No 575/2013 and Guideline

EBA/GL/2016/07 on the application of the definition of non-compliance under Article 178 of Regulation (EU) 575/2013. The Bank has assumed that a default has occurred in respect of a particular debtor where the overdue payment is over 90 days for a substantial portion of the credit obligation of the debtor, and / or it is considered that the debtor is unlikely to fully repay its credit obligations without taking enforcement action of the collateral. When determining the materiality of the overdue credit obligation, the Bank applies the thresholds defined in Art. 28 of Ordinance No. 7 of BNB dated 24.04.2014 on the organization and management of risks in banks. All financial assets classified as non-performing exposures under regulatory requirements are considered to be non-performing financial assets.

The review of the indicators and the assessment of the exposures is performed on a monthly basis, under the control of the Risk Management Directorates of the Bank's Central Unit, and the respective decisions are taken by the Bank's management.

For financial assets in Stage 1 the 12-month expected credit loss is applied, while for financial assets in Stage 2 and Stage 3 – the full lifetime expected credit loss of the financial asset is applied. Financial assets in Stage 3 are assets with objective evidence for impairment.

For the purpose of determining the impairment of financial assets, the Bank applies models of calculating the expected credit losses on collective or individual basis. The impairment models for individual measurement of financial assets are applied for debt financial instruments such as debt securities, bank balances and deposits, as well as for exposures, representing "Project financing" or exposures with unique characteristics, regardless of their amount. Impairment models for individually measured exposures, are based on discounted cash flows and reflect the different scenarios of expected cash flows, including available reasonable and supportable information without undue cost or effort, which concerns future events /including macroeconomic forecasts/. For the purpose of determining the impairment of exposures in default /Stage 3/ or credit –impaired financial assets, the Bank applies a model for individual impairment of assets above a certain amount.

The impairment model for collectively measured financial assets is based on determining amounts for the probability of default /PD/ and for the loss given default /LGD/ for each collectively measured asset, by applying amortization through the effective interest rate /EIR/ when calculating the exposure at default /EAD/. The impairment models of the financial assets collectively measured are applied for debt securities, bank balances and deposits, repurchase agreements and exposures as a result of the Banks's loan activity – loans and off-balance exposures of individuals and legal entities. The models include available reasonable and supportable information, accessible without undue costs or efforts, for external credit rating of the counterparties, as well as 3–year scenarios for the macroeconomic development of the state, prepared by external sources /MF, BNB, NSI, WB, IMF/. The macroeconomic indicators used by the Bank are: growth of the gross domestic product /GDP/, harmonized consumer price index /HCPI/, Level of unemployment and index of prices of apartments. The Bank updates the values of the forecast indicators used in its model once per year, when the 3-year forecast data is published and disclosed by the respective institutions.

The Bank recognizes in profit or loss – the gain or loss from impairment, the amount of the expected credit losses (or reversal), arising in the period, measured by the difference between the credit loss adjustment as of the date of the review or prior review date. The loss allowance for expected credit losses is presented as a decrease of the carrying amount of the financial asset in the statement of financial position.

Financial assets at fair value through other comprehensive income
Debt instruments
The Bank designates a debt financial asset at fair value through other comprehensive income, if the following conditions are met:
a) the financial asset is held within a business model whose objective is to collect the contractual cash flows and for selling financial assets, and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gain or loss on a debt financial asset at fair value through other comprehensive income is recognized by the Bank through other comprehensive income, with the exception of gains and losses on impairment, gains and losses on foreign currency operations, interest income until the moment of derecognition or reclassification of a financial asset.

The Bank complies with the requirements for impairment of financial assets that are designated at fair value through other comprehensive income.

The Bank recognizes in profit or loss – the gain or loss from impairment, the amount of the expected credit losses (or reversal), by providing a loss allowance, which is recognized through other comprehensive income and does not decrease the carrying amount of the financial asset in the statement of financial position.

Equity instruments
The Bank may make an irrevocable election at initial recognition for particular investments that are not held for trading, in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value through other comprehensive income. This measurement is performed for each asset (for each instrument). Equity instruments are not subject to review for impairment.

When equity instruments measured at fair value through other comprehensive income are derecognised, the cumulative effect of the change in fair value is recognised directly in the Bank's retained earnings without reclassification through profit or loss.

Financial assets at fair value through profit or loss
The Bank measures the financial assets at fair value through profit or loss, if they are not held within a business model, whose objective is to collect the contractual cash flows or within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments. This category is also applied to instruments that do not meet the solely payments of principal and interest criteria. Gains and losses on financial assets at fair value through profit or loss are recognized by the Bank in profit or loss.

Reclassification of financial instruments
The Bank reclassifies all affected financial assets only when it changes its business model for financial asset management. The Bank does not reclassify financial liabilities.

The Bank reclassifies financial assets prospectively. The Bank does not restate any gains or losses recognized previously (including gain and loss on impairment losses) or interest.

Modification of contractual cash flows of a financial asset
Modification of a contractual cash flow of a financial asset occurs when the contractual cash flows of a financial asset are renegotiated or otherwise altered and those amendments have not been contracted at the initial recognition of the financial asset. When determining the existence of a modification of a financial asset, the factors for its occurrence are analysed, as well as the accounting reflection of the effect of modification. When the contractual cash flows of a financial asset are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with the policy of the Bank, the entity recalculates the gross carrying amount of the financial asset and recognizes profit or loss from modifying the gain or loss.

4.8.4. Derecognition of financial instruments

The Bank derecognizes a financial asset when the contractual rights for the cash flows for this financial asset have expired; or the Bank transfers the financial asset and the transfer meets the derecognition requirements.

The Bank derecognises the existing financial asset and recognises the modified financial asset as a new financial asset when the contractual cash flows of a financial asset are renegotiated or otherwise modified and the change in contractual terms is significant. The Bank applies 5% test as threshold for derecognition and modification of financial assts. '5% test' is calculation of the net present value of the cash flows under the new terms discounted at the original effective interest rate (EIR) is at least 5% different from the carrying amount of the original debt.

The Bank derecognizes a financial liability (or part of the financial liability) from its statement of financial position when it has been extinguished - i.e. when the obligation, indicated in the contract has been fulfilled, cancelled or has expired. The Bank applies 10% test as threshold for derecognition and modification of financial liabilities. '10% test' is calculation of the net present value of the cash outflows under the new terms discounted at the original effective interest rate (EIR) is at least 10% different from the carrying amount of the original debt.

4.9. Investment in subsidiaries

Subsidiaries are all entities under the Bank's control. Control is present, if the Bank is exposed or entitled to the variable return on investment in the enterprise, and is able to influence this return on the investment through its power over the enterprise, invested in.

In the separate financial statements of the Bank, the shares and interests in the subsidiaries are initially recognized at cost.

Subsequently, the Bank performs reviews periodically to determine whether there are indications for impairment. Impairment is recognized in the statement of comprehensive income as impairment losses of investments in subsidiaries.

Dividends in subsidiaries are recognized and reported in the statement of comprehensive income, when the right of the Bank for receiving dividend is established according to IFRS 9.

4.10. Receivables and liabilities under repurchase agreements

Receivables and liabilities under repurchase agreements are recognized as financial assets and liabilities at amount, which is equal to the fair value of the funds placed/obtained by the Bank, secured by the value of the securities. Interest due on the fair value of the funds placed/obtained for the term of the agreement is accounted and recognized as interest income/expense in the period of its occurrence.

Securities pledged as collateral on repurchase agreements are not derecognized in the separate statement of financial position of the Bank in cases when the risks and rewards of ownership are not transferred.

Securities received as collateral under repurchase agreements are not recorded in the statement of financial position of the Bank in cases when the risks and rewards of ownership are not transferred.

4.11. Cash and cash equivalents

Cash and cash equivalents, for the purpose of the cash flows statement preparation, include cash, balances with the Central Bank (BNB) and nostro accounts, which are unrestricted demand deposits at other banks, as well as placements with, loans and advances to other banks with a maturity up to 3 months.

4.12. Fair value hierarchy

IFRS 13 defines fair value as the price to sell an asset or to transfer a liability in an orderly transaction in an underlying (or most advantageous) market under then-current market conditions. Fair value under IFRS 13 is an exit price, whether that price is readily observable or estimated using another valuation technique.

It is the policy of the Bank to disclose fair value information on those assets and liabilities, for which published market information is readily available and whose fair value significantly differs from their carrying amounts. The fair value of cash and cash equivalents, deposits and loans, granted by the Bank, other receivables, deposits, borrowings and other current liabilities approximates their carrying amount, in case they mature in a short period of time. In the opinion of the management, under these circumstances, the reported recoverable amounts of the financial assets and liabilities are the most reliable for the purposes of the separate financial statements.

For the assets and liabilities recognized at fair value in the statement of financial position the Bank discloses for each class financial instruments the hierarchy level of fair value to which the measurements of fair value are categorized in their full scope, each significant transfer between level 1 and 2 of the fair value hierarchy and the respective reasons, as well as reconciliation of opening and closing balances for the level 3 measurements.

The Bank uses the following hierarchy to measure and disclose the fair value of financial instruments through evaluation technique:
• Level 1: quoted (unadjusted) prices of active markets for identical assets or liabilities;

- Level 2: other techniques for which the whole incoming information that has significant impact on the reported fair value is subject to direct or indirect monitoring;
- Level 3: techniques, which use incoming information that has material effect on the reported fair value and are not based on monitored market data.

Fair value of financial assets and liabilities that are traded on active markets is based on quoted prices of stock or dealer markets. For all other instruments the Bank determines their fair value using other valuation techniques.

Other valuation techniques include models based on the present value and discounted cash flows, comparison to other similar instruments for which observable market prices exist, options valuation models and other valuation models. Assumptions and input data used in valuation techniques include risk-free and reference interest rates, credit spreads and other premiums used in determining discount rates, debt and equity securities prices, exchange rates and prices of equity indices and expected fluctuations and price correlations.

The purpose of valuation techniques is to determine the fair value that reflects the price that would have been obtained when an asset was sold or paid when a liability was transferred in a normal transaction between market participants at the valuation date.

There is an analysis in note 37 of the assets measured at fair value as of 31 December 2025 and 2024 using fair value hierarchy by which the measurement of fair values is categorised. The values are based on the amounts recognised in the statement of financial position.

4.13. Offsetting

The financial assets and liabilities are offset, and the net value is presented in the statement of financial position when the Bank is entitled by law to net the recognized values, and the transactions are intended to be settled on a net basis.

4.14. Post-employment benefits and short-term employee benefits

The Bank reports short-term payables relating to unutilized paid leaves, which shall be compensated in case it is expected the leaves to occur within 12 months after the end of the accounting period during which the employees have performed the work related to those leaves. The short-term payables to personnel include wages, salaries and related social security payments.

In accordance with Labour Code requirements, in case of retirement, after the employee has gained the legal right of pension due to years of services and age, the Company is obliged to pay him/her compensation at the amount of up to six gross wages. The Company has reported a liability by law for the payment of retirement compensation in accordance with IAS 19 “Employee Benefits, assessed annually as at the date of preparation of financial statements with the help of a licensed actuary, in order to assess future payables for pensions due. The Bank has elected to report the calculated effect for a 10-year period in the financial statements.

The period after the 10-th year is deemed remote in time, therefore there is considerable uncertainty about the realization of assumptions about future events and circumstances, which gives rise to insufficient reliability of the effect determined for this period. The financial assumptions used by the Bank are applied in forecasting the development of cash flows over time and affect the amount of the future liability and the determination of its present value by setting interest rates for discounting and increasing benefits. The evaluation also uses demographic assumptions about probability of withdrawal and mortality.

Actuarial gains or losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss.

Net interest expense related to pension liabilities is included in the statement of profit or loss and comprehensive income under "Interest expense". Expenses for work length are included in "Employee benefits".

Short-term employee benefits, including payable leaves, are included in current liabilities under "Other payables" at an undiscounted value that the Bank expects to pay.

4.15. Provisions for liabilities

The amount of provisions for liabilities is recognized as an expense and a liability when the Bank has current legal or constructive obligations, which have occurred as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and a reasonable estimate of the amount of the liability can be made. Any loss resulting from recognition of provisions for liabilities is reported in profit or loss for the respective period.

4.16. Derivatives

Derivatives are measured at fair value and recognized in the statement of financial position as derivatives for trading. The fair value of derivatives is based on the market price or relevant valuation models. Derivative assets are presented as part of the financial assets held for trading, while the derivative liabilities are presented as part of other liabilities. Any change in the fair value of derivatives for trade is recognized as a part of the net trading income in profit or loss for the period. The Bank does not apply hedge accounting under IFRS 9 or IAS 39.

4.17. Property, plant and equipment and intangible assets, right-of-use assets

Property, plant and equipment and intangible assets are identifiable non-monetary assets acquired and possessed by the Bank and held for use in the production and/or rendering of services, for renting, administrative and other purposes. They are stated at acquisition cost, less charged depreciation and amortization and accumulated impairment losses, excluding buildings, used by the Bank.

The subsequent valuation of buildings used by the Bank is carried at revalued amount, which is equal to the fair value at the date of the revaluation, reduced by subsequently accumulated depreciation and impairment losses. The revaluations made are disclosed in the statement of profit or loss and other comprehensive income under item Revaluation of non-financial assets, net of taxes and are reported against equity (as part of revaluation reserves) if they are not preceded by previously accrued expenses. Upon sale or write-off of the revalued asset, the remaining revaluation reserve is reflected against retained earnings. Information on the fair value of buildings used in banking activities is disclosed in note 37.

Depreciation of property, plant and equipment and amortization of intangible assets are calculated by using the straight-line method designed to write off the assets value over their estimated useful life. The annual depreciation and amortization rates are as follows:

Buildings	2.5%	40 years
Fixtures and fittings	15%	7 years
Motor vehicles	15%	7 years
Other assets, incl. Intangible assets	15%	7 years
Special equipment, cable networks and security systems	4%	25 years
Equipment, including hardware and software	20%	5 years
Right-of-use assets		according to the legal term of use but no less than 12 months

Land, assets for resale, assets under construction, assets to be disposed and fully depreciated assets to their residual value are not subject to depreciation.

Depreciation costs are included in the separate statement of profit or loss and other comprehensive income under item Operating expenses.

The Bank does not have intangible assets with unlimited useful life.

As of the date of preparation of the annual separate financial statements the Bank's management has performed a review for impairment of property, plant and equipment and intangible assets measured at cost. No evidence of impairment of property, plant and equipment and intangible assets has been identified; therefore, they have not been impaired.

4.18. Assets, acquired as collateral

Real estate and movable property acquired by the Bank as a mortgage creditor on granted and not serviced loans is classified as assets acquired from collateral and are stated initially at cost. The acquisition cost of assets acquired from collateral is the amount of all direct costs of acquiring the assets and other costs incurred in bringing them to their present location and condition.

After initial recognition, these assets are reported at the lower of their current carrying amount or net realizable value. The amount of any impairment of these assets to their net realizable value is recognized as an expense for the impairment period. No depreciation is accrued for these assets.

4.19. Investment property

Investment properties are initially measured at cost, which includes the purchase price and any costs directly attributable to the investment property, such as legal fees, property transfer taxes and other transaction costs.

The Bank reports as investment properties land and/or buildings that are held to receive rental income and/or for capital increase based on the fair value model.

Investment properties are revalued on an annual basis and are included in the statement of financial position at their market values. They are determined by independent appraisers with professional qualifications and significant professional experience depending on the nature and location of the investment properties, taking into account evidence of market conditions.

Any gain or loss from changes in the fair value or from the sale of an investment property is recognized immediately in gain or loss under item “Other operating income, net”.

4.20. Lease contracts

4.20.1. Bank as a lessee

The Bank assesses whether a contract is or contains a lease, at inception of the contract. The Bank recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Bank recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a part of “Other liabilities” in the separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Bank remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is premeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Bank incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Bank expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Bank applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment and Intangible assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in profit or loss (see note 28).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Bank has used this practical expedient.

4.20.2. Bank as a lessor

The Bank enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Bank is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

4.21. Income tax

Corporate income tax is calculated on the basis of profit for the period and includes current and deferred taxes. Taxes due are calculated in accordance with the Bulgarian tax legislation.

Current income tax is calculated on the basis of the taxable profit by adjusting the statutory financial result for certain income and expenditure items, not approved for tax purposes, as required under Bulgarian accounting legislation, applicable for banks.

Deferred income taxes are calculated using the balance sheet liability method. Deferred income taxes represent the net tax effect of all temporary differences between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax assets and liabilities are calculated at the tax rates, which are expected to apply to taxable profit for the period, when the temporary differences are expected to be recovered or settled. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Bank expects, at the date of the statement of financial position to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are recognized regardless when the temporary difference is likely to reverse.

Any tax effect, related to transactions or other events, recognized in the statement of profit or loss and other comprehensive income, is also recognized in the statement of profit or loss and other comprehensive income and tax effect, related to transactions and events, recognized directly in equity, is also recognized directly in equity.

A deferred tax liability is recognized for all taxable temporary differences, unless it arises from the initial recognition of an asset or liability in a transaction, which at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for all deductible temporary differences to the extent that taxable profit is probable, against which the deductible temporary difference can be utilized, unless the deferred asset arises from the initial recognition of an asset or liability in a transaction, which at the time of the transaction affects neither accounting profit nor taxable profit (tax loss)

4.22. Segment reporting

In 2025 and 2024 the Bank is organized in one operating segment. The Bank does not disclose information by operating segments, because it does not prepare such information. Business activities, which constitute its bank activities, possess similar economic characteristics, lack material difference in the essence of products offered and the regulatory environment where they take place. The operating result from the activities is reviewed and evaluated by the Bank's Management on a regular basis. The Bank does not identify separate segments meeting the requirements set out in IFRS 8 Operating segments.

Information on products, services, revenues and expenses, and assets of the Banking segment of CCB AD is presented in the notes to these individual financial statements.

In 2025 and 2024, there are no revenues from transactions with a single external customer or counterparty that account for 10% or more of the Bank's total revenues. Revenue and yield information by country is presented in Note 39.

4.23. Accounting estimates, assumptions and key areas of uncertainty

The presentation of financial statements requires the Bank's management to apply certain accounting estimates and reasonable assumptions that affect some of the carrying amounts of assets and liabilities, revenues and expenses for the reporting period and disclosures of contingent assets and liabilities. Although these estimates and assumptions are based on the best estimate as of the date of the preparation of the separate financial statements, they may differ from the future actual results.

The most significant areas of uncertainty, which require estimates and assumptions in applying the accounting policies of the Bank, are as follows:
- Fair value of financial instruments;
- Expected credit losses measurement;
- Useful life of the depreciable assets;
- Fair value of investment property;
- Revalued amount of buildings, used in banking activities;
- Revenue from contracts with customers;
- Term of lease contracts and incremental borrowing rate;
- Recognition of deferred taxes in relation to lease contracts.

4.23.1. Fair value of financial instruments

When the fair value of financial assets in the statement of financial position cannot be determined on the basis of an active market, it is determined using different valuation methods (pricing models) that include mathematical models. Information on the fair values of the financial statements is presented in the note 37.

4.23.2. Debt instruments measured at amortised cost

The management's analysis and intentions are confirmed by the business model of holding debt instruments that meet the requirements for receiving solely payments of principal and interest and holding assets only until the collection of the agreed cash flows of the bonds that are classified as debt instruments at amortized cost. This solution is in line with the current liquidity and risk appetite of the Bank. Additional information regarding the uncertainty sources is available in Note 4.8.

4.23.3. Measurement of expected credit losses

The recoverability of the loans and the adequacy of the recognized impairment losses, as well as the maintaining of the Bank's liquidity ratios depend on the financial position of the borrowers and their ability to settle their obligations at contracted maturity in subsequent reporting periods. The Bank's management applies the necessary procedures to manage these risks, as disclosed in note 36

4.23.4. Fair value of investment property

The fair value of investment property can be significantly affected by the assumptions used by the Bank's experts regarding profitability, bid prices and selected analogues. The management of the Bank reviews and selects the expert appraisers to be engaged - and accepts their work, ensuring that the assumptions applied are as objective and impartial as possible.

4.23.5. Revalued amount of buildings, utilized in banking activities

The revalued amount of buildings used in the banking activities can be significantly affected by the assumptions used by the Bank's experts regarding profitability, bid prices and selected analogues. The management of the Bank reviews and selects the expert appraisers to be engaged - and accepts their work, ensuring that the assumptions applied are as objective and impartial as possible.

4.23.6. Revenue from contracts with customers

The Bank is bound by numerous contracts for the maintenance and servicing of bank accounts.
The remuneration for the services provided is determined according to the Bank's tariff. All services provided are recognised over time. For this reason, management assesses when to recognise revenue from the contract for maintenance and servicing of bank accounts and payment transactions. Further information on sources of uncertainty is provided in note 4.4.

4.23.7. Lease agreement term

When determining the term of the lease contracts, the management shall consider all relevant facts and circumstances that create an economic incentive to exercise an option to extend a lease, or not to exercise an option to terminate a lease. Options for extending (or the periods after the options for termination) are included in the contract term only if it is certain that the lease contract will be extended (or not terminated). Most options for contract extending leases for offices are included in lease liabilities since the Bank relies on long-term relationship with its tenants.

The term of the lease is reassessed if the option is being exercised (or not) or the Bank is required to exercise it (or not). The assessment of the reasonable assurance is reassessed upon the occurrence of either a significant event or a significant change in circumstances, which affects this assessment and is under the control of the lessee.

4.23.8. Determination of the appropriate discount rate for the valuation of lease liabilities

Where the Bank cannot easily determine the interest rate included in the lease, it uses its incremental borrowing rate (IBR) to determine the value of lease liabilities. IBR is the interest rate which the Bank would have to pay in order to borrow a loan for such a period and with a similar guarantee in order to obtain the funds necessary for the acquisition of an asset of similar value and characteristics of the right-of-use asset in such an economic environment. The IBR therefore reflects what the Bank 'should pay', which requires an assessment where observable interest rates are not available (e.g. for subsidiaries that do not enter into financing transactions) or where they need to be adjusted to reflect the lease terms and conditions. The Bank evaluates the IBR using available data (such as market interest rates) when available and it is required to make certain Bank specific assessments.

4.24. Capital management and capital requirements

The Bank defines its risk-bearing capacity as the amount of financial resources that are available for absorbing losses, which may be incurred due to the risk profile of the Bank. Financial resources are classified into Tiers of risk capital according to their ability to cover losses, ability to defer payments, and permanence.

The Bank monitors the allocation of financial resources to risk capital levels through Asset and Liability Management Committee. The Bank's capital management policy is regularly reviewed by the Bank's Management Board.

The Bank calculates, monitors and reports its risk capital for all major risk categories – credit, market and operational risk. In managing its risk capital, the Bank follows the legal framework, as well as its own objectives. For 2023 and 2022, the Bank is in compliance with the regulatory requirements for minimum capital adequacy, as the bank's capital adequacy levels exceed the regulatory requirements. The Bank annually publishes on its site Annual disclosure on consolidated base related to the requirements of art. 70 of Credit Institutions Act and Regulation (EU) No 575, Part eight – Disclosure by Institutions, in which the Bank describes its risk-weighted assets, capital requirements and capital buffers.

The bank is obligated to comply with external capital requirements imposed by its activities in this industry. The imposed capital requirements can be presented as follows:

Effective as of 28.06.2021 the reporting requirements for credit institutions are regulated in Implementing Regulation (EU) 2021/451 which replaces Implementing Regulation (EU) No 680/2014. The Bank complies with the requirements of Implementing Regulation (EU) 2021/451 when preparing the supervisory reporting on capital adequacy requirements.

Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 and Regulation (EU) 2019/876 of the European Parliament and of the Council of May 20, 2019 amending Regulation (EU) N° 575/2013 on prudential requirements for credit institutions and investment firms regulate the capital adequacy requirements of banks.

The Bank's equity for regulatory purposes consists of the following elements:

- Tier 1 capital (the total amount is classified as common equity Tier 1 capital), which consists of issued capital, premium reserves and total reserves reduced by the following deductions – goodwill,

intangible assets and other regulatory adjustments related to items that are included in the Bank's accounting capital or assets but are treated differently to regulate capital adequacy.
• Tier 2 capital: convertible debt instrument.

The Bank calculates the total capital adequacy ratio as a percentage of own (regulatory) capital and risk-weighted assets for credit, market and operational risk.

In determining the capital requirements for credit risk the bank applies the revised ratio for supporting Small and Medium-sized enterprises (SMEs) and adjusts the amount of risk weighted exposures to SMEs according to art. 501 of the Regulation.

According to art. 500a of the Regulation, by derogation of art. 114, paragraph 2, until December 31, 2022 risk weight of 0% is applied for exposures to central governments and central banks of member states when these exposures are denominated and funded in local currency of another member state.

Regulation (EU) No 575/2013 of the European Parliament and of the Council establishes, together with Directive 2013/36/EU of the European Parliament and of the Council, the prudential regulatory framework for credit institutions and investment firms operating in the Union.

The Bank maintains regulatory equity for capital adequacy purposes in the form of Tier 1 capital consisting of Common Equity Tier 1 capital and Tier 2 capital.

The minimum regulatory capital requirements for banks are as follows:
• capital adequacy ratio of 8%.;
• tier 1 capital ratio of 6%.

Central Cooperative Bank AD has been identified as an other systemically important institution (O-SII). Accordingly, pursuant to Article 11(1) and (2) of Ordinance No. 8 and taking into account the change in the systemic importance of each bank for the period from June 2024 to June 2025, the Bulgarian National Bank determined an O-SII buffer level for 2025 for Central Cooperative Bank AD of %, applicable to the total amount of risk exposures. In 2025 and 2024, the national regulator did not make any changes to the level of the O-SII buffer.

5. CASH AND BALANCES WITH THE CENTRAL BANK

	31.12.2025 BGN'000.	31.12.2024 BGN'000
Cash in hand:		
In BGN	273 746	262 617
In foreign currency	146 336	159 770
Cash in transit:		
In BGN	3	355
In foreign currency	53	118
Cash in Central Bank:		
Current account in BGN	1 446 045	1 484 638
Current account in foreign currency	116 361	29 849
Reserve guarantee fund for RINGS settlement system	-	20 662
TOTAL CASH AND BALANCES WITH THE CENTRAL BANK	**1 982 544**	**1 958 009**

The current account with BNB is used for direct participation in the government securities and money market, as well as for the purposes of interbank settlement in the country.

Commercial banks in Bulgaria are required to maintain minimum reserves with the Bulgarian National Bank (BNB). The required minimum reserve, which is non-interest-bearing, is determined as a percentage of attracted funds in Bulgarian lev and foreign currency, periodically set by the BNB. These reserves are regulated on a monthly basis, and any shortfall results in the accrual of penalty interest. The central bank does not impose restrictions on the use of minimum reserves, and daily fluctuations within the one-month maintenance period are permitted.

In accordance with the regulations of the central bank, the Bank maintains a collateral reserve fund to guarantee payments through the real-time gross settlement payment system RINGS. As at 31 December 2025, the collateral reserve fund for the RINGS payment system was released due to the discontinuation of lev payment transfers as from 1 January 2026 and the cessation of the operation of the lev real-time gross settlement system.

6. PLACEMENTS WITH AND ADVANCES TO BANKS

	31.12.2025 BGN'000	31.12.2024 BGN'000
Account for execution of transfers in the STEP2 system	954 292	117 381
Nostro accounts with foreign banks in foreign currency	50 629	30 095
Term deposits with foreign banks in foreign currency	2 934	26 168
Nostro accounts with local banks in Bulgarian lev	43	26
Adjustment for expected credit losses (Note 36.1)	(18)	(29)
TOTAL PLACEMENTS WITH, AND ADVANCES TO BANKS	**1 007 880**	**173 641**

The Bank participates in the pan-European clearing system STEP2, operated by EBA CLEARING, which is used for the clearing of mass euro payments within the Single Euro Payments Area (SEPA).

For the purposes of clearing and settlement of payments processed through STEP2, the Bank maintains funds in a settlement account with EBA CLEARING. These funds are used solely to ensure the timely execution of payment transactions.

7. RECEIVABLES UNDER REPURCHASE AGREEMENTS

	31.12.2025 BGN'000	31.12.2024 BGN'000
Corporate securities held as collateral	371 865	413 224
Bulgarian government securities held as collateral	41 753	181 029
Adjustment for expected credit losses (note 36.1)	(1 545)	(2 186)
TOTAL RECEIVABLES UNDER REPURCHASE AGREEMENTS	**412 073**	**592 067**

The collateral coverage ratio for repurchase agreements on which Bulgarian government securities are held as collateral is minimum 100%. The collateral coverage ratio for repurchase agreements which are secured by holding of corporate securities as collateral is minimum 120%. The maturity date of these agreements is between January and June 2026 (2024: between January and June 2025).

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value in profit or loss are as follows:

	31.12.2025 BGN'000.	31.12.2024 BGN'000
Bulgarian corporate securities	206 248	198 520
Foreign corporate securities	19 418	36 549
Long-term Bulgarian government securities	5 997	5 348
Medium-term Bulgarian government securities	10 170	6 542
Derivatives, held for trading	-	306
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**241 833**	**247 265**

Bulgarian corporate securities
As of 31 December 2025, financial assets measured at fair value in profit or loss consist of corporate securities of non-financial and financial institutions. Bulgarian corporate securities consist of shares in the capital of companies amounting to BGN 68 740 thousand (2024: BGN 73 479 thousand) and units in contractual funds amounting to BGN 137 508 thousand (2024: BGN 125 041 thousand).

Foreign corporate securities
As at 31 December 2025, foreign corporate securities comprise equity investments in credit institutions amounting to BGN 6 241 thousand (2024: BGN 5 505 thousand), equity investments in non-financial entities amounting to BGN 1 304 thousand (2024: BGN 21 096 thousand), and a corporate bond issued by a credit institution amounting to BGN 11 873 thousand (2024: BGN 9 947 thousand).

Derivatives held for trading
As at 31 December 2025, the Bank does not report financial assets – derivatives held for trading. The derivatives held for trading as at 2024, amounting to BGN 306 thousand, are measured at fair value and include foreign exchange purchase and sale transactions, forward contracts, foreign exchange swaps in the open market, and options.

9. LOANS AND ADVANCES TO CLIENTS

(a) Analysis by type of clients

	31.12.2025 BGN'000	31.12.2024 BGN'000
Individuals:		
In BGN	1 661 111	1 488 745
In foreign currency	80 566	58 184
Enterprises:		
In BGN	1 306 894	1 367 533
In foreign currency	324 931	283 386
Gross value of loans and advances provided	**3 373 502**	**3 197 848**
Impairment loss (Note 36.1	(53 706)	(50 742)
TOTAL LOANS AND ADVANCES TO CUSTOMERS	**3 319 796**	**3 147 106**

Loans and advances to clients as of 31 December 2025 include deposits with international financial institutions on margin transactions with derivatives amounting to BGN 1 549 thousand (2024: BGN 1 551 thousand) including result of transactions.

The effect of sale of loans and advances, when such occurs, is disclosed in note 27 Other operating income, net.

The policy in relation to credit risk on granted loans and advances and the respective collateral is disclosed in Note 36.1.

(b) Interest rates

Loans denominated in BGN and foreign currency carry interest at floating rates. Under the terms of these loans, the interest rate is calculated as the Bank base interest rate or interest index for loans in foreign currency, plus a margin. The interest rate margin on performing (regular) loans varies from 2% to 7% based on the credit risk associated with the borrower, and an additional margin on the agreed interest rate is charged as penalty on overdue loans.

The risks, associated with interest rates are disclosed in note 36.3.1.

10. OTHER ASSETS

	31.12.2025 BGN'000	31.12.2024 BGN'000
Foreclosed assets	26 323	26 662
Deferred expenses	4 424	4 488
Deferred tax assets	4 769	3 934
Current tax assets	20 118	6
Other assets	8 850	9 139
TOTAL OTHER ASSETS	**64 484**	**44 229**

The Bank has performed its annual analysis for the presence of indications for impairment up to the net realizable value of the assets acquired from collateral. The conclusion from the performed procedures is that no facts and circumstances have been identified, which would indicate that the net realizable value of the assets acquired from collateral is lower than their book value.

Prepaid expenses represent advance payments for advertising, short-term leases, insurance, services, and other items.

Current tax assets represent advance payments of corporate income tax made in accordance with the Corporate Income Tax Act.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income consist of equity and debt securities, including the amount of accrued interest and discount/premium, based on their original maturity, as follows:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Bulgarian corporate securities	989 495	807 018
Long-term Bulgarian government bonds	6 161	6 331
Foreign government bonds	-	631
Foreign corporate securities	12 931	9 221
Total debt instruments	**1 008 587**	**823 201**
Equity investments in non-financial institutions	22 644	21 904
Equity investments in financial institutions	3	3
Total equity instruments	**22 647**	**21 907**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**1 031 234**	**845 108**

As of 31 December 2025, for financial assets measured at fair value through other comprehensive income were allocated expected credit losses in the amount of BGN 9 934 thousand (2024: BGN 8 126 thousand), which is recognized in equity and has not decreased the carrying amount of assets.

Bulgarian corporate securities
As of 31 December 2025, the Bulgarian corporate securities at the amount of BGN 989 495 thousand (2024: BGN 807 018 thousand) represent bonds of Bulgarian corporate issuers. None of these investments is in a subsidiary or in an associated company.

Foreign government bonds
As of 31 December 2024, foreign government bonds at the amount of BGN 631 thousand represent government bonds of non-EU member states in EUR.

Foreign corporate securities
As of 31 December 2025 and 31 December 2024, foreign corporate securities represent liabilities in foreign commercial companies.

Equity investments in non-financial institutions
As of 31 December 2025, equity investments in non-financial institutions at the amount of BGN 22 644 thousand (2024: BGN 21 904 thousand) comprise shares in commercial companies.

Equity investments in financial institutions
As of 31 December 2025, equity investments in financial institutions comprise shares in a commercial bank and amount to BGN 3 thousand (2024: BGN 3 thousand).

Equity instruments classified at fair value through OCI
The Bank has classified as equity instruments classified as subsequently measured at fair value through other comprehensive income, shares of companies that are considered strategic to the Bank's operations. The most significant investments included in this category are shares of Borica AD, Visa Inc. and Roy Property Fund ADSIC, among others.

The Bank has classified these investments with the above alternative presentation is due to their critical importance to the Bank's operations and Management's decision to hold these instruments on a long-term basis.

The fair values of the significant equity investments subsequently accounted for in this category can be presented as follows:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Visa Inc	12 461	11 589
Borica AD	5 960	5 960
Roy Propery Fund ADSIC	1 092	1 063
Other	3 134	3 295
	22 647	**21 907**

During the reporting period, the Bank did not make any material sales of investments in equity instruments measured at fair value through other comprehensive income. There were no transfers of revaluation reserves to retained earnings. All movements in the revaluation reserves are presented in note 22.3.

The Bank's policy on management of market risk on financial assets measured at fair value through other comprehensive income are disclosed in note 36.3.

12. DEBT INSTRUMENTS AT AMORTIZED COST

Debt instruments at amortised cost represent Bulgarian government bonds, foreign government bonds, mainly from EU member states, Bulgarian corporate securities and foreign corporate securities, including the amount of accrued interest and discount/premium, based on their original maturity, as follows:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Long-term Bulgarian government bonds	665 769	591 130
Medium-term Bulgarian government bonds	203 388	243 128
Foreign government bonds	1 045 035	962 988
Foreign corporate bonds	26 147	31 667
Bulgarian corporate bonds	-	7 963
Expected credit losses (Note 36.1)	(701)	(2 039)
TOTAL FINANCIAL ASSETS AT AMORTISED COST	**1 939 638**	**1 834 837**

Bulgarian government bonds are classified into categories based on the original maturity of the issues held.

In 2025, the Bank executed a limited number of sales of financial assets measured at amortised cost. These sales were carried out solely as a result of an identified increase in credit risk of the respective foreign government bonds after their initial recognition.

Management believes that these sales are insignificant in volume compared to the total carrying amount of the portfolio of financial assets measured at amortised cost—below 5% and 1% of all categories of financial assets at amortised cost—and do not represent a change in the way this portfolio is managed. The sales were not undertaken with the objective of realising gains from short-term market fluctuations or active fair value management, but rather for credit risk mitigation purposes. The effects of the sale of these instruments are presented in Note 25 Net gains on securities transactions.

Bulgarian securities pledged as collateral

As at 31 December 2025, government bonds issued by the Bulgarian government amounting to BGN 568 945 thousand (2024: BGN 423 401 thousand) are pledged as collateral for servicing budget accounts pursuant to Article 152 of the Public Finance Act.

As at 31 December 2025, government bonds issued by the Bulgarian government amounting to BGN 409,437 thousand are pledged as collateral for ensuring the initial euro frontloading in connection with the adoption of the euro as Bulgaria's national currency as of 1 January 2026, pursuant to Article 4 of BNB Ordinance No. 46 on frontloading and sub-frontloading with euro banknotes, euro coins, and starter kits of euro coins.

13. INVESTMENTS IN SUBSIDIARIES

Subsidiary	Country of incorporation	Scope of activities	31.12.2025 BGN'000	Participation %	31.12.2024 BGN'000	Participation %
Central Cooperative Bank AD, Skopje	Republic of North Macedonia	Banking activity	46 216	87.35	46 216	87.35%
Management company CCB Assets Management EAD	Bulgaria	Financial sector	3 200	100	3 200	100.00%
Wine Assets EOOD	Bulgaria	Non-financial sector	50	100	-	-
Winery Assets EOOD	Bulgaria	Non-financial sector	50	100	-	-
			49 516		**49 416**	

Investments in subsidiaries are disclosed in the Bank's financial statements using the cost method. In 2024, the Bank received dividends in the amount of BGN 1 194 thousand (2024: BGN 1 294 thousand). The Bank has no contingent liabilities or other commitments related to investments in subsidiaries.

13.1. Investment in subsidiary Central Cooperative Bank AD, Skopje, Republic of North Macedonia

As at 31 December 2025, Central Cooperative Bank AD Sofia owns 483 121 ordinary shares in the equity of Central Cooperative Bank AD Skopje (2024: 483 121 shares), which represent 87.35% of the share capital of the subsidiary. As of 31 December 2025, the Bank's investment in the subsidiary amounts to BGN 46 216 thousand (2024: BGN 46 216 thousand).

13.2. Investment in subsidiary CCB Assets Management EAD, Sofia, Bulgaria

As of 31 December 2025, the Bank owns 500,000 ordinary shares of CCB Assets Management EAD, which represents 100% of the share capital of the subsidiary. As of 31 December 2025 the Bank's investment in the subsidiary amounts to BGN 3 200 thousand (2024: BGN 3 200 thousand).

13.3. Investment in subsidiary Wine Assets EOOD

In 2025, Winery Assets EOOD was established. As at 31 December 2025, Central Cooperative Bank AD, Sofia holds 50 shares in the capital of Winery Assets EOOD, representing 100% ownership of the subsidiary. As at 31 December 2025, the Bank's investment in its subsidiary amounts to BGN 50 thousand.

13.4. Investment in subsidiary Winery Assets EOOD

In 2025, Winery Assets EOOD was established. As at 31 December 2025, Central Cooperative Bank AD, Sofia holds 50 shares in the capital of Winery Assets EOOD, representing 100% ownership of the subsidiary. As at 31 December 2025, the Bank's investment in its subsidiary amounts to BGN 50 thousand.

14. LONG-TERM TANGIBLE AND INTANGIBLE ASSETS

	Land	Buildings	Equipment	Motor vehicles	Fixtures and fittings	Cost for acquisition of non-current assets	Other non-current assets	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
01 January 2024	8 930	99 319	39 117	13 326	28 386	5 787	32 984	227 849
Additions	-	-	250	55	410	6 326	43	7 084
Transfers	-	-	4 264	1 375	37	(7 371)	1 695	-
Disposals	-	-	(442)	(405)	(419)	(177)	(19)	(1 462)
Revaluation, recognized through other comprehensive income	-	2 818	-	-	-	-	-	2 818
Impairment, recognized through profit or loss	-	(410)	-	-	-	-	-	(410)
31 December 2024	**8 930**	**101 727**	**43 189**	**14 351**	**28 414**	**4 565**	**34 703**	**235 879**
Additions	-	-	1 145	-	258	5 543	119	7 065
Transfers	486	20	497	114	92	(3 640)	2 431	-
Disposals	-	-	(261)	(145)	(353)	(48)	(3)	(810)
Revaluation, recognized through other comprehensive income	-	72 687	-	-	-	-	-	72 687
Written off against depreciation in connection with revaluation	-	(28 795)	-	-	-	-	-	(28 795)
Impairment, recognized through profit or loss	-	(70)	-	-	-	-	-	(70)
31 December 2025	**9 416**	**145 569**	**44 570**	**14 320**	**28 411**	**6 420**	**37 250**	**285 956**
Depreciation								
01 January 2024	-	24 129	31 540	9 617	26 345	-	29 419	121 050
Charge for the period	-	2 385	2 522	1 311	609	-	1 288	8 115
Depreciation of disposals	-	-	(426)	(403)	(419)	-	(17)	(1 265)
31 December 2024	**-**	**26 514**	**33 636**	**10 525**	**26 535**	**-**	**30 690**	**127 900**
Charge for the period	-	2 464	2 801	894	554	-	1 472	8 185
Depreciation of disposals	-	-	(254)	(103)	(349)	-	(3)	(709)
Depreciation written off in connection with revaluation, recognised in OCI	-	(28 795)	-	-	-	-	-	(28 795)
31 December 2025	**-**	**183**	**36 183**	**11 316**	**26 740**	**-**	**32 159**	**106 581**
Net book value								
31 December 2024	**8 930**	**75 213**	**9 553**	**3 826**	**1 879**	**4 565**	**4 013**	**107 979**
31 December 2025	**9 416**	**145 386**	**8 387**	**3 004**	**1 671**	**6 420**	**5 091**	**179 375**

The costs for acquisition of non-current assets include repair works carried out by the Bank for the reconstruction of leased premises into bank offices, which were not completed as of the date of preparation of the separate statement of financial position.

The Bank's assets under the buildings category were revalued on 31 December 2025 and 31 December 2024. The valuations were carried out by an independent appraiser. For information on determining the fair value of assets under the Buildings category, see note 37.2.

If the acquisition cost model had been applied, the book values of revalued buildings would have amounted to BGN 46 452 thousand (2024: BGN 48 238 thousand). The revalued amount includes a revaluation reserve before taxes in the amount of BGN 101 850 thousand (2024: BGN 29 162), which is not subject to distribution to the owners of the Bank.

All depreciation costs are included under item Operating expenses in the statement of profit or loss and other comprehensive income.

As at 31 December 2025 the Bank has no pledged non-current assets as collateral and no contractual commitments have been made for the acquisition of non-current tangible and intangible assets.

15. RIGHT-OF-USE ASSETS

Right-of-use assets recognized by the Bank in accordance with the application of IFRS 16 Leases, can be presented as follows:

	Buildings BGN'000	Motor vehicles BGN'000	Total BGN'000
Gross value			
01 January 2024	78 962	2 539	81 501
Additions	8 318	1 504	9 822
Disposals	(8 183)	(1 504)	(9 687)
31 December 2024	79 097	2 539	81 636
Additions	14 062	4 036	18 098
Disposals	(16 081)	-	(16 081)
31 December 2025	77 078	6 575	83 653
Depreciation			
01 January 2024	39 655	1 378	41 033
Charge for the period	12 348	842	13 190
Depreciation of disposals	(6 250)	(1 504)	(7 754)
31 December 2024	45 753	716	46 469
Charge for the period	12 261	1 581	13 842
Depreciation of disposals	(15 857)	-	(15 857)
31 December 2025	42 157	2 297	44 454
Net book value			
31 December 2024	**33 344**	**1 823**	**35 167**
31 December 2025	**34 921**	**4 278**	**39 199**

Lease liabilities corresponding to right-of-use assets are disclosed in Note 21 Other liabilities and Note 35 Leases. The maturity structure of liabilities under lease contracts is disclosed in Note 35 Leases.

All depreciation costs of right-of-use assets are included under “Operating expenses” in the Statement of profit or loss and other comprehensive income.

16. INVESTMENT PROPERTY

	31.12.2025 BGN’000	31.12.2024 BGN’000
Book value as of 1 January	**48 354**	**48 255**
Net profit from change in fair value	1 723	99
Book value as of 31 December	**50 077**	**48 354**

The Bank’s investment properties as of 31 December 2025 and 31 December 2024 consist of land and commercial buildings, some of which are leased out for a period of 10 years. The rental income from the of investment properties for the year ending on 31 December 2025, amounts to BGN 99 thousand (2024: BGN 160 thousand). During the reporting periods, the Bank did not make any direct costs in relation to the investment properties. All direct costs related to the investment properties are covered by the lessees.

Information on the fair value of investment property is disclosed in note 37.2.

17. DEPOSITS FROM BANKS

	31.12.2025 BGN’000	31.12.2024 BGN’000
On-demand deposits – local banks:		
- in BGN	495	1 651
- in foreign currency	20 460	5 536
On-demand deposits – foreign banks in foreign currency	7 293	8 712
On-demand deposits – foreign banks in BGN	19	45
Term deposits – local banks in foreign currency	2 445	2 446
TOTAL DEPOSITS FROM BANKS	**30 712**	**18 390**

18. AMOUNTS OWNED TO OTHER DEPOSITORS

(a) Analysis by term and currency

	31.12.2025 BGN'000	31.12.2024 BGN'000
On-demand deposits		
In BGN	4 084 245	3 232 286
In foreign currency	316 620	248 590
	4 400 865	**3 480 876**
Term deposits		
In BGN	1 496 402	1 535 449
In foreign currency	1 359 599	1 274 345
	2 856 001	**2 809 794**
Savings accounts		
In BGN	1 429 328	1 319 020
In foreign currency	487 990	497 089
	1 917 318	**1 816 109**
Other deposits		
In BGN	1 188	1 221
In foreign currency	138	14 708
	1 326	**15 929**
TOTAL AMOUNTS OWED TO OTHER DEPOSITORS	**9 175 510**	**8 122 708**

(b) Analysis by customer and currency type

	31.12.2025 BGN'000	31.12.2024 BGN'000
Deposits of individuals		
In BGN	5 083 013	4 311 150
In foreign currency	1 829 801	1 827 373
	6 912 814	**6 138 523**
Deposits of enterprises		
In BGN	1 928 149	1 776 826
In foreign currency	334 547	207 302
	2 262 696	**1 984 128**
Deposits of other institutions		
In BGN	-	57
In foreign currency	-	57
	57	**1**
TOTAL AMOUNTS OWED TO OTHER DEPOSITORS	**9 175 510**	**8 122 708**

The liquidity structure of amounts owed to depositors is presented in note 36.2.

19. ISSUED BONDS

In December 2013 the Bank issued through public offering convertible bonds in the amount of EUR 36 000000, distributed in 36 000 bonds with a nominal value of EUR 1 000. The bonds are subordinated, unsecured, interest bearing, freely transferable, dematerialised, convertible into ordinary shares of the Bank. Debenture loan is signed for a period of 7 years at 4.5% annual interest rate and the principal of the loan is paid off at initial maturity of the issue – 10.12.2020. Under the terms of issue, bond holders are not entitled to early collection of interest and principal on the bond loan, including in case of default of the issuer, except under certain conditions at the time of payment and subject to prior authorization by BNB. Amendments and supplements to the conditions of the bond issue can be made only with the prior written permission of BNB.

On 25 February 2019, the increase in the Bank's capital through the issuance of new shares through conversion of bonds was entered into the Commercial Register in the Bank's file. The capital increase resulting from the conversion of bonds of BGN 45 002 thousand amounts to 13 975 679 ordinary voting shares, with a par value of BGN 1 each. Following the increase, the issued share capital of the Bank consists of 127 129 970 ordinary voting shares with a par value of BGN 1 each.

At the General Meeting of bondholders held on 12.08.2020, a decision was made to change the terms of the debenture loan as follows, which include changing the principal maturity date from 10.12.2023 to 10.12.2028, reduction of the interest rate from 3.60% to 2.75% per annum, as of 11.12.2020. The Bank has not recognized effect of modification of financial liability.

In December 2024, another interest payment on the bond issue at the amount of EUR 468 thousand occurred, which was paid to the bondholders.

In December 2025, another interest payment on the bond issue at the amount of EUR 468 thousand occurred, which was paid to the bondholders.

The liability on bonds as of 31 December 2025, amounts to BGN 25 463 thousand (2024: BGN 25 463 thousand).

20. PROVISIONS FOR LIABILITIES

The provision for expected credit losses in accordance with IFRS 9 for off-balance sheet exposures - guarantees, letters of credit and credit commitments was determined in the amount to BGN 431 thousand (2024: BGN 522 thousand).

Detailed information on off-balance sheet commitments and issued financial guarantees is presented in Note 32.

21. OTHER LIABILITIES

	31.12.2025 BGN'000	31.12.2024 BGN'000
Lease liabilities (Note 35)	39 373	34 140
Deferred income	2 662	2 870
Liabilities for unused paid leave	4 148	3 806
Liabilities for retirement benefits	2 784	2 415
Deferred tax liabilities	15 682	7 882
Derivatives, held for trading	-	19
Other liabilities	7 198	6 848
TOTAL OTHER LIABILITIES	**71 847**	**57 980**

21.1. Liabilities for retirement benefits

As of 31 December 2025 and 2024 the Bank calculates the effect of future liabilities for retirement benefits and allocates and recognizes the relevant provision for the effect determined for a 10-year period. The periods after the 10th year are considerably remote in time, therefore considerable uncertainty exists regarding the realization of the assumptions of the future events and circumstances, giving rise to insufficient reliability of the effect determined for the relevant period. The financial assumptions used by the Bank are applied in forecasting the development of cash flows in time and are reflected in the amount of future liability and the calculation of its current value by determining the discount interest rates and income increase rates. When determining the liabilities for retirement benefits the Bank applies 5.14% discount rate and 1% annual increase in remuneration. In the process of determining the liabilities for retirement benefits, the Bank employs consultancy services, provided by a licensed actuary.

Changes in provisions for retirement benefits under the Labour Code during the year are presented as follows:

	31.12.2025 BGN'000	31.12.2024 BGN'000
AMOUNT OF THE PAYABLE AT THE BEGINNING OF THE PERIOD JANUARY 1	2 415	2 027
Interest expense	124	105
Expenses for current total length of labour	174	150
Paid benefits	(235)	(189)
Actuarial losses	306	322
AMOUNT OF THE PAYABLE AT THE END OF THE PERIOD 31 DECEMBER	**2 784**	**2 415**

21.2. Derivatives held for trading

As of 31 Decemeber 2025 the Bank, does not hold derivetives for trading. As of 31 December 2024 derivatives held for trading at the amount of BGN 19 thousand (2024:

BGN 166 thousand) are presented at fair value and include sale and purchase transactions of foreign currency, forward contracts and foreign currency swaps on the open market.

22. EQUITY

22.1. Issued capital

As of 31 December 2025 and 2024 the issued, called-up and fully paid-in share capital of the Bank comprises of 127,129,970, respectively, ordinary voting shares with a nominal value of BGN 1 each. Each of the shares has dividend and liquidating dividend rights and represent one vote at the general meeting of the shareholders of the Bank.

The Bank's Parent company CCB Group EAD is a subsidiary of Chimimport AD, which is a public company and its shares are traded on the Bulgarian Stock Exchange AD.

Principal shareholders	2025		2024	
	Share capital	Percentage	Share capital	Percentage
CCB Group EAD	77 610	61.05	77 610	61.05
Chimimport AD	10 475	8.24	10 475	8.24
ZAD Armeec AD	8 992	7.07	8 992	7.07
Universal Pension Fund Saglasie	8 872	6.98	8 872	6.98
Other	21 181	16.66	21 181	16.66
	127 130	**100**	**127 130**	**100**

22.2. Premium reserve

The premium reserve of the Bank as of 31 December 2025 and 31 December 2024 amounts to BGN 110,470 thousand.

22.3. Other reserves, including retained earnings

Other reserves, including retained earnings, as of 31 December 2025 include undistributable portion at the amount of BGN 7 059 thousand (2024: BGN 7 059 thousand) and distributable portion of BGN 572 166 thousand (2024: BGN 476 245 thousand).

22.4. Revaluation reserves

	Revaluation reserve of equity assets, measured at fair value through other comprehensive income	Revaluation reserve of debt assets, measured at fair value through other comprehensive income	Revaluation reserve of defined benefits plans in relation to retirement liabilities to employees	Revaluation reserve of non-financial assets, net of taxes	Total
BALANCE AS OF 1 January 2024	**3 062**	**8 548**	**(908)**	**23 710**	**34 412**
Change in fair value of equity instruments at fair value through other comprehensive income	2 917	-	-	-	2 917
Change in fair value of debt instruments at fair value through other comprehensive income	-	244	-	-	244

Reclassification in profit or loss as a result of disposal of debt instruments at fair value through other comprehensive income	-	(580)	-	-	(580)
Change in amount of expected credit losses	-	2 707	-	-	2 707
Revaluation of defined benefits plans	-	-	(322)	-	(322)
Revaluation of non-financial assets	-	-	-	2 818	2 818
OTHER COMPREHENSIVE INCOME FOR THE YEAR BEFORE TAXES	**2 917**	**2 371**	**(322)**	**2 818**	**7 784**
Tax (expense)/benefit	(253)	34	-	(282)	(501)
OTHER COMPREHENSIVE INCOME FOR THE YEAR AFTER TAXES	**2 664**	**2 405**	**(322)**	**2 536**	**7 283**
Effect from write-off of equity instruments	(386)	-	-	-	(386)
BALANCE AS OF 31 DECEMBER 2024	**5 340**	**10 953**	**(1 230)**	**26 246**	**41 309**
Change in fair value of equity instruments at fair value through other comprehensive income	2 320	-	-	-	2 320
Change in fair value of debt instruments at fair value through other comprehensive income	-	123	-	-	123
Reclassification in profit or loss as a result of disposal of debt instruments at fair value through other comprehensive income	-	(309)	-	-	(309)
Change in amount of expected credit losses	-	1 808	-	-	1 808
Revaluation of defined benefits plans	-	-	(306)	-	(306)
Revaluation of non-financial assets	-	-	-	72 687	72 687
OTHER COMPREHENSIVE INCOME FOR THE YEAR BEFORE TAXES	**2 320**	**1 622**	**(306)**	**72 687**	**76 323**
Tax (expense)/benefit	(230)	18	-	(7 268)	(7 480)
OTHER COMPREHENSIVE INCOME FOR THE YEAR AFTER TAXES	**2 090**	**1 640**	**(306)**	**65 419**	**68 843**
Effect from write-off of equity instruments	(19)	-	-	-	(19)
BALANCE AS OF 31 DECEMBER 2025	**7 411**	**12 593**	**(1 536)**	**91 665**	**110 133**

23. INTEREST INCOME AND INTEREST EXPENSE

	31.12.2025 BGN'000	31.12.2024 BGN'000
Interest income by source:		
Interest income, calculated using the effective interest method		
Loans and advances to clients	101 464	96 904
Debt instruments measured at fair value through other comprehensive income	33 843	33 672
Receivables under repurchase agreements of securities	20 320	21 510
Debt instruments measured at amortized cost	38 327	37 865
Deposits in banks	23 423	35 391
	217 377	225 342
Other interest income		
Financial assets measured at fair value through profit or loss	617	243
TOTAL INTEREST INCOME	**217 994**	**225 585**
Interest income by classification groups:		
Financial assets at amortised cost	183 534	191 670
Financial assets at fair value through other comprehensive income	33 843	33 672
Financial assets at fair value through profit or loss	617	243
TOTAL INTEREST INCOME	**217 994**	**225 585**

The increase of interest income is due to an increase of interest-bearing assets and the total rise in interest rates worldwide.

	31.12.2025 BGN'000	31.12.2024 BGN'000
Interest expense by types of sources:		
Interest expenses, calculated using the effective interest method		
Deposits from clients	(4 292)	(1 552)
Lease interest	(1 200)	(1 179)
Issued bonds	(915)	(915)
Deposits from banks	(1 278)	(360)
Other	(125)	(109)
Interest expense by types of sources:	(7 810)	(4 115)
Interest expense by classification groups:		
Financial liabilities measured at amortised cost	(7 810)	(4 115)
TOTAL INTEREST EXPENSE	**(7 810)**	**(4 115)**

24. INCOME FROM/EXPENSES FOR FEES AND COMMISSIONS

	31.12.2025 BGN'000	31.12.2024 BGN'000
Income from fees for services, which are provided over time:		
Bank transfers - domestic and international	**35 814**	**35 367**
Servicing of accounts	16 801	17 814
Fees related to loan exposures	6 726	6 100
Servicing of off-balance sheet commitments	1 262	834
Other income	16 590	16 511
TOTAL FEES AND COMMISSIONS INCOME	**77 193**	**76 626**
Bank transfers - domestic and international	(22 377)	(20 966)
Clearing valuable consignments	(1 415)	(1 903)
Servicing of accounts	(540)	(554)
Securities transactions	(739)	(526)
Other expenses	(1 182)	(985)
TOTAL FEES AND COMMISSIONS EXPENSES	**(26 253)**	**(24 934)**

25. NET GAINS FROM OPERATIONS WITH SECURITIES

	31.12.2025 BGN'000	31.12.2024 BGN'000
Gain from revaluation with securities measured at fair value through profit or loss, net	6 263	4 888
Gain from operations with securities measured at fair value through other comprehensive income, net	384	157
Gain/(Loss) from dealing with securities measured at fair value through profit or loss, net	470	(62)
Loss from revaluation of securities held for trading, net	(202)	(3 216)
Gain from dealing with securities held for trading, net	2 832	2 405
Loss from operations with debt instruments measured at amortised cost	(2 052)	-
TOTAL GAIN FROM DEALING WITH SECIRITIES, NET	**7 695**	**4 172**

During 2025, the Bank carried out a limited number of sales of financial assets measured at amortised cost. These sales were made exclusively as a result of an identified increase in the credit risk of the respective exposures after their initial recognition.

Management considers that these sales are insignificant in volume relative to the total carrying amount of the portfolio of financial assets measured at amortised cost and do not represent a change in the manner in which this portfolio is managed. The sales were not undertaken with the objective of realising gains from short-term market fluctuations or actively managing fair value. Additional information regarding the sales is disclosed in Note 12 Debt instruments measured at amortised cost.

Accordingly, management has concluded that these sales are consistent with the “hold to collect contractual cash flows” business model and do not result in a change in the classification of the respective financial assets under IFRS 9.

26. FOREIGN EXCHANGE RATE LOSSES, NET

Net loss from foreign exchange rate differences is the result of:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Loss from foreign currency transactions, net	(9 315)	(1 404)
Gain/(Loss) on foreign currency revaluation, net	2 239	(994)
TOTAL FOREIGN EXCHANGE LOSS, NET	**(7 076)**	**(2 398)**

The result from currency transactions represents the net (loss) arising from purchase and sale of foreign currencies. Loss from revaluation represents the loss from revaluation of assets and liabilities denominated in foreign currency into Bulgarian leva.

27. OTHER OPERATING INCOME, NET

	31.12.2025 BGN'000	31.12.2024 BGN'000
Income from dividends	2 656	2 449
Income from modification of financial assets	59	839
Income from cession contracts	3	8
(Expenses)/income from sale of property, plant and equipment	(9)	93
Income from sale of collateral acquired assets	523	198
Change in fair value of investment properties	1 723	99
Expenses on impairment of properties, utilized in operating activities (Note 14)	(70)	(410)
Income from leased assets	1 084	1 152
Other operating income	1 273	1 228
TOTAL OTHER OPERATING INCOME, NET	**7 242**	**5 656**

The income from cession contracts in 2025 originates from transferred by the Bank through cession of financial assets at amortized cost - loans and advances to clients. In 2025 income from cession contracts amounted to BGN 3 thousand (2024: BGN 8 thousand).

28. OPERATING EXPENSES

	31.12.2025 BGN'000	31.12.2024 BGN'000
Salaries and other personnel expenses	(74 599)	(69 708)
Administrative and marketing expenses	(46 991)	(44 428)
Depreciation/amortization	(22 027)	(21 305)
Other expenses	(24 814)	(27 160)
Materials and repair works	(2 632)	(2 738)
TOTAL OPERATING EXPENSES	**(171 063)**	**(165 339)**

The operating expenses include the amounts for performance of independent financial audit by registered auditors at the amount of BGN 1 808 thousand for 2024 (2024: BGN 1 356 thousand), including BGN 1 257 thousand (2024: BGN 1 230 thousand)) for independent financial audit and BGN 551 thousand (2024: BGN 126 thousand) for other permissible services. This disclosure is in compliance with the requirements of Article 30 of the Accounting Act.

29. CREDIT LOSS EXPENSE ON FINANCIAL ASSETS

Impairment allowances for 2025 as per IFRS 9 are as follows:

2025	Stage 1	Stage 2	Stage 3	Total
Placements with and advances to banks	11	-	-	11
Receivables under repurchase agreements of securities	641	-	-	641
Loans and advances to customers	100	(469)	(2 848)	(3 217)
Financial assets reported at fair value through other comprehensive income	(1 596)	(212)	-	(1 808)
Debt instruments measured at amortized cost	1 338	-	-	1 338
TOTAL NET IMPAIRMENT EXPENSES	**494**	**(681)**	**(2 848)**	**(3 035)**

Impairment allowances for 2024 as per IFRS 9 are as follows:

2024	Stage 1	Stage 2	Stage 3	Total
Placements with and advances to banks	(6)	-	-	(6)
Receivables under repurchase agreements of securities	(634)	-	-	(634)
Loans and advances to customers	(416)	(3 955)	(1 811)	(6 182)
Financial assets reported at fair value through other comprehensive income	(2 518)	(191)	-	(2 709)
Debt instruments measured at amortized cost	141	-	-	141
TOTAL NET IMPAIRMENT EXPENSES	**(3 433)**	**(4 146)**	**(1 811)**	**(9 390)**

Detailed information on the expected credit losses is presented in note 36.1.

30. INCOME TAXES

Income tax expenses are presented as follows:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Current tax expenses	(8 766)	(9 791)
Deferred taxes expenses, related to the origination or reversal of temporary differences	304	(176)
Tax effect from reclassification in other comprehensive income of debt instruments	(19)	(34)
Tax effect from reclassification in other comprehensive income of capital instruments	230	253
TOTAL INCOME TAX EXPENSES	**(8 251)**	**(9 748)**
Tax expense recognized directly in other comprehensive income	(7 268)	(282)

Current tax expenses represent the amount of the tax due according to Bulgarian legislation and the applicable tax rates of 10% for 2025 and 2024. Deferred tax income and expenses result from the change in the carrying amount of deferred tax assets and liabilities. The deferred tax assets and liabilities as of 31 December 2025 and 2024 are calculated based on the tax rate of 10%, effective for 2026 and 2025.

Recognised deferred tax assets and liabilities are presented as follows:

	As at 01.01.2025	Recognised in profit or loss	Recognised in other comprehensive income	As at 31.12.2025
Deferred tax assets (Note 10)				
Liabilities on leases	3 408	527	-	3 935
Other liabilities (unused paid leave)	366	34	-	400
Retirement benefit provisions	119	6	-	125
Revaluation of building, used in banking activities	41	7	-	48
Amortisation of non-current assets	-	261	-	261
Deferred tax liabilities (Note 21)	(61)	-	-	(61)
Right-of-use assets	(3 169)	(533)	-	(3 702)
Merger of companies in 2010	(209)	-	-	(209)
Investment property revaluation	(1 402)	(183)	-	(1 585)
Non-current tangible and intangible assets	(185)	185	-	-
Revaluation of buildings used in banking activities	(2 917)	-	(7 269)	(10 186)
	(3 948)	304	(7 269)	(10 913)
Recognized as				
DEFERRED TAX ASSETS	3 934			4 769
DEFERRED TAX LIABILITIES	(7 882)			(15 682)

	As at 01.01.2024	Recognised in profit or loss	Recognised in other comprehensive income	As at 31.12.2024
Differed tax assets (Note 10)				
Liabilities on leases	3 811	(403)	-	3 408
Other liabilities (unused paid leave)	360	6	-	366
Retirement benefit provisions	112	7	-	119
Revaluation of building, used in banking activities	-	41	-	41
Differed tax liabilities (Note 21)	(61)	-	-	(61)
Right-of-use assets	(3 551)	382	-	(3 169)
Merger of companies in 2010	(209)	-	-	(209)
Investment property revaluation	(1 312)	(90)	-	(1 402)
Non-current tangible and intangible assets	(66)	(119)	-	(185)
Revaluation of buildings used in banking activities	(2 635)	-	(282)	(2 917)
	(3 490)	(176)	(282)	(3 948)
Recognized as				
DEFERRED TAX ASSETS	4 283			3 934
DEFERRED TAX LIABILITIES	(7 773)			(7 882)

The deferred tax assets are presented in line “Other assets” in the statement of financial position.

The deferred tax liabilities are presented in line “Other liabilities” in the statement of financial position.

The relationship between tax expense in the statement of profit or loss and other comprehensive income is as follows:

	31.12.2025 BGN’000	31.12.2024 BGN’000
Profit before taxes	94 979	105 650
Taxes at applicable tax rates: 10% for 2025	(9 398)	(4 144)
and 10% for 2024	(9 498)	(10 565)
Tax effect on non-taxable income/non-taxable deductible expenses from transactions with shares on a regulated local exchange, dividends and other, net	1 247	817
TAX EXPENSES	**(8 251)**	**(9 748)**
EFFECTIVE TAX RATE	**8.69%**	**9.23%**

31. EARNINGS PER SHARE (BGN)

	31.12.2025 BGN’000	31.12.2024 BGN’000
Net profit after taxation in thousand BGN	86 728	95 902
Weighted average number of shares	127 129 970	127 129 970
BASIC EARNINGS PER SHARE (IN BGN)	**0.68**	**0.75**

The basic earnings per share is determined by dividing the net profit for the period, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the years ended 31 December 2025 and 2024. The weighted average number of shares is calculated as the sum of the number of regular shares in circulation at the beginning of the period, adjusted by the number of redeemed or newly issued regular shares during the period multiplied by the average time factor. The average time factor is equal to the number of days the specific shares were in circulation to the total number of days during the period.

	31.12.2025 BGN’000	31.12.2024 BGN’000
Adjusted net profit after taxation (thousand BGN)	87 643	96 817
Weighted average number of shares	135 020 711	135 020 711
DILUTED EARNINGS PER SHARE (IN BGN)	**0.65**	**0.72**

	31.12.2025 BGN’000	31.12.2024 BGN’000
Weighted average number of shares used for earnings per share	127 129 970	127 129 970
Potential number of shares from issued convertible bonds	7 890 741	7 890 741
WEIGHTED AVERAGE NUMBER OF SHARES UTILIZED FOR DILUTED EARNINGS PER SHARE (BGN)	**135 020 711**	**135 020 711**

The adjusted net profit for the purpose of determining the diluted earnings per share is calculated through adjustment of the net profit for the period with the interest expenses on issued bond issue, disclosed in note 19.

	31.12.2025 BGN'000	31.12.2024 BGN'000
Net profit after taxation (thousand BGN)	86 728	95 902
Interest expenses on issued bond issue	915	915
ADJUSTED NET PROFIT AFTER TAXATION (BGN'000) USED FOR DILUTED EARNINGS PER SHARE (BGN)	**87 643**	**96 817**

32. CONTINGENT LIABILITIES

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees and other irrevocable commitments to lend. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Bank.

Bank guarantees commit the Bank to make payments on behalf of customers in the event of a specific act. Guarantees carry a similar credit risk to loans. The nominal values guarantees, and irrevocable commitments are listed below:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Bank guarantees		
In BGN	38 528	27 439
In foreign currency	104 928	27 531
Provisions for expected credit loss	(83)	(3)
Total bank guarantees, net	**143 373**	**54 967**
Irrevocable commitments	78 861	98 114
Expected credit losses	(347)	(519)
Total irrevocable commitments, net	**78 514**	**97 595**
TOTAL CONTINGENT LIABILITIES	**222 317**	**153 084**
TOTAL PROVISIONS FOR EXPECTED CREDIT LOSS	**(430)**	**(522)**
TOTAL CONTINGENT LIABILITIES, NET	**221 887**	**152 562**

As of 31 December 2025 and 2024 the Bank has signed contracts for granting loans to customers atthe total amount of BGN 78 961 thousand and BGN 98 114 thousand, respectively. The future utilization of these amounts depends on the customers' ability to meet certain criteria, including no record of overdue payments on previously granted loans, provided collateral of suitable quality and liquidity, etc.

33. CASH AND CASH EQUIVALENTS, PRESENTED IN THE SEPARATE STATEMENT OF CASH FLOWS

	31.12.2025 BGN'000	31.12.2024 BGN'000
Cash	420 138	422 860
Cash balances with Central Bank	1 562 406	1 535 149
Placements with and advances to banks with maturity	168 774	143 344
up to 3 months	1 004 963	168 774
TOTAL CASH AND CASH EQUIVALENTS AS OF 31 DECEMBER, PRESENTED IN THE CASH FLOW STATEMENT	**2 987 507**	**2 126 783**

During the presented reporting periods, the Bank has carried out the following investment and financial transactions in which no cash or cash equivalents have been used and which are not reflected in the cash flow statement:

- The Bank acquired right-of-use assets in the amount of BGN 18 098 thousand (2024: BGN 9 822 thousand).

34. RECONCILIATION OF LIABILITIES, ARISING FROM FINANCING ACTIVITIES

Changes in liabilities of the Bank, arising from financing activity can be classified as follows:

	Issued bonds BGN'000	Lease liabilities BGN'000	Total BGN'000
1 January 2025	**25 463**	**34 140**	**59 603**
Cash flows:			
Principal payments	-	(12 741)	(12 741)
Interest payments	(915)	(1 200)	(2 115)
Non-monetary changes:			
Interest accrued	915	1 200	2 115
Acquired right-of-use assets	-	18 098	18 098
Written-off lease agreements	-	(124)	(124)
31 December 2025	**25 463**	**39 373**	**64 836**
1 January 2024	**25 463**	**38 111**	**63 574**
Cash flows:			
Principal payments	-	(11 756)	(11 756)
Interest payments	(915)	(1 179)	(2 094)
Non-monetary changes:			
Interest accrued	915	1 179	2 094
Acquired right-of-use assets	-	9 822	9 822
Written-off lease agreements	-	(2 037)	(2 037)
31 December 2024	**25 463**	**34 140**	**59 603**

35. LEASING

35.1. Lease as a lessee

35.1.1. Lease payments recognized as liability

	31.12.2025 BGN'000	31.12.2024 BGN'000
Classified as:		
Non-current	27 632	23 764
Current	11 741	10 376
	39 373	**34 140**

The Bank rents numerous office premises in which it operates through banking offices. The Bank is also a party to leasing contracts for vehicles. Except for short-term leases and leases of low value assets, each lease is recognized in the statement of financial position as an asset with a right-of-use and a lease liability. Variable lease payments that are not index-dependent or variable percentages (for example, lease payments based on a percentage of the Bank's sales) are excluded from the initial measurement of the lease liability and asset. The Bank classifies its right-of-use assets in a consistent manner in its property, plant and equipment (Note 15).

Each lease usually imposes a restriction that the right-of-use assets can only be used by the Bank unless the Bank has a contractual right to lease the asset to a third party. Leases either cannot be cancelled or can only be cancelled upon payment of significant early termination penalties.

Some lease contracts include the option to purchase the underlying lease asset directly at the end of the contract or to extend the lease contract for the next term. It is forbidden for the Bank to sell or pledge the leased assets as collateral. According to the lease contract for the office building and production premises, the Bank must maintain the leased properties in good condition and return the properties to their original condition after the lease expires. The Bank is obliged to insure the leased property, plant and equipment and to pay maintenance fees in accordance with the lease contracts.

Liabilities under lease contracts are presented in Note 21 and in "Other liabilities" item in the separate statement of financial position.

The future minimum lease payments as of 31 December 2025, are as follows:

	Minimum lease payments due						
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years	Total
31 December 2025							
Lease payments	12 720	10 690	8 075	6 088	2 313	1 959	41 845
Finance costs	(979)	(693)	(426)	(211)	(86)	(77)	(2 472)
Net present value	**11 741**	**9 997**	**7 649**	**5 877**	**2 227**	**1 882**	**39 373**

The future minimum lease payments as of 31 December 2024, are as follows:

	Minimum lease payments due						
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years	Total
31 December 2024							
Lease payments	11 265	8 022	5 865	4 687	3 659	3 184	36 682
Finance costs	(889)	(647)	(442)	(285)	(149)	(130)	(2 542)
Net present value	**10 376**	**7 375**	**5 423**	**4 402**	**3 510**	**3 054**	**34 140**

35.1.2. Lease payments not recognized as liability

The Bank has chosen not to recognize lease liabilities if they are short-term (leases with an expected term of 12 months or less) or if they are lease assets of low value. Payments made under these lease contracts are recognized as an expense on a straight-line basis. In addition, some variable lease payments cannot be recognized as lease liabilities and are recognized as an expense when incurred.

Expenses for 2025 related to payments not included in the estimation of lease liabilities arising from short-term lease contracts and lease of low value assets amount to BGN 3 060 (2024: BGN 2 899 thousand).

As at 31 December 2025 the Bank has committed to short-term lease contracts and lease of low-value assets and the total amount of commitments as at that date is BGN 1 152 thousand (2024: BGN 1 412 thousand).

35.1.3. Amounts recognized in profit and loss

	31.12.2025 BGN'000	31.12.2024 BGN'000
Depreciation charge on right-of-use assets	(13 842)	(13 195)
Interest expense on leasing liabilities	(1 200)	(1 179)
Costs related to short-term lease contracts and lease contracts with low-value assets	3 060	(2 899)

	Minimum lease payments due						
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years	Total
31 December 2025							
Lease payments under contracts for which right-of-use asset is not recognized	821	126	57	28	14	106	1 152
31 December 2024							
Lease payments under contracts for which right-of-use asset is not recognized	1 075	178	39	13	11	96	1 412

The Bank is not exposed to significant liquidity risk with respect to its lease liabilities. The lease liabilities are monitored within the framework of the Bank's Financial and Accounting Directorate. Lease liabilities are denominated in BGN and EUR.

35.2. Operating lease as a lessor

The Bank leases two office buildings and certain small portions of buildings used by the Bank in its operations. This activity is not central to the Bank's operations.

Future minimum payments under operating lease agreements, which the Bank has entered into as lessor for rental of real estate, and other property, plant and equipment, are stated as follows:

	Minimum lease payments due						
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years	Total
31 December 2025	1 048	850	780	755	660	830	4 923
31 December 2024	859	338	234	176	160	655	2 422

Lease payments recognized as income for the period amount to BGN 1 084 thousand (2024: BGN 1 152 thousand). The Bank has no individually significant leasing commitments.

36. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The risk inherent to the Bank's operations with financial instruments is the possibility that actual proceeds from owned financial instruments could differ from the estimated ones. The specifics of banking necessitate adequate systems for timely identification and management of different types of risk, whereas emphasis is put on risk management procedures, mechanisms for maintaining risk in reasonable limits, optimal liquidity and portfolio diversification. The main risk management goal is to present and analyse the types of risks, which the Bank is exposed to, in a convincing and comprehensive manner.

The risk management system has preventive functions for loss prevention and control of the amount of incurred loss and includes:
- risk management policy;
- rules, methods and procedures for assessment and risk management;
- risk management organizational structure;
- parameters and limits for transactions and operations;
- procedures for reporting, assessment, notification and subsequent control of risks.

The main underlying principles in the Bank's risk management policy are:
- separation of responsibilities between those taking the risk and those managing risk;
- the principle of caution, which presumes the consideration of the worst case scenario for each of the risk-weighted assets;
- the principle of source risk management.

The risk management organizational structure is centralized and structured in terms of competency levels as follows:
- Management Board - determines the acceptable levels of risk for the Bank within the adopted development strategy;
- Special collective bodies – prepare proposals to MB, the Executive directors and the Procurator regarding the Bank's risk management framework and activity parameters;
- Executive directors and Procurator – fulfil the general control, organize and manage the approval

process and application of adequate policies and procedures within the frameworks of the risk management strategy, adopted by the Bank;
• Heads of structural units within the Bank - implement the adopted risk management policy in the organization of the activities of the respective organizational units.

The Bank's exposures in derivative financial instruments are presented at fair value and constitute transactions for the purchase and sale of foreign currency, forward contracts, foreign currency swaps on the open market and option transactions with main assets financial instruments. These transactions traded by the Bank for its own account are insignificant in amount and maturity less than 1 year and the Bank is not exposed to significant risks originating from these instruments.

The nature and the essence of the risks, inherent to financial instruments of the Bank are as follows:
• Credit risk
• Liquidity risk
• Market risk
  o Interest rate risk
  o Currency risk
  o Price risk

36.1. Credit risk

Credit risk is the likelihood of a loss arising from a counterparty's failure to perform their contractual obligations on financial assets held by the bank. The bank manages the credit risk inherent for both the banking and commercial portfolio. The bank has structured credit risk monitoring and management units for the individual business segments and applies individual credit policies. The credit risk of individual exposures is managed over the lifetime of the exposure - from the decision to create the exposure to its full repayment. In order to minimize credit risk in the lending process, detailed procedures are applied for the analysis of the economic feasibility of each project, the control over the use of the allocated funds and the administration related to this activity.
To mitigate credit risk, respective collaterals and guarantees are required according to the internal credit rules, the applied approach for calculating the capital requirements and the Bulgarian legislation in effect.
Risk management policies in accordance with IFRS 9 are presented in note 4.8.3.

The credit risk, estimated as the probability of non-payment of loans, included in the model for collective provisioning, as of 31.12.2025, can be presented as follows:

	Min PD	Max PD	Consumer	Mortgage	Corporate	Total
Stage 1	1.49%	7.13%	363 741	1 361 725	1 200 495	2 925 961
Stage 2	2.97%	99.00%	641	2 657	18 686	21 984
Stage 3		100.00%	295	266	45	606
			364 677	**1 364 648**	**1 219 226**	**2 948 551**

The credit risk, estimated as the probability of non-payment of loans, included in the model for collective provisioning, as of 31.12.2024, can be presented as follows:

	Min PD	Max PD	Consumer	Mortgage	Corporate	Total
Stage 1	0.99%	6.83%	347 639	1 181 698	1 284 358	2 813 695
Stage 2	1.91%	99.00%	752	2 339	25 258	28 349
Stage 3		100.00%	467	631	58	1 156
			348 858	**1 184 668**	**1 309 674**	**2 843 200**

Note 36.1.1 and 36.1.2 present analyses performed by the Bank with regard to credit risk in accordance with IFRS 9.

The main factors influencing the amount of impairment losses on collectively assessed credit exposures are the Probability of Default (PD) and Loss Given Default (LGD) parameters. The sensitivity of the model parameters for collectively assessed loans and receivables from customers is presented in the table below.

	Consumer BGN'000	Mortgage BGN'000	Corporate BGN'000	Total BGN'000
1% chage in PD	1 351	163	2 253	3 767
1% change in LGD	116	582	341	1 039

The data present the change in the amount of impairment expense resulting from a 100 bps (1%) change in the parameter.

In addition to the Bank's policies in accordance with IFRS 9, to manage its credit risk the Bank uses the risk weights set out in the regulatory requirements to determine risk-weighted assets under EU Regulation 2013/575. The percentages indicated below correspond to the credit quality groups relevant to the specific asset types set out in the tables in the Annexes to Regulation EU 2013/575.

The cash and cash balances held at the Central Bank amounting to BGN 1 958 009 thousand do not pose significant credit risk to the Bank due to their nature and the Bank's ability to access them.

Provided resources and advances to banks at the amount of BGN 1 007 880 thousand comprise mostly deposits in international and Bulgarian financial institutions with maturity up to 7 days.

These financial assets bear some credit risk as its maximum exposure as per the Bank's policy can be 0%, 20%, 50% and 100%, whereas the percentage is defined based on the quality characteristics of the financial institution

Receivables under securities repurchase agreements amounting to BGN 412 073 thousand carry credit risk for the Bank depending on the risk of the collateral provided. A portion of the receivables amounting to BGN 41 753 thousand is secured by government securities issued by the Republic of Bulgaria and carries 0% risk. The remaining portion of receivables amounting to BGN 371 865 thousand is secured by corporate securities and carries 100% risk depending on the issuer of the securities provided as collateral.

Financial assets measured at fair value through profit or loss, amounting to BGN 241 833 thousand, comprise: equity instruments (shares) in Bulgarian financial and non-financial entities amounting to

BGN 68 740 thousand; in foreign credit institutions amounting to BGN 6 241 thousand; in foreign financial and non-financial entities amounting to BGN 1 304 thousand; and debt instruments issued by foreign credit institutions amounting to BGN 11 873 thousand, with maximum exposure corresponding to 100% risk. This category also includes units in Bulgarian mutual funds amounting to BGN 137 508 thousand, with risk weights ranging from 0% to 1,250% depending on the type of underlying assets; and debt instruments issued by the Republic of Bulgaria amounting to BGN 16 167 thousand with a 0% risk weight.

Equity instruments measured at fair value through other comprehensive income, amounting to BGN 22 647 thousand, represent shares in financial and non-financial entities that carry credit risk, with a maximum exposure of 100%, or BGN 22 647 thousand in absolute terms.

Debt securities measured at fair value through other comprehensive income and issued by the Republic of Bulgaria, amounting to BGN 6 161 thousand, carry 0% credit risk for the Bank.

Debt securities measured at fair value through other comprehensive income and issued by local and foreign corporates, amounting to BGN 1 002 426 thousand, carry credit risk for the Bank ranging from 20% to 100% depending on the credit rating of the issuer.

Debt securities measured at amortised cost and issued by the Republic of Bulgaria, with a carrying amount of BGN 868 491 thousand, carry 0% credit risk. Debt securities measured at amortised cost and issued by other countries, with a carrying amount of BGN 1 045 008 thousand, carry credit risk for the Bank depending on the credit rating of the sovereign issuer.

Debt securities measured at amortised cost and issued by local and foreign corporates, with a carrying amount of BGN 26 139 thousand, carry credit risk for the Bank, with maximum exposure ranging from 20% to 100% depending on the issuer's credit rating.

Investments in the Bank's subsidiaries—Central Cooperative Bank AD, Skopje, Republic of North Macedonia; CCB Assets Management EAD; Wine Assets EOOD; and Winery Assets EOOD, Republic of Bulgaria—amounting to BGN 49 516 thousand, carry credit risk with a maximum exposure of 100%, or BGN 49 516 thousand in absolute terms.

Loans and advances to customers, with a carrying amount of BGN 3 319 796 thousand, carry credit risk for the Bank. To determine the Bank's exposure to this risk, an analysis of the individual risk associated with each specific exposure is performed. The Bank applies the criteria for assessment and classification of risk exposures set out in the banking legislation of the Republic of Bulgaria and IFRS. Based on these criteria and the analysis performed, the Bank's maximum exposure to credit risk amounts to BGN 1 488 319 thousand.

As at 31 December 2025, the Bank has recognised allowances for expected credit losses on loans and advances amounting to BGN 53 706 thousand.

No changes have been made to the models used by the Bank for the measurement of credit losses in relation to specific macroeconomic, political and geopolitical trends, as their accuracy and adequacy depend on the risk parameters used in calculating expected credit losses, which are incorporated at their actual values as reported by official statistical and financial authorities.

During 2025, the quality of the Bank's exposure portfolio remained stable, with no increase in the share of non-performing exposures. The applied models for measuring credit losses have adequately assessed the amount of expected credit losses.

In accordance with the Bank's "Rules for Acceptance, Valuation and Management of Collateral for Credit Transactions", collateral valuations, including commercial real estate, are updated every 12 months, while residential real estate is updated every three years. Where necessary, the Bank may require more frequent updates, for example in the event of changes in the parameters of a credit transaction or when available information indicates that their value has declined significantly compared to overall market prices. Property valuations are performed by independent certified appraisers.

36.1.1. Quality of assets

The tables below present the structure and change of allowance for ECL:

Impairment loss – Placements with and advances to banks at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Impairment loss at 01 January 2025	**29**	**-**	**-**	**29**
Change in impairment loss	(11)	-	-	(11)
Charged for the period	1	-	-	1
Released during the period	(11)	-	-	(11)
Foreign currency and other movements	(1)	-	-	(1)
Impairment loss at 31 December 2025	**18**	**-**	**-**	**18**
Impairment loss at 01 January 2024	**23**	**-**	**-**	**23**
Change in impairment loss	6	-	-	6
Charged for the period	12	-	-	12
Released during the period	(6)	-	-	(6)
Impairment loss at 31 December 2024	**29**	**-**	**-**	**29**

Impairment loss – Receivables under repurchase agreements of securities	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Impairment loss at 01 January 2025	**2 186**	**-**	**-**	**2 186**
Change in impairment loss	(641)	-	-	(641)
Charged for the period	1 544	-	-	1 544
Released during the period	(2 185)	-	-	(2 185)
Impairment loss at 31 December 2025	**1 545**	**-**	**-**	**1 545**
Impairment loss at 01 January 2024	**1 552**	**-**	**-**	**1 552**
Change in impairment loss	634	-	-	634
Charged for the period	2 186	-	-	2 186
Released during the period	(1 552)	-	-	(1 552)
Impairment loss at 31 December 2024	**2 186**	**-**	**-**	**2 186**

Impairment loss – Loans and advances to customers at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Impairment loss at 01 January 2025	**16 528**	**4 016**	**30 198**	**50 742**
Change in impairment loss recognised in profit and loss	**(100)**	**469**	**2 846**	**3 215**
– Transfer to Stage 1	31	(12)	(19)	-
– Transfer to Stage 2	(5)	36	(31)	-
– Transfer to Stage 3	(6)	(1)	7	-
– Increase due to change in credit risk	1	5	66	72
– Decrease due to change in credit risk	(966)	(39)	(192)	(1 197)
– Increase due to originated or purchased assets	2 026	885	1	2 912
– Change in risk parameters	(1 181)	(405)	3 014	1 428
Decrease due to derecognition for uncollectibility	**-**	**-**	**(249)**	**(249)**
Currency differences and other adjustments	**-**	**-**	**(2)**	**(2)**
Impairment loss at 31 December 2025	**16 428**	**4 485**	**32 793**	**53 706**
Impairment loss at 01 January 2024				
Change in impairment loss recognised in profit and loss	**16 110**	**61**	**29 105**	**45 276**
– Transfer to Stage 1	418	3 955	1 811	6 184
– Transfer to Stage 2	128	(18)	(110)	-
– Transfer to Stage 3	(53)	75	(22)	-
– Increase due to change in credit risk	(3)	(3)	6	-
– Decrease due to change in credit risk	1	43	145	189
– Increase due to originated or purchased assets	(2 683)	(33)	(232)	(2 948)
– Change in risk parameters	2 177	3 911	26	6 114
Decrease due to derecognition for uncollectibility	**851**	**(20)**	**1 998**	**2 829**
Currency differences and other adjustments	**-**	**-**	**(728)**	**(728)**
Impairment loss at 31 December 2024	**-**	**-**	**10**	**10**

Impairment loss – Investments in debt securities at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Impairment loss at 01 January 2025	**2 039**	**-**	**-**	**2 039**
Change in impairment loss	**(1 338)**	**-**	**-**	**(1 338)**
Charged for the period	242	-	-	242
Released during the period	(1 580)	-	-	(1 580)
Impairment loss at 31 December 2025	**701**	**-**	**-**	**701**
Impairment loss at 01 January 2024	**2 180**	**-**	**-**	**2 180**
Change in impairment loss	**(141)**	**-**	**-**	**(141)**
Charged for the period	197	-	-	197
Released during the period	(338)	-	-	(338)
Impairment loss at 31 December 2024	**2 039**	**-**	**-**	**2 039**

Impairment loss – Investments in debt securities at FVTOCI	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Impairment loss at 01 January 2025	**7 935**	**191**	**-**	**8 126**
Change in impairment loss	**1 596**	**212**	**-**	**1 808**
Charged for the period	3 055	403	-	3 458
Released during the period	(1 459)	(191)	-	(1 650)
Impairment loss at 31 December 2025	**9 531**	**403**	**-**	**9 934**
Impairment loss at 01 January 2024	**5 417**	**-**	**-**	**5 417**
Change in impairment loss	**2 518**	**191**	**-**	**2 709**
Charged for the period	4115	191	-	4 306
Released during the period	(1 597)	-	-	(1 597)
Impairment loss at 31 December 2024	**7 935**	**191**	**-**	**8 126**

Impairment loss – Loan commitments	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Impairment loss at 01 January 2025	**300**	**206**	**13**	**519**
Change in impairment loss	**39**	**(205)**	**(6)**	**(172)**
Charged for the period	788	6	13	807
Released during the period	(749)	(211)	(19)	(979)
Currency and other movements	2	-	(2)	-
Impairment loss at 31 December 2025	**341**	**1**	**5**	**347**
Impairment loss at 01 January 2024	**286**	**1**	**16**	**303**
Change in impairment loss	8	203	5	216
Charged for the period	640	211	35	886
Released during the period	(632)	(8)	(30)	(670)
Currency and other movements	6	2	(8)	-
Impairment loss at 31 December 2024	**300**	**206**	**13**	**519**

Impairment loss – Financial guarantee contracts	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Impairment loss at 01 January 2025	**3**	**-**	**-**	**3**
Change in impairment loss	80	-	-	80
Charged for the period	83	-	-	83
Released during the period	(3)	-	-	(3)
Impairment loss at 31 December 2025	**83**	**-**	**-**	**83**
Impairment loss at 01 January 2024	**6**	**-**	**-**	**6**
Change in impairment loss	(3)	-	-	(3)
Charged for the period	3	-	-	3
Released during the period	(6)	-	-	(6)
Impairment loss at 31 December 2024	3	-	-	3

In the tables below the Bank presents the structure and change of gross amounts by categories:

Carrying amount before impairment – Provided resources and advances to banks at amortized cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at 01 January 2025	**173 670**	**-**	**-**	**173 670**
Change in gross carrying amount	**834 228**	**-**	**-**	**834 228**
Increase for the period	858 106	-	-	858 106
Decrease for the period	(23 878)	-	-	(23 878)
Gross carrying amount at 31 December 2025	**1 007 898**	**-**	**-**	**1 007 898**
Impairment loss at 31 December 2025	(18)	-	-	(18)
Carrying amount at 31 December 2025	**1 007 880**	**-**	**-**	**1 007 880**
Gross carrying amount at 01 January 2024	**146 301**	**-**	**-**	**146 301**
Change in gross carrying amount	**27 369**	**-**	**-**	**27 369**
Increase for the period	44 863	-	-	44 863
Decrease for the period	(17 494)	-	-	(17 494)
Gross carrying amount at 31 December 2024	**173 670**	**-**	**-**	**173 670**
Impairment loss at 31 December 2024	(29)	-	-	(29)
Carrying amount at 31 December 2024	**173 641**	**-**	**-**	**173 641**

Carrying amount before impairment – Receivables under repurchase agreements of securities	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at 01 January 2025	**594 253**	**-**	**-**	**594 253**
Change in the gross carrying amount	**(180 635)**	**-**	**-**	**(180 635)**
Increase for the period	413 617	-	-	413 617
Decrease for the period	(594 252)	-	-	(594 252)
Gross carrying amount at 31 December 2025	**413 618**	**-**	**-**	**413 618**
Impairment loss at 31 December 2025	(1 545)	-	-	(1 545)
Carrying amount at 31 December 2025	**412 073**	**-**	**-**	**412 073**
Gross carrying amount at 01 January 2024	**443 272**	**-**	**-**	**443 272**
Change in the gross carrying amount	**150 981**	**-**	**-**	**150 981**
Increase for the period	594 253	-	-	594 253
Decrease for the period	(443 272)	-	-	(443 272)
Gross carrying amount at 31 December 2024	**594 253**	**-**	**-**	**594 253**
Impairment loss at 31 December 2024	(2 186)	-	-	(2 186)
Carrying amount at 31 December 2024	**592 067**	**-**	**-**	**592 067**

Loans and advances to customers at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at 01 January 2025	**3 047 948**	**114 828**	**35 072**	**3 197 848**
Change in the gross carrying amount	**153 559**	**16 669**	**5 675**	**175 903**
– Transfer to Stage 1	2 157	(2 019)	(138)	-
– Transfer to Stage 2	(2 179)	2 264	(85)	-
– Transfer to Stage 3	(147)	(218)	365	-
– Increase due to change in credit risk	9	19	6	34
– Decrease due to change in credit risk	(212 596)	(12 536)	(445)	(225 577)
– Increase due to originated or purchased assets	534 284	28 431	2	562 717
– Change in risk parameters	(167 969)	728	5 970	(161 271)
Decrease due to derecognition for uncollectibility	**-**	**-**	**(249)**	**(249)**
Gross carrying amount at 31 December 2025	**3 201 507**	**131 497**	**40 498**	**3 373 502**
Impairment loss at 31 December 2025	(16 428)	(4 485)	(32 793)	(53 706)
Carrying amount at 31 December 2025	**3 185 079**	**127 012**	**7 705**	**3 319 796**
Gross carrying amount at 01 January 2024	**3 018 308**	**9 808**	**39 746**	**3 067 862**
Change in the gross carrying amount	**29 640**	**105 020**	**(3 946)**	**130 714**
– Transfer to Stage 1	3 008	(2 782)	(226)	-
– Transfer to Stage 2	(20 564)	20 858	(294)	-
– Transfer to Stage 3	(597)	(459)	1 056	-
– Increase due to change in credit risk	26	52	655	733
– Decrease due to change in credit risk	(328 668)	(2 298)	(653)	(331 619)
– Increase due to originated or purchased assets	547 454	92 077	64	639 595
– Change in risk parameters	(171 019)	(2 428)	(4 548)	(177 995)
Decrease due to derecognition for uncollectibility	**-**	**-**	**(728)**	**(728)**
Gross carrying amount at 31 December 2024	**3 047 948**	**114 828**	**35 072**	**3 197 848**
Impairment loss at 31 December 2024	(16 528)	(4 016)	(30 198)	(50 742)
Carrying amount at 31 December 2024	**3 031 420**	**110 812**	**4 874**	**3 147 106**

Carrying amount before impairment - Investments in debt securities at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at 01 January 2025	**1 836 876**	**-**	**-**	**1 836 876**
Change in the gross carrying amount	**103 463**	**-**	**-**	**103 463**
Increase for the period	1 311 713	-	-	1 311 713
Decrease for the period	(1 208 250)	-	-	(1 208 250)
Gross carrying amount at 31 December 2025	**1 940 339**	**-**	**-**	**1 940 339**
Impairment loss at 31 December 2025	(701)	-	-	(701)
Carrying amount at 31 December 2025	**1 939 638**	**-**	**-**	**1 939 638**
Gross carrying amount at 01 January 2024	**1 485 099**	**-**	**-**	**1 485 099**
Change in the gross carrying amount	351 777	-	-	351 777
Increase for the period	718 270	-	-	718 270
Decrease for the period	(366 493)	-	-	(366 493)
Gross carrying amount at 31 December 2024	**1 836 876**	**-**	**-**	**1 836 876**
Impairment loss at 31 December 2024	(2 039)	-	-	(2 039)
Carrying amount at 31 December 2024	**1 834 837**	**-**	**-**	**1 834 837**

Carrying amount before impairment – Financial assets at fair value through OCI	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at 01 January 2025	**835 600**	**9 508**	**-**	**845 108**
Change in the gross carrying amount	**186 126**	**-**	**-**	**186 126**
Increase for the period	313 452	-	-	313 452
Decrease for the period	(127 326)	-	-	(127 326)
Gross carrying amount at 31 December 2025	**1 021 726**	**9 508**	**-**	**1 031 234**
Impairment loss at 31 December 2025, recognized in equity	9 743	191	-	9 934
Gross carrying amount at 01 January 2024	**606 942**	**-**	**-**	**606 942**
Change in the gross carrying amount	**228 658**	**9 508**	**-**	**238 166**
Increase for the period	402 452	9 508	-	411 960
Decrease for the period	(173 794)	-	-	(173 794)
Gross carrying amount at 31 December 2024	**835 600**	**9 508**	**-**	**845 108**
Impairment loss at 31 December 2024, recognized in equity	7 935	191	-	8 126

Loan commitments	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Total amount of loan commitments at 01 January 2025	**93 180**	**4 808**	**126**	**98 114**
Change in the amount of loan commitments	**(14 506)**	**(4 680)**	**(67)**	**(19 253)**
Increase for the period	22 209	34	12	22 255
Decrease for the period	(36 715)	(4 714)	(79)	(41 508)
Other movements	(21)	32	(11)	-
Total amount of loan commitments at 31 December 2025	**78 653**	**160**	**48**	**78 861**
ECL allowance at 31 December 2025	(341)	(1)	(5)	(347)
Total amount of loan commitments at 01 January 2024	**96 681**	**229**	**214**	**97 124**
Change in the amount of loan commitments	**(3 485)**	**4 572**	**(97)**	**990**
Increase for the period	36 822	4 672	18	41 512
Decrease for the period	(40 307)	(100)	(115)	(40 522)
Other movements	(16)	7	9	-
Total amount of loan commitments at 31 December 2024	**93 180**	**4 808**	**126**	**98 114**
ECL allowance at 31 December 2024	(300)	(206)	(13)	(519)

Financial guarantee contracts	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Total amount of guarantees at 01 January 2025	**54 970**	**-**	**-**	**54 970**
Change in the gross carrying amount	**88 486**	**-**	**-**	**88 486**
Increase for the period	105 606	-	-	105 606
Decrease for the period	(17 120)	-	-	(17 120)
Total amount of guarantees at 31 December 2025	**143 456**	**-**	**-**	**143 456**
ECL allowance at 31 December 2025	(83)	-	-	(83)
Total amount of guarantees at 01 January 2024	**50 792**	**-**	**-**	**50 792**
Change in the gross carrying amount	**4 178**	**-**	**-**	**4 178**
Increase for the period	24 572	-	-	24 572
Decrease for the period	(20 394)	-	-	(20 394)
Total amount of guarantees at 31 December 2024	**54 970**	**-**	**-**	**54 970**
ECL allowance at 31 December 2024	(3)	-	-	(3)

Impairment loss by type of assets	2025	2024
Placements with and advances to banks at amortised cost	**(18)**	**(29)**
Receivables under repurchase agreements of securities	**(1 545)**	**(2 186)**
Loans and advances to customers at amortised cost	(53 706)	(50 742)
Investments in debt securities at amortised cost	(701)	(2 039)
Financial assets at fair value through OCI	**(9 934)**	**(8 126)**
	(65 904)	**(63 122)**

Loans and advances to customers	2025		2024	
	Gross carrying amount	Impairment loss	Gross carrying amount	Impairment loss
0-29 days	3 335 481	(20 939)	3 161 083	(20 600)
30-59 days	1 719	(36)	1 958	(50)
60-89 days	76	(13)	494	(21)
90-180 days	307	(27)	468	(52)
Over 181 days	35 919	(32 691)	33 845	(30 019)
Total	**3 373 502**	**(53 706)**	**3 197 848**	**(50 742)**

	2025	2024
Loans and advances to customers at amortised cost	3 373 502	3 197 848
Less impairment for uncollectibility	(53 706)	(50 742)
Total loans and advances to customers	**3 319 796**	**3 147 106**

	31.12.2025			31.12.2024		
	Gross carrying amount	ECL impairment	Carrying amount	Gross carrying amount	ECL impairment	Carrying amount
Retail banking						
Mortgages	877 482	(522)	876 960	760 555	(440)	760 115
Consumer loans	848 698	(7 660)	841 038	769 398	(7 300)	762 098
Credit cards	12 858	(1 006)	11 852	14 356	(1 019)	13 337
Other	2 639	(2 639)	-	2 620	(2 620)	-
Total retail banking	**1 741 677**	**(11 827)**	**1 729 850**	**1 546 929**	**(11 379)**	**1 535 550**
Corporate lending	1 631 825	(41 879)	1 589 946	1 650 919	(39 363)	1 611 556
Total	**3 373 502**	**(53 706)**	**3 319 796**	**3 197 848**	**(50 742)**	**3 147 106**

Placements with and advances to banks at amortised cost	2025			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Category	**1 007 898**	**-**	**-**	**1 007 898**
Total gross carrying amount	**1 007 898**	**-**	**-**	**1 007 898**
Impairment loss	(18)	-	-	(18)
Carrying amount	**1 007 880**	**-**	**-**	**1 007 880**
	2024			
Category	**173 670**	**-**	**-**	**173 670**
Total gross carrying amount	**173 670**	**-**	**-**	**173 670**
Impairment loss	(29)	-	-	(29)
Carrying amount	**173 641**	**-**	**-**	**173 641**

Receivables under repurchase agreements of securities	2025			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Category	**413 618**	**-**	**-**	**413 618**
Total gross carrying amount	**(1 545)**	**-**	**-**	**(1 545)**
Impairment loss	412 073	-	-	412 073
Carrying amount	**592 067**	**-**	**-**	**592 067**
	2024			
Category	**594 253**	**-**	**-**	**594 253**
Total gross carrying amount	**594 253**	**-**	**-**	**594 253**
Impairment loss	(2 186)	-	-	(2 186)
Carrying amount	**592 067**	**-**	**-**	**592 067**

Loans and advances to customers at amortised cost		2025		
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Category	**3 201 507**	**131 497**	**40 498**	**3 373 502**
Total gross carrying amount	**3 201 507**	**131 497**	**40 498**	**3 373 502**
Impairment loss	(16 428)	(4 485)	(32 793)	(53 706)
Carrying amount	**3 185 079**	**127 012**	**7 705**	**3 319 796**
		2024		
Category	**3 047 948**	**114 828**	**35 072**	**3 197 848**
Total gross carrying amount	**3 047 948**	**114 828**	**35 072**	**3 197 848**
Impairment loss	(16 528)	(4 016)	(30 198)	(50 742)
Carrying amount	**3 031 420**	**110 812**	**4 874**	**3 147 106**

Investments in debt securities at amortised cost		2025		
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Category	**1 940 339**	**-**	**-**	**1 940 339**
Total gross carrying amount	**1 940 339**	**-**	**-**	**1 940 339**
Impairment loss	(701)	-	-	(701)
Carrying amount	**1 939 638**	**-**	**-**	**1 939 638**
		2024		
Category	**1 836 876**	**-**	**-**	**1 836 876**
Total gross carrying amount	**1 836 876**	**-**	**-**	**1 836 876**
Impairment loss	(2 039)	-	-	(2 039)
Carrying amount	**1 834 837**	**-**	**-**	**1 834 837**

Financial assets at FVTOCI		2025		
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Category	**1 021 726**	**9 508**	-	**1 031 234**
Total gross carrying amount	**1 021 726**	**9 508**		**1 031 234**
Impairment loss recognized in equity	9 531	403	-	9 934
		2024		
Category	**835 600**	**9 508**		**845 108**
Total gross carrying amount	**835 600**	**9 508**		**845 108**
Impairment loss recognized in equity	7 935	191		8 126

Loan commitments		2025		
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Category	**78 653**	**160**	**48**	**78 861**
Total gross carrying amount	**78 653**	**160**	**48**	**78 861**
Expected credit loss allowance	(341)	(1)	(5)	(347)
		2024		
Category	**93 180**	**4 808**	**126**	**98 114**
Total gross carrying amount	**93 180**	**4 808**	**126**	**98 114**
Expected credit loss allowance	(300)	(206)	(13)	(519)

Financial guarantee contracts	Stage 1	Stage 2	Stage 3	
	2025			
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Category	**143 456**	**-**	**-**	**143 456**
Total gross carrying amount	**143 456**	**-**	**-**	**143 456**
Expected credit loss allowance	(83)	-	-	(83)
	2024			
Category	**54 970**	**-**	**-**	**54 970**
Total gross carrying amount	**54 970**	**-**	**-**	**54 970**
Expected credit loss allowance	(3)	-	-	(3)

36.1.2. Credit risk concentration

Credit risk concentration refers to the probability of loss due to poor diversification of exposure to customers, groups of related customers, customers from one and the same economic sector or geographical region.

The tables below present the concentration split of different asset categories of the Bank by region and by economic sector.

Placements with and advances to banks at amortised cost	2025	2024
Concentration by sector		
Central banks	956 090	1 377
Bulgarian commercial banks	43	26
Foreign commercial banks	51 765	172 267
Total	**1 007 898**	**173 670**
Concentration by region		
Europe	976 663	137 010
America	8 168	24 898
Asia	23 067	11 762
Total	**1 007 898**	**173 670**

Receivables under repurchase agreements of securities	2025	2024
Corporate:		
Construction	54 582	63 749
Commerce and finance	249 323	384 494
Transport and communications	26 969	25 748
Industry	20 497	29 919
Other	62 247	90 343
Total	413 618	594 253
Concentration by region		
Europe	413 618	594 253
Total	**413 618**	**594 253**

Investments in debt securities at amortised cost	**2025**	**2024**
Concentration by sector		
States	1 913 498	1 795 232
Bank	11 616	13 807
Corporate:		
Commerce and finance	14 524	25 798
Total	**1 939 638**	**1 834 837**
Concentration by region		
Europe	1 902 970	1 788 884
Asia	9 719	9 707
America	26 949	36 246
Total	**1 939 638**	**1 834 837**

Investments in debt securities at FVTOCI	**2025**	**2024**
Concentration by sector		
States	6 160	6 961
Banks	1 081	1 074
Corporate:		
Construction	286 032	288 630
Industry	15 851	8 440
Commerce and finance	507 695	374 999
Transport and communications	41 425	6 210
Agriculture and forestry	-	12 162
Other	150 343	124 725
Other	**1 008 587**	**823 201**
Concentration by region		
Europe	1 008 587	823 201
Total	**1 008 587**	**823 201**

Loans and advances to customers at amortised cost	**2025**	**2024**
Concentration by sector		
Retail Banking:	***1 741 677***	***1 546 929***
Mortgage	877 482	760 555
Consumer	848 698	769 398
Credit cards	12 858	14 356
Other	2 639	2 620
Corporate:		
Agriculture and forestry	1 631 825	1 650 919
Industry	74 866	82 664
Construction	53 493	44 622
Commerce and finance	657 213	668 192
Transport and communications	626 731	645 358
Other	85 680	84 309
Total	133 842	125 774
Corporate:	**3 373 502**	**3 197 848**

Concentration by region		
Europe	3 373 067	3 197 671
America	385	65
Asia	50	112
Total	**3 373 502**	**3 197 848**

Loan commitments	**2025**	**2024**
Concentration by sector		
Retail banking:	***53 146***	***51 004***
Mortgage	3 972	2 715
Consumer	7 274	9 199
Credit cards	41 900	39 090
Corporate:	***25 715***	***47 110***
Agriculture and forestry	2 499	5 579
Industry	3 764	2 496
Construction	11 383	25 447
Commerce and finance	7 108	7 497
Transport and communications	428	5 359
Other	533	732
Total	**78 861**	**98 114**
Concentration by region		
Europe	78 834	98 091
Middle East and Africa	27	23
Total	78 861	98 114
Total	**78,895**	**233,154**

Financial guarantee contracts	**2025**	**2024**
Corporate:		
Agriculture and forestry	331	186
Industry	17 796	5 866
Construction	51 379	9 685
Commerce and finance	55 751	27 701
Transport and communications	14 787	8 201
Other	3 412	3 331
Total	**143 456**	**54 970**
Concentration by region		
Europe	143 456	54 970
Total	**143 456**	**54 970**

Credit exposures with restructuring measures

As exposures with restructuring measures, the Bank accepts credit exposures on which the initial terms of the contract have been amended due to the debtor’s difficulties in fulfilling its financial obligations and which discounts the Bank would not have given under other circumstances.

The changes to the initial contract terms in case of restructuring measures may include:
• Postponing or rescheduling the payment of principal, interest or, where applicable, fees, which may

result in a reduction in the amount of the financial liability;
- Partial or total refinancing of a troubled debt contract that is only allowed when the debtor is in financial difficulties;
- Full or partial write-off of debt, leading to a reduction in the amount of the financial liability;
- An amendment involving repayments resulting from a collateral acquisition by the Bank is treated as a restructuring measure when the debtor is in financial difficulty;
- Granted rebates to a debtor who has been in default before granting the rebates;
- Decrease of the interest rate on the contract, except for change of the interest rate originated by changes in market interest rates.

The information of loan exposures for restructuring is as follows:

	2025		2024	
	Corporate customers	Individuals	Corporate customers	Individuals
Amount before impairment	9 558	441	20 186	890
Impairment	(9 116)	(207)	(9 262)	(269)
Amount after impairment	**442**	**234**	**10 924**	**621**

Collaterals on loans granted

Housing mortgage loans to individuals
The table below presents the carrying amount of reported housing mortgage loans to individuals based on loan-to-value ratio. The ratio is calculated as a correlation of the gross amount of loan exposure to the collateral value. Collateral value on housing mortgage loans is determined upon loan granting and is updated periodically and in case of significant changes in the prices of real estate market.

Loan-to-value	2025	2024
Below 50%	505 108	373 716
From 50% to 75%	282 220	263 706
From 75% to 90%	89 379	119 896
From 90% to 100%	771	1 116
Above 100%	4	2 121
Total	**877 482**	**760 555**

Loans granted to legal entities
With regard to loans granted to legal entities, the Bank determines the creditability of each client as a most appropriate indicator for risk exposure. Therefore, the Bank has adopted an approach for individual credit evaluation and test of impairment of loans granted to companies. For additional security purposes along with the regular monitoring of the financial position of the companies-borrowers and the sources of income for repaying credit exposures and their dependency on the market environment, the Bank requires collaterals on credit exposures to be established. The Bank accepts loans to companies to be secured by mortgages on real estates, pledges on going concern, special pledges on tangible assets, as well as other guarantees and titles.

The Bank analyses and updates on a regular basis the collateral value considering any significant changes in the market environment, regulatory framework and other circumstances incurred. If there is a decrease in the collateral value, as a result of which the Bank believes it is no more sufficient, the borrower is required to establish further collaterals within a given term.

36.1.3. Capital risk

Capital risk measures the coverage of a Bank's risk assets with capital in order to meet the regulatory requirements for the Bank's operations, strategic development and planned growth.

The minimum capital ratios for the Bank are set by BNB and Regulation No. 575/2013, with the Bank historically maintaining higher capital ratios than the minimum threshold.

Capital risk management is concentrated in the Bank's Risk Committee and the Management Board's decisions insofar as all capital reports for internal and supervisory purposes are dealt with by the two bodies that take all decisions concerning the allocation of capital resources and the institution's risk tendency.

The Bank's capital management policies aim at maintaining a quantitatively and qualitatively sufficient capital to meet the Bank's risk profile, regulatory and business needs. Capital ratios are continuously monitored against regulatory limits, with any deviation from adequacy levels reported at any time to the Bank's Management to support strategic and day-to-day business decision-making.

The Bank's equity (Capital Base) consists of Tier 1 and Tier 2 capital. Tier 1 capital consists of Common Equity Tier 1 capital (CET1) - this is the most important capital for the banking institution. Its composition includes: share capital - ordinary shares, premium reserve, retained earnings, other reserves after adjustment for intangible assets and other regulatory adjustments relating to items that are included in the equity but are treated differently for the purpose of determining capital adequacy.

In accordance with the requirements of the regulatory body in the Republic of Bulgaria - Bulgarian National Bank, Central Cooperative Bank AD makes separate public disclosure of the elements of the capital for supervisory purposes and the supervisory indicators for capital coverage of the risks in its activity, within the relevant terms, required by the supervisory body.

36.2. Liquidity risk

Liquidity risk arises from the mismatch of the assets' and liabilities' maturity and the lack of sufficient funds for the Bank to meet its obligations on its current financial liabilities, as well as to provide funding for the increase in financial assets and the potential claims on off-balance sheet commitments.

Adequate liquidity is achieved if the Bank is able to provide enough funds for the above purposes by increasing liabilities and transforming assets as soon as possible and at relatively low costs through potential sale of liquid assets or attraction of additional funds from cash, capital or currency markets. The preventive function of liquidity risk management consists in maintaining a reasonable level of liquidity to avoid potential loss from unexpected sale of assets. The special collective body for liquidity management in the Bank is the Assets and Liabilities Management Committee. It applies the policy on liquidity risk management adopted by the Bank.

Quantitative measure of the liquidity risk in accordance with the regulations of Bulgarian National Bank and European Banking Authority is the liquidity coverage ratio (LCR). This ratio represents the excess of the liquidity buffer (liquid assets) of the Bank over the net liquid outflows.

The Bank maintains a structure of assets and liabilities that ensures compliance with the set values of the liquidity ratios and the fulfillment of the requirement for liquidity coverage according to Art. 412 paragraph 1 of Regulation 575/2013 (Liquidity Coverage Ratio - LCR). The focus is set on liquidity management for a period of up to 30 days. The bank calculates its liquidity coverage ratio using the following formula:

$$\frac{\text{“Liquidity buffer”}}{\text{Net liquidity outflows under 30 calendar day stress period}} = \text{Liquidity coverage ratio” “(\%)}$$

The Bank maintains Liquidity coverage ratio of at least 100%.

LCR of CCB AD as of 31 December 2025 amounts to 280.90% (31.12.2024: 341.14%) and exceeds the regulatory threshold of 100%.

The Bank mainly relies on its own resources and does not have approved and undrawn credit lines.

The tables below analyze the Bank's assets, liabilities and off-balance sheet commitments, grouped by respective terms and maturities based on remaining term to maturity date. In these tables, customers' demand deposits are presented in the “up to 1 month” maturity zone, but a significant part of them remain with the Bank for a longer period of time. Time deposits are usually renewed by the depositors on maturity and in practice are also retained by the Bank for a longer period of time.

The allocation of Bank's expected gross undiscounted contractual cash flows as of 31 December 2025 can be presented as follows:

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
FINANCIAL ASSETS						
Cash and balances with the Central Bank	1 982 544	-	-	-	-	1 982 544
Placements with and advances to banks	1 004 964	-	-	2 934		1 007 898
Receivables under repurchase agreements	107 634	139 221	166 763	-	-	413 618
Financial assets at fair value through profit or loss	2 010	-	211 114	10 170	18 539	241 833
Loans and advances to customers, net	58 906	165 870	464 417	1 447 947	1 236 362	3 373 502
Financial assets at fair value through other comprehensive income	22 647	-	22 060	168 685	817 842	1 031 234
Financial assets at amortized cost	166 061	505 285	266 484	484 619	517 890	1 940 339
TOTAL FINANCIAL ASSETS	**3 344 766**	**810 376**	**1 130 838**	**2 114 355**	**2 590 633**	**9 990 968**
FINANCIAL LIABILITIES						
Deposits from banks	30 712	-	-	-	-	30 712
Amounts owed to other depositors	3 981 307	371 421	847 341	3 974 211	1 230	9 175 510
Issued bonds	-	-	-	-	25 463	25 463
Provisions for liabilities	-	-	431	-	-	431
Other liabilities	1 060	2 120	9 540	27 166	1 959	41 845
TOTAL FINANCIAL LIABILITIES	**4 013 079**	**373 541**	**857 312**	**4 001 377**	**28 652**	**9 273 961**

The allocation of Bank's expected gross undiscounted contractual cash flows as of 31 December 2024 can be presented as follows:

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
FINANCIAL ASSETS						
Cash and balances with the Central Bank	1 958 009	-	-	-	-	1 958 009
Placements with and advances to banks	168 776	-	-	2 934	1 960	173 670
Receivables under repurchase agreements	257 928	144 162	192 163	-	-	594 253
Financial assets at fair value through profit or loss	21 447	-	202 305	16 492	7 021	247 265
Loans and advances to customers, net	43 187	174 757	416 869	1 424 542	1 138 493	3 197 848
Financial assets at fair value through other comprehensive income	23 384	31	9 638	160 393	651 662	845 108
Financial assets at amortized cost	237 873	277 843	231 978	475 901	613 281	1 836 876
TOTAL FINANCIAL ASSETS	**2 710 604**	**596 793**	**1 052 953**	**2 080 262**	**2 412 417**	**8 853 029**
FINANCIAL LIABILITIES						
Deposits from banks	18 390	-	-	-	-	18 390
Amounts owed to other depositors	3 499 707	467 270	988 851	3 166 823	57	8 122 708
Issued bonds	-	-	-	-	25 463	25 463
Provisions for liabilities	-	-	522	-	-	522
Other liabilities	939	1 877	8 449	22 233	3 184	36 682
TOTAL FINANCIAL LIABILITIES	**3 519 036**	**469 147**	**997 822**	**3 189 056**	**28 704**	**8 203 765**

The financial liabilities of the Bank are mainly formed by attracted funds from other depositors – deposits from individuals and legal entities.

The tables above feature part of the attracted funds in current accounts without residual maturity amounting to BGN 3 860 465 thousand as of 31 December 2025 (2024: BGN 3 161 759 thousand) and they are presented within the range from 1 to 5 years, as the Bank regards this availability as a long-term reliable resource based on the average daily availability in these accounts for 2025 and 2024.

The liquidity position of the Bank, measured by liquidity coverage, is 3 times above the regulatory requirement. There are no customer funding outflows

36.3. Market risk

Market risk is the risk, at which it is possible that the changes in the market prices of the financial assets, the interest rates or the currency rates have an unfavourable effect on the result of the Bank activity. Market risk arises on opened exposures on interest, currency and capital instruments, as all of them are sensitive to general and specific market movements. Exposure to market risk is managed by the Bank in accordance with risk limits, stipulated by the Management.

36.3.1. Interest rate risk

36.3.1.1. General management of interest rate risk

Interest rate risk is the possibility of potential fluctuation of the net interest income or the net interest rate margin, due to changes in the general market interest rates. The Bank manages its interest rate risk through minimizing the risk of decrease of the net interest income resulting from changes in the interest rates.

For measurement and evaluation of the interest rate risk, the Bank applies the method of the GAP analysis (analysis of mismatch/imbalance). The sensitivity of the expected income and expenses toward the interest rate development is identified through this analysis.

The method of the GAP analysis aims to determine the Bank position, in total and separately by financial assets and liabilities types, regarding expected changes in interest rates and the influence of this change on the net interest income. It helps the management of the assets and liabilities and is an instrument for assurance of sufficient and stable net interest rate profitability.

The mismatch of the Bank between the interest-bearing assets and liabilities as of 31 December 2025 is negative and amounts to BGN (1 515 671) thousand. GAP coefficient, as a representation of this mismatch, compared to the total profitable assets of the Bank (interest-bearing assets, equity securities, derivatives and investments in subsidiaries) is minus 19.12%.

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
INTEREST-BEARING ASSETS						
Placements with and advances to banks	1 004 963	-	-	2 917	-	1 007 880
Receivables under repurchase agreements of securities	107 228	138 684	166 161	-	-	412 073
Financial assets at fair value through profit or loss	-	-	-	16 167	11 873	28 040
Loans and advances to customers	58 639	165 467	459 885	1 415 040	1 220 765	3 319 796
Financial assets at FVTOCI	-	-	22 060	168 685	817 842	1 008 587
Financial assets at amortised cost	166 061	505 274	266 468	484 227	517 608	1 939 638
TOTAL INTEREST-BEARING ASSETS	**1 336 891**	**809 425**	**914 574**	**2 087 036**	**2 568 088**	**7 716 014**
INTEREST-BEARING LIABILITIES						
Deposits from banks	30 712	-	-	-	-	30 712
Amounts owed to other depositors	3 981 307	371 421	847 341	3 974 211	1 230	9 175 510
Issued bonds	-	-	-	-	25 463	25 463
TOTAL INTEREST-BEARING LIABILITIES	**4 012 019**	**371 421**	**847 341**	**3 974 211**	**26 693**	**9 231 685**
NET INTEREST-BEARING ASSETS AND LAIBILITIES GAP	**(2 675 128)**	**438 004**	**67 233**	**(1 887 175)**	**2 541 395**	**(1 515 671)**

The mismatch of the Bank between the interest-bearing assets and liabilities as of 31 December 2024 is negative and amounts to BGN (1 572 196) thousand. GAP coefficient, as a representation of this mismatch, compared to the total profitable assets of the Bank (interest-bearing assets, equity securities, derivatives and investments in subsidiaries) is minus 22.54%.

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
INTEREST-BEARING ASSETS						
Placements with and advances to banks	168 773	-	-	2 918	1 950	173 641
Receivables under repurchase agreements of securities	256 988	143 604	191 475	-	-	592 067
Financial assets at fair value through profit or loss	-	-	-	16 492	7 021	23 513
Loans and advances to customers	42 803	172 593	413 440	1 392 562	1 125 708	3 147 106
Financial assets at FVTOCI	1 477	31	9 638	160 393	651 662	823 201
Financial assets at amortised cost	237 871	277 841	231 531	475 181	612 413	1 834 837
TOTAL INTEREST-BEARING ASSETS	**707 912**	**594 069**	**846 084**	**2 047 546**	**2 398 754**	**6 594 365**
INTEREST-BEARING LIABILITIES						
Deposits from banks	18 390	-	-	-	-	18 390
Amounts owed to other depositors	3 499 707	467 270	988 851	3 166 823	57	8 122 708
Issued bonds	-	-	-	-	25 463	25 463
TOTAL INTEREST-BEARING LIABILITIES	**3 518 097**	**467 270**	**988 851**	**3 166 823**	**25 520**	**8 166 561**
NET INTEREST-BEARING ASSETS AND LAIBILITIES GAP	**(2 810 185)**	**126 799**	**(142 767)**	**(1 119 277)**	**2 373 234**	**(1 572 196)**

The tables above feature part of the attracted funds in current accounts without residual maturity amounting to BGN 3 860 465 thousand as of 31 December 2025 (2024: BGN3 161 759 thousand) and they are presented within the range from 1 to 5 years since the Bank regards this availability as a long-term reliable resource based on the average daily availability in these accounts for 2025 and 2024.

The maintenance of negative mismatch exposes the Bank to risk of decrease of the net interest income when interest rates increase. The quantification of sensitivity analysis performed by the Bank is based on the mismatch, reported as of 31 December 2025 on the net interest income. The calculated potential negative impact based on the negative interest mismatch which is calculated with 2% as expected potential increase in interest rates will lead to decrease of the net interest income and net financial results by BGN 5 721 thousand (2024: BGN 5 935 thousand).

In the course of its activity, the Bank uses basic fixed interest rates and interest rates, which are based on basic reference interest rate (BRIR). The only material exposure the Bank has is to exposures issued in euro, whose reference interest index is EURIBOR.

The table below presents the exposure of the Bank and the effects on its financial results from the financial assets, whose reference interest rate is EURIBOR as at 31.12.2025:

Gross exposures	31 December 2025	Effect on the financial result when the EURIBOR increases by 1%	Effect on the financial result when the EURIBOR decreases by 1%
	BGN'000	BGN'000	BGN'000
Loans and advances to customers	219 178	2 192	(2 192)
Financial assets at fair value through other comprehensive income	901 333	9 013	(9 013)
Net interest exposure to EURIBOR	**1 120 511**	**-**	**-**
Net effect from change of interest index	**-**	**11 205**	**(11 205)**

The table below presents the exposure of the Bank and the effects on its financial results from the financial assets, whose reference interest rate is EURIBOR as at 31.12.2024:

Gross exposures	31 December 2024	Effect on the financial result when the EURIBOR increases by 1%	Effect on the financial result when the EURIBOR decreases by 1%
	BGN'000	BGN'000	BGN'000
Loans and advances to customers	256 522	2 565	(2 565)
Financial assets at fair value through other comprehensive income	551 628	5 516	(5 516)
Net interest exposure to EURIBOR	**808 150**	**-**	**-**
Net effect from change of interest index	**-**	**8 081**	**(8 081)**

The presented effect is calculated based on a simplified concept of a parallel change of all EURIBOR maturities at the rate of 1%, effective immediately.

36.3.1.2. Interest rate benchmark reform

Following the decision of global regulatory authorities to gradually phase out IBOR and replace them with alternative reference interest rates, the Bank has analyzed its exposure to such changes and has not identified any material direct exposure to risk in connection with the Interest Rate Benchmark Reform.

The basic interest indices, introduced in the interest rates of the Bank are synthetical, with sources from the Bulgarian interest rate statistics (Bulgarian National Bank) and the effect of the reform is insignificant on the value of the cash flows of the Bank.

The main reference interest rate to which the Bank is exposed, is EURIBOR. EURIBOR is a reformed interest rate index, which will not be discontinued, and accordingly the Bank does not have to make changes in relation to the financial instruments whose interest income is based on this interest rate index, as EURIBOR continues to meet the regulatory rules for qualifying as a reference interest rate.

The IBOR reform exposes the Bank to various risks, which have a limited manifestation and can be summarized as follows:

- Risk related to behavior, arising from discussions with customers and market counterparties due to the changes required to existing contracts falling within the scope of the reform;
- Financial risk for the Bank and its clients that the markets will be disrupted due to the IBOR reform, which will lead to financial losses;
- Price risk arising from the potential lack of market information if IBOR liquidity decreases and RFRs are non-liquid and unobservable;
- Operational risk arising from changes in the Bank's IT systems and processes, as well as the risk of payments being interrupted if an IBOR ceases to be available.

The Bank has a developed "Action plan of Central Cooperative Bank AD in case of significant change or discontinuation of the preparation of the benchmark indices used by the Bank", which describes actions, that the Bank will undertake in cases when the reference interest rates used by it change significantly or are no longer published.

36.3.2. Foreign currency risk

Foreign currency risk is the risk for the Bank to realize loss as a result of fluctuations in the foreign exchange rates.

In the Republic of Bulgaria the rate of the Bulgarian lev to the Euro is fixed by the Currency Board Act due to which the Bank's long position in EUR does not bear risk for the Bank.

The risk-weighted net currency position as of December 31, 2025 in financial instruments, denominated in other currencies, different from BGN or EUR is below 2% of the capital base and capital requirements for currency risk shall not be applied by the Bank.

Due to the low amount of this position, the potential effect of exchange rate changes will not result in significant effects on equity and therefore the risk-weighted effect on equity will be below the materiality threshold for the Bank and the regulatory framework - Regulation (EU) 575/2013.

The currency structure of the financial assets and liabilities by carrying amount as of 31 December 2025 is as follows:

	BGN BGN'000	EUR BGN'000	USD BGN'000	Other BGN'000	Total BGN'000
FINANCIAL ASSETS					
Cash and balances with the Central Bank	1 719 793	209 840	21 209	31 702	1 982 544
Placements with and advances to banks	43	968 068	4 549	35 220	1 007 880
Receivables under repurchase agreements of securities	367 532	44 541	-	-	412 073
Financial assets at fair value through profit or loss	221 705	13 218	669	6 241	241 833
Loans and advances to customers	3 020 994	297 466	59	1 277	3 319 796
Financial assets at fair value through other comprehensive income	502 848	515 752	12 513	121	1 031 234
Financial assets at amortised cost	494 776	1 409 422	35 440	-	1 939 638
Investments in subsidiaries	3 300	46 216	-	-	49 516
Total ASSETS	**6 330 991**	**3 504 523**	**74 439**	**74 561**	**9 984 514**
FINANCIAL LIABILITIES					
Deposits from banks	589	4 616	4 563	20 944	30 712
Amounts owed to other depositors	7 011 088	1 871 154	168 222	125 046	9 175 510
Issued bonds	-	25 463	-	-	25 463
Other liabilities	28 171	11 202	-	-	39 373
TOTAL LIABILITIES	**7 039 848**	**1 912 435**	**172 785**	**145 990**	**9 271 058**
NET POSITION	**(708 857)**	**1 592 088**	**(98 346)**	**(71 429)**	**713 456**

The currency structure of the financial assets and liabilities by carrying amount as of 31 December 2024 is as follows:

	BGN BGN'000	EUR BGN'000	USD BGN'000	Other BGN'000	Total BGN'000
FINANCIAL ASSETS					
Cash and balances with the Central Bank	1 768 272	110 452	36 887	42 398	1 958 009
Placements with and advances to banks	26	130 539	23 052	20 024	173 641
Receivables under repurchase agreements of securities	551 518	40 549	-	-	592 067
Financial assets at fair value through profit or loss	210 005	28 528	3 224	5 508	247 265
Loans and advances to customers	2 820 293	325 289	46	1 478	3 147 106
Financial assets at fair value through other comprehensive income	584 090	248 844	12 085	89	845 108
Financial assets at amortised cost	503 570	1 283 864	47 403	0	1 834 837
Investments in subsidiaries	3 200	46 216	0	0	49 416
Total ASSETS	**6 440 974**	**2 214 281**	**122 697**	**69 497**	**8 847 449**
FINANCIAL LIABILITIES					
Deposits from banks	1 770	7 377	2 799	6 444	18 390
Amounts owed to other depositors	6 087 901	1 701 368	206 941	126 498	8 122 708
Issued bonds	-	25 463	-	-	25 463
Other liabilities	23 732	12 950	-	-	36 682
TOTAL LIABILITIES	**6 113 403**	**1 747 158**	**209 740**	**132 942**	**8 203 243**
NET POSITION	**327 571**	**467 123**	**(87 043)**	**(63 445)**	**644 206**

The analysis of the quantitative effects of changes in major exchange rates on the financial result can be presented as follows:

	2025 BGN '000	2024 BGN '000
Increase in the exchange rate of the US dollar against the Bulgarian lev 1%	(984)	(870)
Decrease in the exchange rate of the US dollar against the Bulgarian lev 1%	984	870

36.3.3. Price risk

Price risk is associated with changes in the market prices of financial assets and liabilities, under which the Bank may incur losses. The main threat to the Bank is that a decrease in the market prices of instruments held and measured at fair value through profit or loss may lead to a decline in net profit. The carrying amount of equity instruments, units in mutual funds, derivatives and bonds held by the Bank within its financial assets at fair value through profit or loss portfolio amounts to BGN 241 833 thousand (2024: BGN 247 265 thousand).

In 2025, financial instrument markets continued to be characterized by elevated, albeit uneven, price volatility. The main factors influencing price movements were related to divergent decisions by leading central banks, uncertainty regarding future interest rate developments, as well as geopolitical and trade risks, including changes in expectations regarding US economic policy and the associated concerns about the introduction of new trade restrictions and tariffs.

During the first half of 2025, market uncertainty manifested itself through a sharp correction followed by a recovery in the prices of a number of financial instruments, with more pronounced volatility observed in debt securities and equities in developed markets. Subsequently, as the intentions of major central banks gradually became clearer and market participants partially adjusted to the new macroeconomic environment, market tensions eased, although the risk of sudden price corrections remained.

In this context, the Bank applied a consistent policy for managing and limiting price risk by monitoring market exposures and the impact of potential adverse movements in the prices of financial instruments. The realized net result from securities transactions in 2025 is positive; therefore, no specific material adverse effect arising from price risk on the Bank's financial position and results of operations for the reporting period can be identified.

37. INFORMATION REGARDING THE FAIR VALUE OF THE ASSETS

The Bank's management defines the principles and procedures both for periodic measurement of fair value, such as unquoted financial assets, and for non-periodically evaluated investment properties and buildings used in the bank's activity.

External appraisers and certified financial experts are used annually to evaluate significant assets, such as investment properties and unquoted financial assets.

On each reporting date, Management performs analysis of assets that should be revalued or impaired according to the Bank's accounting policy.

37.1. Fair value measurement of financial instruments

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date. Fair value under IFRS 13 is an exit price, whether that price is directly regardless of whether that price is directly observable or estimated using another valuation technique. Sufficient market experience, stability and liquidity do not currently exist for purchases and sales of loans and advances to customers and for some other assets and liabilities, for which published market information is not easily accessible. Accordingly, their fair values cannot be reliably determined. Management considers that their carrying amounts are the most valid and useful reporting amounts under these circumstances.

37.1.1. Fair value of financial assets, measured at fair value

The fair value of financial assets and liabilities, which are measured at fair value, is categorized according to the fair value hierarchy as of 31 December 2025 and 2024, as follows:

2025	Carrying amount	Level 1 – quoted market price	Level 2 – Valuation techniques of observed market levels	Level 3 – Valuation techniques of non-observed market levels
ASSETS				
- debt securities	28 709	28 040	-	669
- equity securities	213 124	206 386	623	6 115
Financial assets at FVTPL	**241 833**	**234 426**	**623**	**6 784**
- debt securities	1 008 587	840 147	-	168 440
- equity securities	22 647	3 794	-	18 853
Financial assets at FVTOCI	**1 031 234**	**843 941**	**-**	**187 293**
TOTAL ASSETS	**1 273 067**	**1 078 367**	**623**	**194 077**
LIABILITIES				
Derivative financial instruments	-	-	-	-
TOTAL LIABILITIES	**-**	**-**	**-**	**-**

2024	Carrying amount	Level 1 – quoted market price	Level 2 – Valuation techniques of observed market levels	Level 3 – Valuation techniques of non-observed market levels
ASSETS				
Financial assets at FVTPL	**306**	**-**	**306**	**-**
- derivatives	23 512	21 839	-	1 673
- debt securities	223 447	217 499	581	5 367
- equity securities	247 265	239 338	887	7 040
Financial assets at FVTOCI	**823 201**	**656 525**	**-**	**166 676**
- debt securities	21 907	3 922	-	17 985
- equity securities	845 108	660 447	-	184 661
TOTAL ASSETS	**1 092 373**	**899 785**	**887**	**191 701**
LIABILITIES				
Derivative financial instruments	19	-	19	-
TOTAL LIABILITIES	**19**	**-**	**19**	**-**

Fair value measurement

The measurement methods and techniques used in determining the fair value have not changed compared to the previous reporting period.

All traded capital instruments and bonds are presented in Bulgarian leva. The Bank makes an analysis for an active market in accordance with the requirements of IFRS 13 and are publicly traded, uncorrected stock quotes are used.

When determining the fair value of financial instruments at Level 3, the Bank uses independent appraisers and certified financial analysts. The approaches used to determine the fair value are the accrual approach and the comparative approach.

The following methods were used when determining the fair value when applying the comparative approach:
• Method of market analogues
• Discounted Cash Flow (DCF)
• Net Asset Value method (NAV)

The unobservable input of information for determining the fair value are coefficients for comparative assessment of the forecast profit based on the ratio of economic value to operating profit, expected future cash flows, generated by the instrument, determination of the adjusted discount rate, built on the basis of similar issuers, adjusted by additional risk premium, taking into account the specifics of the issuer and other unobserved market data.

The corporate bonds held in the portfolio as of 31.12.2025 are measured at fair value, based on information classified in level 3 of the fair value hierarchy. The valuation technique used is the discounted cash flow method where the discount rate is formed by the yield of similar German government securities, adjusted with a risk premium, reflecting the risk of the respective issuer. The indicated total risk premium is formed based on the method of premium upgrading (yield to maturity of an analogous issue, having similar characteristics, adjusted by an additional default premium, reflecting the risk of the respective issuer).

37.1.2. Fair value of financial instruments not measured at fair value

The table below summarizes the carrying amount and fair value of those financial assets and liabilities that are not presented in the Bank's Statement of Financial Position at fair value.

	Fair value as at 31.12.2025	Carrying amount as at 31.12.2025	Fair value as of 31.12.2024	Carrying amount 31.12.2024
ASSETS				
Cash and balances with the Central Bank	1 982 544	1 982 544	1 958 009	1 958 009
Placements with and advances to banks	1 007 880	1 007 880	173 641	173 641
Receivables under repurchase agreements	412 073	412 073	592 067	592 067
Loans and advances to customers	3 223 048	3 319 796	3 034 978	3 147 106
Debt instruments at amortized cost	1 905 451	1 939 638	1 822 969	1 834 837
	8 530 996	**8 661 931**	**7 581 664**	**7 705 660**
LIABILITIES				
Deposits from banks	30 712	30 712	18 390	18 390
Amounts owed to other depositors	9 175 510	9 175 510	8 122 708	8 122 708
Issued bonds	25 463	25 463	25 463	25 463
Other liabilities	39 373	39 373	34 140	34 140
	9 271 058	**9 271 058**	**8 200 701**	**8 200 701**

The following methodologies and assumptions are used to determine fair values for the above financial instruments as of 31 December 2025 and 2024:

- The carrying amount of Cash and balances with the Central Bank, Placements with and advances to banks, is equal to their fair value. Fair values are categorized as Level 1 for cash and Level 1 for balanced with Central Bank. The fair values of Amounts owed to other depositors and other borrowed funds are categorized in Level 1.
- The fair value of Loans and advances to customers is determined using the discounted cash flow method (expected cash flows related to the loan, discounted by market interest rates adjusted with credit risk margin) and all of them are categorized in Level 3.
- The fair value of debt instruments at amortized cost is determined under the discounted cash flows method (expected cash flows, discounted by market interest rates adjusted with credit risk margin).
- Attracted funds from customers: the fair value of demand deposits without a fixed maturity is determined as the amount due at the reporting date. The fair value of deposits with a fixed maturity is calculated using the discounted cash flow method, based on rates currently offered for the relevant type of product with a similar period to maturity.
- The fair value of the bond loan is determined based on a discounted cash flow analysis using current interest rates for similar lending contracts.
- The fair value of other liabilities is determined to be equal to the gross value of future cash outflows discounted at an appropriate interest rate.

37.2. Fair value measurement of non-financial assets

The following table shows the hierarchy of non-financial assets measured periodically at fair value as at the end of each corresponding reporting period:

31 December 2025	Level 1	Level 2	Level 3	Total
Property, plant and equipment				
- buildings used for banking activity	-	-	145 386	145 386
Investment properties:				
- land and buildings	-	-	50 077	50 077

31 December 2024	Level 1	Level 2	Level 3	Total
Property, plant and equipment				
- buildings used for banking activity	-	-	75 213	75 213
Investment properties:				
- land and buildings	-	-	48 354	48 354

The fair value of real estate – buildings and investment properties – land and buildings of the Bank is determined on the basis of reports by independent licensed appraisers.

Description	Fair value		Unobservable inputs	2025	2024	Relationship of unobservable inputs to fair value
	2025	2024				
Land-investment property	145 386	75 213	Construction costs	7% to 8%	7%	An increase in the discount rate leads to a lower fair value
			Unit price per square meter	5% to 10%	5%	The higher the vacancy rate, the lower the fair value.
			Discount rate	BGN 1424 to BGN 10 765 per square meter	-	The higher the price per square meter, the higher the fair value
			Completion costs	BGN 12 to BGN 33 per square meter	BGN 10 to BGN 25 per square meter	The increase of the discount rate leads to lower fair value
Buildings – investment property	15 672	14 605	Unit price per square meter	64%	50%	The higher the completion costs rate, the lower the fair value
			Construction costs	BGN 800 to BGN 5 300	BGN 800 to BGN 4 987	The higher the price per square meter, the higher the fair value
Buildings used in Bank's activity	34 405	33 749	Discount rate	From 9.3% to 15.19%	From 8.6% to 15.19%	The increase of the discount rate leads to lower fair value
			Coefficient of vacancy	61% of the net value of the investment project	56% of the net value of the investment project	The higher the coefficient of vacancy, the lower the fair value
			Rental price per square meter	BGN 693 to BGN 8 108	BGN 850 to BGN 8 108	The higher the rental price per square meter, the higher the fair value

37.2.1. Buildings reported within Fixed assets (Level 3)

In determining the fair values of buildings used in banking operations, the Bank's independent valuers applied both the Market Approach (Comparable Sales Method) and the Income Approach.

Under the Market Approach, fair value is based on observed prices from recent market transactions or quoted prices for similar properties, adjusted for specific factors such as size, location and current use. In 2025, adjustments for these factors ranged from +20% to -35%.

Significant unobservable inputs relate to adjustments for factors specific to the Bank's buildings. The magnitude and direction of such adjustments depend on the number and characteristics of comparable market transactions used for valuation purposes. Although these inputs involve a degree of subjectivity, management believes that the final valuation would not be significantly affected by alternative reasonable assumptions.

The assumptions used in the Income Approach include rental value per square meter, depending on the geographical location of the specific property, vacancy allowance (5%–10%), and operating expenses (5%). The applied discount rate ranges between 7% and 8% depending on the location of the property. All stated assumptions used in deriving the fair value are sensitive to changes and may have a significant impact on the fair value of the buildings used in banking operations.

The buildings were revalued as at 31 December 2025, representing the third fair value valuation of these properties.

37.2.2. Investment properties – Land and buildings (Level 3)

• Key assumptions for determining the fair value of investment property – land located in Sofia

The Bulgarian Standards for Valuation (BSV), which are based on the international valuation standards give the following definition of specific assumptions: "When facts and circumstances that do not exist at the valuation date or are included in the valuation objective are added to the assumptions, they are defined as special. These assumptions are usually made in cases where the valuation report aims to indicate possible expected changes in the value of the asset. These assumptions are marked as special to indicate that the value depends on specific conditions that do not exist at the valuation date and that many market participants at the particular valuation date would not accept the conditions defined as special assumptions. As such, various legally justified and economically possible statements can be selected - expected change in urban planning indicators, the existence of a lease agreement with specific expected conditions, possible and permissible legally, technically and economically justified future extension/upgrade, real estate under construction is completed as of the date of assessment, etc. (reference: BSV 5.3.).

According to the approved plan for amending the regulation, the permissible gross floor area (GFA) has been increased by 3,704 m2. The specific assumptions set out in the said report assume that the Bank already has an approved investment project to absorb the amended regulation, which is not the case as of 31 December 2025 and as of the date of this separate financial statement. The Bank's management has started the preparation of the said investment project, and some parameters are still in the process of being specified.

It should be noted that the fair value under a special assumption stated in these separate financial statements is sensitive to changes in the inputs for the completion of the property. Changes in these inputs may have an effect on the value of the property.

• Key assumptions for determining the fair value of investment property – land located in Pomorie

In the evaluation of the specified investment property, a method of discounting net cash flows for a future period (DNCFFP) was used. When using this approach, the hypothesis is accepted that after the investment of additional funds to complete the construction of the property, it will be sold at market prices. The method used is based on the balance between the project implementation costs and the sales revenue of the built sites. Specific data on the stages of construction, investment costs, as well as sales revenue and a schedule of the construction of a hotel complex over time were used.

The internal rate of return used in determining the value of the future expected cash flows from this property is 16.79% and reflects the risk of the property.

• Key assumptions for determining the fair value of investment properties – office buildings located in the Republic of North Macedonia

The valuer has calculated the estimated market value of the real estate based on the cost approach in accordance with the real estate valuation methodology, without the possibility of evaluating and applying dynamic methods, since the Law on Real Estate Valuation in the Republic of North Macedonia does not allow the application of dynamic methods for property valuation. The methodology applied in the valuations is consistent with the location, type and condition of the properties, as well as in accordance with the factual situations and the requirements of the law.

• Key assumptions for determining the fair value of investment properties – office buildings located in the village of Kolarovo

The valuer has calculated the estimated market value of the real estate based on a market approach using market analogues of similar land and buildings in accordance with the real estate valuation methodology. Analogues selected and included in the valuation are consistent with the location, type and condition of the properties, as well as in accordance with the factual situations. The value of a given property is determined by direct comparison of the assessed object with other similar real estate that were sold in a period close to the valuation date. After research, verification and analysis of data obtained from the property market, a value is formed that represents the most accurate indicator of market value.

The correlation index for the individual available analogues is different and when determining the coefficients for reporting their comparability with the assessed object, we will take into account the individualizing characteristics of the compared elements. Recent offers and actual transactions with similar properties that are not particularly attractive as arable agricultural land in neighboring and nearby villages were used as a basis for comparison.

The opening balance of the non-financial assets at level 3 may be reconciled to their closing balance as of the reporting date, as follows:

	Property, plant and equipment Buildings	Investment properties Office buildings and land
Balance as at 1 January 2025	75 213	48 354
Transfers	20	-
Gains recognized in profit or loss:		
- change in fair value of investment properties	-	1 723
- depreciation of buildings used for banking activity	(70)	-
Gains recognized in other comprehensive income:		
- revaluation of buildings used for banking activity	72 687	-
- depreciation of buildings used for banking activity	(2 464)	-
Balance 31 December 2025	**145 386**	**50 077**
Cumulative amount resulting from unrealized gains or losses on assets held at the end of the reporting period recognized in profit or loss	(480)	8 711

	Property, plant and equipment Buildings	Investment properties Office buildings and land
Balance as at 1 January 2024	75 190	48 255
Gains recognized in profit or loss:		
- change in fair value of investment properties	-	99
- depreciation of buildings used for banking activity	(410)	-
Gains recognized in other comprehensive income:		
- revaluation of buildings used for banking activity	2 818	-
- depreciation of buildings used for banking activity	(2 385)	-
Balance 31 December 2024	**75 213**	**48 354**
Cumulative amount resulting from unrealized gains or losses on assets held at the end of the reporting period recognized in profit or loss	(410)	6 988

38. RELATED PARTY TRANSACTIONS AND BALANCES

The Bank has concluded a number of related party transactions. As connected, the Bank considers related parties those parties where one of the parties is able to control or exercise significant influence over the other in making financial and operational decisions, and in cases where both parties are under common control. The Bank has performed transactions with the following related parties: Parent company, entities under common control, Subsidiaries, key management personnel of the Bank or of the principal shareholder, which transactions are related to granting of loans, issuing of guarantees, attracting cash, realization of repo deals, etc. All transactions are concluded in the ordinary course of the Bank's business and do not differ from market conditions, as loans are granted, and guarantees are issued only if proper collateral is available.

As of 31 December 2025 and 2024 the Bank has receivables from, payables and contingent commitments to related parties as follows:

Related parties and balances	Balance as at 31.12.2025	Balance as at 31.12.2024
Parent company		
Deposits received	2 360	166
Companies under common control		
Loans granted	113 429	119 103
Guarantees issued	8 355	5 892
Other receivables	25 726	8 853
Other payables	29	29
Deposits received	169 188	126 690
Deposits granted	3 075	3 033
Issued bonds	259	259
Balance of expected loan losses	(541)	(517)
Subsidiaries		
Deposits received	716	1 075
Deposits granted	216	94
Funds provided under issued bonds	11 873	9 947
Funds provided under subordinated term debt	-	1 960
Balance of expected credit losses	-	(10)
Key management personnel of the Bank or its main shareholder		
Loans granted	1 462	1 682
Receivables under repurchase of securities agreements	299	299
Other receivables	8	8
Deposits received	16 176	13 708
Balance of expected loan losses	(18)	(18)

Income and expenses realized by the Bank in 2025 and 2024 from transactions with related parties are as follows:

Related parties and balances	Turnover in 2025	Turnover in 2024
Parent company		
Income from fees and commissions	1	1
Companies under common control		
Interest income	3 493	2 690
Income from fees and commissions	2 369	2 115
Income from services	254	218
Interest expense	(2 795)	(274)
Expenses for services	(11 096)	(9 357)
Accrued impairment losses	(24)	(17)
Subsidiaries		
Interest income	263	196
Income from fees and commissions	6	6
Expenses for fees and commissions	(1)	(1)
Dividend income	1 194	1 296
Income from services	51	123
Impairment expenses	-	(4)
Key management personnel of the Bank or its main shareholder		
Interest income	66	50
Income from fees and commissions	9	23
Income from services	1	1
Interest expense	-	(2)
Expenses for services	(229)	(225)
Reimbursed/(accrued) impairment losses	-	(14)

The remuneration of the members of the Supervisory Board which include short-term employee benefits paid in 2025, are at the total amount of BGN 793 thousand (2024: BGN 832 thousand). The remunerations of the members of the Management Board which include short-term employee benefits paid in 2025, are at the total amount of BGN 793 thousand. (2024: 1 227 thousand).

39. OTHER REGULATORY DISCLOUSURES

In accordance with the requirements of art. 70 para 6 of Law on Credit Institutions, banks are required to make certain quantitative and qualitative disclosures related to major financial and other indicators separately from the business originating from Republic of Bulgaria, countries part of the European Union and third countries in which the Bank has active subsidiaries or branches.

As disclosed in note 1, Central Cooperative Bank AD carries out its activities based on banking license issued by BNB, pursuant to which it may accept deposits in local and foreign currency, extend loans in local and foreign currency, open and maintain nostro accounts in foreign currency abroad, deal with securities and foreign currency and perform all other banking activities and transactions, permitted by the Law on Credit Institutions.

The Bank has obtained bank license, issued by the Central Bank of Cyprus, under which the Bank is authorized to perform bank activity as a legally licensed bank branch on the territory of the Republic of Cyprus, in compliance with the requirements of the Cyprus Law on Banks.
The summarized quantitative indicators in connection with the obligatory disclosures required by the Law on Credit Institutions are as follows:

	Republic of Bulgaria		Republic of Cyprus	
	2025	2024	2025	2024
Total operating income	268 857	280 754	190	(162)
(turnover amount)	95 466	106 432	(487)	(782)
Financial result before tax	(8 251)	(9 748)	-	-
Tax expense	0.85	1.06	(18.38)	(26.97)
Return on assets (%)	1 527	1 543	6	6
Full Time Employees as of December 31	-	-	-	-
Received government grants	-	-	-	-

40. OTHER INFORMATION DISCLOSED IN THE BANK'S FINANCIAL STATEMENTS

40.1. Macroeconomic framework

The economic environment in Bulgaria in 2025 was characterized by steady but moderate economic growth, taking place amid continued global macroeconomic uncertainty and significant domestic political developments. According to forecasts by the Bulgarian National Bank and the European Commission, real GDP growth for 2025 was in the range of approximately 2.5% to 3.0%, with the main contributions coming from private consumption and investment, supported by income growth and the accelerated absorption of European funds, including those under the Recovery and Resilience Plan.

Inflationary processes in 2025 stabilized compared to the peak levels of previous years but remained higher than the average levels for the Eurozone. According to data from the National Statistical Institute, average annual inflation for 2025, measured by the HICP, amounted to approximately 3.5%, mainly driven by food and services prices, as well as administratively regulated prices. Toward the end of the year, some acceleration in inflation was observed, explained by domestic factors, including rising labor costs and strong domestic demand.

The political environment in the country remained unstable in 2025, with an escalation of social tensions at the end of the year leading to the resignation of the government and the postponement of the adoption of a regular state budget for 2026. Nevertheless, the institutional commitment to Bulgaria's accession to the Eurozone as of 1 January 2026 was reaffirmed, and the legislative and organizational measures undertaken to introduce the euro continued to be implemented.

In this context, international rating agencies upgraded Bulgaria's long-term sovereign credit rating to "BBB+" with a stable outlook in 2025, with the formal decision for Eurozone accession being a key positive factor. Rating agencies highlighted the expected benefits of membership, including reduced currency risk, improved access to capital markets, and enhanced confidence in the financial system.

The monetary and financial environment in 2025 remained stable, with the banking sector maintaining high levels of liquidity and capital adequacy. Expectations of imminent Eurozone membership led to increased deposit inflows into the banking system and sustained credit growth, particularly in the household lending segment. According to BNB assessments, credit activity remained strong but without signs of accumulating systemic imbalances.

As at 31 December 2025 and as of the date of preparation of these financial statements, the Bank has no significant exposures to economic sectors adversely affected by the described macroeconomic and political factors. Management believes that the identified geopolitical, political and macroeconomic risks do not have a material direct impact on the Bank's financial position, results of operations, and liquidity position for the reporting period.

40.2. Climate-related matters

As of 1 January 2024, Central Cooperative Bank AD, as a large undertaking, falls within the scope of Directive (EU) 2022/2464 of 14 December 2022 (Corporate Sustainability Reporting Directive – CSRD) with regard to sustainability reporting.

Environmental factors are considered among the most significant components of ESG risks. The Bank is currently continuing and deepening its process of analysing and integrating ESG risks into the risk management framework for its main risk categories.

In November 2025, the European Parliament adopted, in principle, a proposal to amend Directive (EU) 2022/2464 ("CSRD") in connection with the "Omnibus I" package aimed at simplifying sustainability reporting. As a result, the existing European Sustainability Reporting Standards (ESRS) are expected to be streamlined, and disclosure requirements reduced through fewer qualitative and quantitative data points. The purpose of this simplification is to reduce the administrative burden on companies. The simplified ESRS have not yet been adopted by the European Commission.

The implementation of the requirements for preparing sustainability reports has been postponed through amendments to the Accounting Act, published in State Gazette No. 115 of 30 December 2025. The deadlines have been extended by one additional year, with the first reporting year being 2027 for the financial year 2026.

The development and management of ESG risks have been incorporated into the Bank's toolkit in line with the new environment, with a focus on data collection without compromising competitiveness.

Climate-related matters, including risks arising from climate change and the transition to a low-carbon economy, may affect the Bank's financial position, financial performance and cash flows. In accordance with the requirements of International Financial Reporting Standards, the Bank has assessed whether, and to what extent, climate-related risks are material to the financial statements as a whole and has taken the results of this assessment into account in the application of its accounting policies.

In preparing the financial statements for the reporting period, the Bank has considered both physical risks related to potential adverse climate events and transition risks, including changes in the regulatory framework, market conditions and counterparty behaviour. These factors have been reflected, where applicable, in key accounting judgements and the use of assumptions, particularly in the assessment of credit risk, the determination of expected credit losses, and the valuation of financial instruments.

Management has assessed that, based on the available information and the Bank's portfolio, climate-related matters do not give rise to material sources of estimation uncertainty or require additional disclosures regarding the assumptions applied. Where considered necessary, climate-related factors have been incorporated into the development of economic scenarios and sensitivity analyses of key estimates.

Based on the assessment performed, the Bank considers that, for the reporting period, there are no climate-related matters which, individually or in aggregate, would require recognition of material adjustments to the carrying amounts of assets and liabilities or the recognition of significant provisions beyond those already recognised in the financial statements. Nevertheless, the Bank will continue to monitor developments in climate-related risks and update its assessments and disclosures in the event of changes in circumstances or regulatory requirements.

41. EVENTS AFTER THE END OF THE REPORTING PERIOD

No adjusting events or significant non-adjusting events have occurred between the date of the financial statements and the date of their authorization for issue, except as disclosed below.

In accordance with the Law on the Introduction of the Euro in the Republic of Bulgaria, as of 1 January 2026, the official currency and legal tender of the Republic of Bulgaria is the euro. The fixed exchange rate is BGN 1.95583 per EUR 1. The introduction of the euro as the official currency of the Republic of Bulgaria represents a change in functional currency, which will be accounted for prospectively and does not constitute an adjusting event after the reporting date.

Pursuant to Article 33 of the Law on the Introduction of the Euro in the Republic of Bulgaria, the registered share capital of companies, as well as the nominal value of shares in joint-stock companies as recorded in the Commercial Register, are automatically converted into euro and euro cents. The conversion is carried out ex officio by the Registry Agency.

As at 1 January 2026, the Bank's registered share capital has been converted to EUR 64,836,284.70, divided into 127,129,970 ordinary, registered, dematerialised, freely transferable shares, all carrying voting rights and with a nominal value of EUR 0.51 each.

Since the end of February, an escalation of tensions related to the conflict in Iran has been observed, contributing to increased geopolitical uncertainty both regionally and globally. The potential consequences of these developments include heightened volatility in energy markets, additional fluctuations in the macroeconomic environment, and increased uncertainty regarding future economic conditions. The Bank's management is monitoring the situation and has considered the available information in preparing accounting estimates and assumptions; at present, no need for adjustments to the financial statements has been identified beyond the disclosures already made.

By notice dated 21 February 2026, the Bank's Management Board convened an extraordinary General Meeting of Shareholders on 2 April 2026, with an agenda related to changes in the composition of the Supervisory Board and amendments to the Bank's Articles of Association in connection with the Law on the Introduction of the Euro in the Republic of Bulgaria.

On 17 March 2026, the Financial Supervision Commission approved a Prospectus for the initial public offering and admission to trading on a regulated market of an issue of senior non-preferred unsecured bonds, structured to qualify as eligible liabilities instruments (within the meaning of Chapter XIII, Section II of the Law on the Recovery and Resolution of Credit Institutions and Investment Firms) of Central Cooperative Bank AD. The parameters of the issue include up to 500 interest-bearing, dematerialised, registered, non-convertible, senior, non-preferred, unsecured, freely transferable bonds, each with a nominal value of EUR 100,000, and a total nominal value of up to EUR 50,000,000.

42. APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

The separate financial statements as of 31 December 2025 (including comparative information) were approved for issue to the Supervisory Board by the Management Board on 27 March 2026.