Fibank

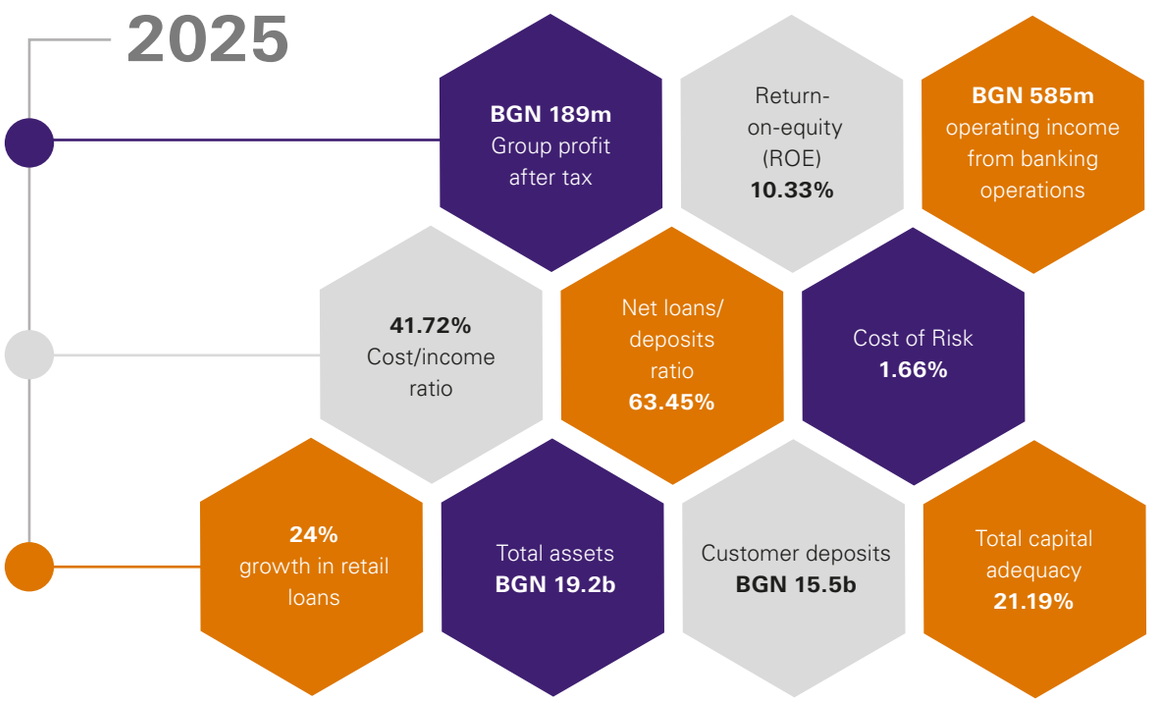
My bank

ANNUAL REPORT

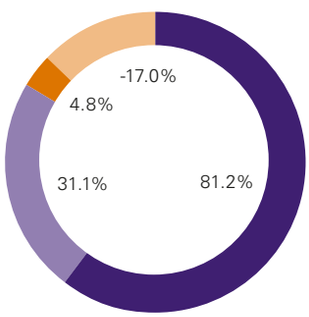
2025

The present report is prepared on the grounds of and in compliance with the requirements of the Accounting Act, the Law on Public Offering of Securities, Ordinance №2 of the Financial Supervision Commission for initial and subsequent disclosure of information in public offering and admittance for trade on a regulated market of securities, Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and its supplementing acts, as well as the National Corporate Governance Code, approved by the Financial Supervision Commission.

Selected indicators



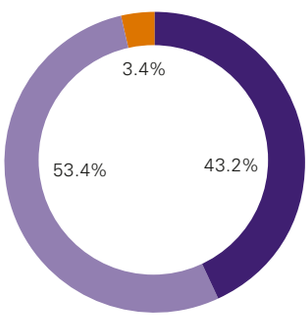
Operating income by type of income



2025

- Net interest income
- Fee and commission
- Net trading income
- Others

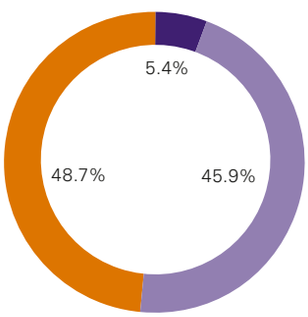
Loans to individuals



2025

- Consumer loans
- Mortgage loans
- Credit cards

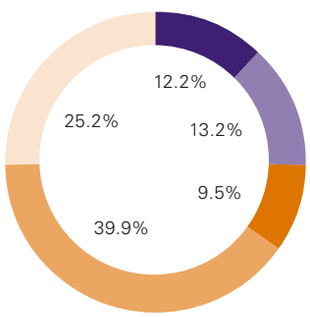
Loans to individuals



2025

- Micro enterprises
- Small and medium enterprises
- Large enterprises

Portfolio by sectors



2025

- Industry
- Trade
- Services
- Individuals
- Others

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Message from the Managing board

Dear Shareholders, Customers and Colleagues,

Over the past year, First Investment Bank AD (Fibank, the Bank) continued to achieve its strategic targets with an emphasis on responsible banking, superior customer service, digitization, innovation, as well as ensuring stability and good returns for shareholders.

Notwithstanding geopolitical uncertainty and macroeconomic challenges, we delivered a strong financial performance. Profit after tax reached BGN 189 million (2024: BGN 145 million), and return on equity 10.33%. Net interest income, standing at BGN 475 million, remained the primary revenue driver. Net fee and commission income increased by 5.4% to BGN 182 million, accounting for 31.1% of total operating income, compared to an average of 22.1% for the banking system in the country. These results were due to our competitive products and services, simplified application procedures, and the development of new programs tailored to the needs of customers.

Thanks to flexibility, innovative solutions and deep understanding of the industry, we were able to consolidate our market positions in a highly competitive environment. Fibank retained its fifth place in the national banking system in terms of assets, with a market share of 8%. The loan portfolio grew by 15.1% to BGN 9,830 million (fifth place), with increase reported in all segments and a specific focus on retail and SME lending. Borrowings increased by 11.0% to BGN 15,494 million, and as of December 31, 2025, Fibank ranked fifth in terms of deposits with a market share of 8%. New offerings generated positive customer engagement, such as the deposit products "Balance", "Classic", and "Junior", the credit products "Home+" and "Click", and the bundled products "My Home" and "My Home+". The expanded remote banking channels of „My Fibank" electronic platform were also instrumental in improving the speed and efficiency of product applications and usage.

Our various and well-developed distribution channels have greatly contributed to the good results. The Bank has a branch network consisting of 114 locations in Bulgaria, a foreign branch in Nicosia, Cyprus, and a subsidiary bank in Albania with headquarters in Tirana and 16 branches. Our extensive ATM and POS network, the electronic and mobile banking, the direct sales, and the contact center have been continuously upgraded to reflect modern banking trends, market conditions, technological advancements, and customer needs.

As artificial intelligence and digital infrastructure rapidly evolve, we are actively addressing both the challenges and opportunities they present. We have developed FiBi, an advanced virtual assistant powered by generative AI. As a next-generation tool, FiBi delivers tailored responses based on user behavior and needs. It focuses on personalized interactions to efficiently provide information, build trust, and enhance overall customer satisfaction.

As always, we remain focused on deepening customer relationships, offering modern products and continuously improving the quality of services. As a recognition for our efforts, First Investment Bank was recognized as Bulgaria's Best Bank for Customer Experience at the prestigious international Euromoney 2025 Excellence Awards.

Along with innovation, we continued to actively manage risks in line with our approved risk strategy and risk appetite, by maintaining safeguard mechanisms as well as solid capital and liquidity positions. At the end of 2025, the First Investment Bank Group reported CET 1 ratio of 18.33%, Tier 1 capital ratio of 20.96%, and total capital adequacy ratio of 21.19%, exceeding the minimum regulatory capital requirements. The loan to deposit ratio stood at 63.45%, reflecting our strategy for moderate-to-low risk appetite in managing portfolio exposures. The cost-to-income ratio was 40.74%, well below the target value of 50%, underscoring our commitment to financial discipline and operational excellence.

We implemented a number of initiatives related to sustainable development, as follows:

- Fibank was among the first banks in the country to publish a Sustainability Report prepared in accordance with the European Sustainability Reporting Standards (ESRS), accompanied by an independent assessment by a registered sustainability auditor;

- We were co-organizers of the Sofia Compliance Forum, where leading domestic and international professionals convened to share insights on compliance trends and regulatory requirements, including anti-money laundering, counter-terrorist financing, and sustainable development;
- We continued to upgrade our services to accommodate the needs of socially vulnerable groups and disadvantaged people, including by equipping our ATMs with voice menus and improving the accessibility of electronic and mobile banking;
- We organized events to promote financial literacy among children and teens. Our redesigned 2025 youth debit cards can be digitized and used seamlessly not only for ATM withdrawals and POS payments, but also for online shopping;
- We invested in the future of Fibank by providing a career start for young talents, and also supported the development of Bulgarian sports, culture and education.

The second half of 2025 was dominated by preparations for the introduction of the euro in the Republic of Bulgaria and the related migration to the new official currency. Fibank successfully migrated all systems and accounts, as well as the digital banking and the ATM and POS network, ensuring a smooth and seamless transition for its customers on 01.01.2026.

We navigate a complex era of geopolitical shifts and economic shifts, alongside evolving trade models that are increasingly viewed as a permanent reality rather than a temporary trend. When factoring in rapid technological innovation and climate challenges, it becomes clear that building financial resilience, deepening expertise, and strengthening risk controls are becoming increasingly decisive for our future.

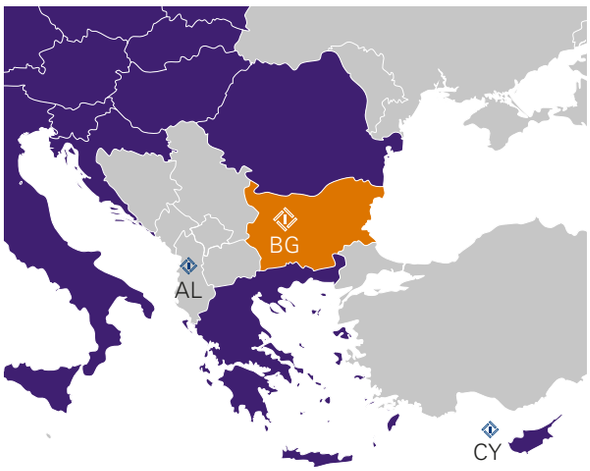
Thanks to our team's dedication and professionalism, we successfully achieve our strategic goals, help clients minimize uncertainty, and transform current challenges into sustainable opportunities for long-term growth and financial success. We are grateful to our shareholders, employees, customers and partners for contributing to the growth and establishment of First Investment Bank AD as the Bulgarian brand for the excellence and prosperity.

Our aspiration is to unlock the potential of people and enterprises by leveraging finance to drive sustainable progress, both today and for future generations.

The Management Board of First Investment Bank AD

Macroeconomic development

Republic of Bulgaria



Indicators

Population	6.44 mln. people
Area	110,994 km²
Member of the European Union	2007
Member of NATO	2004
Memberships in the European exchange mechanism II and the Banking union	2020
Member of the Schengen Area	2025
Member of the Eurozone	2026
Flat tax rate	10%
Fitch Ratings	BBB+, Stable
S&P	BBB+, Stable
Moody's	Baa1, Stable

In 2025, the Bulgarian economy maintained its pace of economic activity, mainly driven by domestic consumption, while remaining under the influence of a volatile external environment, dominated by global challenges and geopolitical uncertainty. In July 2025, the Council of the European Union adopted a decision confirming that the country meets the requirements for entering the Eurozone and adopting the euro as its official currency, as of January 1, 2026. The implemented fiscal policy supported overall macroeconomic stability.

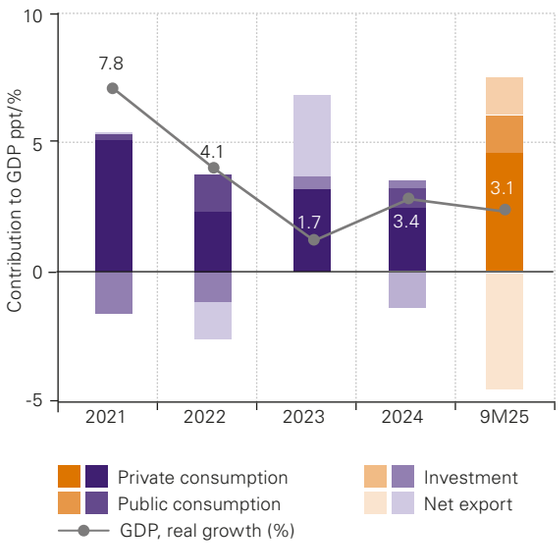
	2025	2024	2023	2022	2021
Gross domestic product (BGN million)	219,599	204,907	184,875	168,354	139,537
Gross domestic product, real growth (%)	3.1[1]	3.4	1.7	4.1	7.8
- Private consumption, real growth (%)	8.5[1]	4.9	1.1	4.0	8.6
- Public consumption, real growth (%)	8.4[1]	3.6	1.1	8.0	0.5
- Investments, real growth (%)	9.7[1]	1.5	10.2	6.5	(8.3)
- Net exports, real growth (%)	(8.2)[1]	(2.2)	5.5	-3.3	0.9
Inflation, at period-end (%)	5.0	2.2	4.7	16.9	7.8
Average annual inflation (%)	4.6	2.4	9.5	15.3	3.3
Unemployment, at period-end (%)	5.2	5.2	5.6	5.4	4.8
Current account (% of GDP)	(4.5)[2]	(1.4)	(1.2)	(1.4)	0.2
Trade balance (% of GDP)	(7.1)[2]	(4.8)	(4.2)	(5.9)	(4.0)
International reserves of BNB (BGN million)	78,419	82,255	81,999	75,151	67,666
FDI in Bulgaria (% of GDP)	2.6[2]	2.7	4.4	4.4	1.6
Gross external debt (% of GDP)	47.3[2]	48.2	48.4	51.3	57.8
Government and government guaranteed debt	28.6	24.0	22.8	22.5	23.8
Consolidated budget balance (% of GDP)	(3.1)	(3.0)	(3.0)	(0.8)	(2.7)
USD exchange rate (BGN for USD 1)	1.66	1.88	1.77	1.83	1.73

Sources: NSI, BNB, MF, Employment agency

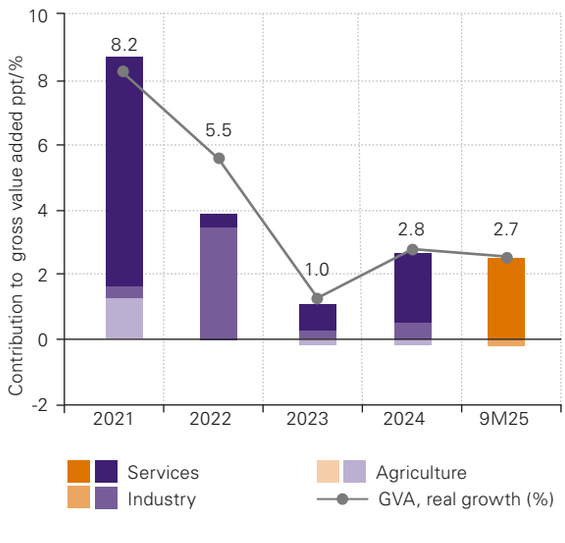
1 Data for the first nine months of 2025.
2 Data as of November 2025.

In 2025, GDP growth was maintained and amounted to 3.1% for the first three quarters of the year, slowing to 2.9% in the fourth quarter (2024: 3.4%). The main contributors were private consumption (9M25: 8.5%; 2024: 4.9%), driven by stronger domestic demand and household income growth; increased public consumption (9M25: 8.4%; 2024: 3.6%) related to the government's spending program; as well as fixed capital investments (9M25: 9.7%; 2024: 1.5%), as a result of higher economic activity in the public sector. Net exports (9M25: -8.2%; 2024: 2.2%) increased their negative impact on economic growth, mainly influenced by export dynamics in the metallurgy and oil refining sectors, as well as by uncertainties regarding international foreign trade policies.

Components contribution to GDP



Sector contribution to gross value added

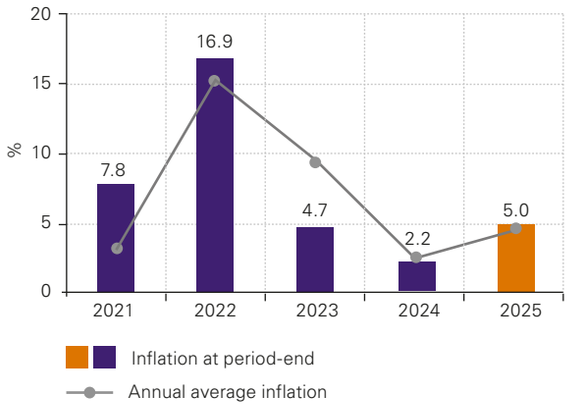


In the first nine months of 2025, gross value added in the economy grew by 2.7%, remaining at levels close to the previous year (2024: 2.8%). Positive contributions were reported mainly in the services sector, which accounted for the largest share of value added (9M25: 3.9%; 2024: 4.9%), including public administration and healthcare (9M25: 6.1%), real estate transactions (9M25: 5.7%), telecommunications (9M25: 4.6%), financial and insurance activities (9M25: 3.0%) as well as trade, transport and tourism (9M25: 1.9%). The agricultural sector growth slowed (9M25: 1.2%; 2024: 7.3%), influenced by lower production volumes in the crop and livestock sectors. The industrial sector was down 0.6% overall for the period (2024: -4.1%), with a more pronounced decline in the mining and processing industry (9M25: -2.7%), and an increase in construction (9M25: 6.9%).

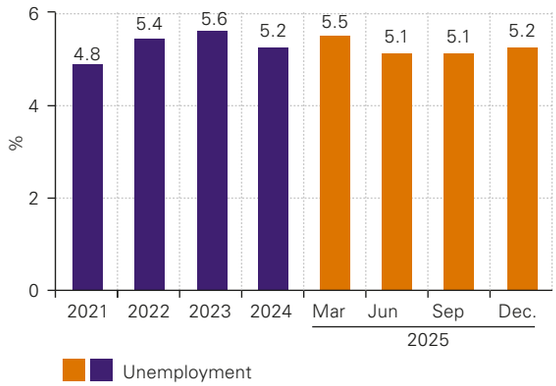
In 2025, the labor market continued to report stable trends, with the unemployment rate remaining at 5.2% at the end of the year (2024: 5.2%). Employee numbers were similar to the previous year, with 2,920 thousand persons employed at the end of the fourth quarter (Q424: 2,929 thousand). As of the end of December 2025, 70% of employees worked in the service sector, 26% in industry and 4% in the agricultural sector.

Inflation in the country increased, with annual averages for 2025 of 4.6% (2024: 2.4%) and 5.0% at the end of the period (2024: 2.2%). The contribution was broad-based by component, more notable in foods (2025: 5.8%), energy products (2025: 7.3%), services (2025: 7.1%) and catering (2025: 10.9%). Harmonized inflation, as a measure of price stability in the Eurozone, was 3.5% at the end of 2025 (2024: 2.1%) and 3.5% on average for the period (2024: 2.6%).

Inflation

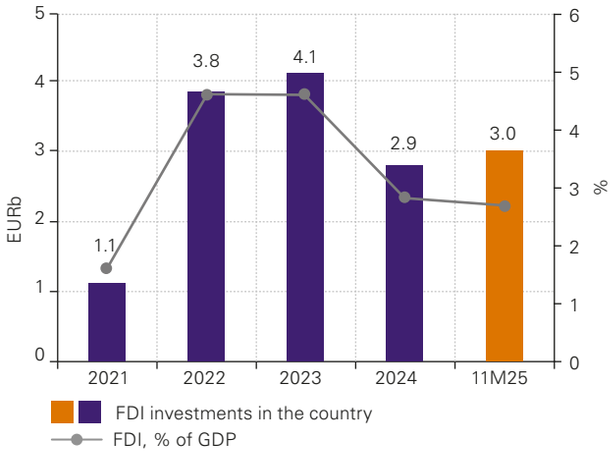


Unemployment rate

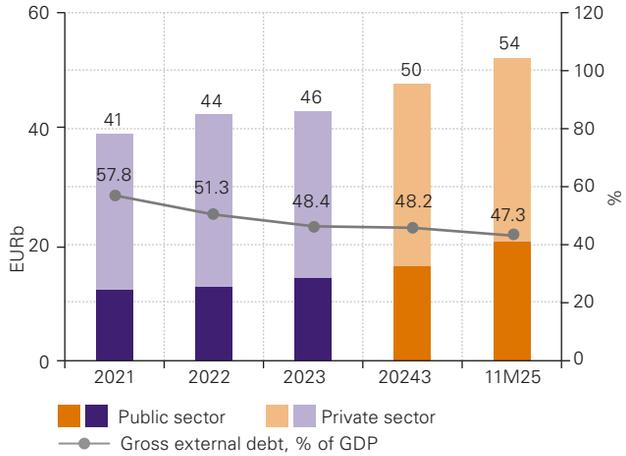


In 2025, foreign direct investments in the country amounted to EUR 2,985 million as of November 2025 or 2.6% of GDP (2024: EUR 2,857 million or 2.7% of GDP). The dynamics included higher reinvested profits, indicating the share of foreign investors in the financial results of companies, as well as the prevalence of investments in equity instruments over debt instruments such as bonds, financial or commercial loans. The growth in imports (5.3% as of November 2025, up to EUR 47,121 million) combined with the decline in exports (-3.6%, down to EUR 38,945 million) led to an increase in the trade deficit to -EUR 8,175 million or -7.1% of GDP at the end of November 2025. This also accounted for the higher current account deficit of -EUR 5,168 million or -4.5% of GDP (2024: -EUR 1,416 million or -1.4% of GDP).

FDI investments in the country



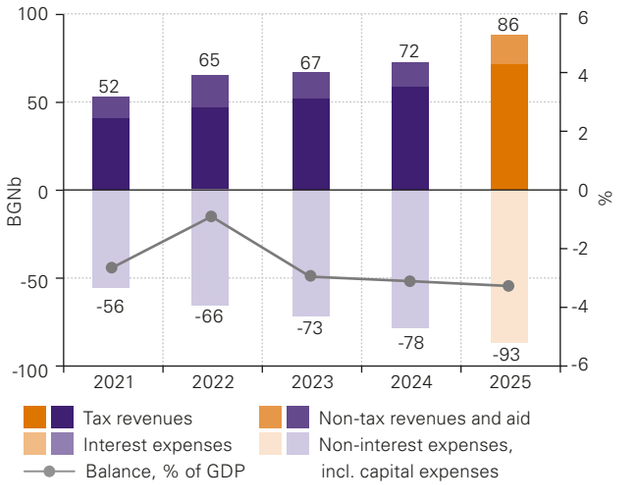
Gross external debt



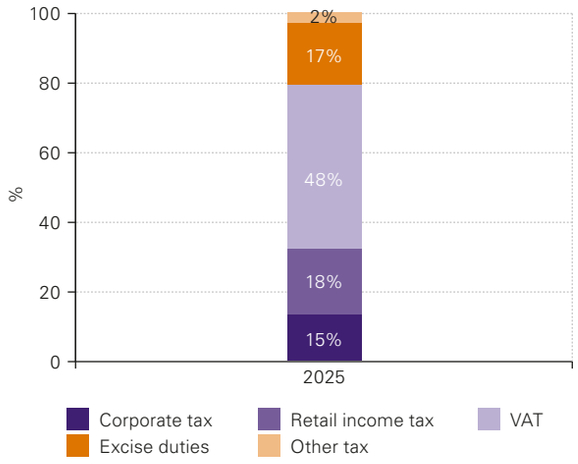
Gross external debt went down to 47.3% of GDP as of November 2025 (2024: 48.2%), with a decrease in private debt (11M25: 28.5% of GDP) and an increase in public debt (11M25: 18.8% of GDP), which nevertheless remained among the lowest in the European Union. Total government and government-guaranteed debt, including debt issued on the domestic market, amounted to 28.6% of GDP as of the end of 2025 (2024: 24.0%).

In 2025, the consolidated budget deficit increased to BGN 6,828 million or 3.1% of GDP by year-end (2024: BGN 6,164 million or 3.0% of GDP), due to higher growth in costs relative to national budget revenues, as well as to higher project payments under the Recovery and Resilience Plan. Expenditures under the consolidated fiscal program grew by 18.8% to BGN 92,915 million (2024: BGN 78,179 million), mainly as a result of an increase in capital expenditures, non-interest expenditures including personnel, and social and health insurance expenditures.

Consolidated budget



Structure of tax revenues



Tax revenues grew by 15.3% year-on-year to BGN 67,682 million as of December 2025, with increases reported in all main components, including VAT (up 16.4% to BGN 21,572 million), personal income tax (up 14.4% to BGN 8,183 million), excise duties (up 7.5% to BGN 7,424 million) and corporate tax (up 24.5% to BGN 6,656 million). Social security and health contributions also increased, amounting to BGN 20,709 million, of which BGN 15,011 million social security contributions and BGN 5,698 million health contributions.

During the year, Bulgaria's credit ratings were affirmed by Moody's Investors Service (Baa1, stable outlook), as well as upgraded by Fitch Ratings (BBB+, stable outlook) and Standard & Poor's (BBB+, stable outlook), in connection with the country's accession to the Eurozone and the introduction of the euro as the official currency from 01.01.2026. *For more information on the introduction of the euro, see section „Banking system".*

Banking system

In 2025, the banking system in Bulgaria reported good financial indicators and profitability, sustainable development, as well as stable capital and liquidity positions. The efforts of the banking sector were aimed at preparing for the introduction of the euro in the country, and to the successful transition of all operational, documentary, and compliance frameworks to the new official currency. Bulgaria has been part of the European Banking Union Since 2020 through its participation in the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM), and in 2026 it also joined the Eurozone and the Eurosystem which includes the European Central Bank (ECB) and the national central banks of member states whose currency is the euro.

in % / change in p.p.	2025	2024	2023	25/24	24/23
CET 1 ratio	24.89	21.03	20.07	0.63	0.96
Tier 1 capital ratio	25.14	21.32	20.51	0.61	0.81
Capital adequacy ratio	26.56	22.70	21.65	0.70	1.05
Leverage ratio	10.23[3]	9.96	9.66	0.27	0.30
Liquidity coverage ratio (LCR)	280.6	241.0	246.7	39.6	(5.7)
Loans/deposits[4]	73.54	74.27	71.21	(0.73)	3.06
Return-on-equity (ROE)	14.87[3]	15.99	17.12	(1.12)	(1.13)
Return-on-assets (ROA)	1.78[3]	1.93	1.99	(0.15)	(0.06)
Non-performing loans and advances5	2.19	2.51	2.76	(0.32)	(0.25)

Source: Bulgarian National Bank

The system's total capital adequacy ratio (TCR) stood at 26.56% at the end of 2025 (2024: 21.03%), while the Common Equity Tier 1 (CET1) ratio stood at 24.89% (2024: 21.03%), both above regulatory requirements. The leverage ratio, which compares Tier 1 capital to banks' total on- and off-balance sheet exposures, was 10.23% at the end of September 2025, compared to 9.96% at the end of 2024. It is used as an additional supervisory tool measuring the capital held by banks that is not sensitive or risk-weighted.

Due to continued strong credit growth and cyclical risks in the real estate market, the BNB maintained the countercyclical capital buffer level at 2.0% during the year, effective until the first quarter of 2027. During the period, the BNB announced the annual review of the buffer for other systemically important institutions (OSIIs) and identified six banks as such, which were assigned individual levels for 2026 ranging from 0.50% to 1%. In 2025, the systemic risk buffer remained unchanged at 3% of risk exposures in Bulgaria.

Liquidity in the system remained at high levels, reflecting the conservative assessment maintained in risk management and the increased deposit base. The liquidity coverage ratio (LCR), which relates the liquidity buffers maintained by banks to net outflows over a 30 calendar day period, increased to 280.6% (2024: 241.0%), which is significantly above the minimum requirement of 100%. The ratio of the liquidity buffer to the system's balance sheet assets also increased to 30.2%.

BGN million/change in %	2025	2024	2023	25/24	24/23
Net interest income	5,638	5,566	4,846	1.3	14.9
Net fee and commission income	1,783	1,620	1,474	10.1	9.9
Administrative expenses	2,632	2,465	2,200	6.8	12.0
Impairment	753	659	411	14.3	60.3
Net profit	3,628	3,695	3,417	(1.8)	8.1

Source: Bulgarian National Bank

3 Data as of 30.09.2025

4 Gross loans and advances (without central banks and credit institutions)/deposits (without credit institutions).

5 Non-performing loans and advances/gross loan and advances (for comparability, a broad definition of loans and advances has been used, including cash balances with central banks and other demand deposits).

In 2025, the net profit of the banking system decreased to BGN 3,628 million, compared to BGN 3,695 million a year earlier, mainly as a result of higher administrative expenses (2025: BGN 2,632 million; 2024: BGN 2,465 million). Another factor was impairment charges which reached BGN 753 million for the period (2024: BGN 659 million), reflecting the increase in loans and related credit risk. During the year, banks also invested significant resources in upgrading their IT systems and overall preparations for the introduction of the euro in the Republic of Bulgaria.

Net interest income for 2025 increased by 1.3% to BGN 5,638 million (2024: BGN 5,566 million), with the backdrop of increased competition and lending activity, as well as declining interest rates in European and international markets. Net fee and commission income reached BGN 1,783 million (2024: BGN 1,620 million), providing a solid contribution to profit and forming 22.1% of total operating income. The system's financial performance provided for a return on assets (ROA) of 1.78% over the first three quarters (2024: 1.93%), and a return on equity (ROE) of 14.87% for the same period (2024: 15.99%).

BGN million/change in %	2025	2024	2023	25/24	24/23
Assets	227,036	191,611	172,075	18.5	11.4
Loans to non-financial corporations	57,341	52,811	48,460	8.6	9.0
Loans to individuals, including:	58,430	47,992	39,473	21.7	21.6
- Mortgage loans	35,799	27,577	22,028	29.8	25.2
- Consumer loans	23,940	21,090	18,040	13.5	16.9
Deposits from non-financial corporations	53,377	49,258	46,303	8.4	6.4
Deposits from individuals	111,123	92,257	82,614	20.4	11.7

Source: Bulgarian National Bank

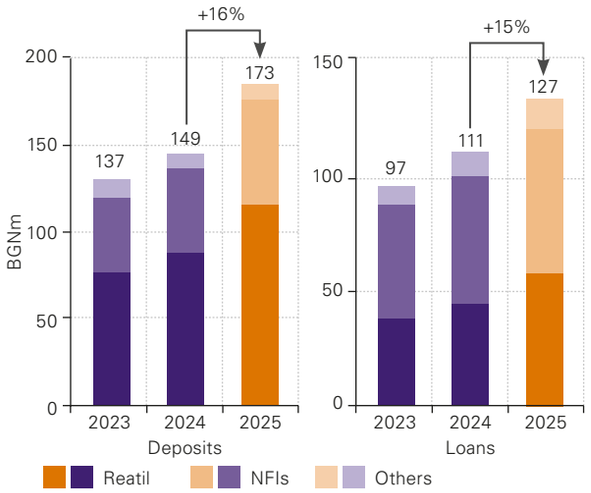
Total balance sheet assets increased by 18.5% year-on-year, to BGN 227,036 million by the end of 2025 (2024: BGN 191,611 million). The structure of the system's balance sheet comprised mainly loans and advances: 62.3% of total assets (2024: 61.2%); cash and balances with central banks: 17.6% (2024: 17.8%); as well as investments in securities: 17.0% (2024: 17.7%), dominated by debt securities.

Lending activity in 2025 remained high, with more pronounced dynamics in the retail segment compared to non-financial corporations. Residential mortgage loans increased by 29.8% to BGN 35,799 million (2024: BGN 27,577 million), and consumer loans by 13.5% to BGN 23,940 million (2024: BGN 21,090 million) at the end of 2025. Loans to non-financial corporations retained a 45.1% share in the portfolio structure, reaching BGN 57,341 million (2024: BGN 52,811 million). The restrictions continued to apply that were introduced as part of macroprudential supervision regarding credit standards for household loans secured by residential real estate, including Loan-to-Value (LTV), Debt Service-to-Income (DSTI), and maximum loan terms.

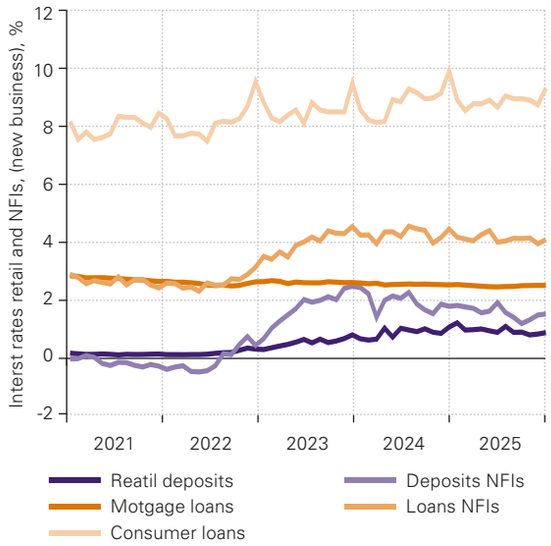
The share of non-performing loans and advances continued to decrease, standing at 2.19% of gross loans and advances as of December 2025 (2024: 2.51%). In the structure of non-performing loans, the largest share is occupied by loans to non-financial corporations (63.2%), followed by households (33.4%) and other financial corporations (1.4%).

In 2025, funds attracted in the banking system (excluding from credit institutions) increased by 16.2% to BGN 173,046 million as of December 2025 (2024: BGN 148,935 million), reflecting the confidence in the system. An increase was reported mainly in household deposits (by 20.4% to BGN 111,123 million), which remained structurally predominant with a share of 64.2%, followed by deposits of non-financial corporations (by 8.4% to BGN 53,377 million). The currency structure of deposits remained unchanged, with the share of deposits denominated in BGN at 68.4%, those in EUR at 26.4%, and those in other currencies at 5.2% as of December 2025.

Loans and deposits



Interest rates on loans and deposits



During the year, a downward trend in interest rates was observed, however less pronounced compared to the overall dynamics in the Eurozone and the European Union. This was mainly influenced by the high liquidity of borrowed funds in the system, as well as by the linking of loan reference interest rates used by banks (especially in retail lending) to the average deposit rates in the country. Average deposit interest rates (new business[6]) of households and non-financial corporations amounted to 0.88% and 1.53% (volume-weighted) for 2025 (2024: 0.82% and 1.90% respectively). Average loan interest rates (new business[7]) were 8.97% for consumer loans (2024: 8.94%), 2.46% for mortgage loans (2024: 2.52%), and 4.12% for loans to non-financial corporations (2024: 4.28%).

In November 2025, with a view to introducing the euro as the official currency and terminating BGN-denominated transfers, the Bulgarian National Bank (BNB) officially confirmed the discontinuation of the LEONIA Plus index and the Base Interest Rate (BIR) calculation, effective January 1, 2026.

In 2025, in connection with the introduction of the euro in the Republic of Bulgaria, important decisions and regulatory framework changes were made, most notably:

- Council Decision (EU) 2025/1407 of 8 July 2025 on the adoption of the euro by the Republic of Bulgaria, confirming that the country fulfills the necessary conditions for adoption of the euro as of 1 January 2026. Two regulations (Council Regulation (EU) 2025/1408 and Council Regulation (EU) 2025/1409) were also adopted, formalizing euro banknotes and coins as legal tender in the Republic of Bulgaria, and fixing the exchange rate at BGN 1.95583 per EUR 1;
- Amendments to the Law on the Introduction of the Euro in the Republic of Bulgaria (LIERB), specifying the period of dual indication of prices for goods and services in EUR and BGN, as well as the requirements for price formation during that period;
- Changes in the minimum reserve regime, repealing Ordinance № 21 on minimum reserves maintained by banks with the BNB and introducing, from the date of adoption of the euro, the minimum reserve requirements of the Eurosystem set out in Council Regulation (EC) № 2531/98, Regulation (EU) 2021/378 and Regulation (EU) 2023/1679, and with regard to calculation of the reserve base – in Regulation (EU) № 2021/379. According to Decision ECB/2025/33 for banks and branches of foreign banks in Bulgaria, a transitional period for maintaining minimum reserves was introduced from 1 January to 10 February 2026;
- Adoption of a new Ordinance № 45 of the BNB, regulating the procedure by which the Bulgarian National Bank (BNB), as part of the European System of Central Banks and the Eurosystem, establishes and regulates its legal relationships with counterparties under the Eurosystem's monetary policy, including by contracts in accordance with the BNB General Terms and Conditions for Implementation of the Eurosystem Monetary Policy;
- Amendments to Ordinance № 3 and Ordinance № 16 of the BNB, mainly related to adoption of the euro, introduction into Bulgarian legislation of measures necessary for implementation of Regulation (EU) 2024/886, and transposition of the requirements of Directive (EU) 2022/2556;

6 Term deposits in BGN up to 1 year.
7 Loans by original maturity in BGN.

- Adoption of new Ordinance № 46 of the BNB on Frontloading and Sub-frontloading of Euro Banknotes, Euro Coins and Starter Euro Coin Kits, Ordinance № 47 of the BNB on the Conditions and Procedure for Providing Information by Credit Institutions and for Retaining and Evaluating Banknotes and Coins in Levs, and Ordinance № 48 of the BNB on the Exchange of Mutilated or Damaged Banknotes and Coins from Levs to Euro after the Introduction of the Euro in the Republic of Bulgaria;
- Amendment and Supplement to Ordinance № 31 on Government Securities Settlement, regulating the settlement of government securities in connection with the entry of the Republic of Bulgaria into the eurozone;
- Amendment to Ordinance № 17 of the BNB of 29 March 2018 on the Monetary and Interest Rate Statistics, Financial Accounts Statistics, Money and Foreign Exchange Market Statistics and Statistics of Granular Credit and Credit Risk Data and Participants in the Credit Process, introducing a requirement for submission of analytical data on loans and credit risk (BGAnaCredit). In this regard, amendments were also adopted to Ordinance № 22 of the BNB on the Central Credit Register;
- Adoption of Decree № 347 of 29 December 2025, amending Decree № 426 of the Council of Ministers of 2014 on determining the amount of statutory interest on overdue monetary obligations, which changes the method for calculating the annual amount of statutory interest on overdue monetary obligations by using the ECB main refinancing operations rate.

In 2025, the development of the European and national regulatory frameworks continued, mainly focusing on areas such as lending, risk management, digital transformation, accessibility, accountability and disclosure, as well as the introduction of environmental, social and governance (ESG) factors. The more important changes and challenges affecting the activities of banks included:

- Amendments to the Public Offering of Securities Act pursuant to Regulation (EU) 2023/2859 establishing a European single access point providing centralized access to publicly available information of relevance to financial services, capital markets and sustainability;
- Adoption of a new Crypto Asset Markets Act, which regulates the terms and conditions for public offering of crypto assets and admission to trading on crypto asset trading platforms, as well as the licensing and supervision of crypto asset issuers and crypto asset service providers;
- Changes in sustainability reporting by introducing the requirements of Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities. Amendments to the Accountancy Act were also adopted, postponing by one year the first reporting period for which a sustainability report under the European Sustainability Reporting Standards (ESRS) should be included;
- New EBA Guidelines on the management of environmental, social and governance (ESG) risks (EBA/GL/2025/01), introducing requirements on the management of ESG risks as part of the risk management framework, including minimum standards and reference methodologies for their identification, measurement, management and monitoring, as well as qualitative and quantitative criteria for assessing the impact of ESG risks on the risk profile;
- Developing the ICT and security risk management framework through updated EBA guidelines (EBA/GL/2025/02) in the area, as well as new Joint Guidelines (JC/GL/2024/34) on the estimation of aggregated annual costs and losses caused by major ICT-related incidents under Regulation (EU) 2022/2554 (DORA);
- Adoption of a new Law on Credit Servicers and Credit Purchasers, which aims to promote the development of a secondary market for non-performing loans provided by credit institutions, with established safeguards to ensure protection of the borrowers' rights. In this regard, a new Ordinance № 49 of the BNB on the Terms and Procedure for Granting Licenses to and Requirements for the Activity of Credit Servicers and for Providing Information by Credit Purchasers and Credit Institutions was also adopted;
- Adoption of a new Law on Accessibility Requirements for Products and Services, which regulates the accessibility requirements for products and services, the procedure for assessing the conformity of products with such requirements, as well as the obligations of economic operators providing products or services on the market, including with regard to consumer banking.

At the end of 2025, 23 credit institutions were operating in Bulgaria, including 6 branches of foreign banks. As of September 2025, the group of significant banking institutions (according to the ECB criteria) accounted for 69.0% of all banking assets in the country, that of less significant institutions for 28.4%, and of foreign bank branches for 2.6%.

Banks were operating in an environment of intense competition, ahead-of-the-curve technology development and transformation of processes and customer behavior. Competition was also intensified by online banking, fintech companies and e-commerce in general. This required expanded cross-selling capabilities and rapid digital solutions in response to customer expectations, combined with proactivity and personalization of services.

The main challenges facing banks in Bulgaria in 2026 will include the processes following the effective introduction of the euro, e.g. the dual circulation period and the exchange of banknotes and coins. Key focus areas will also include the digitization of banking services, the management of ICT risks and cybersecurity, the mitigation of geopolitical and macro risks, as well as the transition to a sustainable economy.

Flexibility, pace and purpose
matter more than ever
in our evolving world

Fibank profile

Corporate status

First Investment Bank is a joint-stock company registered with Sofia City Court pursuant to a ruling dated 8 October 1993. Since 28 February 2008 the Bank has been registered in the Commercial Register of the Registry Agency.

First Investment Bank is a public company registered in the Commercial Register of Sofia City Court by a decision dated 4 June 2007 and in the register of public companies and other issuers held by the Financial Supervision Commission by a decision dated 13 June 2007.

The Bank owns a universal banking license for domestic and international operations. First Investment Bank is a licensed primary dealer in government securities and it is a registered investment intermediary.

Head office and business address of First Investment Bank AD – Sofia 1784, 111P, Tsarigradsko shose Blvd.

Memberships

- Association of Banks in Bulgaria
- Bulgarian Stock Exchange AD
- Central Depository AD
- BORICA AD
- MasterCard International
- VISA Inc.
- S.W.I.F.T.
- Factors Chain International

Market position[8]

- Fifth in assets
- Fifth in deposits
  - Fifth in deposits from individuals
- Fifth in lending
  - Fifth in corporate lending
  - Fifth in consumer loans
  - Fifth in mortgage loans

Market share[9]

- 7.82% of bank assets in Bulgaria
- 8.27% of deposits in the country
  - 9.05% of deposits from individuals
- 7.98% of loans in the country
  - 9.65% of corporate lending
  - 8.00% of consumer lending
  - 5.18% of mortgage lending

- Among the most technologically advanced and innovative institutions in the Bulgarian market, with leading positions in the card business and payment services. услуги.

8 Market positions are determined based on unconsolidated data from the BNB.
9 Market shares are determined based on unconsolidated data from the BNB.

Business model

Mission

First Investment Bank AD aspires to continue to be one of the best banks in Bulgaria, recognized as a rapidly growing, innovative, customer-oriented bank, offering outstanding products and services to its customers, ensuring excellent careers for its employees, and contributing to the community. The Bank shall continue to develop high-technological solutions providing its customers with opportunities for banking from any place around the world at any time.

Development priorities

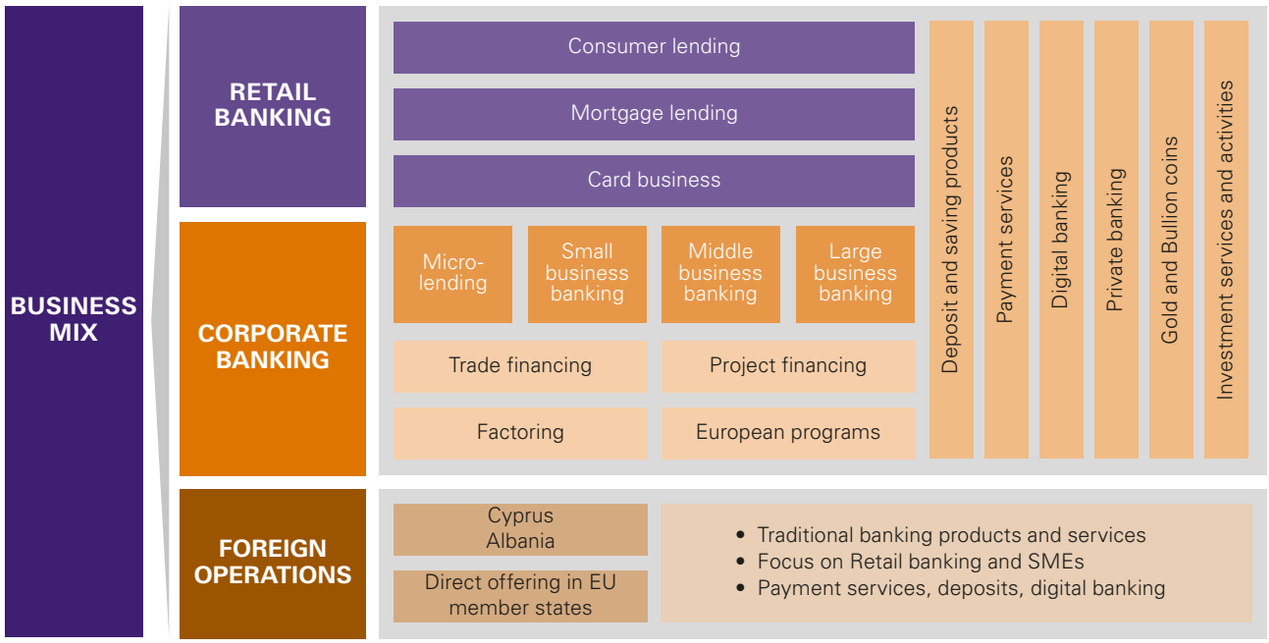
- Responsible banking for sustainable future
- Universal bulgarian bank, leading in key segments
- High quality customer service
- Focus on digitization and innovation
- Stable and sustainable business model
- Return for shareholders and cost optimisation

The priorities of the Bank place an emphasis on responsible banking and on the development of a sustainable business model that supports the green transition, focuses on digitization and innovation, maintains high quality customer service and ensures stability and profitability for shareholders.

For more information see section „Development priorities".

BUSINESS PRINCIPLES	**COMPETITIVE ADVANTAGES**
• We believe that trust is the basis of long-term relations. • We strive not only for the best practices and results, but we have the goodwill and discipline to achieve them. • We appreciate and respect our business partners. • We strive for development and proactive solutions. • We are engaged in social issues and we make our contribution to their solution. • We bear responsibility for our decisions and actions.	• First-class customer service. • Innovative digital services. • Flexibility in decision-taking. • Deep knowledge of the market. • High professional standards. • Solid market positions. • Well-recognised brand. • Wide branch networ

Universal business mix of products and services



First Investment Bank offers a universal business mix of products and services for both individuals and business clients, with a strategic focus on development in the areas of retail banking and small and medium-sized enterprises. The bank offers services to individuals directly in the territory of European Union member states under the single passport and mutual recognition requirements.

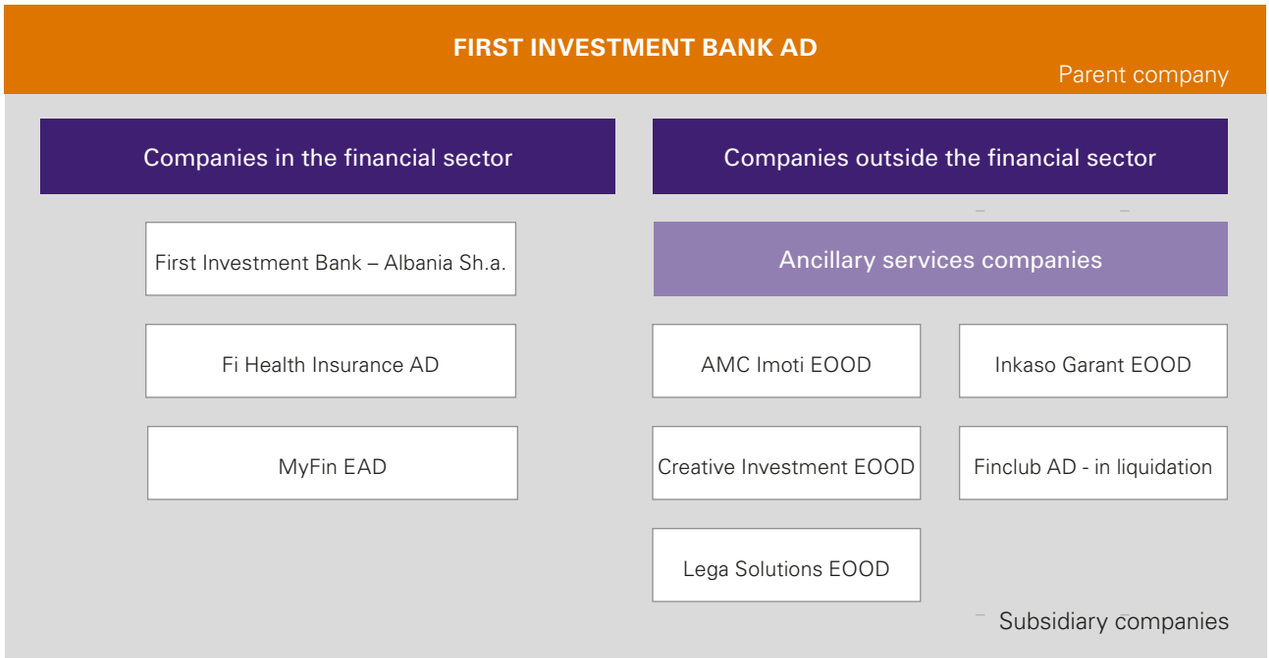
Fibank has successfully adapted its business model and development to the challenges of the external environment, including the processes of digitalisation and automation, as well as trends in the field of sustainable development. This is facilitated by its development priorities, effective alignment with customer needs, conservative risk policy, experienced management, and high standards of corporate governance. *For more information see „Sustainability report" and „Business review of the subsidiary companies".*

Branch network

- As at 31 December 2025 the Group of First Investment Bank had 114 branches and offices, covering the territory of Bulgaria, a foreign branch in Cyprus, as well as 16 branches of the subsidiary bank First Investment Bank – Albania Sh.a. in Albania.
- Fibank maintains diversification of the distribution channels, which constantly optimises in accordance with technological development and customer needs.

For more information see section „Distribution channels" and „Business review of the subsidiary companies".

Subsidiaries



As at 31 December 2025, First Investment Bank AD had eight subsidiary companies: First Investment Bank - Albania Sh.a. (100%), Fi Health Insurance AD (100%), MyFin EAD (100%), AMC Imoti EAD (100%), Inkaso Garant EOOD (100%), Creative Investment EOOD (100%), Lega Solutions EOOD – in liquidation (100%) and Finclub AD – in liquidation (96.51%).

In August and November 2025, the Bank acquired from shareholders (natural and legal persons) 2,045,000 shares in Fi Health Insurance AD, thereby increasing First Investment Bank AD's shareholding in the insurance company from 59.10% to 100%.

Following a liquidation procedure, the subsidiaries Finclub AD and Debita OOD were deleted from the Commercial Register and the Register of Non-Profit Legal Entities as of the date of preparing of the present report.

In November 2025, the Management Board of First Investment Bank AD decided to terminate the activities of the subsidiary Lega Solutions EOOD and to initiate liquidation proceedings.

As of 31.12.2025, the following companies were included in the consolidated financial statements of the Group of First Investment Bank: First Investment Bank - Albania Sh.a., Fi Health Insurance AD and MyFin EAD. The remaining subsidiaries were not included in the consolidated financial statements, as they were considered immaterial to the financial position, financial results and cash flows of the Group for the year ended 31.12.2025. The assessment for consolidation of subsidiaries is reconsidered at each reporting date.

For further information regarding subsidiary companies, see Note 36 "Subsidiaries" of the Consolidated Financial Statements for the year ended 31 December 2025.

Awards 2025

- First Investment Bank received the international award „Bulgaria's Best Bank for Customer Experience" for customer service in Bulgaria, organized by the financial publication Euromoney.
- Fibank received the „Mystery Shopper Bank" award in a competition organized by the „Bank of the Year Association."
- The bank was awarded the prize for „Most Liquid Issuer in the Premium and EUROBRIDGE Share Segment on the Main Market of the Bulgarian Stock Exchange."
- Fibank received the „Elite Quality Recognition Award 2024" from J.P. Morgan for quality and compliance with international transfer standards.

First Investment Bank: dates and facts

1993	• First Investment Bank was established on 8 October 1993 in Sofia. • Fibank was granted a full banking license for carrying out operations in Bulgaria and abroad.
1994-95	• The Bank developed and specialized in servicing corporate clients.
1996	• Fibank was the first in Bulgaria to offer services enabling banking from home or from the office. • Fibank was the first bank to receive a 5-year loan from the EBRD for financing SMEs in Bulgaria.
1997	• The Bank started issuing Cirrus/Maestro debit cards, Eurocard/Mastercard credit cards and the American Express card. Fibank was the first Bulgarian bank to offer debit cards with international access. • Thompson Bankwatch awarded Fibank its first credit rating. • The Bank opened its first branch abroad, in Cyprus.
1998	• Fibank obtained its first syndicated loan from foreign banks. The Bank negotiated financing for the import of investment goods from a number of EU countries, guaranteed by export insurance agencies.
1999	• The Bank negotiated a syndicated loan organized by EBRD to the total amount of EUR 12.5 million. • Fibank received a loan for EUR 6.6 million from a German organization for financing of Bulgarian companies. • A foreign banking branch in Tirana, Albania was opened servicing Albanian companies and individuals.
2000	• First Investment Bank started developing its business in the field of retail banking. Deposits from private individuals grew 2.3-fold.
2001	• Fibank launched the first virtual bank branch in Bulgaria, allowing customers to bank via the Internet. • The Bank was awarded the prize "Bank of the Year" by 'Pari' ('Money') daily. • Maya Georgieva (Executive Director), received the prize "Banker of the Year" from 'Banker' Weekly
2002-04	• Fibank was named twice "Bank of the Client" in the annual rating of 'Pari' daily. • Products and services to individuals became the focus of the Bank's activities. Loans to individuals increased over five times during the year. • The branch network expanded by 27 new branches and offices, the ATM network more than doubled.

2005	• Fibank acquired 80% of the capital of Diners Club Bulgaria AD. • The Bank issued Eurobonds to the amount of EUR 200 million on the Luxembourg Stock Exchange. Fibank was also the first Bulgarian bank to issue perpetual subordinated bonds. • Matthew Mateev (Dep.Chief Executive Director) was awarded the prize "Banker of the Year" by 'Banker' weekly.
2006	• Fibank was named "Bank of the Client" for the third time in the annual rating of 'Pari' daily. • €185 million syndicated loan, organised by Bayerische Landesbank with 33 international banks participation. • The Bank's share capital was increased from BGN 20 million to BGN 100 million by transforming retained profits into new shares.
2007	• First Investment Bank realized the biggest banking initial public offering of shares in Bulgaria and became a public company. • „Fibank Mobile" – the first banking mobile portal with useful financial information for its customers. • Fibank is among the first banks in Bulgaria to implement chip technology by issuing cards. • First Investment Bank – Albania Sh.a. was issued a full banking license in Albania.
2008	• Fibank implemented a new centralized and integrated core banking information system FlexCube. • Fibank received a syndicated loan in the amount of EUR 65 million from 11 leading international banks. • Fibank became the first bank in Bulgaria to launch its own corporate blog. • Fibank received the OSCARDS award for innovation in the card business.
2009	• Fibank started offering the sale and redemption of investment diamonds. • A new Internet service "My Fibank" was offered, providing e-statements on bank accounts and credit cards.
2010	• Fibank welcomed its one millionth client. • First Investment Bank signed an agreement with IFC for cooperation in the field of trade finance. • Fibank was the first Bank in Bulgaria to offer contactless payments using the PayPass technology. • Fibank acquired a controlling interest in FI Health AD health insurance fund.
2011	• First Investment Bank was recognized as the Best Bank in Bulgaria in 2011 by the financial magazine Euromoney. • New Executive Directors of the Bank appointed – Dimitar Kostov, Vassil Christov, Svetoslav Moldovansky. • Maya Georgieva (Executive Director of First Investment Bank) received the Banker of the Year 2011 award from "Banker" Weekly for market sustainability achieved and customer confidence earned.
2012	• Fibank was "Bank of the Year" from "Bank of the Year" Association, with the best complex performance. • The Bank signed an agreement with the EIF for the financing of SME under the JEREMIE initiative. • Vassil Christov (Executive Director) won the prestigious award "Banker of the Year" of the "Banker" Weekly.
2013	• First Investment Bank AD signed an agreement with the Hungarian MKB Bank Zrt. for the acquisition of 100% of the shares of MKB Unionbank EAD. • Fibank finalized the issuance of new EUR 100 million hybrid debt. • Online sale of products of investment gold and other precious metals was started.
2014	• The merger of Union Bank EAD into First Investment Bank AD was carried out, including integration of operational systems, procedures, infrastructure, human resources, products and services • Fibank overcame the pressure on the banking system thanks to its sound liquidity, high professionalism, as well as to the liquidity support received pursuant to EC Decision C(2014) 4554/29.06.2014. • Fibank awarded as the best bank in retail banking by the international portal Global Banking & Finance Review.

2015	• A joint project with the IFC for upgrading Fibank's risk management and corporate governance systems was realized in line with the principles of the Basel Committee and the recognized international standards. • A new independent member of the Supervisory Board was elected: Mr. Jyrki Koskelo, with extensive experience with the IFC. • A new organizational structure of the Bank was adopted, further developing the control functions. • Fibank was named the strongest brand among banks in Bulgaria by the global organization Superbrands.
2016	• An innovative platform was launched for electronic payments using NFC-enabled mobile devices and digital bank cards. • The Bank repaid the liquidity support received pursuant to EC Decision C(2014) 8959/25.11.2014. • Fibank successfully passed the asset quality review and the stress test conducted in the country. • New contactless debit cards for children and teenagers were developed.
2017	• Fibank created its integrated e-banking platform My Fibank, as a single customer omnichannel. • The Bank became direct participant in the STEP2 SCT (SEPA Credit Transfer) system. • Fibank updated its core banking information system by migrating to Oracle Flexcube12. • Fibank developed its online consumer credit services at www.credit.fibank.bg.
2018	• First Investment Bank celebrated the 25th anniversary of its founding. • A new Smart Lady program was launched in support of women entrepreneurs. • Fibank Token - new means of signature and authentication in the electronic banking system of the Bank.
2019	• Card services were further developed, with an emphasis on digital cards and payments using smart devices. • A centralized back office was initiated in the Bank's system, its main purpose being to optimize the efficiency in servicing the Bank's customers. • Fibank passed the asset quality review and stress test conducted by the ECB during the year. • Initiatives were undertaken aimed at enhancing financial literacy, including among children and teens.
2020	• First Investment Bank successfully increased its capital by BGN 195,424 thousand. New shareholders of the Bank were the Bulgarian Development Bank AD with 18.35% and Valea Foundation with 7.87%. • Fibank allowed rescheduling of payments and external financing to borrowers experiencing difficulties in connection with the state of emergency and the COVID-19 pandemic. • New executive directors were elected – Nikola Bakalov and Ralitsa Bogoeva, as well as a new Chief Financial Director – Ianko Karakolev. • Fibank supported the founding of a startup company in the field of payment services: MyFin EAD, licensed as an electronic money company with a share capital of BGN 1 million.
2021	• First Investment Bank offered the innovative Gold Account product designed for keeping, purchase and sale of dematerialized gold (XAU). • A new video consultation service was launched for customers interested in retail credit products, available at www.fibank.bg and through My Fibank electronic banking. • A new Business Process Management (BPM) system for retail lending was implemented. • MyCard was launched: a new virtual credit card with pre-approved limit, issued entirely online through the My Fibank mobile application.

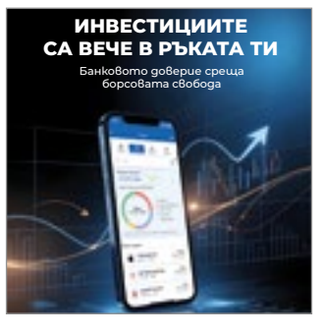
2022	• First Investment Bank launched an innovative service for instant payments (up to 10 seconds) in BGN under the Blink scheme. • Electronic signing of documents by e-Sign pad was introduced at the Bank's offices. • A new Debit Instant Card was offered: a virtual debit card issued through the My Fibank mobile app, intended for making online payments by smartphone. • A new Sustainable Future mortgage loan was developed according to responsible banking policies, for financing real estate with high energy efficiency (class A+, A or B).
2023	• Fibank customers were the first in Bulgaria to make instant payments in BGN Blink P2P via mobile number through the My Fibank mobile app. • „Become a Fibank customer" - a new service for remote establishment of business relationships with customers - individuals (eID) through mobile banking. • Successful migration to the new real-time gross settlement large payment system (T2), part of the Eurosystem's consolidated TARGET services platform. • Launched new card products - virtual credit card and World Elite Mastercard metal credit card. • New Green Energy and Green Transport loans were developed for households to finance the installation of photovoltaic systems and the purchase of electric cars.
2024	• Fibank Digital Zone – an innovative digital zone in the offices, including a self-service area, mobile workstations, and the option for virtual meetings, digital training, and video consultations with customers. • Remote onboarding –remote establishment of relationships with business clients launched, enabling registration in the „My Fibank" electronic banking system. • Fibank is among the first banks in the country to offer an instant payment service in euro. • A new platform, Customer 360, was introduced, providing a comprehensive customer profile, facilitating customer service, and increasing sales efficiency. • The design of the My Fibank mobile app was completely redesigned with a convenient, intuitive interface and expanded functionality in line with the latest trends in this area.

Highlights 2025

January

- Consumer lending options were expanded, including by increasing maximum loan application amounts.
- A new online mortgage application form was developed as part of the phased digitization of lending processes.
- New gold and silver investment coins dedicated to the Year of the Snake were offered by Fibank, in collaboration with the New Zealand Mint.

February



- Trading in financial instruments, such as stocks, ETFs and others, was enabled for the Bank's customers through the My Fibank mobile application.
- A new electronic PIN (e-PIN) feature was launched for all newly issued debit and credit cards, as part of the Bank's long-term initiative for digitization of products and services.

March

- A new service Blink parking was added to My Fibank mobile application, allowing payment for city parking zones and parking lots across the country.
- The „Home+" consumer loan was offered, intended for customers using mortgage loans from Fibank.
- Fibank's „Smart Lady" program celebrated its seventh anniversary, with nearly 1,300 female entrepreneurs having received financing worth over BGN 132 million.

April

- Fibank introduced the Click to Pay functionality, allowing customers to use a secure, standardized and online checkout method, and eliminating the need to manually enter card details.
- Fibank supported the organization of Sofia Compliance Forum: a new initiative bringing together leading professionals from the country and abroad to exchange knowledge and experience on regulatory requirements and trends in various areas of compliance, including AML/CFT measures and sustainable development.

May

- The „Click“ consumer loan was launched, featuring a fast, fully online application and disbursement process.
- The „Perspective“ product was made accessible for customers of the Bank’s electronic and mobile banking.
- First Investment Bank’s credit ratings were fully affirmed by Fitch Ratings, with a stable outlook.
- Fibank and the Fund Manager of Financial Instruments in Bulgaria signed an agreement to reinvest the resource under the Operational Program „Human Resources Development“ in support of start-ups and social microenterprises.

June

- A Regular Annual General Meeting of Shareholders of First Investment Bank was held, at which a decision was made to capitalize the net profit for 2024, and not to pay dividends or other deductions from the profit for 2025.
- In support of the smooth transition to the introduction of the euro as the official currency in the Republic of Bulgaria, retail customers were exempt from fees for depositing cash in BGN and EUR to their deposit and savings accounts.
- First Investment Bank – Albania received a license from MasterCard for issuing and acquiring card payments and significantly developed its card business.

July

- Fibank offered new banking packages „My Home“ and „My Home+“, featuring condominium accounts that can be combined with a digital home manager app.
- Mortgage lending programs were further developed, providing opportunities for additional financing intended for repairs or improvements, as part of the mortgage loan.
- First Investment Bank created the internship program „With a Different Employer“, giving interns who are looking for a financial sector career the opportunity to become part of the Fibank team.
- New Visa debit cards for children and teens were launched with attractive design, suitable for the younger audience.
- New electronic food vouchers offered to customers in Myfin digital wallet of the subsidiary Myfin EAD.
- First Investment Bank – Albania implemented key projects for infrastructure modernization, IT system sustainability, and payment integration, as well as expanding opportunities for digital banking services.

August

- First Investment Bank successfully issued a EUR 50 million privately placed bond, meeting the minimum requirement for own funds and eligible liabilities (MREL), which was admitted to trading on the Bulgarian Stock Exchange in December.
- An agreement for SME financing was signed with the National Guarantee Fund, with relaxed collateral requirements.

September

- A new top-up feature was added to the My Fibank mobile application, allowing customers to easily transfer funds between their accounts and payment cards.
- Fibank was among the first banks in the country to publish a Sustainability Report prepared in accordance with the European Sustainability Reporting Standards (ESRS), accompanied by an independent assessment by a registered sustainability auditor.

October

- The Bank started offering the products of Doverie Pension Insurance Company at its offices.
- Final phase of preparation for the introduction of the euro: testing the migration of IT systems, POS and ATM networks, and internal processes.
- Fi Health Insurance AD implemented a significant change in its corporate governance model, transitioning from a single-tier to a two-tier management system.

November

- The terms of the Microlending program were updated to expand financing opportunities and more fully meet the needs of micro enterprise customers in line with changing business environment.
- New debit and credit cards were launched, dedicated to the 2026 Winter Olympics in Italy.
- First Investment Bank – Albania successfully issued a subordinated term debt in the amount of EUR 7 million.

December

- The FiBi virtual assistant was successfully integrated into the Bank's internal systems, pending its launch on the external website for use by customers.
- A Christmas consumer credit campaign was conducted, capturing customer attention and bringing positive results.
- New investment coins and gold and silver bars dedicated to the Year of the Horse were offered by Fibank in cooperation with the New Zealand Mint.
- Fibank presented its 2026 charity calendar, dedicated to social engagement in support of young talents and the development of rhythmic gymnastics.

Close to you.
Accessible to all

Financial review

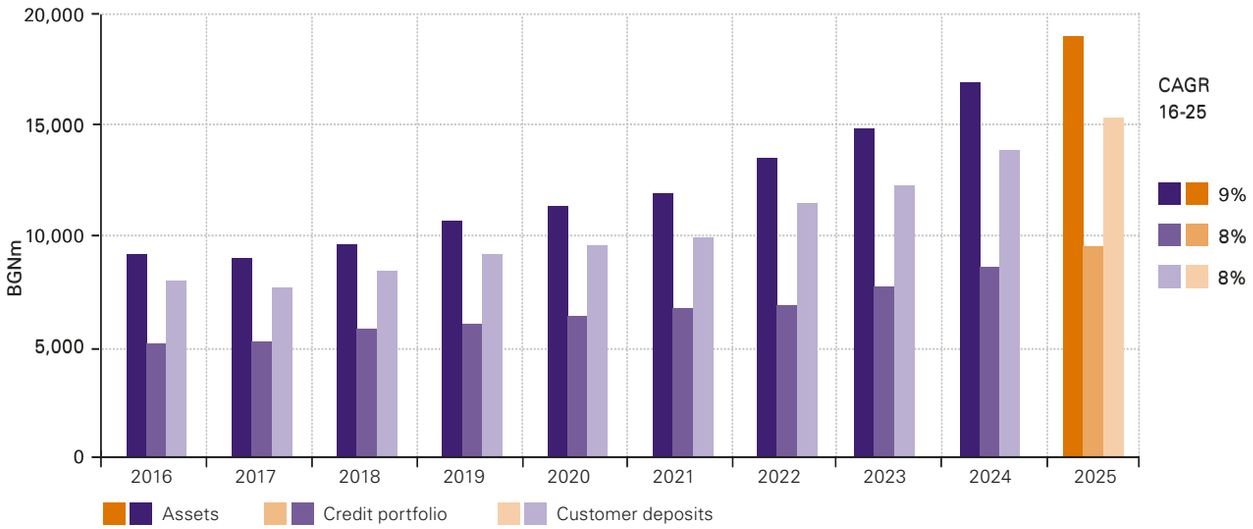
Key indicators

	2025	2024	2023	2022	2021
Financial indicators (BGN thousand)					
Net interest income	474,786	466,666	406,761	296,209	282,465
Net fee and commission income	181,664	172,385	159,061	144,962	123,505
Net trading income	27,804	28,392	25,045	20,473	15,742
Total income from banking operations	584,992	613,202	563,886	475,950	434,970
Administrative expenses	(273,019)	(249,866)	(238,282)	(217,852)	(192,083)
Impairment	(168,784)	(199,799)	(144,479)	(140,230)	(125,663)
Group profit after tax	189,183	145,284	158,285	97,990	111,408
Earnings per share (in BGN)	1.26	0.97	1.06	0.65	0.74
Balance-sheet indicators (BGN thousand)					
Assets	19,161,095	16,855,610	14,864,233	13,498,982	11,897,221
Loans and advances to customers	9,830,225	8,542,732	7,674,705	6,823,003	6,653,944
Investments in securities	3,336,398	3,441,113	2,883,067	2,819,193	1,673,781
Due to other customers	15,494,036	13,959,100	12,316,348	11,454,906	9,973,631
Other borrowed funds	1,300,485	730,033	447,314	123,846	120,002
Subordinated term debt	27,937	19,410	19,410	19,410	9,622
Hybrid debt	259,927	258,908	257,871	256,861	320,733
Total Group equity	1,910,205	1,730,149	1,573,382	1,399,622	1,319,842
Key ratios (in %)					
Capital adequacy ratio	21.19	21.04	20.49	21.01	20.84
Tier 1 capital ratio	20.96	20.89	20.29	20.78	20.72
CET 1 ratio	18.33	18.04	17.07	17.41	17.33
Leverage ratio	10.36	10.80	10.81	11.54	12.75
Liquid assets/deposits from customers	42.88	43.27	40.14	37.72	29.46
Liquidity coverage ratio (LCR)	318.84	267.56	298.13	239.89	256.37
Net stable financing ratio (NSFR)	155.63	157.71	151.86	146.91	139.81
Net loans/deposits ratio	63.45	61.20	62.31	59.56	66.72
Return-on-equity (after tax)	10.33	9.13	10.61	7.29	8.85
Return-on-assets (after tax)	1.08	0.97	1.13	0.78	0.96
Cost of risk	1.66	2.23	1.80	1.94	1.75
Net interest income/total income from banking operations	81.16	76.10	72.14	62.24	64.94
Cost/income ratio	41.72	40.74	42.51	46.53	43.40
Resources (in numbers)					
Branches and offices	131	130	134	140	141
Staff	2,751	2,692	2,953	2,990	2,867

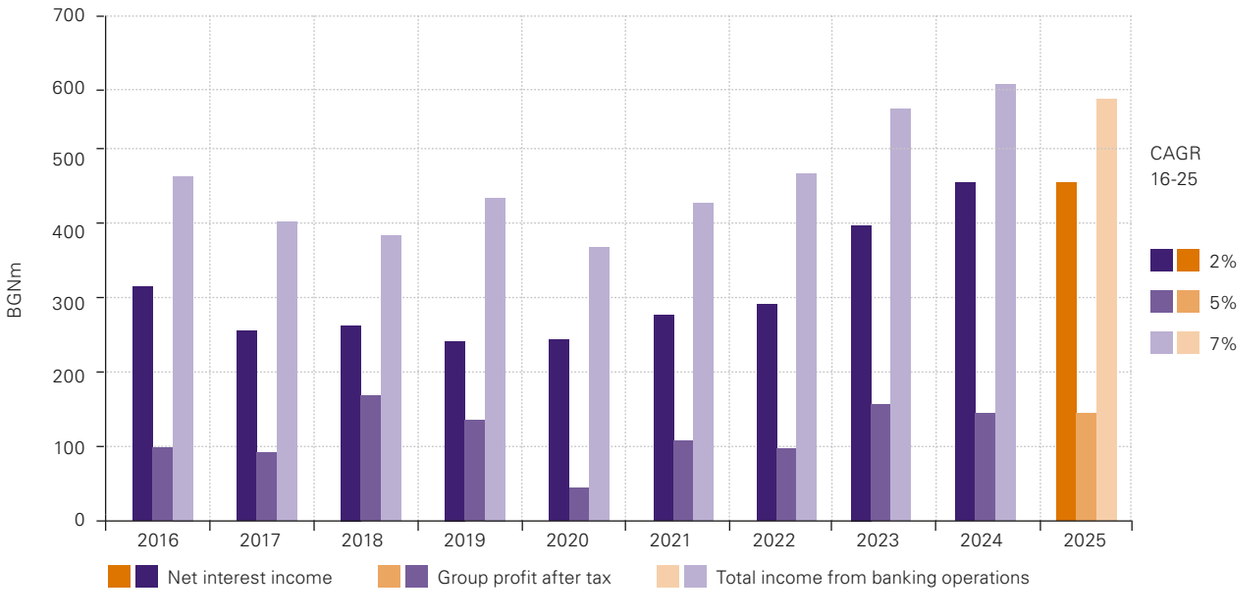
In May 2025, Fitch Ratings fully affirmed the credit ratings of First Investment Bank as follows: long-term rating "B" with a stable outlook, short-term rating "B", viability rating "b", government support rating "ns" (no support).

Development

Balance-sheet indicators



Financial Indicators



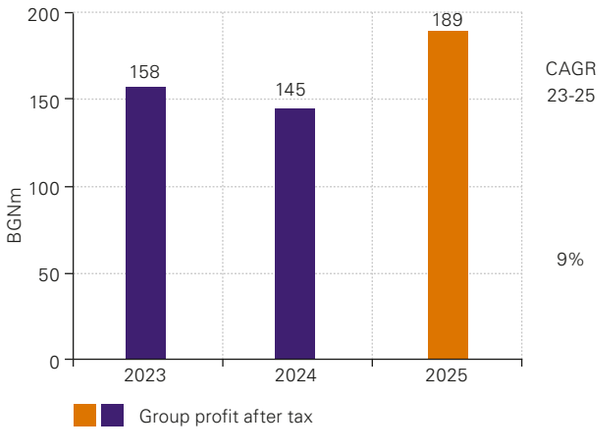
In 2025, we managed to achieve good results and implement important projects:

- Successful transition to the euro – migration of all IT systems and terminal network, as well as adaptation of internal processes, rules and documents to the new official currency of the Republic of Bulgaria, ensuring a smooth and seamless transition for customers;
- Development of innovative products and services, and introduction of new technological solutions as part of the digitization of activities and automation of processes;
- Maintaining high quality customer service by improving processes and enhancing capacity to implement services, advising and supporting customers;
- Actively managing risks in line with the approved risk strategy and risk appetite by maintaining safeguards against the risks inherent in the business as well as a robust capital and liquidity position.

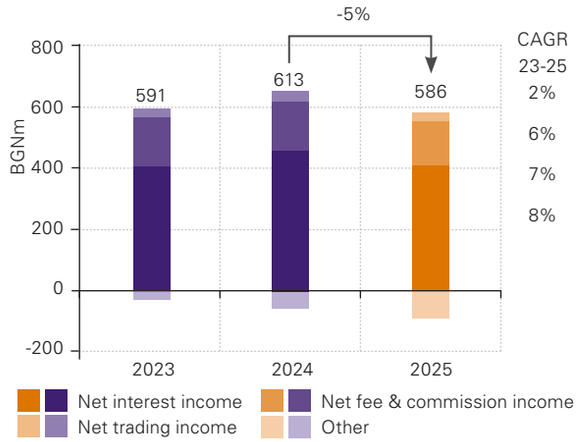
Financial results

In 2025, the Group of First Investment Bank reported good financial results as the profit after tax increased to BGN 189,183 thousand (2024: BGN 145,284 thousand), and the profit before impairment to BGN 381,386 thousand (2024: BGN 363,388 thousand). The results were influenced by the higher operating income from interest, fees, and commissions and a decrease in income from trading and other debt instruments operations, as well as the policies applied for managing non-interest-bearing assets. Total income from banking operations reached BGN 584,992 thousand (2024: BGN 613,202 thousand, the return on equity (after tax) was 10.33%, the return on assets (after tax) was 1.08% and earnings per share was BGN 1.26.

Group profit after tax



Total income from banking operations



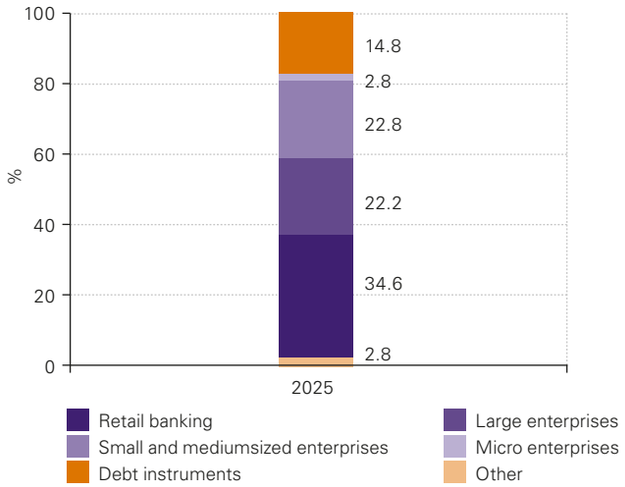
In 2025, net interest income increased by 1.7% to BGN 474,786 thousand (2024: BGN 466,466 thousand), increasing its share as the main source of income for the Group accounting for 81,2% (69.9% on average for the banking system) of total operating income (2024: 76.1%). Fibank's operations abroad account for 11.7% of the Group's net interest income (2024: 13.9%), mainly reflecting the activities of the subsidiary bank in Albania. *For more information on First Investment Bank – Albania Sh.a. see section „Business review of the subsidiary companies"*.

For the reporting period, interest income increased to BGN 584,925 thousand (2024: BGN 538,221 thousand), as a result of an increase in the main business segments, including of retail banking (2025: BGN 202,659 thousand; 2024: BGN 175,480 thousand) and enterprises[10], incl. large enterprises (2024: BGN 129,675 thousand; 2024: BGN 105,833 thousand), and micro-enterprises (2025: BGN 16,600 thousand; 2024: BGN 16,283 thousand), at the expense of small and medium-sized enterprises, which are at levels comparable to the previous year (2025: BGN 133,152 thousand; 2024: BGN 133,578 thousand). A decrease was reported in investments in debt instruments (2025: BGN 86,416 thousand; 2024: BGN 94,771 thousand), used as an additional source of interest income.

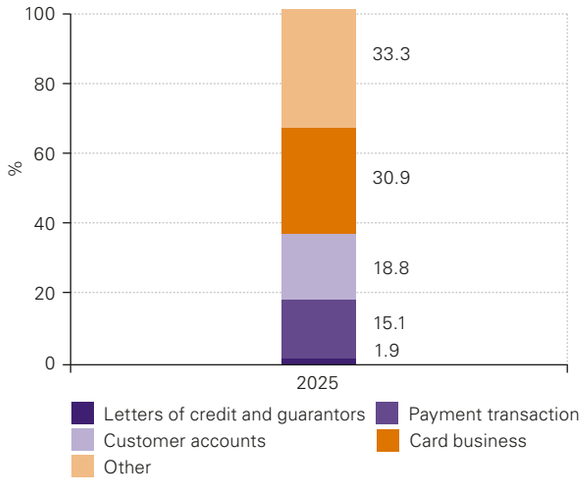
Interest expense increased, mainly as a result of an increase in interest expenses on other attracted funds (2025: BGN 53,715 thousand; 2024: 27,004 thousand BGN), in relation to the Bank's offered borrowing contracts to meet MREL requirements, as well as a new bond issue placed for this purpose. An increase was also recorded in expenses on customer deposits, which reached BGN 9,021 thousand, compared to BGN 17,477 thousand a year earlier, at the expense of interest expenses on hybrid debt, which decreased (2025: BGN 24,880 thousand; 2024: BGN 24,899 thousand). The net interest margin of the Group amounted to 3.00% for the period.

10 According to business segments of the Bank, incl. criteria for annual turnover, as well as: microenterprises – up to BGN 3.9 million; small enterprises – up to BGN 19.5 million; medium-sized enterprises – up to BGN 97.5 million/BGN 84 million.

Interest income



Fee and commission income



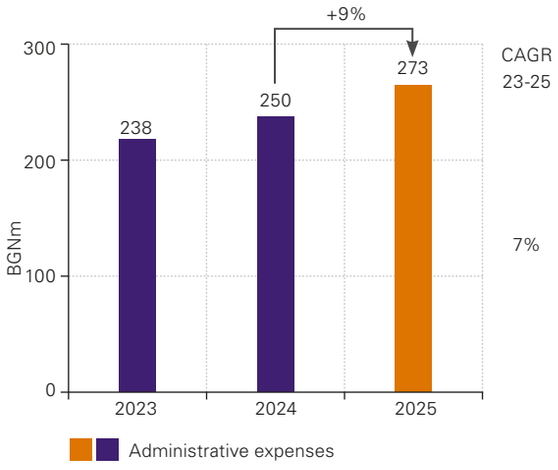
Net fee and commission income for 2025 increased by 5.4% to BGN 181,664 thousand (BGN 172,385 thousand), forming 31.1% (22.1% average for the banking system) of total income from banking operations (2024: 28.1%), providing a solid contribution to operating profit. An increase was recorded in all major sources of income, incl. payment operations (2025: BGN 37,051 thousand; 2024: BGN 34,949 thousand), card services (2025: BGN 75,665 thousand; 2024: BGN 68,174), customer accounts (2025: BGN 45,949 thousand; 2024: BGN 43,645 thousand), letters of credit and guarantees (2025: BGN 4,699 thousand; 2024: BGN 3,669 thousand), as well as other services (2025: BGN 81,619 thousand; 2024: BGN 74,557 thousand) which include those related to lending activities.

For 2025, net trading income reached BGN 27,804 thousand (2024: BGN 28,392 thousand), with the decrease mainly due to lower income from equity instrument transactions (BGN 836 thousand.; 2024: BGN 1,806 thousand) and foreign currency (2025: BGN 26,280 thousand; 2024: BGN 26,518 thousand) at the expense of debt instruments, which increased to BGN 688 thousand for the period, compared to BGN 68 thousand for the previous year. The relative share of net trading income remained insignificant at 4.8% of total income of the Group from banking operations (2024: 4.6%).

The other net operating expenses amounted to BGN 99,262 thousand, compared to BGN 54,241 thousand a year earlier, influenced mainly by higher operating expenses related to debt instruments which amounted to BGN 125,129 thousand.

For the period, administrative expenses increased to BGN 273,019 thousand, compared to BGN 249,866 thousand a year earlier, influenced mainly by the growth of the business and related operating expenses, as well as additional expenses related to the introduction of the euro in the Republic of Bulgaria, including deferred expenses or depreciation of fixed assets. An increase was reported in personnel expenses (2025: BGN 126,291 thousand; 2024: BGN 109,637 thousand), telecommunications, software, and other computer maintainance (2025: BGN 20,769 thousand; 2024: BGN 18,757 thousand), depreciation of property, equipment and intangible fixed assets (2025: BGN 26,588 thousand; 2024: BGN 18,098 thousand), as well as in expenses for external services (2025: BGN 70,430 thousand; 2024: BGN 60,146 thousand). A decrease was reported in advertising expenses (2025: BGN 8,971thousand; 2024: BGN 10,046 thousand), as well as in depreciation for assets with right of use (2025: BGN 19,970 thousand; 2024: BGN 33,182 thousand). For the period, the administrative expenses/total income ratio is 41.72% on a consolidated basis (2024: 40.74%), which is within the target value of below 50% according to the development priorities.

Administrative expenses



Structure of administrative expenses

During the year additional write-downs were made on loans, securities and off-balance sheet commitments amounting to BGN 234,166 thousand, while BGN 65,382 thousand impairment losses were reversed. As a result, net impairment for 2025 amounted to BGN 168,784 thousand (2024: BGN 199,799 thousand). *For more information see the "Risk Management" section.*

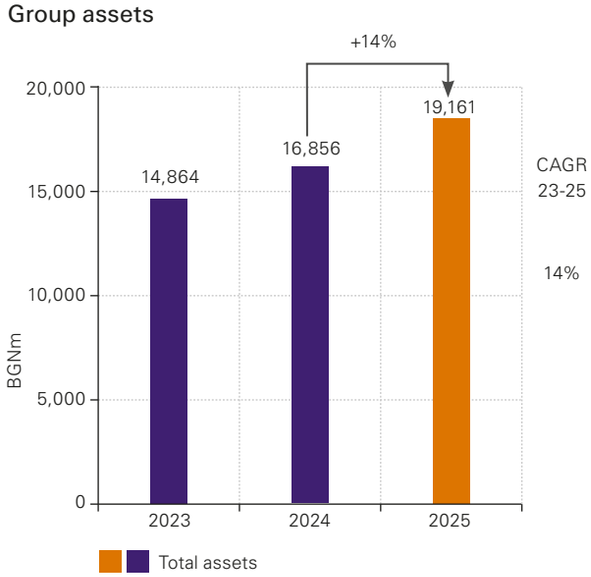
For the reporting period, the Group of First Investment Bank reports other net income of BGN 69,413 thousand, compared to BGN 52 thousand other net expenses a year earlier, which mainly include revaluation of investment properties (2025: BGN 104,650 thousand; 2024: BGN 6,019 thousand). The reported gains from the sale and write-down of repossessed and investment properties totaling BGN 6,577 thousand had a positive impact.

For more information, see the Consolidated Financial Statements for the year ending 31 December 2025.

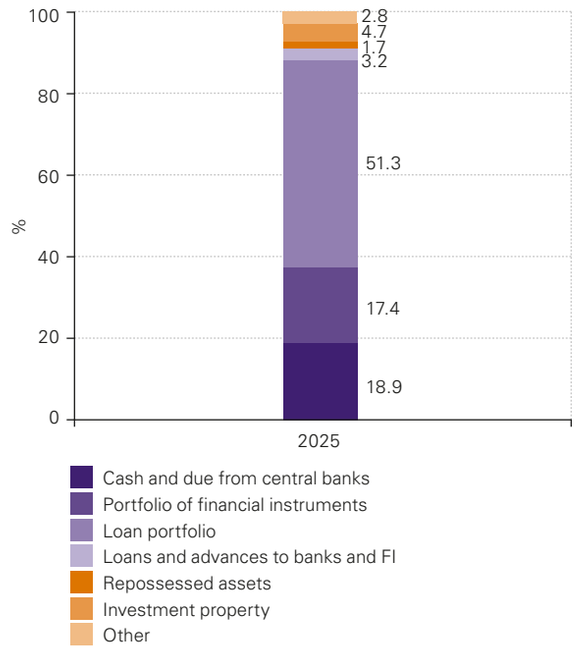
Balance sheet

In 2025, the total assets of the Group of First Investment Bank increased by 13.7% to BGN 19,161,095 thousand, compared to BGN 16,855,610 thousand a year earlier. The dynamics reflected the increase of the borrowed funds, the development of the loan portfolio and the management of cash and liquid assets. Fibank maintains its leading position among banks in the country, ranking fifth in terms of assets at the end of 2025 (2024: fifth), with a market share of 7.82% on an individual basis (2024: 8.22%).

Group assets



Structure of assets



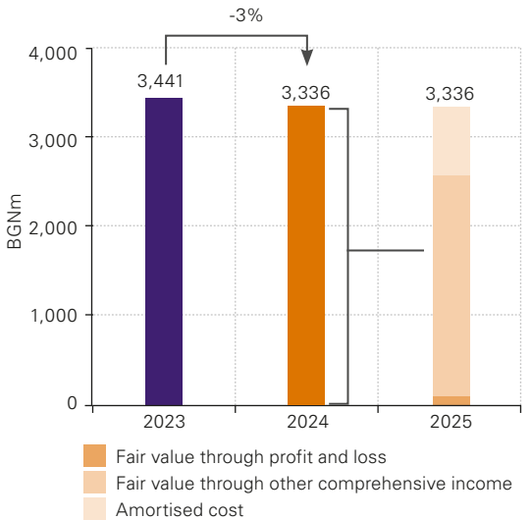
In the structure of the Group's assets, loans and advances to customers maintain their structure-determining share - 51.3% of total assets (2024: 50.7%), followed by cash and receivables from central banks at 18.9% (2024: 16.7%), investments in securities at 17.4% (2024: 20.4%) and investment property up to 4.7% (2024: 4.5%). The repossessed assets continue to reduce their share to 1.7% (2024: 2.2%) as part of actions aimed at reducing of non-interest-bearing assets and their effective realization. The net loans/deposits ratio amounted to 63.4% compared to 61.2% for the previous year, in accordance with the conservative risk management policy.

Cash and receivables from central banks increased to BGN 3,619,624 thousand, compared to BGN 2,814,363 thousand for the previous year, mainly as a result of an increase in receivables from central banks (2025: BGN 2,560,410 thousand; 2024: BGN 2,222,970 thousand), influenced by the increased deposit base and the related minimum reserve requirement on attracted funds, as well as liquidity management. At the end of 2025, cash on hand increased (2025: BGN 567,122 thousand; 2024: BGN 365,321 thousand), mainly in foreign currency, as part of the measures to maintain euro cash holdings and to load and prepare the terminal network for operation with the new official currency. Payment accounts with foreign banks also increased (2025: BGN 492,092 thousand; 2024: BGN 226,072 thousand), managed as part of liquidity.

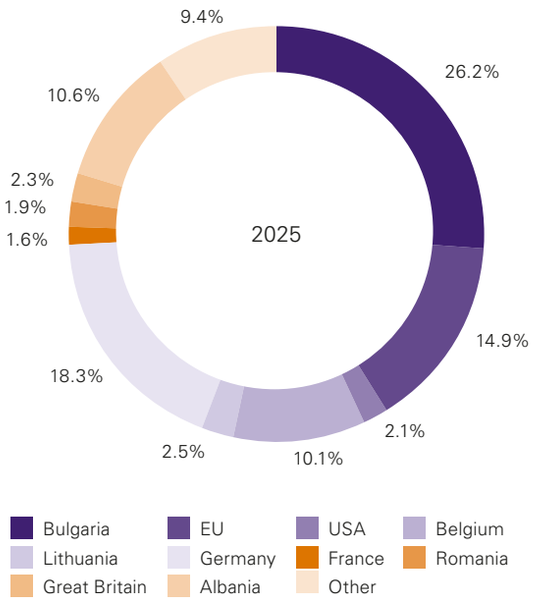
Loans and advances to banks and financial institutions increased (2025: BGN 607,313 thousand; 2024: BGN 365,017 thousand), mainly influenced by receivables under reverse repurchase agreements with foreign institutions, as part of the actions to realize returns in connection with the increased liquidity.

The securities investment portfolio of the Group remains balanced (2025: BGN 3,336,398 thousand; 2024: BGN 3,441,113 thousand), managed according to market conditions and with a view to generating additional income while maintaining proper balance between risk and return. The structure of the portfolio mainly includes government securities of the Bulgarian government (2025: BGN 821,541 thousand; 2024: BGN 620,736 thousand) and foreign governments (2025: BGN 2,314,262 thousand; 2024: BGN 2,461,152 thousand), which mainly contain government debt of European Union member states. Bonds and other securities issued by banks amount to BGN 120,104 thousand, and those issued by enterprises to BGN 105,344 thousand.

Portfolio of financial instruments



Government debt portfolio by country



In accordance with the requirements regarding the business models and the IFRS 9 criteria for classification and valuation of financial assets in the Bank's portfolios, BGN 2,484,730 thousand of the securities portfolio were measured at fair value through other comprehensive income (2024: BGN 2,347,176 thousand), BGN 754,916 thousand at amortized cost (2024: BGN 883,256 thousand), and BGN 96,752 thousand at fair value through profit or loss (2024: BGN 210,681 thousand.

As at 31 December 2025, Fibank's operations abroad formed 11.0% (2024: 10.9%) of the Bank's assets and 12.3% (2024: 11.5%) of the Group's liabilities, mainly reflecting the activities and operations of the subsidiary bank in Albania, including a priority focus on the retail banking segment and small and medium-sized enterprises. *For more information on First Investment Bank – Albania Sh.a. see section „Business review of the subsidiary companies".*

Repossessed assets decreased to BGN 329,091 thousand (2024: BGN 373,414 thousand), while investment properties were BGN 894,421 thousand (2024: BGN 766,231 thousand). During the year, such properties were acquired in the amount of BGN 598 thousand, and properties written-off and sold amounting to BGN 6,849 thousand, as well as BGN 21,667 thousand being transferred from repossessed assets, on which a revaluation of BGN 104,650 thousand was made.

Other assets of the Bank amounted to BGN 78,769 thousand (2024: BGN 131,755 thousand) including deferred expenses, gold and other receivables. The right-of-use assets amounted to BGN 79,105 thousand at the end of the year (2024: BGN 82,477 thousand), decreasing mainly in connection with the accumulated depreciation for the period.

For more information, see the Consolidated Financial Statements for the year ending 31 December 2025.

Loan portfolio

Loans

In 2025 the net loan portfolio of the Group of First Investment Bank increased by 15.1% to BGN 9,830,225 thousand (2024: BGN 8,542,732 thousand), with an increase in all main business segments. As of December 31, 2025, Fibank retains fifth place in terms of loans among banks in the country, reporting a market share of 8.00% (2024: 8.06%).

In BGN thousand / % of total	2025	%	2024	%	2023	%
Retail banking	4,037,304	39.5	3,249,495	36.5	2,804,476	34.8
Micro enterprises	335,565	3.3	307,446	3.5	272,992	3.4
Medium-sized enterprises	2,841,116	27.8	2,591,528	29.1	2,425,291	30.1
Large enterprises	3,011,680	29.5	2,750,975	30.9	2,558,273	31.7
Gross loan portfolio	**10,225,665**	**100**	**8,899,444**	**100**	**8,061,032**	**100**
Impairment	(395,440)		(356,712)		(386,327)	
Net loan portfolio	**9,830,225**		**8,542,732**		**7,674,705**	

The structure of the portfolio remained balanced, with exposures in the retail banking segment increasing to 39.5% of the gross portfolio of the Group (2024: 36.5%), micro, small and medium-sized enterprises[11] respectively 3.3% (2024: 3.5%) and 27.8% (2024: 29.1%), structured according to the Law on Small and Medium-sized Enterprises, and large enterprises 29.5% of the gross portfolio (2024: 30.9%).

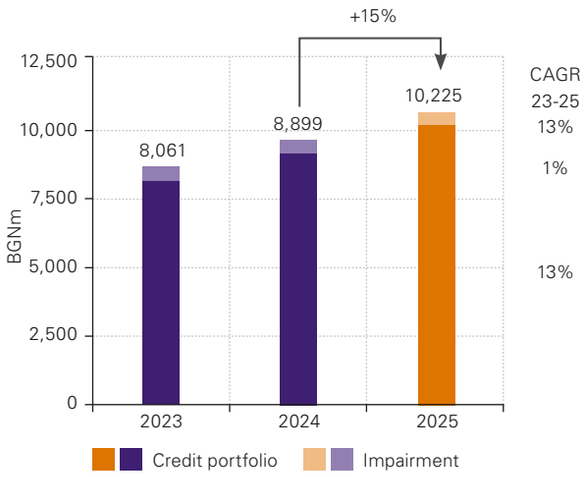
In BGN thousand / % of total	2025	%	2024	%	2023	%
Loans in BGN	6,790,430	66.4	5,732,108	64.4	4,977,387	61.7
Loans in EUR	2,874,524	28.1	2,596,929	29.2	2,652,891	32.9
Loans in other currency	560,712	5.5	570,407	6.4	430,754	5.3
Gross loan portfolio	**10,225,665**	**100**	**8,899,444**	**100**	**8,061,032**	**100**
Impairment	(395,440)		(356,712)		(386,327)	
Net loan portfolio	**9,830,225**		**8,542,732**		**7,674,705**	

In the currency structure of the loan portfolio, loans in BGN had a predominate share at BGN 6,790,430 thousand (2024: BGN 5,732,108 thousand) or 66.4% of the total portfolio (2024: 64.4%), followed by those in euros at BGN 2,874,524 thousand (2024: BGN 2,596,929 thousand) or 28.1% (2024: 29.2%) of total loans. Loans in other currencies amounted to BGN 560,712 thousand (2024: BGN 570,407 thousand), forming 5.5% of total loans (2024: 6.4%).

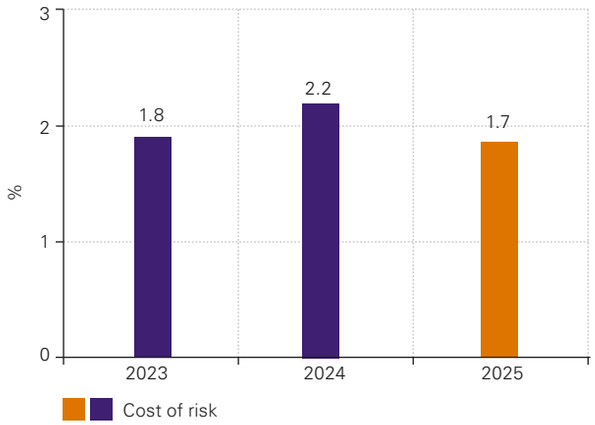
Loans granted by First Investment Bank's units abroad formed 7.7% of the Group's gross portfolio (2024: 7.3%), reflecting the increase in the portfolio of loans to individuals and SMEs of First Investment Bank – Albania Sh.a *For more information on First Investment Bank – Albania Sh.a. see section „Business review of the subsidiary companies"..*

11 According to the Bank's business segments, including criteria for annual sales revenue/assets, as follows: microenterprises – up to BGN 3.9 million; small enterprises – up to BGN 19.5 million; medium-sized enterprises – up to BGN 97.5 million/BGN 84 million.

Loan portfolio and impairment



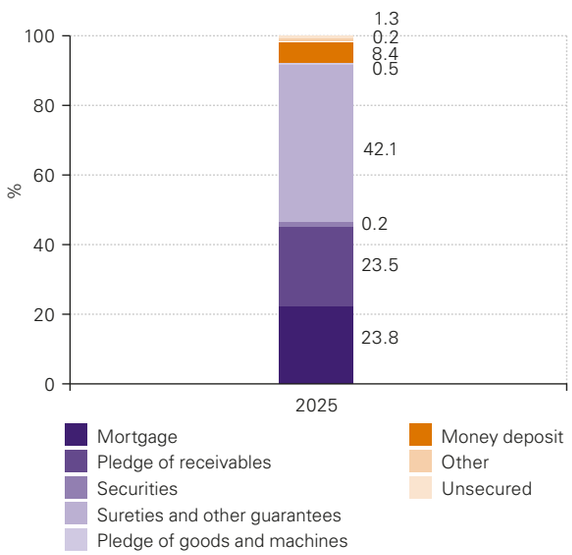
Cost of risk



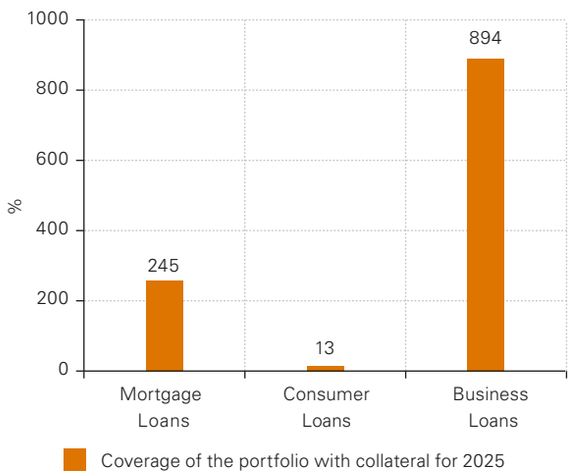
At the end of the period, impairment charges for potential losses on the loan portfolio amounted to BGN 395,440 thousand compared to BGN 356,712 thousand a year earlier. In 2025, additional impairment was recognized in the amount of BGN 233,848 thousand, impairment losses in the amount BGN 64,393 thousand thousand were reversed, and BGN 129,675 thousand were written off as part of the successive actions to reduce non-performing exposures.

It is the policy of the Bank to require adequate collateral upon granting loans. All legally permissible types of collateral are accepted, and a discount rate is applied depending on their expected realizable value.

Loan portfolio by type of collateral



Coverage of the portfolio with collateral



At the end of 2025, the collateral with the largest share in the Group's portfolio were sureties and other guarantees at 42.1%, followed by mortgages at 23.8% and pledges of receivables at 23.5%.

For more information on credit risk, see Note 3 "Risk Management" of the Consolidated Financial Statements for the year ended December 31, 2025.

Related party transactions

In the course of its ordinary activities, the Bank also enters into transactions with related parties. These transactions are carried out under market criteria and in accordance with applicable law.

Type of related party	Parties that control or manage the Bank			Enterprises under common control		
In BGN thousand	2025	2024	2023	2025	2024	2023
Loans	2,762	1,690	1,553	464	655	71,359
Deposits and loans received	64,316	59,541	16,144	16,367	40,570	23,310
Deposits placed	-	-	-	50,972	59,635	47,693
Other receivables	-	-	-	6,675	421	420
Other borrowings	-	-	-	-	(3)	150
Off-balance sheet commitments	3,707	1,640	2,100	665	675	3,516
Leasing liabilities	-	-	-	-	-	2,669

Type of related party	Parties that control or manage the Bank			Enterprises under common control		
In BGN thousand	2025	2024	2023	2025	2024	2023
Interest income	72	33	31	1,502	4,757	4,193
Interest expense	(63)	(3)	(7)	-	-	(1,512)
Fee and commission income	61	38	30	191	1,860	771
Fee and commission expense	(10)	(7)	(7)	(3)	(7)	(6)

For more information regarding related party transactions, see Note 35 "Related party transactions" of the Consolidated Financial Statements for the year ended December 31, 2025.

Contigent liabilities

Contingent liabilities of First Investment Bank include bank guarantees, letters of credit, unused credit lines, promissory notes and others. These are provided in accordance with the general credit policy on risk assessment and collateral value. With regard to documentary transactions performed, the Bank is also guided by the unified international rules in the area, protecting the interests of parties to such transactions.

At the end of 2025, off-balance sheet commitments of the Group amounted to BGN 1,251,731 thousand, compared to BGN 1,141,510 thousand a year earlier. An increase was reported in unused credit lines and unutilized limits for issuing bank guarantees and letters of credit – up to BGN 991,200 thousand (2024: BGN 904,677 thousand), in letters of credit – up to BGN 29,058 thousand (2024: BGN 26,663 thousand) and in bank guarantees – to BGN 231,473 thousand (2024: BGN 210,170 thousand).

For more information on off-balance sheet commitments, see Note 32 „Contingent liabilities" of the Consolidated Financial Statements for the year ended December 31, 2025.

Attracted funds

In 2025, attracted funds from customers increased by 11.0% and reached BGN 15,494,036 thousand (2024: BGN 13,959,100 thousand), remaining the main source of funding for the Group and forming 89.8% of total liabilities (2024: 92.3%). First Investment Bank offers savings products and package programs tailored to market conditions and customer needs. As at 31 December 2025, the Bank ranked fifth by deposit size among banks in Bulgaria (2024: fifth) with a market share of 8.27% on individual basis (2024: 8.74%).

Deposits of individuals increased by 18.7% to BGN 11,071,123 thousand at the end of the period, compared to BGN 9,325,285 thousand a year earlier. They retained a major share of total borrowings at 71.5% (2024: 66.8%). The currency structure of retail deposits was dominated by funds in BGN accounting for 43.9% of all borrowings (2024: 40.3%), followed by funds in euros at 21.3% (2024: 20.1%) and in other currencies at 6.2% (2024: 6.4%).

In BGN thousand / % of total	2025	%	2024	%	2023	%
Attracted funds from individuals	**11,071,123**	**71.5**	**9,325,285**	**66.8**	**8,437,831**	**68.5**
In BGN	6,804,207	43.9	5,629,968	40.3	5,031,180	40.8
In EUR	3,300,527	21.3	2,804,165	20.1	2,583,286	21.0
In other currency	966,389	6.2	891,152	6.4	823,365	6.7
Attracted funds from corporate, state-owned and public institutions	**4,422,913**	**28.5**	**4,633,815**	**33.2**	**3,878,517**	**31.5**
In BGN	1,873,962	21.1	1,850,161	13.3	2,144,846	17.4
In EUR	2,149,489	13.9	2,509,305	18.0	1,454,881	11.8
In other currency	399,462	2.6	274,349	2.0	278,790	2.3
Total attracted funds from customers	**15,494,036**	**100**	**13,959,100**	**100**	**12,316,348**	**100**

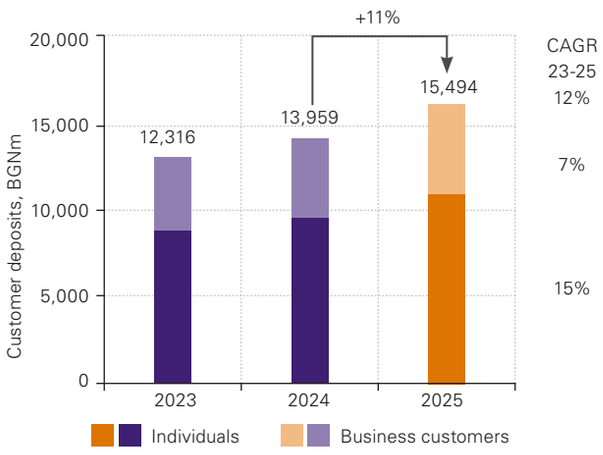
In accordance with the regulatory requirements, First Investment Bank allocates annual contributions to the Deposit Insurance Fund. As provided by law, the Fund guarantees amounts up to BGN 196,000 or EUR 100,000, effective as of January 1, 2026.

Attracted funds from corporates and institutions decreased by 4.6% to BGN 4,422,913 thousand (2024: BGN 4,633,815 thousand). At the end of 2025 their relative share amounted to 28.5% of total funds attracted from customers (2024: 33.2). As regards the currency structure, funds in BGN attracted from corporates and public institutions formed 21.1% of all borrowings (2024: 13.3%), those in euros were 13.9% (2024: 18.0%), and those in other currencies 2.6% (2024: 2.0%).

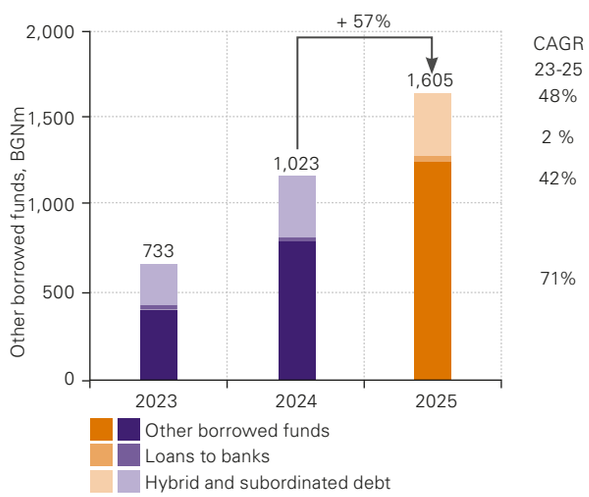
Other borrowings increased to BGN 1,300,485 thousand as of December 31, 2025 compared to BGN 730,033 thousand a year earlier, mainly as a result of an increase in the obligations under borrowing agreements for the fulfillment of the requirements for eligible liabilities (MREL) according to Regulation (EU) № 575/2013 and the Law on Recovery and Restructuring of Credit Institutions and Investment Intermediaries. *For more information see section „Capital".*

Liabilities for received financing amount to BGN 14,392 thousand (2024: BGN 19,998 thousand), which included financing from the Bulgarian Development Bank AD of BGN 7,411 thousand (2024: BGN 10,869 thousand), from the Fund Manager of Financial Instruments in Bulgaria (Fund of Funds) of BGN 6,981 thousand. (2024: BGN 8,587 thousand). *For more information see section „External programs and guarantees schemes".*

Customer deposits



Other attracted funds



For 2025, liabilities due to banks in the form of current and term accounts amounted to BGN 16,916 thousand, compared to BGN 15,010 thousand a year earlier.

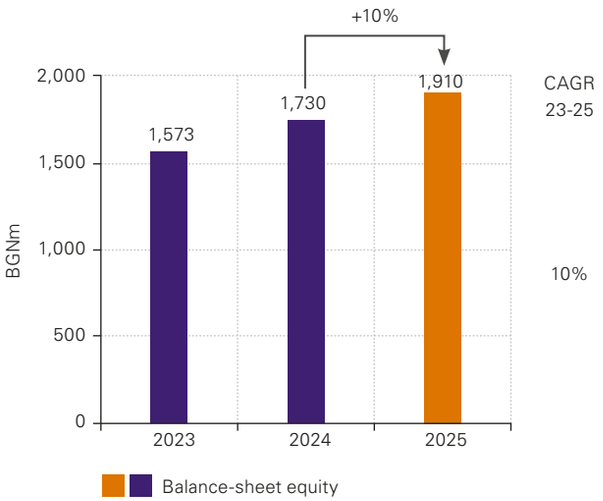
Leasing liabilities of the Group amounted to BGN 77,386 thousand at the end of the year (2024: BGN 80,328 thousand), decreasing in connection with the lease payments made during the period.

For more information on attracted funds, see the Consolidated Financial Statements for the year ending 31 December 2025.

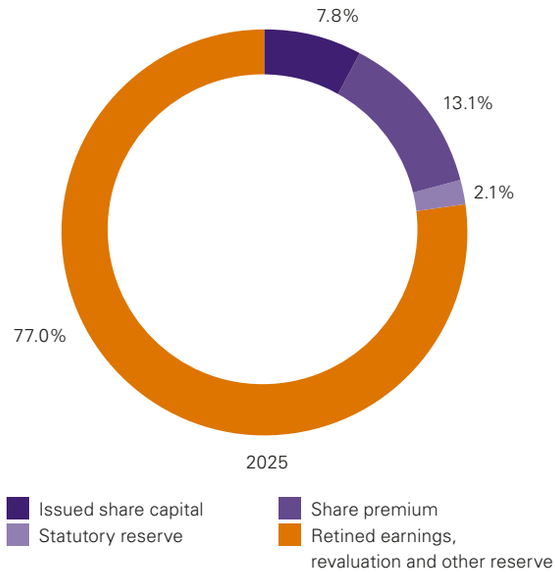
Capital

As of December 31, 2025 the share capital of First Investment Bank amounted to BGN 149,085 thousand, divided into 149,084,800 ordinary, registered, dematerialized shares with voting rights in the Total General Meeting of Shareholders and a nominal value of BGN 1 each. The share capital has been paid in full. The share premium amounted to BGN 250,017 thousand.

Balance-sheet of the group



Structure of equity



The balance sheet equity of the Group of First Investment Bank increased by 10,4% to BGN 1,910,205 thousand (2024: BGN 1,730,149 thousand), influenced by the increase in other reserves and retained earnings, which reached BGN 1,441,742 thousand at the end of the period (2024: BGN 1,256,144 thousand).

Regulatory capital

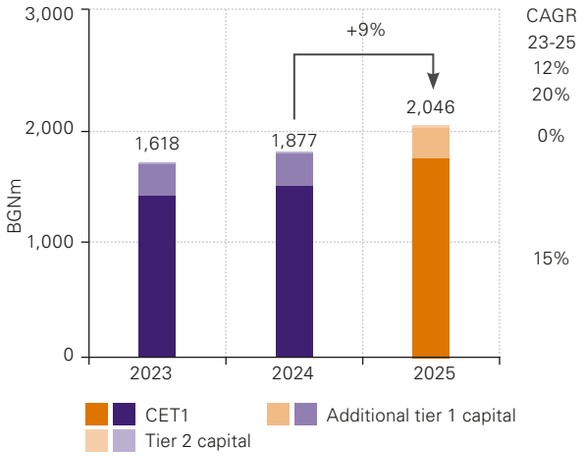
First Investment Bank maintains own funds for the purpose of capital adequacy in the form of Common Equity Tier 1 and Additional Tier 1 capital, following the requirements of Regulation (EU) No575/2013 and the EC implementing regulations, as well as Ordinance No7 of the BNB on the Organization and Management of Risks in Banks.

By the end of the reporting period the CET1 capital of the Group amounted to BGN 1,769,343 thousand, compared to BGN 1,609,509 thousand a year earlier. Tier 1 capital amounted to BGN 2,023,601 thousand (2024: BGN 1,863,767 thousand), and total regulatory equity was BGN 2,045,808 thousand (2024: BGN 1,877,367 thousand).

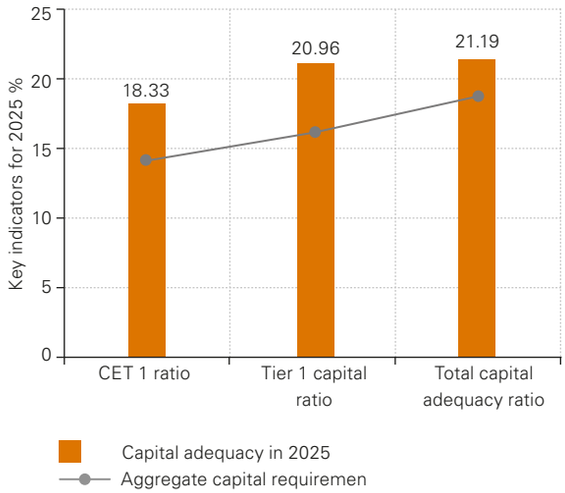
As of 31.12.2025, First Investment Bank had four hybrid instruments (bond issues) with an original principal amount of EUR 60 million (ISIN: BG2100022123), EUR 30 million (ISIN: BG2100023196), EUR 30 million (ISIN: XS2419929422) and EUR 10 million (ISIN: XS2488805461), included in the additional Tier 1 capital of the Bank. Three of the issues are admitted to trading on the regulated market of the Luxembourg Stock Exchange (LuxSE). At the end of the reporting period, the amortized cost of the hybrid debt amounted to BGN 259,927 thousand (2024: BGN 258,908 thousand).

The Group (through the subsidiary bank in Albania) issued four instruments in the form of subordinated term debt (long-term bonds) with original principal in the amount of EUR 2 million, EUR 2.9 million, EUR 5 million and EUR 7 million, meeting the requirements for inclusion in Tier 2 capital. The amortized value of the subordinated term debt amounted to BGN 27,937 thousand as of December 31, 2025 (2024: BGN 19,410 thousand). *For more information, see Note 29 „Hybrid and Subordinated Term Debt" of the Consolidated Financial Statements for the year ending 31 December 2025.*

Regulatory capital



Capital adequacy in 2025



For the purpose of reporting qualifying holdings outside the financial sector, First Investment Bank applies the definition of eligible capital, which includes tier 1 capital and tier 2 capital, which cannot exceed 1/3 of tier 1 capital. As at 31 December 2025, the eligible capital of First Investment Bank, calculated in accordance with Regulation (EU) No 575/2013 and Ordinance No7 of BNB for the organization and management of risks in banks amounted to BGN 2,045,808 thousand.

Capital requirements

At the end of 2025, the Group of First Investment Bank reported stable capital ratios as follows: Common Equity Tier 1 (CET1) ratio at 18.33% Tier 1 capital ratio at 20.96% and Total Capital Adequacy ratio at 21.19%, exceeding the minimum regulatory capital requirements expressed by the overall capital requirement, including the additional capital requirement for risks other than the risk of excessive leverage (in the amount of 2.45% of the risk exposures) and the combined buffer requirement. *For more information see section „Capital buffers“..*

In BGN thousand / % of risk exposures	**2025**	**%**	**2024**	**%**	**2023**	**%**
CET 1 capital	1,769,343	18.33	1,609,509	18.04	1,348,495	17.07
Tier 1 capital	2,023,601	20.96	1,863,767	20.89	1,602,753	20.29
Own funds	2,045,808	21.19	1,877,367	21.04	1,618,274	20.49
Total risk exposures	**9,652,502**		**8,920,965**		**7,897,964**	

The reported capital ratios resulted from the application of comprehensive and targeted measures regarding the implementation of capital levers in key areas, including successful subscription of a new public issue of shares, retention of profit, inclusion of the issued debt-capital (hybrid) instrument in the Additional Tier 1 capital, as well as maintaining high discipline in risk management.

Capital buffers

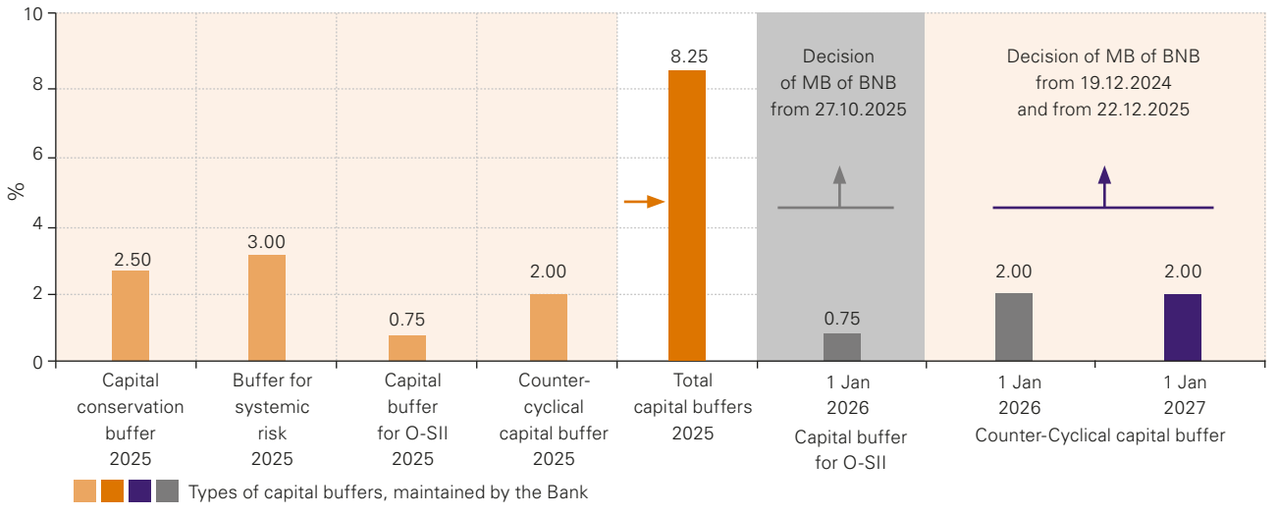
In addition to the capital requirements set out in Regulation (EU) № 575/2013 and the Law on Credit Institutions, First Investment Bank maintains four capital buffers in accordance with the requirements of Ordinance №8 of the BNB on Capital Buffers, the Combined Buffer Requirement, Restrictions on Distributions and the Guidance on Additional Own Funds.

First Investment Bank maintains a capital conservation buffer, comprised of common equity tier 1 capital, equal to 2.5% of the total risk exposure of the Bank, as well as buffer for systemic risk covered by common equity tier 1 capital with the aim of decreasing the effect of potential long-term non-cyclical system or macroprudential risks in the banking system in the country. In 2025 the level of the capital buffer for systemic risk applicable to all banks in Bulgaria remained unchanged at 3% of the total risk exposures in the country.

With the aim for protection of the banking system against potential losses arising from the accumulated cyclical systemic risk in periods of excessive credit growth, the banks in Bulgaria, incl. Fibank, maintains a countercyclical capital buffer, applicable

to credit risk exposures in the Republic of Bulgaria. Its level is determined by the Bulgarian National Bank each quarter, and in 2025 it will remain unchanged at 2.0%. According to decisions of the BNB (in 2025), its level will remain unchanged until the first quarter of 2027.

Capital buffers

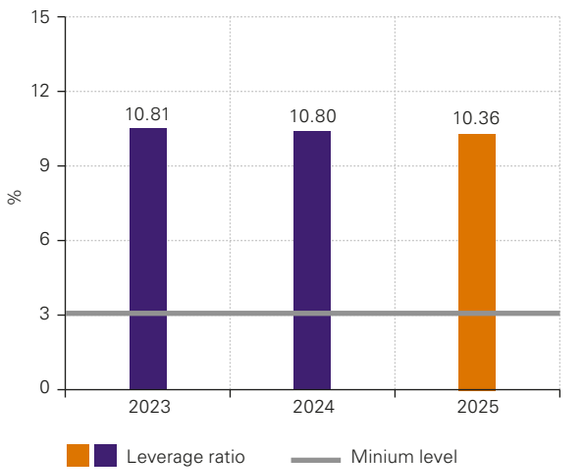


In addition, the other systematically important institutions (O-SII) in the country determined by BNB (among which First Investment Bank AD) should maintain a buffer for O-SII with a view on their significance for the national economy and financial system. The buffer applicable for Fibank for O-SII on an individual and consolidated basis for 2025, determined as a share of the total value of the risk exposures remains unchanged at 0.75%. According to a decision of the BNB (in 2025), its level will remain unchanged for 2026.

Leverage

The leverage ratio is an additional regulatory and supervisory tool, which measures the required capital maintained by banks that is not risk-sensitive or risk-weighted, thereby complementing and building on the risk-based capital ratios applicable under the existing regulatory framework. In terms of the leverage ratio, on EU level, banks should report and disclose the indicator in order to maintain the minimum required amount of 3% under Regulation (EU) № 575/2013.

Leverage ratio



Group balance sheet equity / assets ratio

First Investment Bank calculates the leverage ratio by matching its Tier 1 capital to the total exposure of the Bank (assets, off-balance sheet items, and other exposures to derivatives and securities financing transactions), subject to the requirements of Delegated Regulation (EU) 2015/62 of the Commission concerning the leverage ratios and the other applicable regulations. As at 31 December 2025, the leverage ratio amounted to 10.36% on a consolidated basis compared to 10.80% for the previous period, impacted by the increase in the total exposure measure.

As part of its overall risk management framework, First Investment Bank applies requirements to identify, manage and monitor the risk of excessive leverage resulting from potential vulnerability of the Bank related to the maintained levels of leverage. The risk of excessive leverage is currently monitored based on specific indicators, which include the leverage ratio, calculated in accordance with applicable regulatory requirements. The Bank manages this type of risk using various scenarios, including such that take into account its possible increase due to a decrease in the Tier 1 capital resulting from potential losses. The leverage ratio is also part of the capital indicators of the system for ongoing monitoring and early warning, and is incorporated in the framework for risk management at the Bank, including in the management processes in case of potential financial risks.

Eligible liabilities

In compliance with the requirements of the Law on Recovery and Resolution of Credit Institutions and Investment Firms and Regulation (EU) No 575/2013, banks need to meet minimum requirements for own funds and eligible liabilities (MREL), as well as subordination requirements in relation to them, determined individually for each institution by the restructuring authority and calculated as a percentage of the total risk exposure amount (TREA) and the leverage ratio exposure measure (LRE).

In 2025, First Investment Bank successfully placed a bond issue with a total value of EUR 50 million through a private offering, which meets the MREL requirements. The bonds are interest-bearing, book-entry, non-convertible, unsecured, senior, unsubordinated, freely transferable, issued under the terms of an offering that does not require the preparation of a prospectus. The issue has a fixed annual interest rate of 7% and the bonds mature in August 2029. The issue attracted strong interest among investors, including institutional investors, with demand exceeding supply, confirming the stability, investor confidence, and the Bank's ability to finance itself under competitive market conditions. At the end of the year, the issue was admitted to trading on the regulated market of the Bulgarian Stock Exchange.

During the year, the Bank continued to develop its products in fulfillment of the minimum requirements for eligible obligations (MREL), incl. the obligations under committed funds and the Perspective+ borrowing products, which are senior unsecured debt products with a fixed yield, structured in such a way as to comply with the requirements for maturity, security, subordination, loss sharing, acceleration, and others under the Law on the Recovery and Resolution of Credit Institutions and Investment Firms and Regulation (EU) No 575/2013.

For more information on capital and eligible liabilities see the Consolidated Financial Statements as at 31 December 2025.

We are expanding
our development prospects

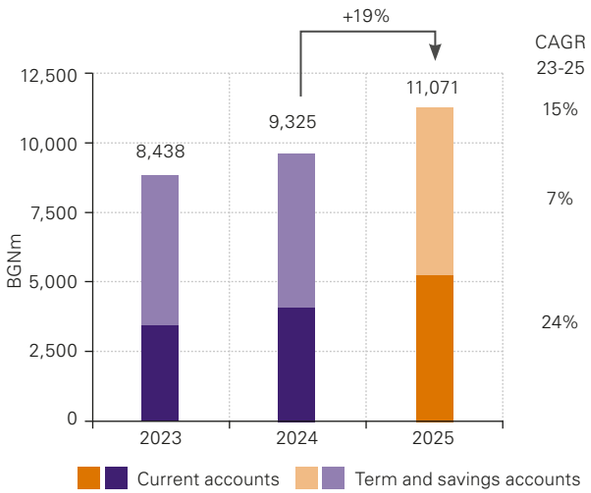
Business review

Retail banking

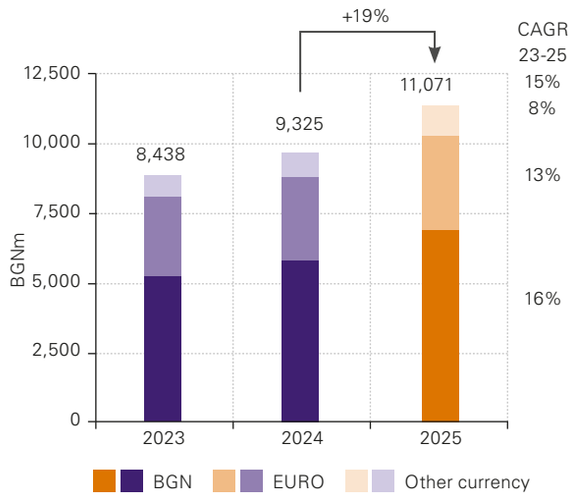
Deposits

In 2025 attracted funds from individuals increased by 18.7% and reached BGN 11,071,123 thousand compared to BGN 9,325,285 thousand a year earlier, mainly driven by the 27.8% increase in current accounts up to BGN 5,550,694 thousand (2024: BGN 4,343,903 thousand) reflecting the Bank's consistent policy of long-term customer relationships, including impact in connection with the introduction of the euro in the Republic of Bulgaria. At the end of 2025 they increased their share and formed 50.1% of the of attracted funds from individuals of the Group (2024: 46.6%).

Deposits from individuals



Deposits from individuals by currency



Fibank offers a wide range of current accounts, including the IQ current account, as well as accounts tailored to the specific needs of certain customer groups such as condominiums, notaries, insurance brokers and agents, private enforcement agents, etc. The Bank offers banking packets and programs, incl. My Choice, My Choice Online, Digital Me, Digital Me+ as well as a new package with a condominiums account My Home . Among the saving accounts is also the Gold Account , an innovative product for the purchase, sale and keeping of dematerialized gold (XAU).

The Bank's policy is aimed at maintaining a stable deposit base by offering various types of savings products and applying high standards of customer service. Fibank maintained the interest rates on its savings products in line with the market conditions and the competitive environment, as well as the high liquidity levels.

By the end of 2025, term and savings accounts also grew to BGN 5,520,429 thousand (2024: BGN 4,981,382 thousand), accounting for 49.9% of funds attracted from individuals (2024: 53.4%). In the second half of 2025, Fibank waived the fee for cash deposits in BGN on deposit and savings accounts denominated in BGN and EUR for individual customers. The campaign was crucial in helping customers prepare for the adoption of the euro as the official currency.

In order to expand the portfolio of savings products, a new „Balance" deposit, a „Classic" savings account, and a „Junior" savings account with competitive terms were offered. In terms of funds attracted from individuals, First Investment Bank ranked fifth among banks in the country at the end of December 2025 (2024: fifth). The Bank's market share at the same date amounted to 9.05% on an individual basis (2024: 9.23%).

During the year, PIB AD, in its capacity as an insurance intermediary, launched the sale of pension insurance products offered by POK «Doverie» as part of its initiatives to offer comprehensive financial solutions to customers.

Loans

The gross loan portfolio of retail banking increased by 24.2% to BGN 4,037,304 thousand compared to BGN 3,249,495 thousand for the previous year, as a result of an increase in all product lines, including mortgage and consumer loans.

In thousand BGN / % of total	2025	%	2024	%	2023	%
Mortgage loans	2,155,832	53.4	1,714,620	52.8	1,477,996	52.7
Consumer loans	1,745,372	43.2	1,400,709	43.1	1,191,727	42.5
Credit cards	136,100	3.4	134,166	4.1	134,753	4.8
Total retail banking	**4,037,304**	**100**	**3,249,495**	**100**	**2,804,476**	**100**

Mortgage loans

At the end of December 2025, mortgage loans increased by 25.7% to BGN 2,155,832 thousand, compared to BGN 1,714,620 thousand a year earlier, accounting for 53.4% of retail banking loans at the end of the period (2024: 52.8%). As of December 31, 2025, the Bank's market share in this segment amounted to 5.18% (2024: 5.41%), with Fibank ranking fifth among banks in the country on an individual basis (2024: fifth).

In 2025, promotional campaigns were organized to stimulate sales in the retail banking segment. During the year, changes were made to mortgage lending programs for individuals, expanding their scope by offering the opportunity to purchase real estate in buildings at the „shell construction" stage, without requiring the construction of the buildings to be financed by the Bank.

As part of the gradual digitization of credit processes, an online mortgage loan application form has been developed. The „Become a Fibank Customer" service continues to be actively offered for establishing remote business relationships with individual customers through mobile banking.

In order to increase the competitiveness of the mortgage products offered by the Bank, during the period, the possibility of additional financing for repairs and improvements within the framework of the mortgage loan was provided.

Fibank will continue to develop and offer flexible credit products for individuals in order to focus on attracting new customers and offering complementary products and services. *For more information on the mortgage lending portofilo of First Investment Bank – Albania Sh.a. see section „Business review of the subsidiary companies".*

Consumer loans

Consumer loans increased by 24.6% to BGN 1,745,372 thousand (2024: BGN 1,400,709 thousand), contributors being the competitive terms offered by the Bank, the easy loan application procedures, incl. via the digital channels and the development of new products and programs in line with customer needs and market necessities. They formed 43.2% of the gross retail banking portfolio (2024: 43.1%).

During the year, Fibank launched a new consumer loan product called „Click", offering relaxed requirements for loan applicants and a fast, fully remote application and disbursement process. A new consumer loan, „Home+," was also developed, offering up to BGN 100,000, which complements mortgage lending and is intended for customers with a mortgage loan granted by the

Bank, with preferential interest rates and an extended repayment period of up to 180 months. A successful „Christmas Loan" campaign was also conducted, which attracted high interest and achieved good results.

First Investment Bank's market share in this segment amounted to 8.00% (2024: 7.45%) at the end of December 2025, and Fibank was fifth (2024: fifth) in terms of consumer loans among banks in the country on an individual basis.

For more information on the consumer lending portofilo of First Investment Bank – Albania Sh.a. see section „Business review of the subsidiary companies".

Credit cards

The utilized limits on credit cards were in the amount of BGN 136,100 thousand at the end of the period (2024: BGN 134,166 thousand). Fibank develops various and innovative card products and services, including thematic campaigns to promote and attract new customers, which were organized in implementation of the Bank's consistent and long-term policy for stimulating these non-cash payments. The relative share of loans utilized through credit cards in the total retail loan portfolio amounted to 3.4% (2024: 4.1%).

Promotional offers were implemented during the year including the possibility to reschedule credit card payments through the Bank's digital channels.

In pursuance of its development priorities, the Bank continued to develop its operations with a view to more effective management of the customer portfolio and targeting individual customer groups, as well as identifying additional cross-selling opportunities. *For further information see section „Card payments" and „Business review of the subsidiary companies".*

Corporate banking

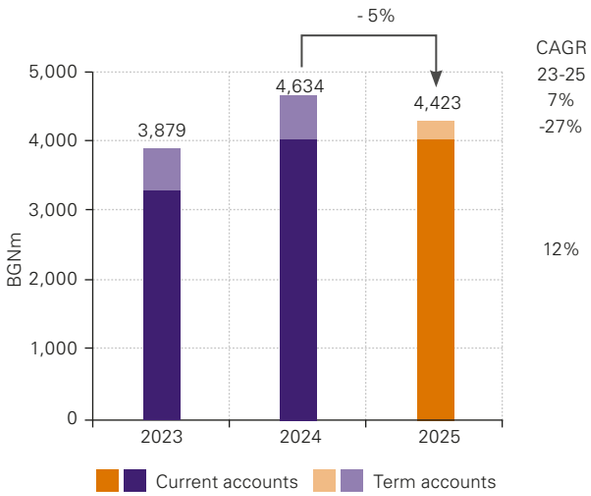
Deposits

Funds attracted from merchants and institutions in 2025 decreased by 4.6% to BGN 4,422,913 thousand (2024: BGN 4,633,815 thousand), with the volume mainly reflecting a decrease in term accounts, which reached BGN 313,101 thousand. (2024: BGN 4,595,191 thousand) at the end of the period, or 7.1% of the funds attracted from merchants and public institutions (2024: 12.8%). First Investment Bank offers savings products for business clients, which it tailors to market conditions and specific company requirements.

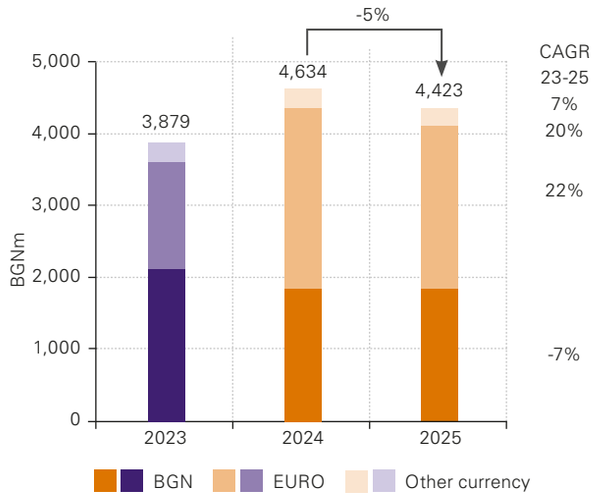
Current accounts amounted to BGN 4,109,812 thousand (2024: BGN 4,038,624 thousand) at the end of the period, or 92.9% of the funds attracted from merchants and public institutions (2024: 87.2%). Fibank is constantly developing combined packages of banking products and services for business entities, which enable the optimisation of costs and procedures when using a range of different banking services.

In 2025, as an alternative to savings products and in order to expand possibilities to business customers, the terms and conditions of the product "Perspective", offered in compliance with the MREL requirements, have been optimised.

Deposits from business customers



Deposits from business customers by currency



As at 31 December 2025 funds attracted by the thirty biggest non-banking clients represented 9.64% of the total amount due to other customers (2024: 14.10%).

Loans

The portfolio of loans to enterprises of the Group increased by 9.5% to BGN 6,188,361 thousand by the end of 2025 compared to BGN 5,649,949 thousand a year earlier, as a result of an increase in all business lines.

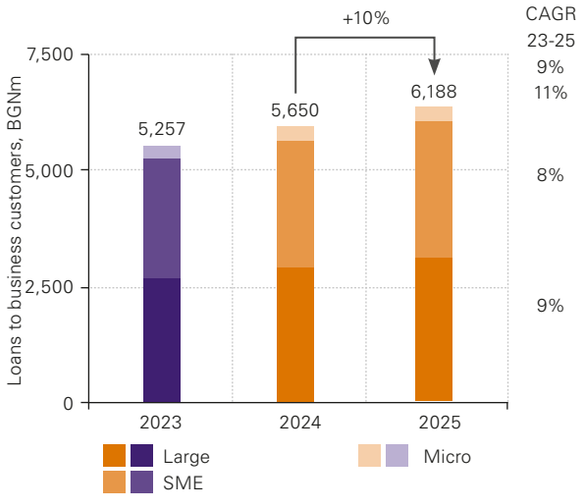
The structure of the loans portfolio stays balanced and the exposures to micro, small and medium sized enterprises forms 5.4% (2024: 4.4%) and 45.9% (2024: 45.9%), and the share of large enterprises is 48.7% of all business loans (2024: 48.7%). The customer segmentation, applied by the Bank, corresponds to the European requirements for defining micro, small and medium-sized enterprises, which were transposed by the Law on Small and Medium-sized Enterprises. Criteria for annual sales revenue[12] and/or assets, number of staff and maximum exposure to the customer are applied.

In thousand BGN / % from total	**2025**	**%**	**2024**	**%**	**2023**	**%**
Micro enterprises	335,565	5.4	307,446	5.4	272,992	5.2
Small and medium-sized enterprises	2,841,116	45.9	2,591,528	45.9	2,425,291	46.1
Large enterprises	3,011,680	48.7	2,750,975	48.7	2,558,273	48.7
Total loans to enterprises	**6,188,361**	**100**	**5,649,949**	**100**	**5,256,556**	**100**

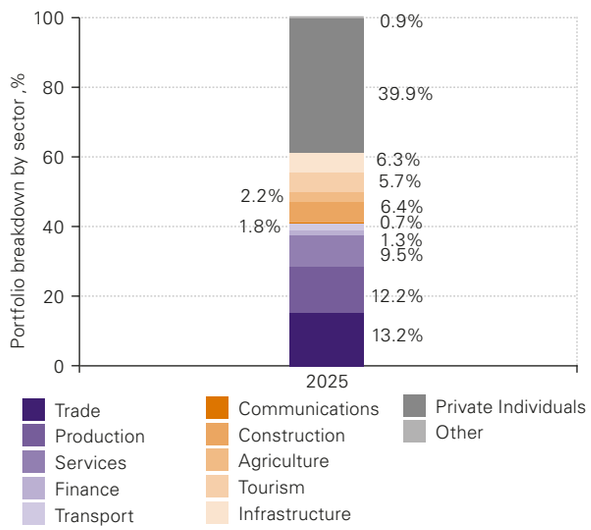
As at 31.12.2025 a leading share in the portfolio of the Group structure was taken by loans to the trade sector (2025: BGN 1,353,472 thousand; 2024: BGN 1,317,963 thousand), the industry sector (2025: BGN 1,250,214 thousand; 2024: BGN 1,186,548 thousand), and the services sector (2025: BGN 966,684 thousand; 2024: BGN 875,569 thousand), which formed 13.2%, 12.2% and 9.5% of gross loans (2024: 14.8%, 13.3% and 9.8%). Such dynamics reflected the economic activity in the country, as well as the development goals and diversification of the activity.

12 Annual revenues from sales/assets as follows: micro enterprises - up to BGN 3.9 million; small enterprises - up to BGN 19.5 million; medium enterprises - up to BGN 97.5 million / BGN 84 million.

Business loan portfolio



Portfolio breakdown by sector



Loans in construction (2025: BGN 650,198 thousand; 2024: BGN 514,642 thousand) and infrastructure (2025: BGN 648,339 thousand; 2024: BGN 606,431 thousand) were increased, as a result of the positive dynamics in the construction sector and started infrastructure projects.

An increase was registered in loans in tourism to BGN 578,073 thousand (2024: BGN 519,943 thousand), which contributed to the development of tourism services. An increase was registered in loans in finance (2025: BGN 128,525 thousand; 2024: BGN 64,657 thousand), transport (2025: BGN 181,112 thousand; 2024: BGN 160,682 thousand) and agriculture (2025: BGN 223,693 thousand; 2024: BGN 213,045 thousand). Loans in communication remained similar to previous levels (2025: BGN 72,303 thousand; 2024: BGN 75,377 thousand).

As at the end of December 2025 the market share of Fibank amounted to 9.65% of loans to enterprises in the banking system (2024: 9.71%), taking fifth place (2024: fifth) among banks in the country on an individual basis.

In lending to business customers, a Business Process Management (BPM) system is used, which covers the activities of accepting a request, preparing opinions, approval and disbursement of new loans, as well as renegotiation of the terms of existing ones, with applicable limits and levels of competence. These were updated during the year in connection with the introduction of the euro in the Republic of Bulgaria.

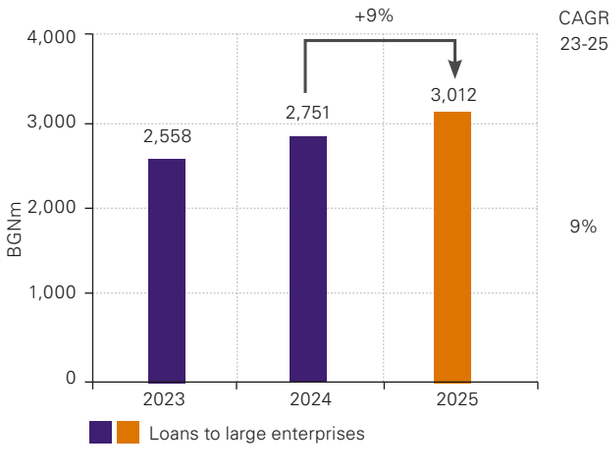
Large enterprises banking

In 2025 loans to large enterprises amounted to BGN 3,011,680 thousand compared to BGN 2,750, 975 thousand a year earlier, forming 48.7% of the total loans to enterprises and 29.5% of the gross portfolio of the Group (2024: 48.7% u 30.9%).

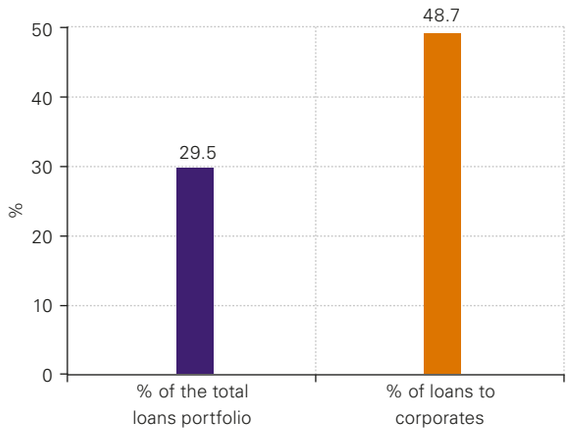
First Investment Bank provides various financing for large enterprises under the form of working capital loans, investment loans, guarantees, financing under the programs and funds of the EU, under the National Guaranteed Fund, BDB, Fund of funds, factoring services and others.

The Bank offers factoring services to existing and potential business customers, including companies delivering goods or providing services with deferred payment in the country or abroad. The Bank continues to actively offer this type of service as an alternative to the provision of working capital loans, including various types of factoring services - with recourse, with insurance or with guaranteed payment.

Large enterprises banking



Share of loans to large enterprises in the gross loan portfolio in 2025.



First Investment Bank is a member of the global network of leading factoring companies Factors Chain International (FCI), and in this capacity can provide export factoring with guaranteed payment and import factoring. The Bank also maintains cooperation with leading financial institutions in factoring insurance.

In the area of trade finance, First Investment Bank continues to maintain a framework agreement with the Taiwanese export insurance agency Eximbank Taiwan for financing the supply of goods to Fibank customers in Bulgaria or abroad.

The Bank maintains cooperation with the Bulgarian Export Insurance Agency (BEIA), with which it has an agreement for portfolio insurance used as part of the methods and techniques for credit risk mitigation, as well as for financing business customers through an insurance mechanism providing protection against financial losses on granted loans.

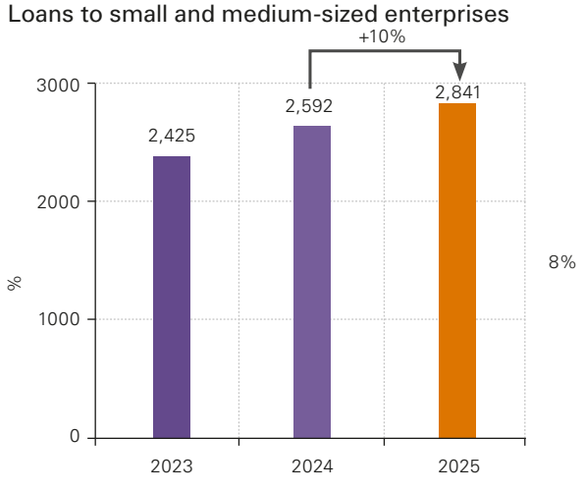
Small and medium-sized enterprises banking

In 2025 loans to small and medium enterprises[13] amounted to BGN 2,841,116 thousand (2024: BGN 2,591,528 thousand), or 45.9% of the business loans and 27.8% of the Group's total loan portfolio (2024: 45.9% and 29.1%). The developed loan products and competitive terms offered in the products for SME clients contributed to the Bank's activities in this segment, as well as the various solutions related to the programs and funds of the EU and the other guarantee schemes and financing.

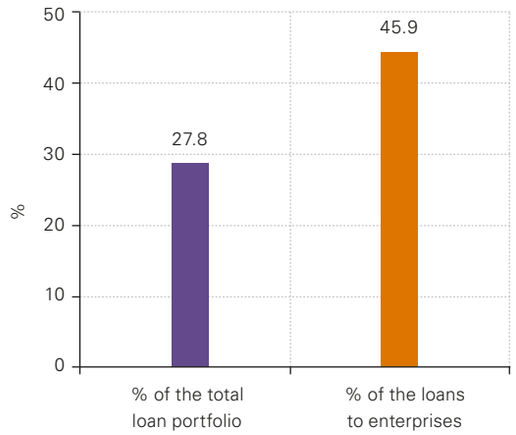
In 2025 for the small and medium-sized enterprises financing was provided in the form of investment loans and working capital loans on favorable terms with regard to the required collateral, by signing an annex to extend the agreement for guaranteeing a loan portfolio concluded with the National Guarantee Fund until June 30th, 2028. First Investment Bank continued to cooperate with other institutions, including the Agriculture Fund and the Bulgarian Export Insurance Agency (BEIA). *For more information, see the section „External Programs and Guarantee Schemes".*

13 According to the Bank's business segments, including the criterion for annual sales/assets, as follows: micro-enterprises - up to BGN 3.9 million; small enterprises - up to BGN 19.5 million; medium-sized enterprises - up to BGN 97.5 million/ BGN 84 million.

Loans to small and medium-sized enterprises



Share of SME loans in the loan portfolio in 2025



During the year credit products aimed at financing environmentally friendly projects continued to be offered - „Green Transport“ for business customers to purchase new electric and hybrid vehicles, „Green Energy - Free Market“ for companies wishing to invest in the construction of photovoltaic installations to generate electricity for sale on the free market, and „Green Energy - Own Consumption“ for the construction of photovoltaic installations to generate electricity for their own use. For business customers, new packages „Fibank POS“ and „Fibank POS+“ were offered, with competitive terms and conditions and latest generation terminal devices.

In line with initiatives to digitize products and services, the opportunity to establish remote relationships with business customers by registering for electronic banking „My Fibank“ is constantly developing and upgrading in order to improve the speed and facilitate the processes related to applying for business credit products and expanding the opportunities for obtaining reference information.

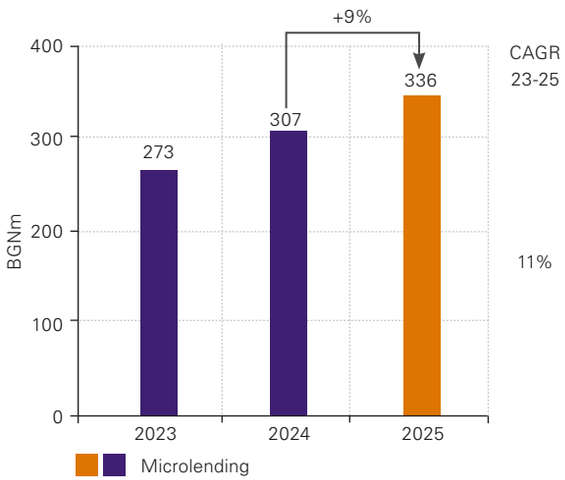
For more information on the SME lending portfolio of First Investment Bank – Albania Sh.a. see section "Business review of the subsidiary companies".

Microlending

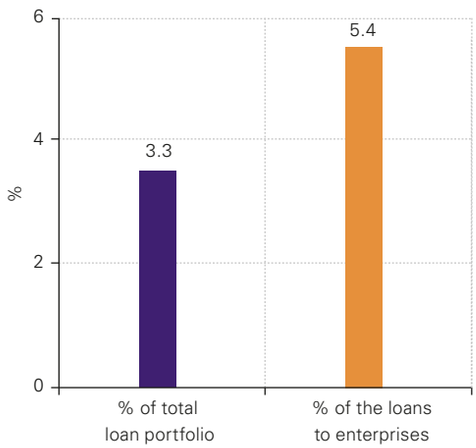
In 2025 the microlending[14] portfolio of the Group grew to BGN 335,565 thousand compared to BGN 307,446 thousand a year earlier, as part of the targeted efforts for development in this segment.

The terms of First Investment Bank's microenterprise lending program were updated in order to increase the competitiveness of the micro-client products offered by the Bank. The program covers financing for a wide range of merchants, manufacturers, farmers, freelancers, including start-ups, as well as companies with less market experience. The Bank offers specialized products for micro-enterprises, including investment loans, working capital loans, business credit cards, and overdraft facilities at competitive terms.

Microlending



Share of microlendings in the loan portfolio in 2025



In 2025, as part of the gradual digitization of lending activities, an upgrade of the approval processes for three new products for micro-enterprises was launched – revolving credit, business credit card with a grace period, and business credit card with no minimum monthly payment. Changes were made to the limits for investment and revolving loans and overdrafts for micro-enterprises, and the repayment terms for revolving financing were extended. With regard to business credit cards, regular campaigns with pre-set limits for micro-customers continue to be conducted.

14 According to the Bank's business segments, including the criteria for annual sales/assets, as follows: micro enterprises - up to BGN 3.9 million; small enterprises - up to BGN 19.5 million; medium enterprises - up to BGN 97.5 million / BGN 84 million.

During the year, the terms and conditions of Fibank's Smart Lady program in support of women entrepreneurs were updated. The program mainly targets micro-enterprises managed or owned by women, as well as businesses that produce products and/or services intended for women. Since its inception, the program has financed nearly 1,300 business projects worth over BGN 132 million, with which women entrepreneurs have created new or developed their existing businesses. As part of the program, the Sustainable Lady fund continues to be developed in support of sustainable projects by women entrepreneurs, created through a joint initiative with Mastercard. *For more information see „Sustainability report".*

The focus during the year was on the new annexes signed to external agreements and programs concerning the financing of microenterprises. A new annex was signed to the agreement with the Financial Instruments Management Fund in Bulgaria (FIMFB) for the reinvestment of repaid funds under the „Microcredit with Shared Risk" program, launching a new phase of the scheme until December 31, 2031, during which loans will be granted to start-up micro-enterprises. The NGF 2022 Program has also been extended for micro-enterprises, providing an additional opportunity for financing micro-enterprises with competitive projects until June 30, 2028, with relaxed requirements for the provision of collateral. *For more information see section „External programs and guarantee schemes".*

The Bank has a targeted policy to support farmers, as well as specialized financing and credit solutions for specific sectors or areas of activity with growth potential, including IT companies, doctors, and dentists.

For more information on the microlending portofilo of First Investment Bank – Albania Sh.a. see section „Business review of the subsidiary companies".

External programs and guarantee schemes

First Investment Bank offers a wide range of products and services related to participation in external programs and guarantee schemes, including ones financed under EU operational programs.

In 2025 three annexes were signed with the Fund Manager of Financial Instruments in Bulgaria EAD, renewing the provision of financing under the „Microcredit with Shared Risk" program, funded under the Operational Program „Human Resources Development".

New annexes were concluded with the National Guarantee Fund EAD for changes to the agreement for guaranteeing a portfolio of loans with portfolio guarantee and financing micro, small, and medium-sized enterprises in Bulgaria through a risk-sharing

mechanism. The scheme with the NGF for financing agricultural producers in the livestock and crop farming sectors under the program with the Ministry of Agriculture and Food continues to be active.

The Bank has existing agreements with the Bulgarian Export Insurance Agency (BEIA). SME Financial Partners is an insurance product providing financial institutions with coverage against financial losses in connection with loans granted by them. The product is aimed at supporting micro, small and medium-sized enterprises from various sectors in the country, by allowing them to take working capital loans with relaxed collateral requirements.

Payment services

During 2025, First Investment Bank was a member and participant in payment systems and agent of other payment service providers, as follows:

- System for Servicing of Clients Transfers in Leva(BISERA 6);
- Real-Time Gross Settlement System (RINGS);
- System for Servicing of Clients Transfers in Euro (BISERA 6);
- Trans-European Automated Real-time Gross Settlement Express Transfer System (consolidated platform for TARGET services), including:
  - Wholesale payment system of the Eurosystem (T2), carrying out real-time gross settlement (RTGS);
  - Euro instant transfer processing service TIPS (TARGET Instant Payment Settlement);
- Pan-European system for payments in Euro (STEP2 SEPA Credit Transfer), as a direct participant through EBA Clearing;
- System for Servicing of payment for bank card transactions BORICA).

In accordance with digitalization trends the usage of online payments continued to grow in 2025, as the shares of transfers via the digital channels (e-banking and mobile banking) increased to over 95% of all outgoing transfers of the Bank (2024: 92%; 2023: 90%; 2022: 86%; 2021: 80%; 2020: 75%).

Open Banking

First Investment Bank has constantly developed its "Open Banking" related services deriving from the Law on Payment Services and Payment Systems (LPSPS) and Ordinance No 3 of BNB, implementing the requirements of Directive (EU) 2015/2366 for the payment services within the internal market (PSD2).

The Bank maintains a test and production environment, providing the opportunity for testing access to the special interface (API), as well as providing by the Third Party Providers (TPPs) of the Payment Initiation and Account Access Information services. Aiming at providing wider awareness for the customers an actual Terms for Access and Use of First Investment Bank's API Portal are being maintained, as well as General Terms and Conditions for securing access for Third Party Providers to accounts of customers held in Fibank.

Aiming to expand and integrate the services offered to clients, First Investment Bank provides the usage of this type of services through the Mobile Application My Fibank. This option secures quickness and convenience for clients when accessing consolidated information for their account serviced at another payment service provider or when initiating payment from such accounts.

In 2025, the Bank actively developed and improved the functioning of the special interface in cooperation with third-party providers. *For more information see section „Electronic and Mobile Banking My Fibank".*

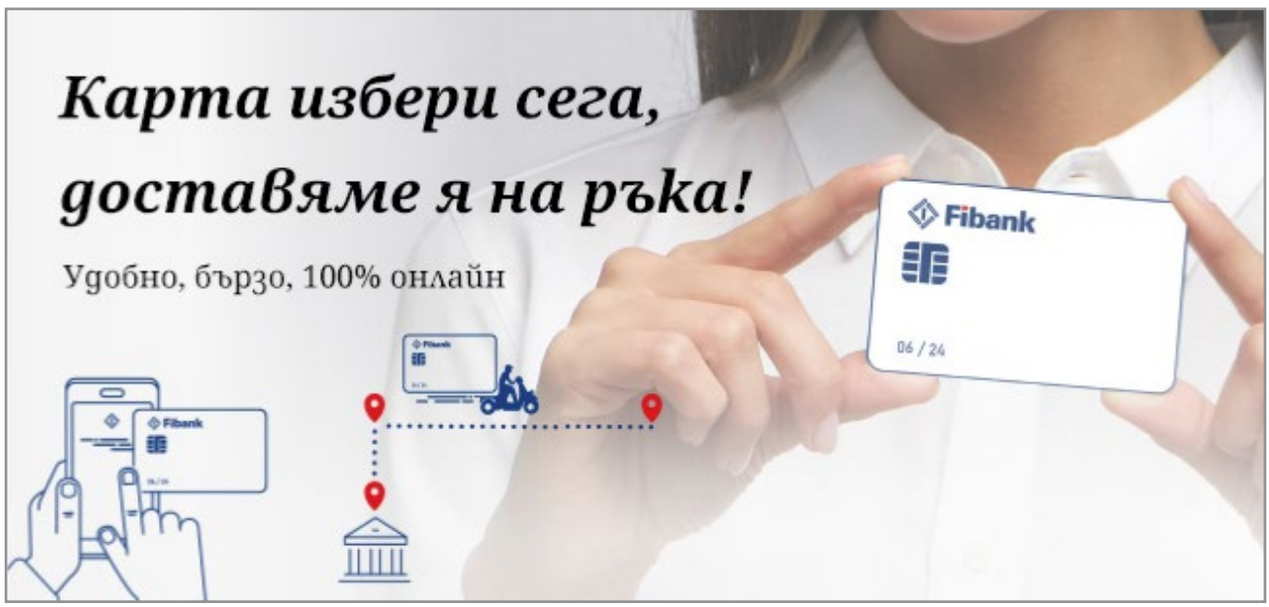
Card payments

In 2025 First Investment Bank developed its card business in line with customer needs, modern technologies and digitization processes, as well as in compliance with the regulatory requirements in respect of card payment transactions.

During this period, new Visa debit cards for children and teenagers were launched, featuring attractive designs suitable for the young audience.

During the year, customers were given the opportunity to register their VISA debit and credit cards (plastic and virtual) issued by the Bank for the VISA international card scheme service „Click to Pay". The service aims to facilitate online card payments to merchants included in the „Click to Pay" scheme, without the need to enter card details for each transaction. Registration and management of the service are carried out through the „My Fibank" mobile application.

An important innovation for card payments in 2025 is the provision of an electronic PIN – an „ePIN" code for bank cards in a convenient, easy, and modern way through „My Fibank" electronic banking or by sending an SMS.



Fibank continues to develop the functionality and quality of its ATM network in order to increase the speed of operations and improve business continuity. The functionalities offered by ATMs are also developing, with the deposit function available at over 40% of ATMs by the end of 2025. The terminal network of ATMs serviced by the Bank amounted to 510 at the end of the year (2024: 554), and the network of POS terminals amounted to 10,646 (2024: 10,044). During the period, a new functionality was implemented for POS devices for merchants in the service sector – the option to enter the service amount via the POS device.

As part of its sustainable banking policies, Fibank continued to gradually implement voice menus in some of its ATMs in major cities across the country voice menus to help blind people withdraw money, as well as issuing physical debit and credit cards made from fully recyclable material and designed in line with the principles of sustainable development. For more information, see the „Sustainability Report".

In 2026, Fibank will continue to develop its card payment services by applying the latest and most advanced technologies, as well as in accordance with regulatory requirements regarding card payment transactions.

For more information on the card business of First Investment Bank – Albania Sh.a. see section „Business review of the subsidiary companies".

International payments

First Investment Bank is among the leading banks in Bulgaria in the sphere of international payments and trade financing. Fibank is a popular, reliable and fair business partner which has built a good reputation over the years among international financial institutions and has gained valuable experience and know-how from its numerous international business partners, investors, customers, and counterparties.

In 2025, the Bank reported an increase of 117% in incoming and 195% in outgoing foreign currency transfers due to the conditions of the environment and the competitive conditions offered by the Bank, as well as the high quality of customer service. The Bank's pilot participation in the execution of instant credit transfers in euros also had an impact.

First Investment Bank has a wide network of correspondent banks, through which it carries out international payments and trade financing operations in almost all parts of the world. The Bank executes transfers in foreign currency through SWIFT. Fibank executes transfers in euro through the the Eurosystem's large-value payment system T2, as well as through the BISSERA payment systems operated by BORICA STEP2 operated by EBA Clearing. Fibank operates in receiving and issuing of checks and performing various documentary transactions .

In December 2024, First Investment Bank executed instant credit transfers in euro via the TIPS (Target Instant Payment Settlement) service, enabling domestic and cross-border customer instant payments in euro under the European Payments Council's SEPA Instant Credit Transfer (SCT Inst) scheme on a 24/7/365 basis, within 10 seconds.

In December 2025, the Bank migrated from SWIFT MT /Message Text/ format to ISO 20022 MX format, which uses XML / Extensible Markup Language/ based messages that allow the transfer of more complex, richer, and more structured data between banks.

The Bank has a framework agreement with the Taiwan export insurance agency Eximbank Taiwan for financing deliveries of goods to clients of First Investment Bank in Bulgaria or other countries where the Bank has branches or subsidiaries. Under the agreement, Fibank can provide financing under amount of every individual credit - up to 100% of the value of the contract but not exceeding USD 2 million, with a period of utilization up to 6 months after the first shipment and a repayment term of 6 months to 5 years irrespective of the type of the goods (consumer or non-consumer).

In support of its clients with international business First Investment Bank continued to cooperate in issuing internationally acknowledged guarantees and letters of credit, incl. through a wide network of partner banks and institutions. During the reporting period, the letters of credit and bank guarantees in foreign currency issued by the Group to guarantee the performance of its customers to third parties amounted to BGN 100,531 thousand (2024: BGN 90,299 thousand), forming 8.0% of the off-balance sheet commitments of the Group (2024: 7.9%).

Proof of the successful development in the field of international payments is the prestigious Elite Quality Recognition Award 2024 received by the Bank during the year from J.P. Morgan for exceptional quality and meeting high global standards in international transfers.

Gold and commemorative coins

In 2025, First Investment Bank confirmed its leading position in Bulgaria in the field of precious metal trading and investment consulting. The silver bars and coins offered at the Bank's offices and in the online store Gold & Silver online store are enjoying high customer interest due to the release of liquidity among individuals and companies in connection with the introduction of the euro in the Republic of Bulgaria on the one hand, and geopolitical uncertainty on the other, and the associated increase in the price of gold and silver on international exchanges.

The Group's revenue from the sale of investment gold and other precious metal products amounted to BGN 3,902 thousand for 2025, compared to BGN 2,228 thousand a year earlier, with an increase in the number of completed transactions as a result of increased investor interest and the increase in the price of gold on international markets.

First Investment Bank has offered its customers products of investment gold and other precious metals since 2001. Over the years, it has built successful cooperation with a number of leading financial institutions from around the world: the renowned Swiss refinery PAMP (Produits Artistiques de Métaux Précieux), the banks UBS and Credit Suisse, the New Zealand Mint, the, the Austrian Mint, The Royal Mint, and others.

Traditionally, in collaboration with the New Zealand Mint, a silver coin design dedicated to the Year of the Horse has been developed, exclusively available at Fibank offices. In collaboration with the Swiss refinery MKS PAMP, gold and silver bars for the New Year according to the lunar calendar are being distributed. In 2025, Fibank laid the foundations for cooperation with the German refinery Argor Heraeus, a global leader in the production and trading of precious metal products.

In continuation of its long-standing policy of supporting Bulgarian production, Fibank, by agreement with the BNB, successfully distributes all Bulgarian commemorative coins and coin sets issued by the National Bank. Interest in them grew significantly in 2025, and the Bank attracted a number of new collectors and investors for the latest Bulgarian issues in leva.

In carrying out transactions in gold and precious metals, First Investment Bank invariably complies with all quality criteria of the London Metal Exchange and international ethical trading standards.

Private banking

Fibank
Частно банкиране

Private banking features servicing by a designated personal officer, who is committed to provide comprehensive banking services in response to customer needs.

In 2025 the Bank continued to develop its private banking business, with the aim of increasing the number of customers served in this segment, the size of their investment portfolio, and the fee and commission income generated. For the period under review, the number of clients in the Private Banking Division grew by 13%, and clients in the Premium Banking sub-segment by nearly 18% year-on-year. Total average monthly revenues from membership and package fees grew by over 9%.

The results showed the successful development of the „Premium Banking" service, which offers an effective and useful digital solution., enjoying a positive rating and a high level of customer satisfaction. The Bank's customers, carrying out large volumes and turnovers in their daily banking, have the opportunity to benefit from the package offers („Premium" and „Premium Plus"), containing preferential terms for traditional banking products and services, and can also rely on constant contact from „Premium Banking" specialists. In addition, the Bank continues to improve its digital solutions aimed at facilitating private banking customers and providing a more reliable, fast, and secure service. Over the past year, a completely new process for submitting remote orders and instructions has been implemented in private banking, which is expected to reach its full potential in stages by 2026.

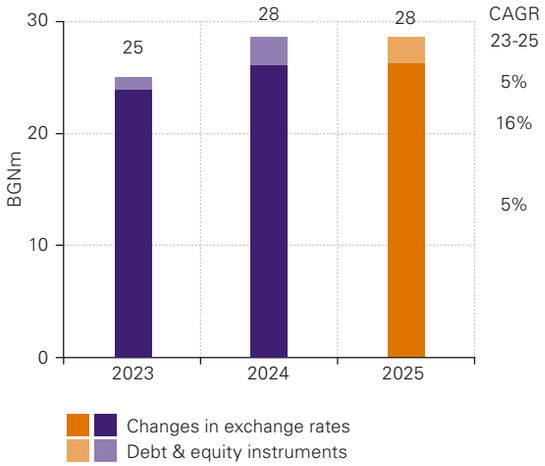
Private banking clients can trade financial instruments conveniently and easily through the MyFibank mobile app, and next year efforts will focus on innovations in package deals aimed at both partners with extensive experience in international financial markets and those taking their first steps in this area. In addition to fast and unhindered access to an exceptionally wide range of financial instruments and direct investment solutions, private banking clients also gain access to discretionary management of financial asset portfolios through individual financial strategies managed by professional portfolio managers with experience in international financial markets and a proven approach tailored to the client's financial situation and preferences. In 2025 the portfolio of investment and alternative financial products of VIP clients grew by more than 32% on an annual basis.

Capital markets

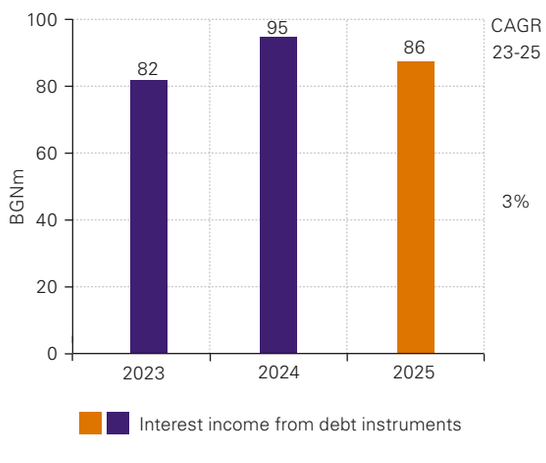
In 2025 net trading income of the Group amounted to BGN 27,804 thousand (2024: BGN 28,392 thousand as a result of the lower income from trade operations related to capital instruments and changes in exchange rates. The interest income related to the Group's portfolio of debt instruments amounted to BGN 86,416 thousand, compared to BGN 94,771 thousand a year earlier mainly influenced by market interest rates and portfolio dynamics.

The securities Group's portfolio at the end of the year amounted to BGN 3,336,398 thousand compared to BGN 3,441,113 thousand a year earlier, of which measured at fair value through other comprehensive income was BGN 2,484,730 thousand (2024: BGN 2,347,176 thousand), at amortized cost BGN 754,916 thousand (2024: BGN 883,256 thousand) and at fair value through profit or loss BGN 96,752 thousand (2024: BGN 210,681 thousand).

Net trading income



Interest income from debt instruments



The classification of financial assets in the Bank's portfolios is according to IFRS 9 depending on the purpose of financial asset management, those include: 1) a business model whose objective is to hold assets in order to collect the contractual cash flows (hold to collect); 2) a business model whose objective is to both collect contractual cash flows and sell of financial assets (hold to collect and sell); 3) another business model, where the purpose is different from the two above business models (other business model), where assets held for trading are also included.

The Bank's activities are organized in accordance with the regulatory requirements arising from the European legal framework in the field of financial markets – Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments (MiFIR), Delegated Regulation (EU) No 2017/ 565 on the organisational requirements and operating conditions for investment firms and Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPS), as well as in accordance with the requirements of the Financial Instruments Markets Act and its implementing acts, and the regulations in the field of measures against market abuse with financial instruments and other applicable regulations.

In pursuance of the requirements arising from Regulation (EC) № 648/2012 of the European Parliament and of the Counsel on OTC derivatives, central counterparties and trade repositories (EMIR), the Bank has a Legal Entity Identifier (LEI) code 549300UY81ESCZJ0GR95, issued by the Global Markets Entity Identifier (GMEI) Utility.

In its capacity as an investment intermediary and a primary dealer of government securities, First Investment Bank carries out transactions with financial instruments in the country and abroad including transactions in government securities, shares, corporate and municipal bonds, compensatory instruments as well as money market instruments.

In 2025, as part of the strategy for the digitalization initiatives of services, the Bank actively offers individuals the opportunity to conclude contracts and submit orders for transactions with financial instruments via the „My Fibank" mobile application. Through the functionalities, customers with active banking rights can trade in financial instruments admitted to trading on a regulated market both on the Bulgarian Stock Exchange and on regulated capital markets in Europe and the US.

The Bank also offers trust portfolio management, investment consultation, as well as depositary and custodian services to private individuals and corporates, including maintaining accounts of securities, income payments and servicing payments under transactions in financial instruments, as well as registration services. As part of the Compliance function, the Bank has a specialized unit "Compliance – Investment Services and Activities" which controls and ensures observance of the requirements related to Fibank's activity as an investment intermediary.

Orders for the subscription/redemption of units in four mutual funds (FIB Garant Mutual Fund, FIB Classic Mutual Fund, FIB Avangard Mutual Fund and FFBH Vostok Mutual Fund, managed by the Management company FFBH Asset Management AD) can be accepted in Fibank's offices which are registered with the Financial Supervision Commission. At these locations, distribution is also carried out of four mutual funds managed by Erste Asset Management (ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H).

Distribution channels

WIDE RANGE OF DISTRIBUTION CHANNELS FOR PRODUCTS AND SERVICES

Branch network | Digital banking | Direct sales | Contact center | Corporate website | Corporate blog

First Investment Bank maintains diversification of the channels for distribution of the products and services offered, including a well-developed branch network, wide network of ATM and POS terminals, e-banking, mobile banking, direct sales, contact center, corporate website and a corporate blog. All channels are constantly improved in line with the current trends in banking, market conditions, technological development and customer needs.

Branch network

First Investment Bank strives to maintain an adequate balance between a well-developed network of physical locations and the provision of modern remote banking techniques, including in the context of the digital transformation in the banking sector. In 2025, one office in Varna was closed. As at 31 December 2025 the branch network of First Investment Bank comprised a total of 131 branches and offices on a consolidated basis (2024: 130), located in over 60 cities in Bulgaria: 34 locations in the city of Sofia (2024: 34), 80 branches and offices in the rest of the country (2024: 81), one foreign branch in Nicosia, Cyprus, as well as a subsidiary bank in Albania, operating with a head office and 16 branches in Albania. For more information on the branch network of First Investment Bank – Albania Sh.a. see section „Business review of the subsidiary companies".

The branch network both in Sofia and in other places in the country is structured according to a unified organizational model with a view to efficient allocation of budgetary targets, focusing on attracting new customers and cross-selling. There are 27 branches in the country, while in the capital 5 functional branches have been established: Central, East, West, North and South, to each of which offices are allocated based on territorial location and business indicators.

In implementation of the initiatives for digitalization of the Bank's operations, innovative digital zones (Fibank Digital Zones) have been introduced and will continue to be expanded in stages., including a self-service area, mobile workstations and spaces for virtual meetings, digital training and video consultations with customers.

As part of the Branch digitalization project, aimed at introducing a new customer service model developing digitalization in daily operations, the Bank provides the possibility of electronically signing documents in the office.Electronic signing of basic banking transactions speeds speeds up payment processing and improves customer service, and contributes to the Bank's consistent efforts to reduce CO_2 emissions through the digitalization of banking services

Since the beginning of 2025, an administrative change has been implemented to transfer all branches under one single identification code (UIC: 831094393) - that of the Bank's head office. The change is aimed at synchronization and a uniform approach in the management of structures and employees in the city of Sofia and in the country.

Fibank branches and offices in the country offer the full range of banking products and services to both individuals and business customers. In an effort to better satisfy customer demand, part of the branch network operates with extended working hours, while some offices are also open on weekends.

The branch of First Investment Bank in Nicosia, the Republic of Cyprus, has been operating since 1997, initially mainly in the area of corporate lending. Over the years, it has systematically and consistently expanded the range of products and services. At present, the branch offers standard credit and savings products, payment services and e-banking, with a focus on SME customers and retail banking.

For more information on branch network see „List of branches"

Contact center – *bank (*2265), 0800 11 011

Fibank's Contact Center functions as an effective channel for communication and targeted selling of products and services. It also contributes to the attraction of new and retention of current customers through the provision of services in accordance with the Bank's established standards and business objectives.

In 2025, outgoing campaigns of different nature and themes were conducted through the contact centre, including information campaigns, those related to telemarketing and direct marketing of products and services, as well as consumer attitude surveys. The 23 sales campaigns carried out during the year recorded a high degree of effectiveness in terms of recipients reached and sales made, as well as an increase in success rates measured as a ratio of sales to customers reached.

For the reporting period, the Contact Center received over 71 thousand incoming calls, emails and chat conversations in relation to various inquiries and requests by existing or potential customers, including on general banking information, card services, contact and reference information, product requests, etc In response to the growing need for automation of communication processes through the contact center and the development of the Bank's activities in foreign markets, a new functionality for incoming calls

was introduced during the year, which includes a multilingual instant translator – an innovative digital solution with new opportunities for serving customers in different languages.

Through the Contact Center, customers may also apply for debit card overdrafts or apply for consumer loans. They may receive up-to-date and timely information on products and services, the Tariff and interest rates of the Bank, the location of branches and their working hours, as well as adequate and professional assistance by employees in case of questions or problems. Customers may communicate remotely with the Bank by phone, email or online chat in real time through the corporate website of the Bank.

Corporate website – www.fibank.bg

The corporate website of First Investment Bank is maintained and developed with the aim of transforming it into an active channel for product communication and cross-selling. In response to remote banking needs, www.fibank.bg operates a video consultation service regarding credit products, as well as opportunities to communicate (chat) directly with an expert from the Bank. Through it, customers can submit online applications for credit cards, overdrafts and consumer loans.

The corporate website has a number of features, including visualization elements in line with current digital trends and features for intuitive design and personalized content. They provide an easy way to compare products and services offered by the Bank, allowing customers to quickly select the ones that best meet their needs.

The bank has an integrated Interactive Voice Assistant that provides reference information on the status of loan products applied for online or in the office, recent debit or credit card transactions, account balances and movements, issued bank cards and their location, status of consumer and mortgage loans, including date and amount of upcoming payment, remaining principal amount, maturity date, etc.

In 2025, in connection with the introduction of the euro in the Republic of Bulgaria, a special section „About the Euro" was created on the Bank's corporate website, containing comprehensive information on the changes in the products and services offered in connection with the introduction of the euro, including dual pricing, currency conversion of accounts, deposits, loans, payment services, electronic banking, cards and card payments, ATM and POS terminals, exchange of banknotes and coins, investment services and activities, and customer notifications.

In 2025, Fibank continued its efforts to provide customer documents in an accessible format for users with disabilities in accordance with applicable legislation and European Union law on the harmonization of accessibility requirements for products and services.

Corporate blog

The corporate blog of First Investment Bank was created in 2008, which makes it the first corporate and banking blog in Bulgaria. For its 17 years, the corporate blog continued to be one of the most used by customers and useful online communication channels, along with the Bank's social networks.

It contains an important part of the key news, initiatives, as well as financial analyzes and studies related to the market of banking products and services in the country. Thanks to the AskFibank platform, part of the corporate blog, the Bank's customers can ask their questions and get an expert opinion.

First Investment Bank continued to maintain active online communication in real time with clients, in addition to its blog, and through the leading social networks - Facebook, Instagram, LinkedIn, Twitter, YouTube. In 2023, all these channels highlighted the terms of the Bank's products and services with regards to its 30th anniversary.

In 2026, the corporate blog and social networks will continue to maintain a constant and positive relationship with the Bank's customers, providing them with timely, accurate and useful information about Fibank's products and services.

Sales

First Investment Bank uses direct sales as an additional opportunity for distribution of products and services, including for comprehensive bank servicing of institutional and corporate clients This approach helps to build long-term relationships with key customers, as well as to obtain direct feedback on the Bank's products and services.

The Corporate Sales and Public Procurement Department in the system of First Investment Bank has considerable experience in preparing the Bank's participation in public procurement, as well as in servicing corporate and institutional clients, budget spending units, state and municipal enterprises.

Electronic and mobile banking "My Fibank"

First Investment Bank maintains an integrated e-banking platform „My Fibank", developed as a single channel for customer service and constantly evolving by upgrading and adding new functionalities. The platform is integrated with the core banking IT environment, providing a high level of system security, optimization and greater workflow efficiency, as well as increased productivity.

Through the My Fibank electronic and mobile banking , customers use both active and passive banking according to their needs and depending on their access rights to the system. As part of the active banking, customers can open and close current, deposit and other accounts, make credit transfers, including instant credit transfers (24/7/365), bulk transfers, utility payments, apply for and conclude contracts for credit products (including credit cards), request the issuance of a debit card, and buy and sell foreign currency. Through the Digital Payments service, customers can manage a digital bank card and thus make digital payments with their mobile devices that support NFC technology for contactless terminal payments.Passive banking allows customers to check transactions and balances on bank accounts and/or payment cards. It also provides information on locations of branches and ATMs, as well as exchange rates, news and current promotions.During the year, a new service was introduced in the My Fibank mobile app – transferring funds via debit or credit card („top-up"), as well as providing customers with the opportunity to use a new feature on cards issued by the Bank, allowing more convenient and faster confirmation of online payments without the need to enter card details for each transaction („Click to Pay"). The option to pay for parking in parking zones and car parks throughout the country was also provided

As part of the project for the further development of remote customer onboarding, merchants and legal entities can now register for electronic banking with confirmation by an external provider of qualified certification services. The process provides the option to conclude a payment account agreement or a business package agreement, as well as to use „My Fibank" with active banking rights, remotely via the Bank's corporate website.

In accordance with current EU regulations and trends in the development of digital banking, First Investment Bank has provided Third Party Providers (TPPs) with access to customer accounts kept at the Bank and available online, for payment initiation and account information services: so-called „Open Banking". In addition, with the aim of expanding and integrating customer service, First Investment Bank offers its customers payment initiation and account information services through My Fibank mobile banking. *For more information on „Open Banking" see section „Payment services".*

In 2025, the integrated My Fibank electronic banking platform established itself as a channel generating the predominant share (over 95%) of the Bank's outgoing transfers. A growth of 17% in transactions and 10% in the number of customers using the platform was reported.

In 2026, the Bank will continue to work towards providing the highest quality services with a focus on digital methods and solutions, increasing self-service options in banking, and developing services in a sustainable manner.

Virtual assistent

First Investment Bank created a virtual assistant – FiBi, based on generative artificial intelligence (GenAI) technology. In 2025, the virtual assistant was successfully integrated into the Bank's internal systems, and since the beginning of 2026, it has also been available on the corporate website for use by Fibank customers.

As a new-generation assistant, it provides answers tailored to user behavior and needs, with a focus on personalized interaction, acting as a tool for providing information and building customer trust and satisfaction. With the introduction of the virtual assistant, the Bank aims to increase the efficiency of digital services, customer satisfaction, and optimize service in the contact center and offices, with a view to implementing innovative digital solutions for the benefit of customers and for sustainable and customer-oriented banking.

Information technology

For First Investment Bank, the development of information technologies and the maintenance of a modern infrastructure and technological environment are among its strategic priorities. Over the years, the Bank has systematically and consistently invested in technologies in line with the latest trends in banking, with the aim of offering innovative products and multifunctional solutions to customers.

During the year, in order to increase efficiency and optimize workflows, the Information Technology Department was reorganized, creating an IT Infrastructure and Operations Department, an Application and Payment Information Systems Department, as well as an IT Architecture and Policies Unit.

Given the importance of IT development, the activity is led by the Chief Information Technology and Operations Officer. In addition, an IT Committee functions as an auxiliary body to the Management Board, which monitors the implementation of the IT strategy, manages the IT project portfolio, and controls the targeted use of resources within the approved budget. The Committee is chaired by the Chief Retail Banking Officer, and other members include the Chief Digital Development Officer, the Chief IT and Operations Officer, as well as the directors of the Information Security and Finance departments.

IT infrastructure and operations

The IT Infrastructure and Operations Department carries out overall organization and management of the Bank's system hardware and communication infrastructure, including management of servers and databases. It administers, maintains, optimizes and develops the user IT infrastructure, and performs ongoing monitoring of the Bank's IT resources.

A project for renovation and replacement of the Bank's main communication equipment and transition to modern communication resource management technology was carried out in the first half of 2025. Resources were allocated for upgrading the database version of core bank IT systems, and migration to a new EXADATA X9M hardware platform.

In the second half of the year, the process of replacing main disk arrays and optical SAN switches was completed: specialized network devices connecting servers to shared data storage pools, which are phased out and replaced by modern high-performance solutions, ensuring fast and reliable transfer of large volumes of data.

Taking into account cybersecurity risks, the Information Security Department, in collaboration with other units in the Bank involved in information and communication technologies, improved and upgraded the Bank's ICT infrastructure with a number of software solutions to minimize vulnerabilities, in line with best practices in the field.

Application and payment information systems

The Application and Payment Information Systems Department performs overall organization and management of the Bank's software by maintaining and testing existing and new information systems, including new functionalities of the Bank's application systems. It supports the activities of business units through the Help Desk/Service Desk systems of the Bank, and participates in the development, implementation and maintenance of new products. The Department also ensures proper execution of the Bank's payments in local and foreign currency.

During the year, emphasis was placed on preparation of IT systems for the introduction of the euro as the official currency of Bulgaria, and the related migration activities. As part of the effort, changes were made to the core banking information system Flexcube and the peripheral systems supporting it. After the accounting closing date, on 01.01.2026, First Investment Bank confidently switched to the euro and successfully migrated all information systems, accounts, digital banking, ATM and POS network, etc., ensuring a smooth and seamless transition for customers.

Regarding payment information systems, in the third quarter of 2025 the Bank participated in a joint project with BORICA AD to upgrade its instant payment service, successfully launching instant payments in euro.

In November 2025, First Investment Bank made changes in accordance with the requirements of Cross-border payments and reporting plus (CBPR+) regarding the execution of payment transactions in MX format through the SWIFT system and the use of the ISO 20022 standard by financial institutions.

In the last quarter of 2025, in connection with regulatory changes regarding TARGET and SEPA, First Investment Bank introduced structured submission of address and personal data, for both the originator and the recipient, applicable to each transfer or payment made.

With regard to the Bank's business process management, developments and upgrades were made to the existing BPM systems for credit approval, business trip reporting and private banking operations. A completely new process for evaluating physical assets was developed, and improvements were made in fraud prevention procedures by adding recognition and validation of identity documents for loan applicants.

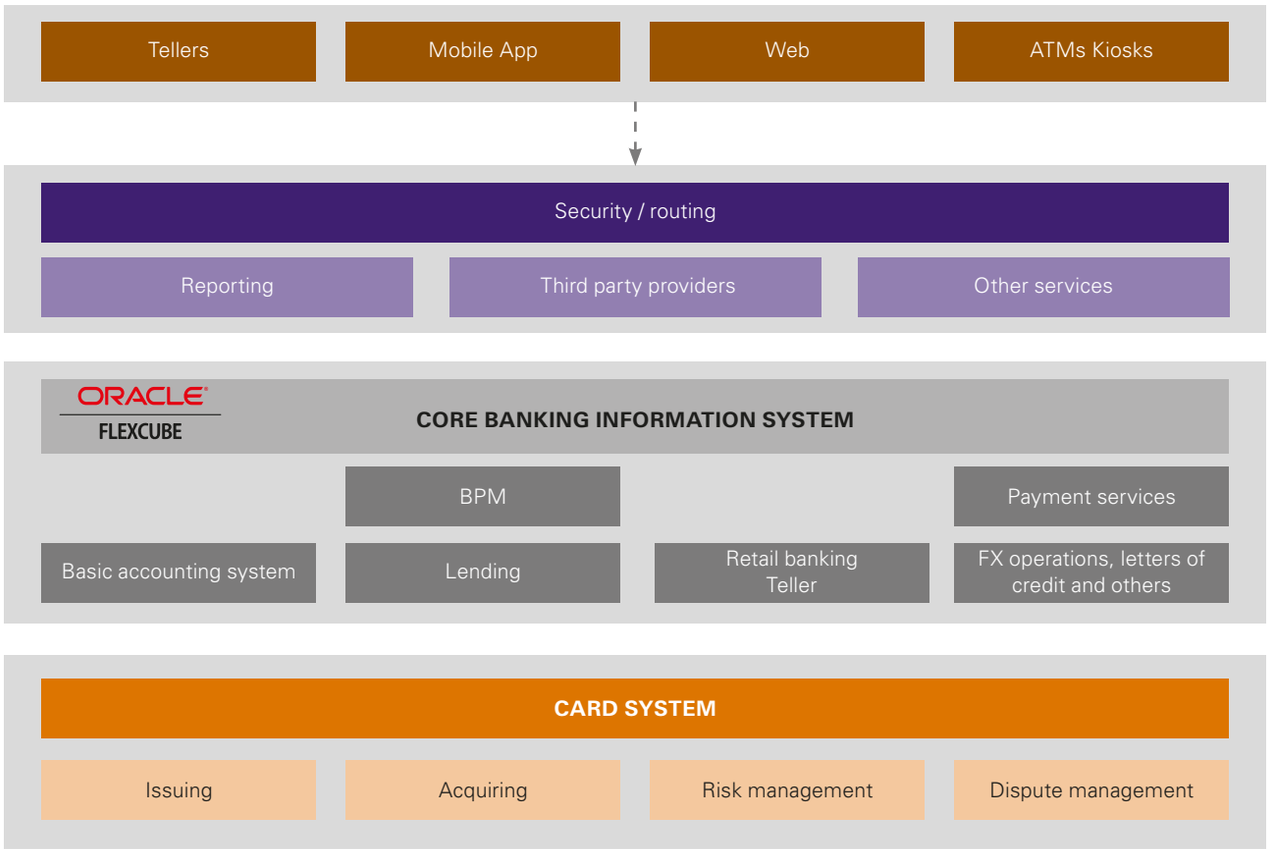
During the year, the Bank continued to develop its information systems for the Analytical Credit Datasets (AnaCredit) collecting granular credit data to establish a common credit database between Eurosystem members, as well as for the Register of Persons, Institutions and Branches (RPIB).

IT architecture and policies

The IT Architecture and Policies Unit builds, documents and maintains a comprehensive architectural framework for information systems: business, application, information and technology. It identifies opportunities for innovation and modernization of the IT environment, including cloud technologies, microservice architecture and API-based solutions, and defines the ICT operational model.

Through its centralized and integrated IT infrastructure, the Bank aims to provide first-class service and a high level of security in the execution of banking transactions. It maintains reliable databases, networks and systems, ensuring continuity of service and key banking processes. The Bank's core information system, Oracle Flexcube 12, has universal modules for retail banking, corporate and investment banking, as well as an integrated BPM module for loan processing and approval. The system is built in full compliance with risk management principles, including the dual control principle which is essential for day-to-day banking activities.

Systems map



During the year, in connection with the upgrade and development of the service infrastructure, a procedure was launched to introduce IT Service Management and IT Operations Management systems, and a supplier and platform were selected. The aim was to automate and implement a single process for full traceability, centralized visibility and accountability of IT systems and processes in accordance with the requirements of Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA).

Following high-tech trends, the Bank will continue to invest systematically and consistently in the development of information technologies and the maintenance of a modern infrastructure and technological environment, reinforcing its standing among the most technological and innovative institutions on the Bulgarian financial market.

We value the recognition
of our clients;
their trust and prosperity
are our priority

Business review of the subsidiary companies

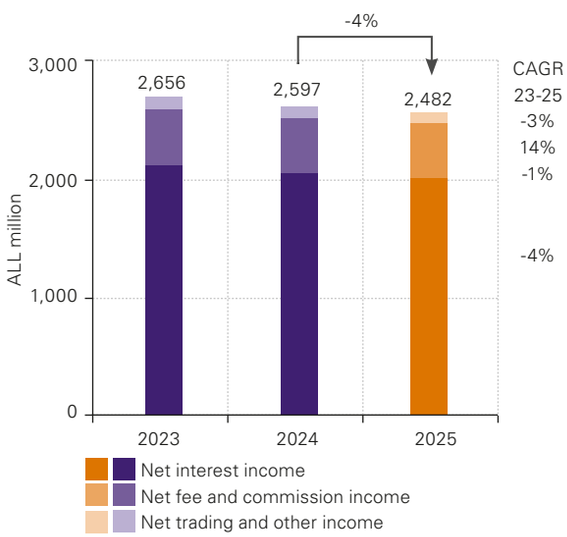
First Investment Bank – Albania Sh.a.

First Investment Bank - Albania Sh.a. (Fibank Albania) was granted a full banking license by the Bank of Albania in June 2007, and in September 2007 effectively took over the activities of the former Tirana branch of Fibank which had operated in the Albanian market since 1999, by assuming all its rights and obligations, assets and liabilities. Fibank Albania has also been licensed by the Albanian Financial Supervisory Authority for carrying out investment services and activities, including depository and custodian services. In 2021, its license was renewed in accordance with the new capital market requirements in the country (Law 62/2020 On Capital Markets).

In line with its mission, First Investment Bank - Albania Sh.a. aims to be among the fastest growing banks in Albania, recognized as an innovative credit institution which offers first class service and exceptional products and services, provides excellent career opportunities to employees, and is socially responsible.

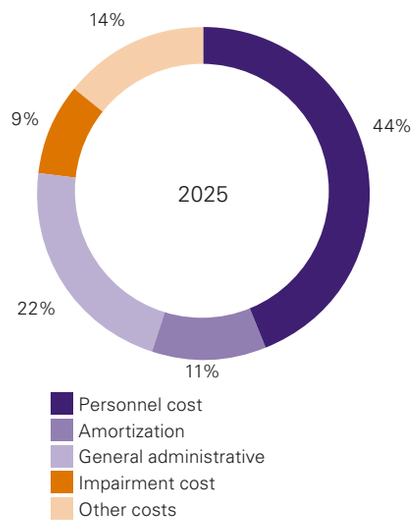
In 2025, First Investment Bank - Albania Sh.a. reported good financial results and sustainable development. The Bank maintained sound liquidity and capital positions, reporting a 20.98% capital adequacy ratio at year-end (2024: 22.78%), the minimum required level being 12% according to the applicable regulatory requirements in the country.

Income from banking operations



Operating expenses

Structure of expenses, %



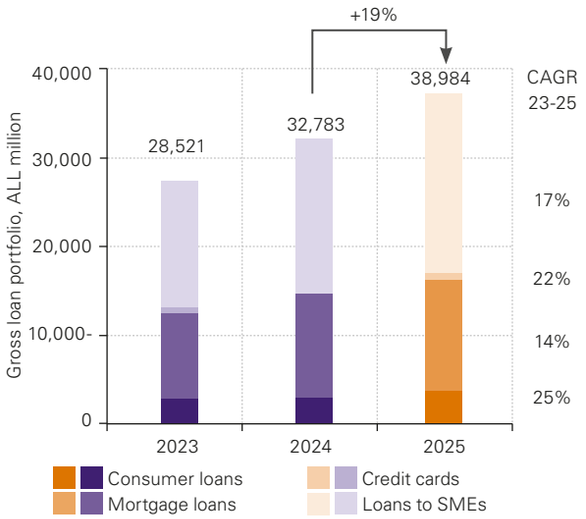
For 2025, First Investment Bank - Albania Sh.a. reported a net profit of ALL 1,111,940 thousand15 compared to ALL 987,232 thousand a year earlier, mainly driven by the stable operating income. It amounted to ALL 2,482,158 thousand (2024: ALL 2,597,121 thousand). The main sources of income remained at levels similar to the previous year, including net interest income ALL 1,913,465 thousand (77.1% of total income), and net fee and commission income ALL 465,958 thousand (18.8% of total income). Net trading income amounted to ALL 102,011 thousand, and other net operating income to ALL 724 thousand for the year.

During the year, staff costs amounted to ALL 623,307 thousand (2024: ALL 568,987 thousand), with the bank's employees at the end of 2024 numbering 288 people. General administrative costs reached ALL 310,189 thousand (2024: ALL 275,595 thousand),

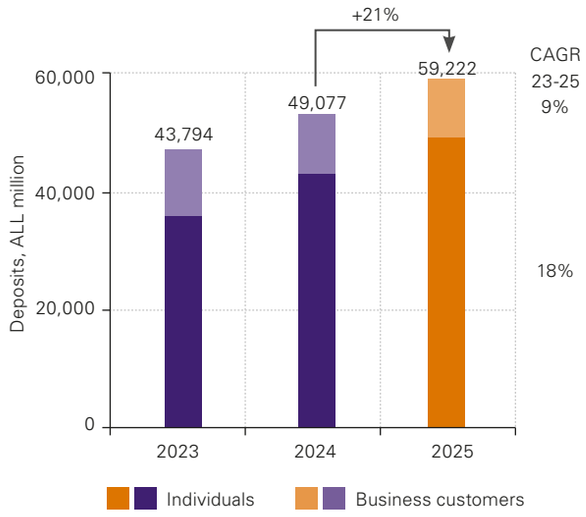
15 The official exchange rate of the Albanian lek against the euro at the end of 2025 was ALL 96.77 per euro, and the average for the year was ALL 97.82 per euro.

mainly influenced by an increase in administrative, consulting and other expenses. Impairment losses amounted to ALL 125,806 thousand recovery for year 2025, compared to ALL 296,909 thousand expense for the previous year.

Loan portfolio



Deposits



During the year, Fibank Albania's assets increased by 22.7% to ALL 74,649,441 thousand (2024: ALL 60,832,000 thousand), mainly due to the growth in loans and advances to customers and investments in securities. The gross loan portfolio increased by 18.9% to ALL 38,984,152 thousand (2024: ALL 32,782,526 thousand), driven by growth in both retail lending, including consumer and mortgage loans, and lending to small and medium-sized enterprises.

Investments in securities amounted to ALL 24,263,796 thousand at the end of the period (2024: ALL 18,070,534thousand), of which ALL 15,657,994 thousand measured at fair value in other comprehensive income (FVOCI), and ALL 8,605,803 thousand measured at amortized cost. These mainly included treasury bills and government bonds of the governments of Albania and other EU countries. Receivables from banks and financial institutions amounted to ALL 2,826,509 thousand as of December 31, 2025. (2024: ALL 3,244,328 thousand), including current accounts and placements with local and foreign banks and financial institutions.

Borrowings from customers increased by 20.7% to ALL 59,221,818 thousand at the end of the period (2024: 49,077,208 thousand ALL), with growth in retail deposits mainly driven by the flexible and competitive savings products, and the promotional campaigns launched by the bank.

As at 31 December 2025, First Investment Bank - Albania Sh.a. had four subordinated term debt instruments issued (long-term bonds) with original principal amounting to EUR 2 million, EUR 2.9 million and EUR 5.0 million and EUR 7.0 million, meeting the requirements for Tier 2 capital under Regulation (EU) 575/2013. The value of the subordinated debt at the end of the year amounted to ALL 1,382,238 thousand (2024: ALL 974,048). The equity of First Investment Bank – Albania increased to ALL 7,765,200 thousand, compared to ALL 6,831,620 thousand at the end of 2024, as a result of an increase in retained earnings.

In 2025, several key initiatives were implemented to support infrastructure modernization, IT system sustainability, and improved payment integration, as well as expanded digital banking capabilities. Major developments included the relocation and modernization of the main server rooms, the upgrade of Microsoft Exchange with a transition to hybrid architecture, and the implementation of several API integrations.

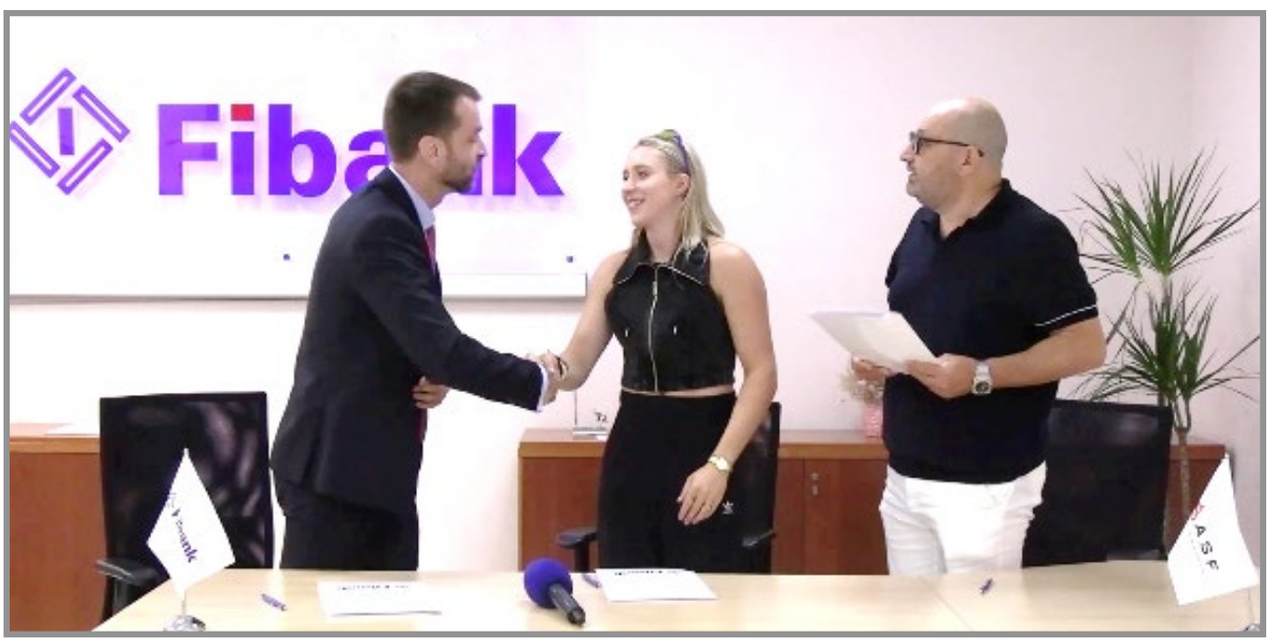
During the year, a strategic project was implemented to acquire a Mastercard license for issuing and acquiring card payments. By the end of 2025, the card portfolio had grown, supported by new premium products such as the Mastercard Gold Credit Card and Visa Platinum Business. Card acceptance services expanded significantly, with the POS terminal network doubling to approximately 1,400 devices, resulting in a 200% increase in transactions with cards not issued by Fibank. Cash deposits at ATMs also increased by 20%, reflecting stronger customer engagement and use of the bank's infrastructure.

In the area of international payments, the bank joined the SEPA payment scheme in October 2025, allowing cross-border payments in euros to be processed with the same speed and cost efficiency as domestic payments. This important milestone, together with the modernization of the domestic payment infrastructure through AECH and AIPS for transactions in ALL and EUR, significantly enhances payment capabilities.

Digital banking services continue to expand, reaching approximately 27,000 registered customers, representing an 18% increase compared to the previous year. Customer engagement is also increasing, with the most important component of performance – outgoing transfers – growing by 80% compared to the previous year. Mobile banking has been further enhanced with new features such as e-Albania payments and push notifications, improving accessibility, convenience, and real-time communication with customers.

In 2025, First Investment Bank – Albania Sh.a. continued to modernize and develop its branch network, which reached a total of 16 branches at the end of the year. The addition of two new branches aims to bring the bank closer to its customers, especially in coastal areas, as well as in urban areas that are experiencing strong and dynamic growth. The bank has its headquarters and four branches in Tirana, as well as branches in the major cities of Durres, Vlora, Elbasan, Fier, Shkodra, Korca, Berat, Lezha, Saranda, Lushnja, Kavaja, and Kamza. *For more information on the branch network see section „List of branch network".*

The bank's strategy is focused on offering a full range of banking services, while aiming to build long-term relationships with customers by providing professional advice and accessible banking solutions, both through direct and digital channels. The bank's branches are staffed by well-trained, dynamic, and young professionals, supported by experienced senior staff, all committed to providing high-quality services to customers. In addition, the bank has established a Premium Office for private banking, located in Tirana, which offers personalized financial solutions for premium individual and business customers, supported by highly qualified staff to provide personalized services and meet the specific needs of this customer segment.



First Investment Bank - Albania Sh.a. has a corporate governance structure consisting of a Board of Directors, Audit Committee and Executive Management (Directorate). The Chief Executive Officer of First Investment Bank - Albania Sh.a. is Mr. Bozhidar Todorov who has extensive experience in banking, having held senior positions at First Investment Bank AD related to the management of corporate assets.

The financial statements of the bank are prepared in accordance with International Financial Reporting Standards and are audited by a registered auditor. For 2025, the registered auditor of the bank was Grant Thornton Sh.p.k.

Fi Health Insurance AD

Fi Health Insurance AD is an insurance company licensed by the Financial Supervision Commission in June 2013, when it became the first voluntary health insurance fund in the country. It is licensed to provide insurance against accident and illness risks, covering expenses related to outpatient medical care, hospital treatment, medical supplies and dental services, as well as compensation in the event of insured events resulting from accident or illness. Since 2018, the insurance license has been extended to cover another type of risk – various financial losses. As of December 31, 2025, Fi Health Insurance AD is a wholly owned subsidiary and part of the First Investment Bank Group.

During the reporting period, the company implemented a significant change in its corporate governance model, transitioning from a single-tier to a two-tier management system. The new structure includes a Supervisory Board and a Management Board with clearly defined functions of supervision and operational management, in accordance with the applicable regulatory framework and established principles of good corporate governance.

The company is jointly represented by two executive directors – Mr. Viktor Spasov and Ms. Tsvetomira Karapchanska. Mr. Viktor Spasov joined the company's management team in early 2025, taking on operational management and business development functions. Ms. Tsvetomira Karapchanska is a long-standing professional in the insurance sector with extensive management and expert experience and contributes to the strategic development and sustainable management of the company.

As part of the process of strengthening the management and supervisory structure in 2025, changes were also made to the composition of the management bodies. Mr. Ivaylo Bogdanov was elected as an independent member of the Supervisory Board, thereby strengthening independent oversight and creating additional conditions for the application of high standards of corporate governance. During the same period, Ms. Rositsa Bineva joined the Management Board, contributing to the effective management and development of the company's activities.

The changes in the management structure are aimed at strengthening management capacity, increasing the transparency and effectiveness of corporate governance, and further sustainable development of Fi Health Insurance AD as part of the First Investment Bank Group.

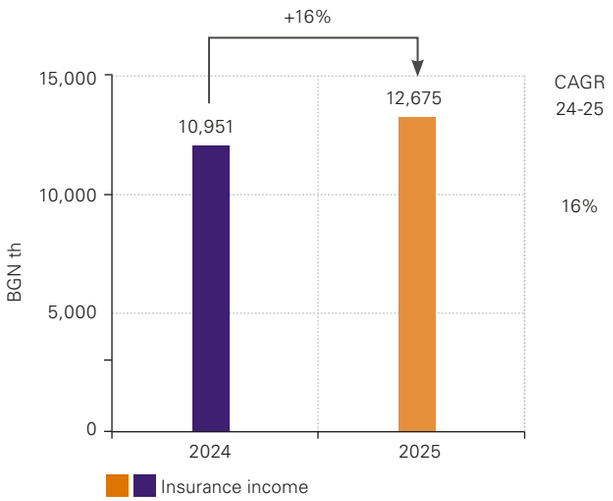
In 2025, Fi Health Insurance developed its business by implementing successful campaigns for offering insurance products, including offering additional coverage to the „Peace of Mind with Fihealth" insurance policy with regard to the risk of „unwanted unemployment".

The company's product range includes insurance coverage designed for both individuals and business customers, mainly in the micro, small, and medium-sized enterprise segment, including „Peace of Mind with Fihealth" insurance, „Work Accident" and „FiHealth Partner" insurance available to individual customers, as well as group insurance suitable for employees of corporate customers. Insurance policies „FiHealth Protect" offered for credit cards and „Fihealth Portfolio" for debit cards are offered for issued bank cards.

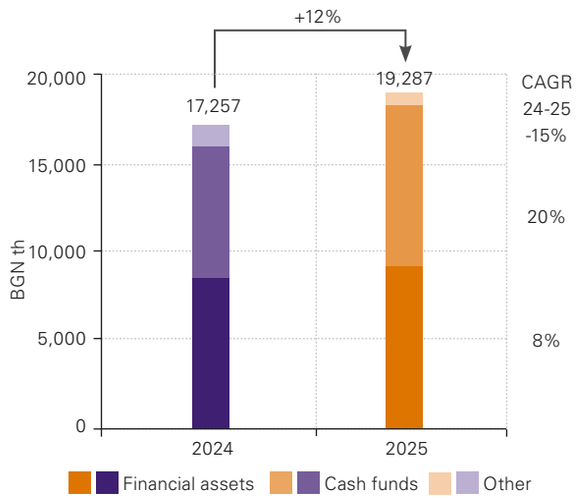
During the year, the company continues to focus on offering group „Illness" insurance policies for employees of corporate clients, with new contracts being concluded. This type of insurance, paid for by the employer, guarantees comprehensive and high-quality medical care and provides easier access to reputable medical facilities and highly qualified specialists throughout the country. This easy and well-organized access to quality medical services promotes supplementary health insurance, expands the market niche, and creates demanding consumers of health services. In this regard, the company offers a VIP package for individual clients with a high level of coverage.

In 2025, Fi Health Insurance's insurance revenue amounted to BGN 12,675 thousand, compared to BGN 10,951 thousand in 2024, with a reported net profit for the period of BGN 1,834 thousand (2024: BGN 1,041 thousand) and reflects the changes following the transition to IFRS 17. The company manages insurance risk through established limits, procedures for approving claims, and various assessment and control methods.

Insurance income



Structure of assets



The company's assets increased by 11.6% to BGN 19,287 thousand at the end of the year (2024: BGN 17,257 thousand). Cash and cash equivalents increased to BGN 9,128 thousand (2024: BGN 7,628 thousand), and the financial assets held by the company increased to BGN 9,207 thousand (2024: BGN 8,507 thousand), which mainly include bank deposits and government securities issued by the Bulgarian government. As of December 31, 2025, with the changes made in accordance with IFRS 17, the equity of Fi Health Insurance amounted to BGN 16,737 thousand, compared to BGN 14,903 thousand a year earlier.

In order to continue to ensure financial stability while progressively growing its product portfolio, in 2025 Fi Health Insurance renewed its contract with a reinsurance company with an A+ credit rating (S&P).

MyFin EAD

In 2020, First Investment Bank established its subsidiary Mayfin EAD, registered in the Commercial Register and the Register of Legal Entities with the Registry Agency in March 2020. Its business activity is as an electronic money issuer and payment service provider within the meaning of the Payment Services and Payment Systems Act, and it has been granted a license by the Bulgarian National Bank.

Mayfin EAD launched its operations in November 2020, offering customers a digital wallet for fast money transfers and online payments, issuing digital and virtual cards, as well as innovative payment services such as ordering transfers between individuals – MyFin customers (peer-to-peer) by mobile phone number, payment by link, and others. Services related to personal finance management (PFM), utility payments, and online purchases are also offered, allowing customers to check their account balance and transactions in real time and receive 24-hour consultation from highly qualified experts.

The company's activities focus on facilitating the consumer experience in financial management, developing and upgrading the digital services platform with new functionalities and opportunities for consumers. To this end, in early 2022 the company provided customers with access to instant payments (up to 10 seconds) in BGN through the Blink scheme, which is available for transfers up to BGN 30,000, becoming one of the first fintech companies in Bulgaria to offer this service.

In 2023, the company further developed its digital services by developing and launching innovative products and functionalities. MyFin's digital portfolio launched the „Gold Account" product for the storage and purchase/sale of non-cash gold (XAU).

In 2024, projects for trading financial instruments—buying and selling shares, bonds, and ETFs—were successfully implemented, as well as projects related to providing geolocation and detailed information on card payments. An innovative option for making payments by scanning a QR code and the option to personalize the appearance of issued digital cards were also provided. Projects have also been launched to expand the range of services available through the digital application, including payment for parking in public and private parking lots.

Mayfin EAD has been issued a license to operate electronic food vouchers under „Regulation № 7 of July 9, 2003, on the conditions and procedure for issuing and revoking a license to operate as a food voucher operator on paper and electronic media, for the issuance of electronic food vouchers, the characteristics of the electronic food vouchers issued, and the performance of activities as an operator." In this regard, in 2025, Mayfin EAD developed and launched the first fully digital platform for electronic vouchers. A website was developed and improvements were made to the mobile application, allowing users to add and manage their electronic food vouchers and also receive real-time information on remaining balance and payments/purchases made. During the year, the company expanded its network of partners and locations where Mayfin EAD vouchers can be used.

In 2025, Mayfin EAD redesigned its mobile app and made a number of changes to its website, demonstrating its innovation and customer focus.

Since its inception, Mayfin EAD has been involved in initiatives related to sustainable development and community engagement by supporting projects for lower emissions and environmental protection, as well as those with a social focus. In addition to the company's core strategy of digital and virtual card payments, the physical cards issued to customers are made from an innovative 100% biodegradable plastic material, produced in partnership with Austriacard.

In order to promote financial education among young people, MyFin maintains a partnership with the educational organization Finance Academy, a strategic partner of Software University Ltd. (SoftUni), through which the company focuses its efforts on raising awareness among people about managing their personal finances and increasing financial literacy among young people. The company also has a specially developed interface (children's profile) that provides an opportunity to develop early financial literacy by making payments with a digital or virtual card and receiving funds from their parents in a secure, easy, and intuitive way. Through it, parents can manage and receive information about everything happening in their child's profile, including setting and completing tasks.

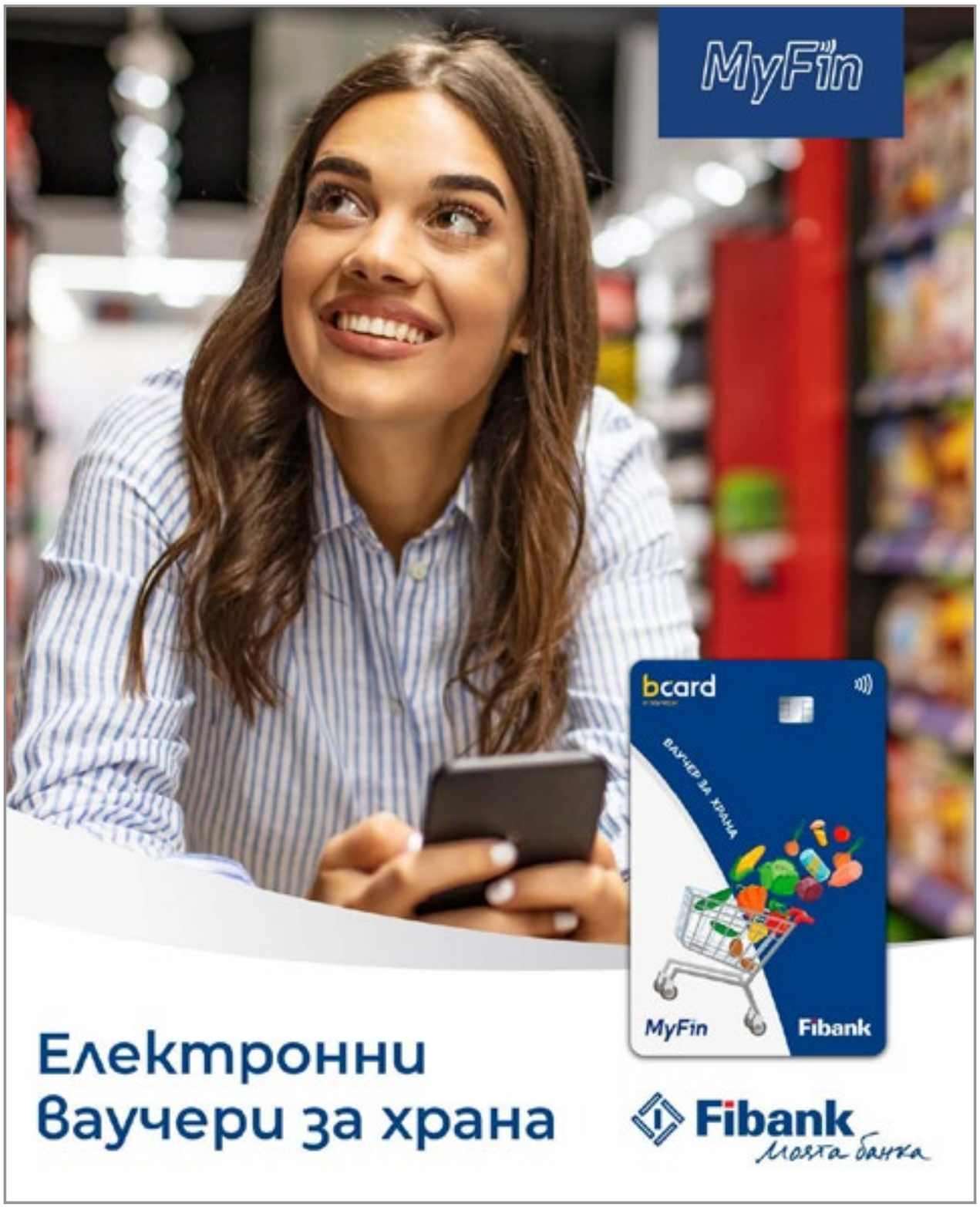
Mayfin EAD has a single-tier management structure consisting of a Board of Directors and Executive Management (Executive Director). The Executive Director and representative of the company is Mr. Lachezar Venkov, who has many years of experience in financial and digital services.

As of December 31, 2025, First Investment Bank AD has other subsidiaries as follows: AMC Imoti EAD, Incasso Garant EOOD, Creative Investment EOOD, Lega Solutions EOOD – in liquidation, Finclub AD – in liquidation.

Following the liquidation procedure, the subsidiaries Finclub AD and Debita OOD were deleted from the Commercial Register and the Register of Non-Profit Legal Entities as of the date of this report.

In November 2025, the Management Board of First Investment Bank AD decided to terminate the activities of the subsidiary Lega Solutions EOOD and to initiate liquidation proceedings.

For further information on subsidiary companies, including on those subject to consolidation, see the "Fibank profile" section, as well as note 36 „Subsidiary undertakings" of the Consolidated financial statements for the year ended 31 December 2025.


MyFin
bcard
ВАУЧЕР ЗА ХРАНА
MyFin
Fibank
Електронни
ваучери за храна
Fibank
моята банка

We see new opportunities
in every challenge

Risk management

First Investment Bank has built, maintained, and developed a risk management system which ensures the identification, assessment and management of risks inherent to its activity, taking into consideration the challenges of the external environment and the regulatory requirements. The consideration of risks takes into account all relevant financial and non-financial risks and risk factors, including environmental, social and governance (ESG) factors.

In 2025, the Bank operated in accordance with its Risk Management Strategy and Risk Appetite Framework, aiming to maintain a moderately low level of risk and further increasing the protection mechanisms against risks inherent in banking. The bank operated within the defined risk tolerance in order to maintain a stable level of capital and capital adequacy, ensuring the ability and capacity to cover risks in the long term. Measures for reduction and management of non-performing exposures were applied, incl. recovery and restructuring of loan exposures, as well as regular write-offs of impaired risk exposures in accordance with the Strategy for Reduction of Non-performing Exposures and Repossessed Assets.

Risk management strategy

The risk management strategy of First Investment Bank is an integral part of its business plan and development priorities. The main objective in managing the overall risk profile of the Bank is to achieve a balance between risk, return and capital. The risk profile is relevant to the product policy of the Bank and is determined in accordance with the economic factors in the country and the Bank's internal characteristics and requirements.

Key elements of risk strategy

The Bank determines its risk propensity and risk tolerance levels so that they correspond to its development priorities and stable functioning, as well as to the required level of equity capital and an effective management process.

Fibank maintains financial resources that are commensurate with the volume and type of operations performed and with its risk profile, by developing internal control systems and mechanisms for risk management in accordance with regulatory requirements and best practices.

The main goals on the basis of which the risk strategy is structured are defined as follows:

- achieving a sustainable level of capital to ensure good risk-taking capacity, as well as capacity to cover risks in the long term;
- maintaining good asset quality while providing for an efficient decision-making process;
- achieving a balanced risk/return ratio for all business activities of the Bank through defining a risk tolerance for achieving the targeted business goals and tasks.

In 2025, as part of the annual review, the risk strategy was updated in line with the Bank's Risk Appetite Framework and business plan. The risk factors related to geopolitical uncertainties were refined and the macroeconomic forecasts were updated. The limits set for market risk were supplemented, including in relation to minimizing interest rate risk and the effects of changes in interest rates on net interest income and the economic value of capital. The limits by economic sector have also been updated in accordance with the classification of economic activities (NACE – 2025).

In terms of risk profile, the strategy focuses on retail banking and small and medium-sized enterprises, active credit risk and concentration risk management, moderate market risk exposure, maintaining an adequate level of unencumbered liquid assets, and an effective control environment for existing business processes, accompanied by active management of inherent operational risk. Emphasis is placed on the digitalisation of processes and the associated maintenance of a high level of cybersecurity and data protection, as well as taking into account environmental, social and governance (ESG) factors in its activities by financing projects that support the green transition and limit physical risks and exposure to fossil fuels.

With regards to sustainability, the Bank has im place a 10-year Sustainable Development Strategy taking into account the applicable ESG factors, the risks related to the transition to a sustainable economy and the physical risks, as well as a Climate and Environmental Risk Management Policy.

Risk appetite framework

The Risk appetite framework of First Investment Bank is an integrated instrument for defining and limiting the overall risk level, which the Bank is willing and able to take to achieve its strategic and business goals. For 2025, a medium-low level of risk appetite is set to be maintained.

Defining and applying a risk appetite framework is based on assessment of the risk profile of the Bank on the basis of the material risks identified in the risk map (including credit, market, operational, including cyber risk, liquidity, reputational, strategic and capital risk, concentration risk, non-compliance risk, excessive leverage risk). The overall risk profile is expressed into a rating aggregated from the scores assigned to each of the specific risks throughout a 5-level scale with quantitative values and risk levels.

Within the risk appetite framework, the risk capacity of the Bank is defined, which represents the maximum level of risk the Bank can operate in compliance with regulatory requirements and other limits with respect to capital and funding needs and liabilities to counterparties. The risk tolerance is defined, as a precautionary measure within maintaining the risk appetite, which as set on a strategic level is defined as a percentage lower than 100% of the overall risk capacity of the Bank. For calculating the risk appetite are the specific risk indicators and limits (for example the total capital ratio, the common equity Tier 1 ratio, MREL ratio, leverage ratio, loan to deposit ratio, liuidity coverage ratio, net stable funding ratio, return on equity, non-performing exposure ratio, provisioning ratio, operating losses/regulatory capital, carbon intensity ratio of exposures in the credit portfolio, etc.), as well as early warning indicators in accordance with the type of risk.

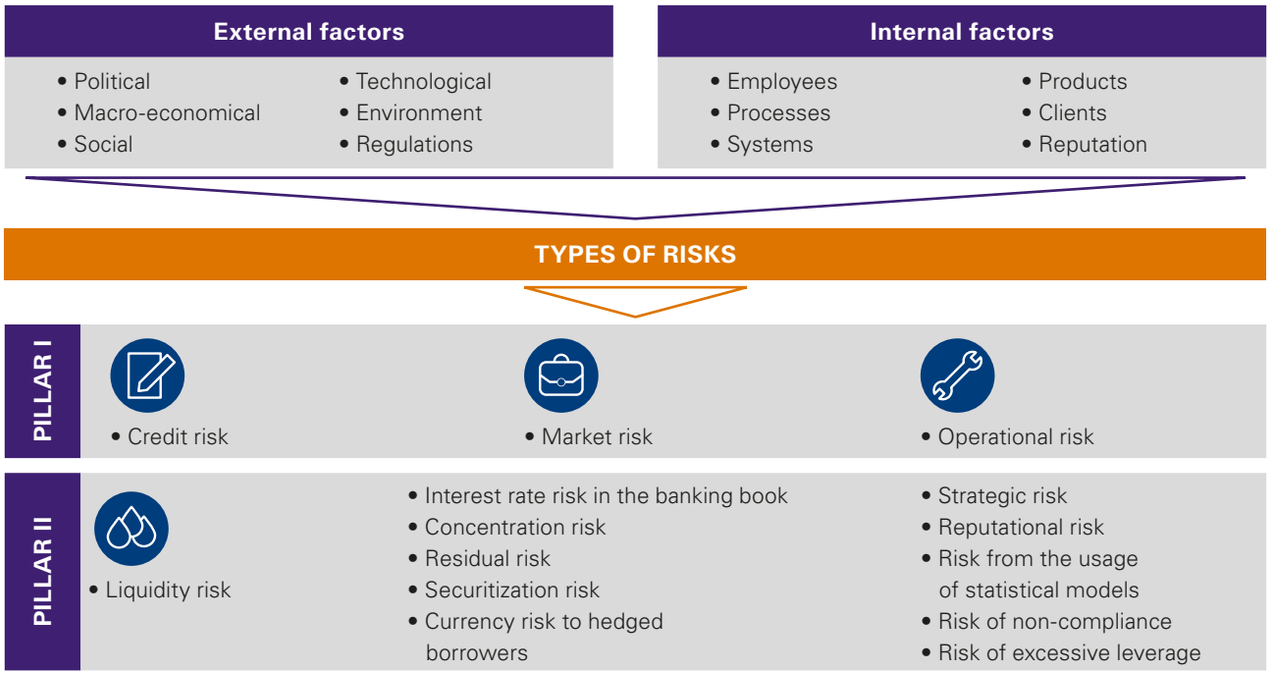
The risk appetite framework is subject to review by the Managing Board and approval from the Supervisory Board once a year or more often, if needed, in accordance with the business environment dynamics. It is part of the annual process for budgeting and planning within the Bank.

In 2025, during the annual review, the principles for quantitative definition of risk weights and the risk indicators set for operational risk and cyber risks related to the activity were improved.

Risk map

First Investment Bank develops a risk map, which classifies risks into different types and identifies those the Bank is exposed to or may be exposed to in its activity. It is updated once a year or more often if needed, aiming at defining all material risks and their adequate integration within the risk management framework of the Bank.

Risk profile and risk map



The types of risks are differentiated into groups (Pillar 1 and Pillar 2) as well as the methods for their measurement in accordance with the applicable regulatory framework.

Risk culture

Prudent and consistent risk culture is one of the key elements of effective risk management. In compliance with the best standards, the Fibank seeks to develop a risk culture that will further enhance visibility and prevention in terms of individual risk types, their identification, evaluation and monitoring, including by applying appropriate forms of training among the employees and senior management involved in risk management.

The Bank aims at applying the following principles for ensuring high risk culture:

- risk taking within the approved risk appetite;
- approval of every risk in accordance with the effective approval levels and the internal risk management framework;
- current/ongoing monitoring and risk management, incl. taking into consideration the ecological, social and governance (ESG) factors;
- responsibility of employees at all levels to the management and escalation of risks, while applying a conservative and future-oriented approach in their assessment;
- effective communication and constructive criticism aimed at making rational and informed decisions, as well as creating conditions for open and positive engagement throughout the organization;
- applying appropriate incentives to contribute to sound and efficient management, discouraging risk-taking in excess of the level acceptable to the Bank.

Risk management framework

The risk management framework of First Investment Bank includes automated systems, written policies, rules and procedures, mechanisms for the identification, assessment, monitoring and control of risks, and measures to reduce them. Its main underlying principles are: objectivity, dual control of any operation, centralized management, separation of duties, independence, clearly defined levels of competencies and authority, adequacy of the intrabank requirements to the nature and volume of activity, effective mechanisms for internal audit and control. The Bank meets the requirements of current legislation to credit institutions for the preparation and maintenance of current recovery plans in case of potential occurrence of financial difficulties and for the continuity of processes and activities, including with regard to recovery of all critical functions and resources.

Lines of defence

The risk management framework of First Investment Bank is structured in accordance with the principle and model of the three lines of defense which is in compliance with the European requirements and Basel Committee for Banking Supervision principles for corporate governance in banks:

- F irst line of defence: the business units which take the risk and are responsible for managing it, including through identification, assessment, reporting in accordance with current limits, procedures and controls implemented in the Bank;
- Second line of defence: the Risk Management and Compliance functions which are independent of the first line of defence. The Risk Management function monitors, assesses and reports risks, while the Compliance function monitors and controls the maintaining of internal regulations in compliance with the applicable regulatory provisions and standards, incl. with respect to anti-money laundering and terrorism financing;
- Third line of defence: Internal Audit which is independent of the first and the second lines of defence. It provides an independent review of the quality and effectiveness of risk management, business processes and banking activity, as well as of the business planning and internal policies and procedures.

The Bank's policies on internal governance with respect to the internal control framework and the independent risk management, compliance and audit functions are in accordance with the applicable requirements in this sphere, including Ordinance No 10 of the BNB on the Organisation, Governance and Internal Control of Banks, Ordinance No 7 of the BNB on Organisation and Risk Management of Banks, the EBA Guidelines on internal governance pursuant to Directive 2013/36/EU (EBA/GL/2021/05) and the EBA Guidelines on policies and procedures in relation to compliance management and the role and responsibilities of the AML/CFT Compliance Officer under Article 8 and Chapter VI of Directive (EU) 2015/849 (EBA/GL/2022/05).

Structure and internal organisation

First Investment Bank has a developed risk management and control function, organized in line with the applicable regulatory requrements and recognized international recognised standards, under the management of a Chief Risk Officer (a member of the Managing Board) with appropriate experience and qualifications and directly reporting to the Risk Committee of the Supervisory Board.

The Chief Risk Officer organizes the overall risk management framework of the Bank, manages the process of its implementation, coordinates the activities of the risk committees of the Bank, and controls the credit process in its entirety, including the process of collection of problem loans. He ensures the effective monitoring, measuring, controlling and reporting of all types of risk to which the Bank is exposed. During the year, the processes for the exercise of veto power by the Chief Risk Officer and the Chief Compliance Officer were further developed on decisions taken by the Business committee on products and services.

First Investment Bank has also developed a compliance function, whose main objective is to identify, assess, monitor and report the risk of non-compliance. *For more information see „Control environment and processes".*

First Investment Bank maintains an information system allowing for the measurement and control of risks through the use of internal rating models for assessment of the quality of the borrower, assigning of credit rating to exposure, and obtaining quantitative assessment of risk. The information system ensures maintenance of a database and subsequent processing of data for the purposes of risk management, including for preparation of the regular reports necessary for monitoring the risk profile of the Bank.

Collective risk management bodies

The overall process of risk management is carried out under the guidance of the Managing Board of First Investment Bank. The Supervisory Board exercises control over the activities of the Managing Board on risk management, liquidity and capital adequacy, directly and/or through the Risk Committee which functions as an auxiliary body to the Supervisory Board in accordance with existing internal bank rules and procedures.

The Risk committee advises the Supervisory Board and the Managing Board in relation to the overall current and future strategy on ensuring compliance of the risk policy and risk limits, risk-taking propensity and control on its execution by the senior management. During the year there were no changes in the composition of the Risk Committee. As at 31 December 2025, it consisted of three members of the Supervisory Board of First Investment Bank AD. The Chairman of the Risk Committee is Mr. Jyrki Koskelo, independent member of the Supervisory Board.

For supporting the activity of the Managing Board in managing the various types of risks, the following **collective management bodies** operate at the Head Office of First Investment Bank: a Credit Council, an Asset, liability and Liquidity management Council (ALCO), a Restructuring Committee and an Operational Risk Committee, which carry out their activities on the basis of written structure, scope of activities and functions.

The **Credit Council** supports the management of the credit risk undertaken by the Bank by issuing opinions on loan transactions in accordance with the authority level assigned thereto, including with regards to proposals from the operational/business units in the Head Office, as well as from the branches of the Bank in the country and abroad.

During the year, no changes were made to the composition of the Credit Council. The Credit Council is chaired by the Director of the Risk Management department, with the remaining members comprising the Directors of Large Enterprise Banking, the Small and Medium-sized Enterprise Banking departments, a representative of the Retail Banking department responsible for microlending and the Deputy Director of the Risk Management department responsible for credit risk, monitoring and provisioning.

The **Asset, liability and Liquidity management Council (ALCO)** is a specialized collective body which advises the Managing Board on matters relating to implementing the policy for asset and liability management, and maintaining adequate liquidity in the Bank. It carries out systematic analysis of the interest-rate structure of assets and liabilities, of the maturity ladder and of liquidity indicators, with a view to possible early warning and taking actions for their optimization. During the year, a change was made to the composition of ALCO with regards to the representative of the Risk Management Department. The Chairman of ALCO is the Chief Executive Officer and the remaining members include the Chief Financial Officer and the Directors of Treasury, Retail Banking and Large Corporate Banking departments and the deputy director of the Risk Management responsible for risk analysis and control.

The **Restructuring Committee** is a specialized internal bank body responsible for the monitoring, evaluation, classification, impairment and provisioning of risk exposures and commitments. It also gives motivated written proposals to the Managing Board, and decides on restructuring of exposures according to the current authority levels in the Bank. During the year, changes were made to the composition of the Restructuring Committee with respect to the representative of the Legal department. The Chairman of the committee is the Director of Finance and the remaining members comprise the Directors of Problem Assets, Intensive Loan Management and Legal departments.

The **Operational Risk Committee** is an advisory body to the MB, designed to help the adequate management of operational risk by monitoring and analyzing operating events. The Committee proposes measures to minimize operational risks, as well as prevention measures. During the year, changes were made to the composition of the Operational Risk Committee to reflect the changes in the units managing IT within the Bank. The Chairman of the Operational Risk Committee is the director of the Risk Management department and the other members are the directors of the following departments: Card Payments, Compliance – Regulations and Standards, IT infrastructure and operations and Branch Network

Apart from the collective management bodies, the risk function in First Investment Bank is executed by the Risk Management department, which is an independent (separate from the business of the Bank) structural unit in the organizational structure of the Bank. It performs the functions of identifying, measuring and controlling the main types of risk inherent in the Bank's business, including credit risk management, monitoring and provisioning functions, as well as providing opinions on risk exposures in accordance with the current levels of competence on credit transactions. The department monitors the determined levels of risk appetite and risk tolerance, is responsible for the implementation of new requirements relating to risk assessment and capital adequacy, and assists other departments in carrying out their functions related to risk management and control.

System of limits

First Investment Bank applies a system of internal limits for different types of risks, in line with the regulatory requirements and the Bank's risk management strategy, including limits by client/counterparty, type of instrument and portfolio, sector, market, etc. The limits applied are monitored on a regular basis and are subject to periodic review and update in line with the risk appetite, market conditions and current regulatory framework.

In 2025, in connection with the introduction of the euro in the Republic of Bulgaria, the internal limits relating to the conversion of references from BGN to EUR were revised.

For more information on the internal limits for different types of risk, see the subsections on credit risk, market risk, liquidity risk, operational risk, as well as the Consolidated Financial Statements for the year ended 31 December 2025.

Recovery plan

In pursuance of the Law on Recovery and Resolution of Credit Institutions and Investment Firms, banks in the country are required to prepare and maintain recovery plans in case of potential occurrence of financial difficulties.

In 2025, First Investment Bank updated its recovery plan, including recovery indicators, with levels calibrated in accordance with regulatory requirements and applicable capital buffers and acceptable liability requirements, the assessment of substitutability in relation to the identified critical functions was revised in line with the impact assessment when determining criticality, and quantitative data and indicators relating to materiality for revenue and profit when determining the main business lines were added. The recovery measures were updated, with the impact that each of them would have on eligible liabilities being supplemented. The assessment of overall recovery capacity was enhanced with the cumulative effect of the measures applied on the total capital adequacy ratio (TCR), leverage ratio (LR) and net stable funding ratio (NSFR), in addition to the common equity tier 1 (CET1) ratio, eligible liabilities (MREL) and liquidity coverage ratio (LCR), in accordance with the requirements of the EBA Guidelines on overall recovery capacity in recovery planning (EBA/GL/2023/06).

The Recovery plan includes the detailed process of escalation and decision-making, as well as the units and bodies within the Bank responsible for its updating and implementation. It includes quantitative and qualitative early warning and recovery indicators, based on a wide range of capital & MREL, liquidity, profitability, asset quality, market-based and macroeconomic indicators, upon the occurrence of which a phased process is initiated, involving analysis and identification of the best way to overcome the crisis situation, as well as taking decisions to trigger the appropriate actions according to the procedures for reporting and escalation.

For the purposes of the plan, the key business lines and the critical functions of the Bank have been identified that are necessary for its smooth operation. According to the applicable requirements and in order to determine the range of hypothetical events, different stress scenarios of idiosyncratic, systemic and combined shock have been defined, against which effective recovery measures have been identified and the effect they might have on the financial and operating continuity.

In connection with the implementation of the plan, an effective process of communication and disclosure has been structured in First Investment Bank, including internal communication (to internal bank bodies and employees) and external communication (to supervisors, shareholders and investors, customers and counterparties, and other stakeholders), as well as measures for the management of potential negative market reactions.

Restructuring planning process

Pursuant to the Law on the Recovery and Resolution of Credit Institutions and Investment Firms, banks in the country are obliged to assist the resolution authority with a view to operational preparedness for carrying out potential restructuring of the institution should such a situation arise.

In this regard, First Investment Bank has in place an internal Bail-in Playbook to document the operational process related to a potential bail-in event, including the operational steps related to write-off mechanisms and conversion of instruments and liabilities, as well as the internal and external aspects for applying and operationalizing the bail-in process. Every two years, in line with the requirements of the EBA Guidelines on Resolution Workability Testing (EBA/GL/2023/05), the Bank prepares a self-assessment report on the individual key areas including: management processes, continuity of operations, access to financial market infrastructures, loss absorbency and recapitalisation, liquidity and funding in resolution, management information systems, communication and disclosure.

In 2025, as part of the actions related to the restructuring planning process, internal processes, organization of activities, and documents related to the potential application of the loss-sharing tool and the related communication plan were supplemented and upgraded. In 2026, a three-year program is expected to start to test the restructuring for each bank, with defined testing areas, testing methods and techniques, templates, and reports.

Credit risk

Credit risk is the risk arising from the debtor's inability to meet the requirements of a contract with the bank or inability to act in accordance with the agreed terms. The different types of credit risk include concentration risk, residual risk, dilution risk, counterparty risk, and settlement risk. Credit risk is the major source of risk to the banking business and its effective assessment and management are crucial for the long-term success of credit institutions.

First Investment Bank manages credit risk by applying internal limits on exposures, on customers/counterparties, types of instruments, industry sectors, markets, by written rules and procedures, by internal rating and scoring models, as well as by procedural requirements in the originating and managing of loan exposures (administration). During 2025, the limit framework in terms of exposure to individual economic sectors was updated for consistency and alignment with the values set out in the Bank's risk strategy and with the amendments of the classification of economic activities (NACE – 2025).

The internal bank regulations regarding credit risk are structured in accordance with the business model and organization of the activity, as well as in compliance with the regulatory requirements and recognized banking practices and standards, which include internal rules for lending and managing problem exposures, rules for classification, impairment and the provisioning of exposures, approval levels in the origination of loan exposures, as well as the methodology for conducting of credit analysis and internal credit ratings (scoring models) regarding the creditworthiness of customers. Internal rules and procedures are updated regularly with the aim of identifying, analyzing and minimizing potential and existing risks. The applied limits on credit risk exposures are monitored on an ongoing basis and in compliance with the market conditions and regulatory framework.

In connection with the requirements of Regulation (EU) 2024/1623 of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit rating adjustment risk, operational risk and market risk, and a floor for the capital requirement in 2025, The Bank changed its internal processes and systems for calculating capital requirements for credit risk by applying the standardized approach in accordance with Regulation (EU) № 575/2013.

Loan process

The credit process at First Investment Bank is automated through the Business Process Management (BPM) system, developed on the IBM Business Automation Workflow platform. It is integrated in the core information system of the Bank and includes control mechanisms and levels of authority in the review and approval of credit transactions. Approved transactions are administered centrally, at the Credit Administration Department, applying the „four eyes" principle, which exercises second control and compliance with contractual provisions relating to the drawdown of credit facilities.

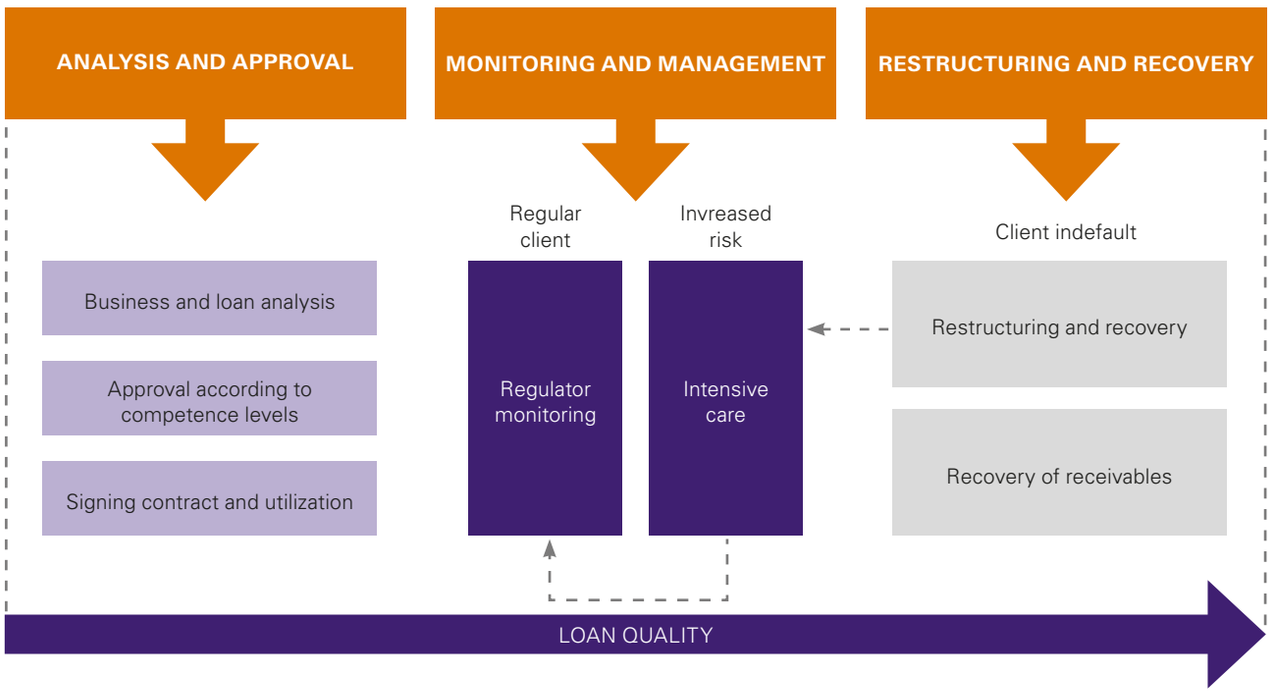
The Bank has an integrated Business Process Management (BPM) system for processing retail and business loans. The system covers the activities of accepting loan applications, preparing opinions, approval and disbursement of new loans, as well as renegotiating existing ones. The applicable limits and authority levels for approval/renegotiating of individual types of credit exposures are integrated in the system. Automating the credit process aims to increase the quality of customer service, as well as to reduce the time for processing credit applications.

In 2025, changes were made to the lending rules, including in various areas and activities related to lending to individuals and business customers, project financing, factoring, collateral management and valuation, as well as the levels of competence for approval of credit transactions, mainly in connection with the introduction of the euro in the Republic of Bulgaria. During the year, changes were also made to the internal rules for mortgage lending in order to clarify the scope of loans falling under the scope of the Law on real estate loans to consumers.

The lending activity is structured in accordance with the customer segmentation applied by the Bank. It corresponds to the European requirements for defining micro, small and medium-sized enterprises, which were transposed by the Law on Small and Medium-sized Enterprises. In it were reflected the changes related to the quantitative segmentation criteria in euro.

Credit products are priced so that income generated by them covers the cost of funds, the assumed risk/expected loss, the administrative costs, as well as the return on equity allocated to the respective product, incl. the minimum requirement for own funds and eligible liabilities (MREL).

Loan-life cycle



First Investment Bank maintains systems for the ongoing administering and monitoring of different portfolios and exposures to credit risk, including aiming at recognizing and managing exposures in default and performing adequate value adjustments for credit risk. Considering the impact of the economic cycle, Fibank manages exposures in default with a view to their timely diagnosis and taking measures consistent with the repayment capacity of the clients and the Bank's policy on risk-taking. The monitoring system of the Bank includes expanded review of individually significant loan exposures, with structured early warning signals and indicators for probabiitiy of delay/overdue and indicating the probability of non-payment.

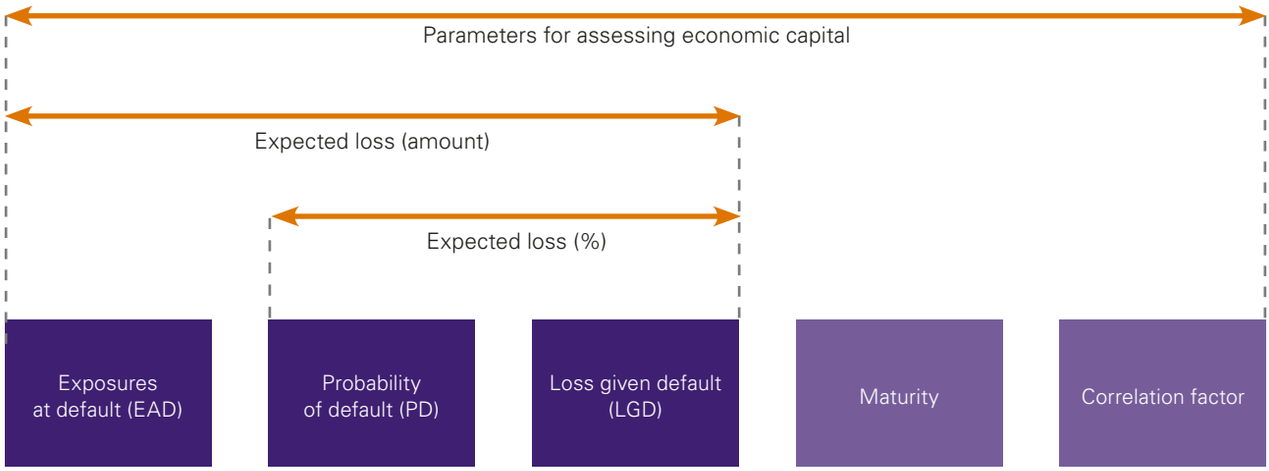
In the Bank a department functions for Intensive loan management, which manages the exposures of customers transferred from the business units with increased credit risk compared to the initial disbursement of the loan, as well as from the impaired assets unit, when there are indicators for recovery of the exposure and objective possibility for future regular servicing. The processes are organized in accordance with the Rules for transfer of credit exposues and the different phases of the life-cycle of the loan, which are subject to regular review and update.

Models for credit risk measurement

First Investment Bank applies internal credit risk models to assess the probability of default (PD), loss given default (LGD), and exposure at default (EAD) which allows the calculation of risk-adjusted returns. All credit risk exposures are controlled on an ongoing basis.

The framework, defined in accordance with the European regulations and Basel standards, sets minimum regulatory capital requirements to cover financial risks. In addition to regulatory capital, First Investment Bank also calculates economic capital which is included in the internal measurement and management of risk. Economic capital is maintained for the purpose of protection and covering of unexpected losses arising from market conditions or events.

Risk parameters for assessing expected and unexpected losses



For further information regarding economic capital see subsection „Internal Capital Adequacy Analysis".

The Bank uses internal models for credit assessment of business and retail customers. Assessment models are based on quantitative and qualitative parameters, weights of individual parameters being defined on the basis of historical experience. Business clients are assigned a credit rating, while individuals are based on scoring. An additional assessment for business clients is made based on a behavioral scoring model. The credit risk assessment derived from the rating models is further examined by a credit specialist/risk manager. Risk assessment models are reviewed regularly and updated, if necessary, in the light of the results of validation reports on their accuracy and effective application.

The Bank has project finance evaluation models (including for real estate, industrial projects and financing of individual fixed assets), applying quantitative analysis (based on estimated cash flows) and qualitative evaluation of the project and investor management, market environment and credit structuring, as well as a separate evaluation of the assets being funded.

All risk assessment models are adopted by the competent bodies in the Bank, proposed for their review after prior approval from the Chief Risk Officer.

There is a structured process within the Bank for assessment and validation of the risk management models to ensure their reliability, accuracy and effective implementation. It envisages the preparation of regular validation reports in the Bank: brief/monitoring quarterly reports and extended annual validation reports, covering both quantitative analysis (statistical, econometric and other quantitative approaches) and analysis of the qualitative (non-statistical) characteristics, in compliance with the current regulatory requirements and good banking practices in the area, aiming at timely reporting of the results to the competent bodies within the Bank.

Credit risk mitigation methods

Credit risk is managed also by acceptance of guarantees and collateral of types and in amounts according to the current regulations and the Bank's internal rules and requirements. First Investment Bank requires collateral for credit risk exposures, including for contingent liabilities which bear credit risk. For reduction of the credit risk the Bank applies established techniques, procedures and rules, ensuring effective credit protection, including through the monitoring and control of residual risk. Secured protection is ensured by assets which are liquid enough and have relatively unchanging value in time. The Bank applies internal written rules regulating eligible collaterals by type and amount, in compliance with the regulatory requirements for their recognition, as well as the legal requirements for supporting documentation. For reduction of credit risk, First Investment Bank applies the financial collateral simple method under the requirements of Regulation (EU) No 575/2013.

First Investment Bank currently monitors the relative regulations, as well as the acknowledged standards and good practices in this area, aiming constantly at further development and enhancement of the rules and processes existing in the Bank with respect to the acceptance, evaluation and management of collaterals, including with regards to the methods for evaluation. In the processes of managing collaterals requirements for appraisers rotation are applied after certain number of successive valuations of the same asset, in accordance with Guidelines on loan origination and monitoring (EBA/GL/2020/06). In 2025, the rules for

accepting, evaluating, and managing collateral were updated in connection with the introduction of the euro in the Republic of Bulgaria, with all references to BGN being converted into EUR.

Problem exposures, repossessed assets and strategy for their reduction

First Investment Bank has internal rules and written procedures for managing problem credit exposures, which include all main actions related to the management of problem loans, including analysis and assessment of risk exposures, restructuring and recovering, enforced collection, sale and writing off of problem exposures. Fibank uses a specialized system for the integrated management of problem assets, which includes all stages for monitoring and recovery of receivables.

In 2025, the rules for managing non-performing credit exposures were updated with regard to internal processes related to the initiation of legal proceedings, immediate enforcement, claims proceedings, and insolvency proceedings.

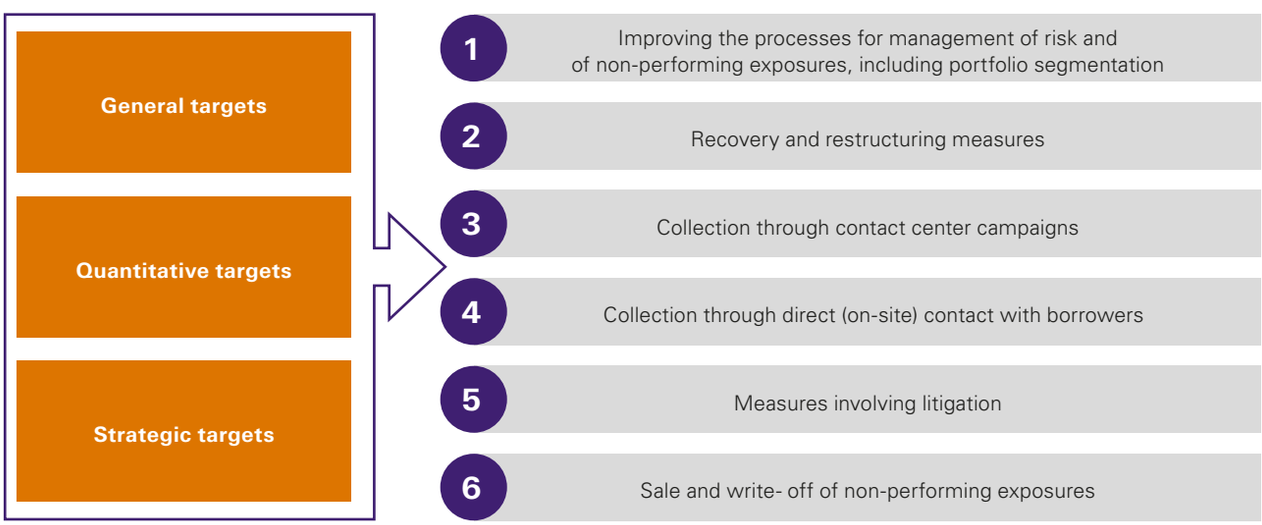
The Bank has structured processes and internal organization regarding the management and sale of repossessed assets, as well as for debt-to-asset/debt-to-equity conversion. There is an Asset Management and Sale Committee acting as an auxiliary body to the Management Board. It performs functions related to the management, administration and sale of acquired assets in accordance with the levels of authority operating in the Bank. During the year, the rules governing the operation of the Asset Management and Sale Committee, including the levels of competence for decision-making in relation to its functions, were updated in connection with the introduction of the euro in the Republic of Bulgaria.

Among the priorities of the Bank regarding its risk profile is reducing the portfolio of nonperforming exposures and repossessed assets, and in this regard a Strategy for reduction of nonperforming exposures and repossessed assets for 3-year period is in place, as well as an operating plan for its implementation, in which measures adequate to the business model and risk profile were identified aligned with the EBA Guidelines on management of nonperforming and forborn exposures (EBA/GL/2018/06).

In 2025, the Bank's strategy was updated as part of the annual planning and budgeting process, including target levels for key indicators, as well as the internal processes for their proposition, coordination, monitoring, control and reporting. The main goals and priorities set in it were preserved:

- Regular write-off of fully impaired and uncollectible credit exposures and sale of portfolios of non-performing exposures, in such volume and time horizon as the market dynamics allow and the prices offered;
- Achieving stable recovery, covering the entire life cycle of credit exposures and perfecting the practices and processes in order to achieve higher recovery rates;
- Improving the ways and methods for restructuring, aimed at increasing collections from non-performing exposures;
- Reduction of the risk profile of the loan portfolio and applying a conservative approach in collateral valuation;
- Reduction of the relative weight of the portfolio of foreclosed assets in the Bank's balance sheet in order to free up cash resources and reduce risk.

Measures/options reduce non-performing exposure



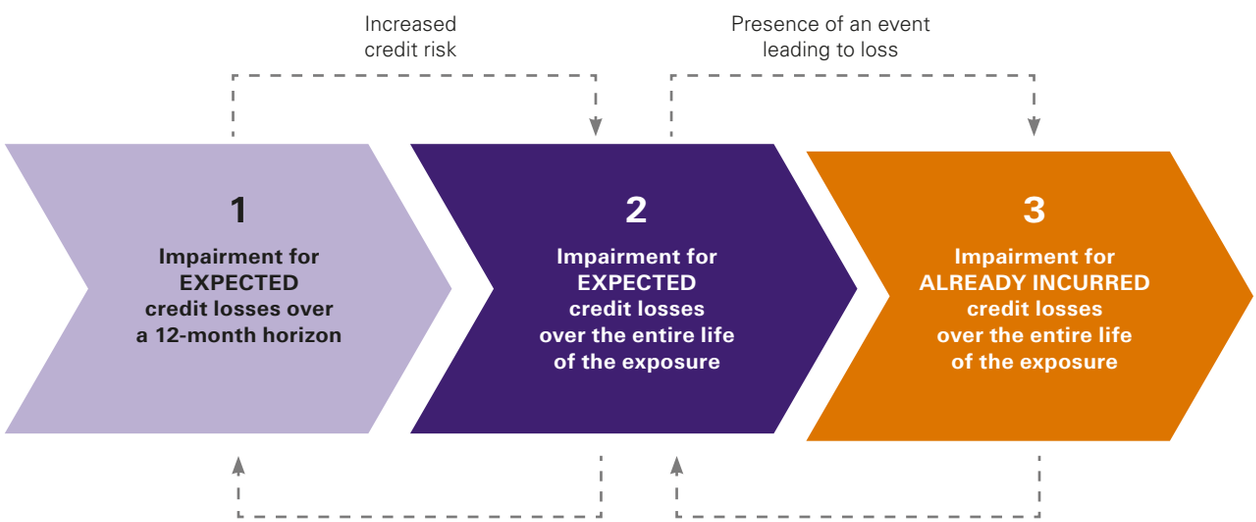
During the year, as a result of the consistent actions and measures for improving collection, write-offs and reduction of problem exposures, the nonperforming loan of the Group (NPL) ratio, as at 31 December 2025, calculated in accordance with the requirements of the European Banking Authority decreased by 3.7 percentage points to 5.9% of gross loans and advances under the FinREP financial reporting framework (2024: 9.6%), and the nonperforming exposure (NPE) ratio decreased by 2.6 percentage points to 4.8% of gross loans and advances and debt instruments other than held for trading (2024: 7.4%).

Classification, impairment and provisioning of exposures

First Investment Bank applies a consistent exposure classification process, structured in accordance with the requirements of Regulation (EU) № 575/2013 and its implementing regulations, Ordinance № 7 of the BNB on the organization and management of risks in banks, as well as the EBA Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07), the EBA Guidelines on PD estimation, LGD estimation and treatment of defaulted assets (EBA/GL/2017/16) and the EBA Guidelines on credit risk management practices and accounting for expected credit losses (EBA/GL/2017/06). Internal processes cover the definition of default, including indications of default and unlikeliness to pay, materiality thresholds for past due credit obligations, implementation of forbearance measures and reclassification, as well as units and internal banking bodies responsible for the process.

With respect to impairment and provisioning of risk exposures, the Bank applies written rules which are structured based on the principles of individual and portfolio evaluation of risk exposures, depending on the classification and amount of exposure. For exposures reported as non-performing specific impairment is determined, calculated on the basis of individual cash flows for individually significant exposures, or on portfolio basis for the others. Regarding exposures reported as performing, the Bank applies impairment on a portfolio basis (taking into account potential losses), grouping exposures with similar credit risk characteristics. According to IFRS9 an allowance for impairment loss is calculated equal to the expected credit losses over the life of the instrument, if the credit risk of the financial instrument has increased significantly since the original recognition. Otherwise, an allowance for impairment losses is calculated equal to the expected credit losses over a 12-month horizon.

Impairment of risk exposures



Specific indicators are being applied for defining the increased credit risk, which includes days past due, as well as other indicators i.e. presence of forborne measures, deterioration in the rating/scoring of the client and others, as well as defining the parameters for meeting the cash flow test for solely payments of principal and interest (SPPI test), including defining new or changed credit products.

The internal rules for classification, impairment, and provisioning were updated in connection with the introduction of the euro in the Republic of Bulgaria and the related conversion of references from BGN to EUR, as well as with regard to the economic scenarios used in determining impairment losses on a portfolio basis.

For more information on credit risk, see note 3 “Risk Management” from the Consolidated Financial Statements for the year ended 31 December 2025.

Market risk

Market risk is the risk of losses due to changes in the price of financial instruments resulting from general risk factors inherent in the markets and not related to the specific characteristics of individual instruments, such as changes in interest rates, exchange rates and/or specific risk factors relating to the issuer, incl. ecological, social and governance (ESG) factors.

The management of market risk is based on applying internal limits and written rules and procedures with respect to the processes and control environment. For the purpose of assessing and minimizing market risk the Bank applies internal models for assessment, which are based on the "Value at Risk" (VaR) concept, and in addition other duration analyses, calculation of stressed VaR, stress tests and scenarios are used.

The limits applied by the Bank for debt and capital instruments are structured with the aim of minimizing the risk and applying a wide and risk-based framework of limits, which are directly connected with the risk profile of the investments, as well as with the dynamics of the risk profile in time. The Bank applies a uniform framework regarding its limits on investments in debt securities to governments and financial institutions in accordance with the development of market conditions and opportunities to generate returns and returns.

In connection with the requirements of "Regulation (EU) 2024/1623 of the European Parliament and of the Council of May 31, 2024, amending Regulation (EU) № 575/2013 with regard to credit risk requirements, credit valuation adjustment risk, operational risk, and market risk, and the floor for capital requirements" in 2025, the Bank changed its internal processes and systems for calculating capital requirements for market risk by applying the simplified standardized approach in accordance with Regulation (EU) № 575/2013.

During the year, the policies and rules for market risk management and asset, liability, and liquidity management were updated, mainly with regard to the limits applicable to exposure to currency risk, central governments, as well as the reporting of interest rate risk in the banking book (IRRBB) and credit spread risk in the banking book (CSRBB).

In connection with the introduction of the euro in the Republic of Bulgaria, First Investment Bank has been approved by the Bulgarian National Bank as a counterparty in the Eurosystem's monetary policy, and as of January 1, 2026, it has been able to finance its activities, if necessary, through monetary policy operations, under the conditions and requirements set by the European Central Bank.

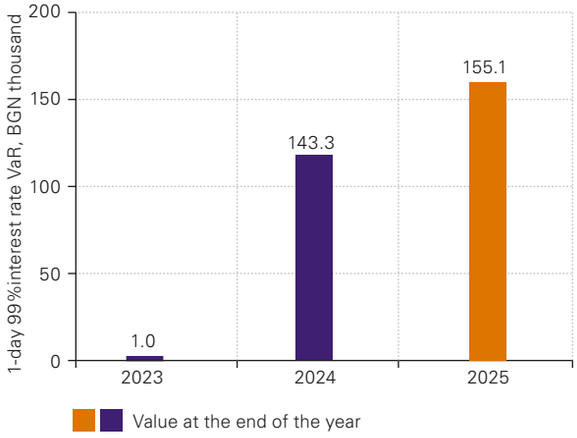
Position risk

Position risk is the risk of changes in the prices of debt and equity instruments as a result of circumstances related to the issuer and / or changes in market conditions. Position risk includes general and specific position / price risk.

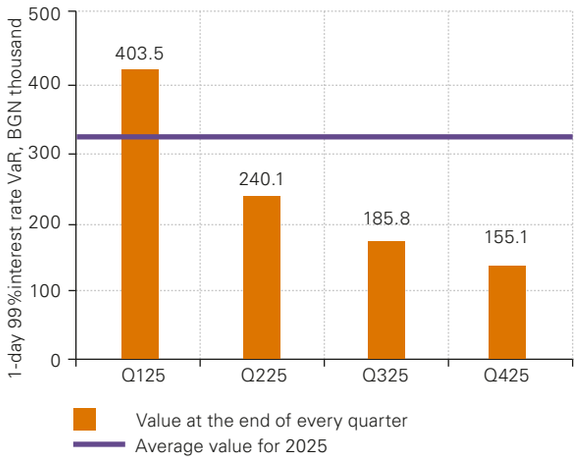
It is the policy of the Bank to maintain an insignificant trading portfolio in accordance with the criteria of Regulation (EU) № 575/2013. Therefore, it does not calculate capital requirements for interest rate and pricing risk in this portfolio.

For quantifying measurement of the interest rate and position risk in the trading portfolio, the Bank applies VaR analysis with a 1-day horizon and 99% confidence level, which means that there is 1% probability for the trading portfolio to depreciate within a 1-day interval more than its calculated VaR. The model is calculated and monitored on a daily basis by estimating the maximum loss that could occur over a specified horizon under normal market conditions, due to the adverse changes in the market rates, if the positions remained unchanged for the specified time interval.

Interest rate VaR for the trading book of debt instruments



Interest rate VaR for the trading book of debt instruments during 2025



In compliance with the European Banking Authority guidelines, the Bank measures stressed value at risk (sVaR) of the debt securities portfolio, where model inputs are calibrated so as to reflect an extended period of significant stress in the international financial markets.

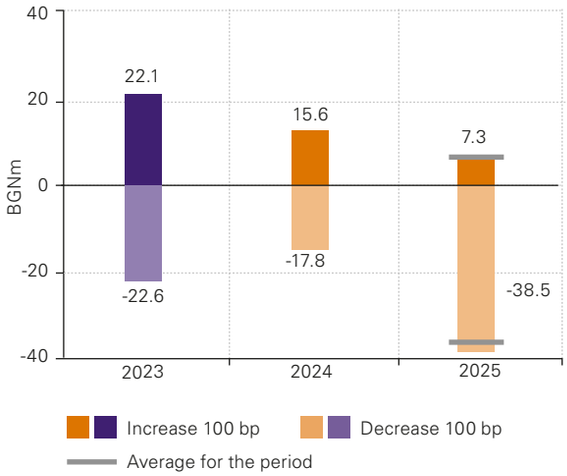
Interest rate risk in the banking book

Interest rate risk in the banking book os the risk from negative effect on the economic value of the capital and the net interest income of the Bank due to change in the market interest rate levels.

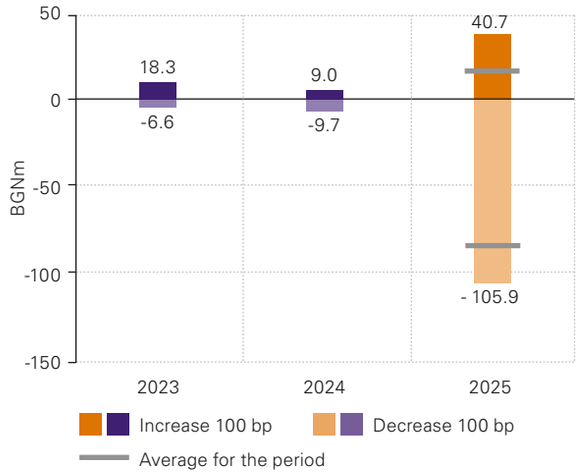
First Investment Bank manages this type of risk through written rules, limits and procedures aimed at reducing the interest sensitivity gap of assets and liabilities in accordance with the requirements of the EBA Guidelines issued on the basis of Article 84 (6) of Directive 2013/36/EU specifying criteria for the identification, evaluation, management and mitigation of the risks arising from potential changes in interest rates and of the assessment and monitoring of credit spread risk, of institutions' non-trading book activities (EBA/GL/2022/ 14) and the requirements of Ordinance № 7 of the BNB on the Organization and Risk Management of Banks. The Bank applies the uniform formats and templates for reporting interest rate risk in the banking book for supervisory purposes in accordance with Commission Implementing Regulation (EU) 2024/855.

Interest rate risk in the banking book is measured using models that assess the impact of interest rate scenarios on the economic value of the Bank and on net interest income. The interest rate risk assessment framework in the banking book (IRRBB) takes into account various sources of the IRRBB, incl. the risk of mismatch, underlying and option risk, and the risk of change in the credit spreads of financial instruments (CSRBB). The set of stress scenarios applied by the Bank includes those related to non-parallel changes in the interest rate curve, as well as taking into account a number of behavioral features in cash flows, in the context of different stress scenarios.

Effect on the interest income
from interest rate shock +100/-100 bp



Effect on the equity
from interest rate shock +100/-100 bp



As at 31 December 2025 the interest rate risk on the economic value of the Group (IRRBB) following a standardized shock of +100/-100 bp was BGN -105.9/+40.7 million, while on the net interest income one year forward it was BGN +7.3/-38.5 million

During the year, in connection with the introduction of the euro in the Republic of Bulgaria, the „Action Plan of First Investment Bank AD in the event of a significant change or termination of the preparation of interest rate benchmarks, including indices and/or indicators or a combination thereof used to calculate variable interest rates," as well as the internal „Rules for a supervised provider of input data for benchmarks and procedure for implementing the action plan in the event of a material change/cancellation of interest rate benchmarks in accordance with Regulation (EU) 2016/2011".

Currency risk

Currency risk is the risk of loss resulting from an adverse change in exchange rates. Fibank's exposure to currency risk arising from positions in the banking and trading book is limited by the application of regulatory-required and internal limits.

The Bank actively manages the amount of its overall open foreign exchange exposure, and seeks to maintain negligible levels of currency mismatches in its entire activity. In addition, First Investment Bank calculates and applies limits, based on an internal VaR model, regarding the maximum loss that could be incurred within 1 day at a confidence level of 99.0%.

The Bank is also exposed to currency risk as a result of proprietary trading transactions. The volume of such transactions is very limited and controlled through limits on open foreign currency positions, and stop-loss limits on open positions.

Counterparty risk and settlement risk

Counterparty risk (counterparty credit risk) is the risk that a counterparty in a particular transaction will default before the final settlement of the cash flows of the transaction. It arises mainly from transactions in derivative instruments, repo transactions, securities and commodities lending/borrowing transactions, margin lending transactions and extended settlement transactions. The Bank manages and controls this type of risk by applying limits and minimum credit quality requirements to counterparties /issuers.

Settlement risk for the Bank is the risk of outstanding transactions in securities, commodities or currency. It arises both in transactions with settlement services on the principle of „delivery versus payment" (delivery versus payment - DvP) and in trade without DvP („free deliveries"). For DvP transactions, the Bank assesses the risk that the price difference between the agreed settlement price for the respective instrument and its current market value will lead to a loss for the Bank. For those related to „free deliveries", the risk is controlled by applying internal credit quality limits to counterparties / issuers.

For further information regarding market risk see note 3 "Risk management" of the Consolidated Financial Statements as at 31 December 2025.

Liquidity risk

Liquidity risk originates from the funding of the banking business and in positions management. It includes the risk of failure to meet a payment when due, or failure to sell certain assets at a fair price and in the short term to meet an obligation.

First Investment Bank manages liquidity risk through an internal system for monitoring and daily liquidity management, maintenance of a sufficient amount of cash consistent with the currency structure of assets and liabilities and maturity ladder, regular gap analysis of inflows and outflows, maintaining a low risk portfolio of assets to meet current liabilities, and operations on the interbank market.

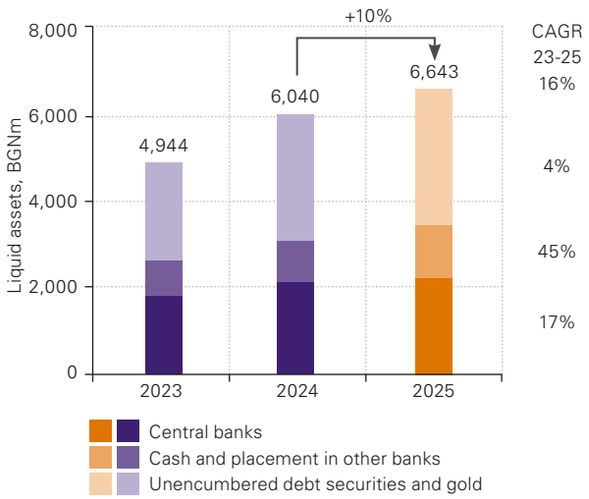
In order to maintain a medium-low risk profile, Fibank has established an adequate framework for liquidity risk management. The Bank's policy on liquidity management is designed so as to ensure meeting all obligations even under stress originating from the external environment or from the specifics of banking activity, as well as to maintain an adequate level and structure of liquid buffers and apply appropriate mechanisms for the distribution of costs, profits and risks related to liquidity. The Bank applies a combination of methods, financial models and instruments for assessment and management of liquidity, including the requirements for reporting and monitoring of the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) in compliance with Regulation (EU) No 575/2013 and the applicable delegated regulations of the European Commission. In order to reduce the liquidity risk, preventive measures have been taken aimed to extend the maturity of borrowings from customers, to encourage long-term relationships with clients and to increase customer satisfaction. In order to adequately manage liquidity risk, the Bank monitors cash flows on a daily basis, and also maintains a maturity ladder, which is part of the additional liquidity monitoring indicators and a tool for detailed monitoring of cash inflows and outflows by maturity interval.

First Investment Bank maintains the required minimum reserve ratios in accordance with the requirements of BNB Regulation № 21, expressed as a percentage of the reserve base, which generally includes the Bank's attracted funds in BGN and foreign currency, excluding funds attracted from other banks and branches of foreign banks domiciled in the country, branches of domestic banks abroad or in the form of equity instruments. Effective January 1, 2026, in connection with the introduction of the euro in the Republic of Bulgaria, the Bank introduced changes to its internal rules and processes regarding the maintenance of minimum reserve requirements, defined as a percentage of its reserve base in accordance with the requirements of Regulation (EU) 2021/378 of the European Central Bank of 22 January 2021 on the application of minimum reserve requirements (ECB/2021/1) and Regulation (EU) 2021/379 of the European Central Bank of 22 January 2021 on the balance sheet items of credit institutions and the monetary financial institutions sector (ECB/2021/2), as well as „Decision (EU) of the European Central Bank of 23 September 2025 on transitional provisions for the application of minimum reserve requirements by the European Central Bank following the introduction of the euro in Bulgaria" (ECB/2025/33).

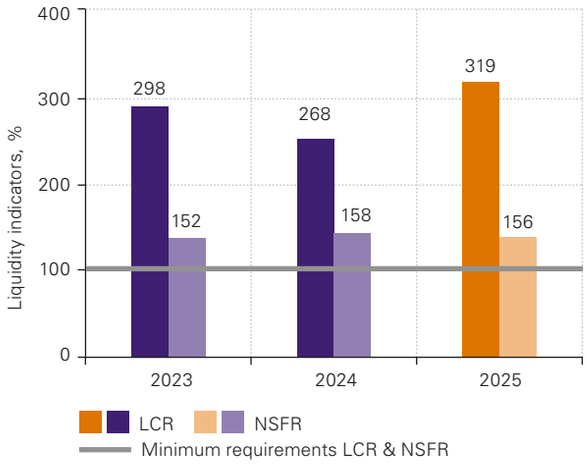
At the end of 2025, First Investment Bank was approved by the BNB as a counterparty in the Eurosystem's monetary policy, in accordance with the eligibility requirements of „Regulation № 45 of 17 April 2025 on establishing and regulating the legal relations of the BNB with monetary policy counterparties," and as of January 1, 2026, it has been able to participate in Eurosystem monetary policy operations, including open market operations and standing facilities with permanent access.

As regards asset/liability and liquidity management policies, First Investment Bank applies the business model requirements and the criteria for classification and valuation of financial assets in the Bank's portfolios in accordance with IFRS 9. Based on the purpose for managing the financial assets, the business models applied by the Bank include: 1) a business model whose purpose is the assets to be held to collect contractual cash flows (hold to collect); 2) a business model whose purpose is both to collect contractual cash flows as well as sale of financial assets (hold to collect and sell); 3) another business model when the purpose is different from the previous two business models, and which includes assets held for trading.

Liquid assets



LCR & NSFR



During the reporting year the Group of First Investment Bank maintained an adequate volume of liquid assets, as at 31 December 2025 the ratio of liquid assets covering the attracted funds due to other customers amounted to 42.88% (2024: 43.27%), which was significantly above the BNB recommended level of 20%. According to the regulatory requirements the Bank should maintain a buffer of liquid assets to ensure liquidity coverage of net liquidity outflows over a 30-calendar day stress period with a minimum amount of 100%. At the end of the reporting period, the liquidity coverage ratio (LCR) amounted to 318.84% on a consolidated basis (2024: 267.56%).

First Investment Bank also calculates a net stable funding ratio (NSFR), which is an instrument introduced to ensure that long-term liabilities are adequately covered by stable financing tools both under normal circumstances and in stress conditions. At year-end, the net stable funding ratio amounted to 155.63% on a consolidated basis (2024: 157.71%) and was above the reference value of 100% in accordance with Regulation (EU) No 575/2013.

Internal liquidity adequacy assessment process

First Investment Bank prepares a regular report on the internal liquidity adequacy assessment process (ILAAP), aimed at performing a comprehensive internal assessment of the liquidity management and funding framework of the Bank in the context of its strategy and risk appetite in terms of liquidity.

In 2025, as part of the annual review process, the ILAAP report was updated, including with regard to the results of the stress scenarios and stress tests applied, quantitative information on financing plans and sources of financing, and liquidity generation capacity. The internal liquidity indicators were structured in accordance with the requirements for consistency with the levels in the Recovery Plan, which were part of the ongoing monitoring and early warning system included in the Bank's risk management framework. Information was included on initiatives to raise funds through the direct offering of services on external markets, as well as on the organization of activities related to the preparation for the introduction of the euro in the Republic of Bulgaria, and the risks and effects on liquidity adequacy.

With respect to the internal processes and organization on ILAAP the CFO has general responsibility for controlling the process for updating, for making proposals for amendments on the document, as well as ensuring control before presenting for approval from the competent bodies within the Bank. The assessment takes into consideration the systems and processes existing in the Bank for management of risks related to liquidity and funding, including information on the daily management of liquidity risk and on the allocation of costs and benefits related to liquidity, which are determined based on a methodology for internal transfer prices (ITP) introduced in the Bank. The ILAAP also takes into account the funding plans within a three-year horizon, as well as maintaining liquidity buffers and the monitoring of encumbered assets. The quantitative measurements of the readiness of the Bank to deal with a sudden and significant outflow of borrowings (liquidity crisis) are established through stress tests and scenario analyses. For the purposes of ILAAP, First Investment Bank applies a combination of three stress scenarios: of idiosyncratic, market and combined shock, with a horizon of one week and one month, which take into account the stability of the deposit base and the sensitivity of the customers.

To ensure adequate capacity of the Bank to meet all its obligations and commitments, even in the context of a liquidity crisis, First Investment Bank has developed an action plan in case of contingency with respect to liquidity which is an integral part of the overall system for liquidity management.

For further information regarding liquidity risk see note 3 "Risk management" of the Consolidated Financial Statements as at 31 December 2025.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes, people or systems, or from external events. In order to mitigate the risks arising from operational events, First Investment Bank applies written policies, rules and procedures that are based on the requirements laid down in Bulgarian and EU legislation and good banking practices. In 2025 the rules were updated in accordance with the requirements of Regulation (EU) 2022/2554 and Regulation (EU) 2024/1623 amending Regulation (EU) No 575/2013, as well as in connection with the adoption of the euro as the official currency. With regard to capital requirements for operational risk, the Bank applies the new approach to the business indicator component in accordance with the requirements of Regulation (EU) № 575/2013.

First Investment Bank maintains a system for registration, tracking and control of operational incidents and near-misses that complies with the effective regulatory requirements. Operational risk management at Fibank is based on the principles of not assuming unsound risk, strict compliance with the authority levels and applicable laws, and active management of operational risk. The Bank applies reliable methods for avoiding, transferring, and limiting the impact of operational risks, including through separation of functions and responsibilities, double control, approval levels, internal control, insurance contracts, and information security.

With the aim of developing and enhancing its processes for operational risk management key risk indicators are defined within the Bank, which are applied both at Bank level, and specifically for each business unit and process in the Bank. They are used for the purpose of effective signaling of changes that may be relevant to the active management of operational risk, as well as for implementing better monitoring and control of the risk tolerance and of the thresholds and limits on individual types of risk, incl. related to ESG factors. The Risk Management department defines and categorizes operational events across event types and business lines inherent in banking, as well as the obligations and responsibilities of the Bank's employees in connection with their registration and reporting. The Operational Risk Committee regularly reviews and analyzes operating events and suggests to the Managing Board measures for prompt correction of their causes, as well as for strengthening the controls in the management of processes, activities, products and services at all levels of the Bank's system.

In order to assess the exposure and reduce operational risk, as well as to enhance and improve the control procedures, First Investment Bank conducts regular Risk Control Self-Assessment (RCSA) in the form of questionnaires and analyzing of processes. According to good banking practices the self-assessment is an important tool for additional evaluation of the Bank's exposure to operational risk, as well as a tool contributing to the analysis of the effectiveness of existing controls for its mitigation.

Business continuity management

In order to ensure the effective management of business continuity, First Investment Bank maintains contingency and business continuity plans, as well as plans for the recovery of all its critical functions and resources, which are regularly tested. Business continuity management ensures sustainability at all organizational levels within the Bank, as well as the opportunity for effective actions and reactions in crisis situations. The organization of processes ensured within the Bank aims at protecting the interests of all stakeholders, its reputation, brand and the value-adding activities.

Building an appropriate corporate culture with regard to business continuity management is an important part of the overall risk culture of the Bank. To further integrate information and apply a centralized approach, the internal rules on business continuity were structured into a single document with main content and separate action plans for specific incidents and crisis situations. The organization thus established aims to ensure rapid and effective action for addressing potential crisis situations, as well as the timely elimination of any negative consequences.

In 2025, as part of the annual review, an update to the Business Continuity Plan was undertaken, including in relation to assessing the impact of process interruption or resource loss in line with priorities and maximum allowable recovery time and reflecting changes in structural units.

Information security

Information security and cyber security play an increasingly important role in banking, given the growing digitization of services and automation of processes. It is as integral part of the Bank's priorities aiming at protection of ICT assets ensuring continuity of service and key banking processes.

The Bank's information security policy sets out principles and rules for protecting the confidentiality, integrity and availability of data and information of Fibank and its customers, and of related services. The Bank applies internal rules covering the organizational and managerial framework and employee responsibilities for ensuring the security of data, systems and relevant infrastructure. Measures have been put in place to guarantee proper logical and physical security, information asset management, access control and risk management.

An "Information security" department functions within the Bank under the supervision of the Chief Risk Officer, which coordinates the activities related to information security, defines the requirements towards controls and security of data, as well as organizes the execution of the Management Board's decisions in this respect.

Digital operational resilience

In 2025, the Bank continued working on implementing the requirements of Regulation (EU) 2022/2554 on Digital Operational Resilience in the Financial Sector (DORA), which governs activities regarding the ICT risk management framework, classification of information and ICT assets, ICT security, business continuity, ICT incidents and cyber threats, operational resilience testing and contracts with third-party ICT service providers.

During the year, a new Policy on ICT Service Contracts with Third Parties was created, which included the organization of the process and responsibilities for each major phase of the ICT service contract lifecycle, risk assessment and comprehensive verification of the third-party provider, as well as documentation and record-keeping for contracts for ICT services provided by third parties. Incident reporting procedures were also updated, mainly with regard to incidents related to information and communication technologies (ICT) and significant cyber threats, as well as operational or security-related incidents affecting payment services. The criteria for classifying significant incidents are in line with Regulation (EU) 2022/2554 and its supplementary acts, with reporting carried out in accordance with the applicable templates for initial notification, interim reports, and final report.

Change and project management

To ensure effective project and change management, First Investment Bank maintains written project and IT change management policies. They introduce a unified framework for managing projects, classifying them, assessing risks and structuring the processes, roles and responsibilities of teams through the different project phases, including initiation, planning, execution, monitoring and control and closure. For each project there is an initiator, sponsor and project manager, and a centralised Project Register is maintained, which is a systematised list or database containing detailed information on all ongoing and completed projects. For project and process management an internal system is used allowing centralized approach and monitoring of the project portfolio.

In terms of IT change management, internal processes are structured, formalizing the types of IT changes, the roles and responsibilities of the units involved during the different stages and steps in the change management process.

The Bank has a structured dedicated project management unit, under the direction of the Chief Information Technology and Operations Officer, which performs overall coordination of the Bank's project portfolio management and IT change management activities and oversees their implementation at the Bank level. An IT Committee also operates as a collective subsidiary body to the Board to oversee the implementation of the IT strategic agenda, manage and monitor the IT project portfolio, the targeted use of resources and the approved budget in this area – *for more information see section „Information technology"*.

Outsourcing

First Investment Bank has an Outsourcing Policy in place consistent with the requirements for outsourcing activities as defined by the Law on Credit Institutions and the EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02). It regulates the main phases of outsourcing, including definition of business requirements for outsourcing arrangements; identification of critical and important functions; identification, assessment and management of outsourcing risks; selection and due diligence procedures

for external providers; monitoring and management of outsourcing agreements; keeping of documentation and registers; as well as business continuity planning.

The activity of outsourcing to external contractors is structured in accordance with the processes related to contracts for ICT services provided by third parties.

The Bank maintains centralized and systematized information on outsourcing arrangements, and conducts regular reporting to competent internal Bank bodies on risks associated with outsourcing.

Risk exposures

As at 31 December 2025 First Investment Bank applied the standardized approach for the calculation of risk exposures for credit risk, in accordance with Regulation (EU) No 575/2013. Due to the insignificant volume of financial instruments in the trading book (bonds and other securities) capital requirements are calculated in accordance with the requirements of Regulation (EU) No 575/2013 as applied to the banking portfolio, and to the market risk a simplified standardized approach is used. With respect to capital requirements for operational risk, the Bank applies the business indicator component approach as per requirements of Regulation (EU) 575/2013.

In 2025 the structure of risk-weighted assets of the Group comprised predominantly of those to credit risk at 91.8% of total exposures (2024: 91.8%), following by those for operational risk at 8.2% (2024: 8.1%) and to market risk at 0.1% (2024: 0.1%) The Bank continued to maintain a conservative approach in the risk assessment and risk management.

In BGN thousand/ % of total	**2025**	**%**	**2024**	**%**	**2023**	**%**
For credit risk	8,859,889	91.8	8,190,777	91.8	7,273,076	92.1
For market risk	5,400	0.1	5,000	0.1	4,413	0.1
For operational risk	787,213	8.2	725,188	8.1	620,475	7.9
Total risk exposures	**9,652,502**	**100**	**8,920,965**	**100**	**7,897,964**	**100**

Apart from Supervisory purposes, Fibank also calculates the economic capital that will ensure its solvency and business continuity in adverse market conditions. For that purpose, an internal capital adequacy analysis (ICAAP) is carried out.

Internal capital adequacy analysis

First Investment Bank AD performs regular internal capital adequacy analysis (ICAAP) in the context of its business development goals, risk profile and risk appetite. The assessment of the required economic capital of the Bank reflects the risk profile of its activity, as well as its risk appetite, as the main indicators of the quantitative evaluation methods used take into account unfavorable external environment scenarios.

In 2025, the ICAAP report was updated in line with the risk strategy and the set business development goals, as well as in line with the operating environment and external conditions. The quantitative information and the results of the integrated stress test were updated using the EBA's market and macro scenarios for the period 2025-2027, taking into account the impact of the most significant risks to the financial stability of the banking system, under a baseline macroeconomic scenario and an adverse scenario (negative shock). The information on the mechanisms used by the Bank to manage and control ICT risks, risks related to outsourced activities, as well as the organizational approach and management of environmental, social, and governance (ESG) factors in its activities has been further developed. The risk analysis using statistical models is supplemented with information on the validation of risk management models. Information on the risks and effects related to the euro adoption process is also included.

When preparing the ICAAP report, a business model assessment is made, as well as internal control framework, incl. independent risk, compliance and internal audit functions are taken into consideration. The internal system for assessing the required internal capital is based on VaR forecasting models for credit and market risk, stress tests for credit, market, liquidity, reputational, and interest rate risk in the banking book, using the standardised approach and stress tests regarding operational risk, the Earnings-at-Risk approach for strategic risk, and on analytical tools and techniques that allow more detailed assessment of capital adequacy in accordance with the risk profile of the Bank and the current operating environment. For aggregating the various types of risks

the Bank uses a correlation matrix, which takes into account the connection between the separate risk categories, aiming at a more realistic and more enhanced approach for measuring the risk the Bank is exposed to, at the same time as sufficiently conservative estimates.

For calculation of capital adequacy regarding the exposure to credit risk, First Investment Bank uses internal valuation models, except in particular cases, e.g. in exposure classes with negligible impact on the risk profile. For exposure classes of substantial importance, which constitute the main credit activity of Fibank, economic capital is determined based on a single-factor portfolio credit-VaR model which determines the probable distribution of losses that may be incurred within a one-year horizon, at confidence interval corresponding to the risk appetite of the Bank. To quantify the risk of occurrence of extraordinary, unlikely but possible events, stress scenarios are applied. The stress scenario results are compared with the capital requirements for credit risk, calculated according to the portfolio VaR model.

As part of the overall assessment of the exposure to credit risk, for the purposes of ICAAP, First Investment Bank assesses the concentration risk which is due to the uneven distribution of credit exposures by client, or by a group of related persons, as well as by economic sectors, from the perspective of its financial stability and ability to carry out its core business. For the quantitative evaluation of the needed economic capital for this risk, the Bank matches the results of the portfolio VaR model between the real and a hypothetical portfolio, in which the amount of exposures is one and the same at all customers at equally all other conditions. For calculating the concentration risk as per economic sectors, a Herfindahl-Hirschman Index (HHI) is used.

The Bank's exposure to market risk is limited and involves the assessment of capital adequacy in relation to position risk, foreign exchange risk, and commodity risk. For calculation of the economic capital for market risk, internal value-at-risk (VaR) models are used, with a time horizon of 1 year and a confidence level corresponding to the risk appetite of the Bank, as well as stress tests for position risk of the equity portfolio.

For the purposes of the internal analysis of capital adequacy, Fibank manages the interest rate risk in its banking book (IRRBB) by managing the structure of investments, controlling the costs and terms of financial liabilities, as well as controlling the interest rate structure of the loan portfolio and the other interest-bearing assets. Two aspects are being measured for the interest rate in the banking book – the effect of interest rates on the net interest income at a one-year horizon, and the effect on the economic value of the Bank. For calculating the sufficiency of the economic capital with respect to interest rate risk in the banking book the largest decrease in the economic value of the Bank or the net interest income is defined resulting in a shift of the yield curves in the following scenarios: Parallel shock – parallel increase/decrease of interest rate levels; Short rates shock – increase/decrease in the interest rate levels in the short part of the curve; Steepener – the short part of the yield curve registers decrease, while the long part – increase; Flattener – the short part of the yield curve registers increase, while the long part – decrease. In addition to the non-risk interest rate component, reported are also the stress scenarios for change in the credit spread (CSRBB).

For the purposes of ICAAP, First Investment Bank calculates the required economic capital for operational risk on the basis of the results from the applied stress tests and the annual self-assessment exercise on risk and controls, which units in the Bank go through, and on identifying potential scenarios for rare but plausible operational events. The used by the Bank stress tests are for extraordinary but probable events, including different scenarios based on their financial impact and probability of occurrence. The economic capital for operational risk, incl. legal risk, is calculated as the overall financial effect in a one-year horizon based on all analyzed stress scenarios.

To assess liquidity risk, the Bank differentiates the analysis in two directions regarding the risk of insolvency and the risk of providing liquidity. The risk of insolvency is managed and covered by maintaining an appropriate buffer of unencumbered, highly liquid assets, while the risk of providing liquidity is covered and mitigated by economic capital. The Bank calculates economic capital for liquidity risk by assessing the amount of loss that would be incurred as a result of a liquidity crisis, (idiosyncratic, market and combined shock), taking into account the cost of repo transactions or liquidating assets to meet the cash outflow, as well as the expected increase in interest expense on borrowings.

For the purpose of ICAAP, the Bank assesses other risks, including strategic risk and reputational risk. For the quantification of strategic risk, the Earnings-at-Risk approach is used, measuring the historical deviations between the budgeted and generated net profit of the Bank. The capital for strategic risk is determined by applying a percentage of deviation corresponding to the accepted confidence level to the budgeted net profit for the next year.

The reputational risk reflects the risk that the Bank's reputation may differ negatively from the expected standard in terms of its expertise, integrity and reliability. Reputational risk may materialize mainly in loss of business, increased cost of funding, or liquidity crisis the effects of which are measured in the assessment of strategic risk and liquidity risk.

Results matter to us,
but so does being good people

Corporate governance statement

pursuant to Art. 100n of the Public Offering of Securities Act and Art. 40 of the Accountancy Act

As a public company and public interest entity, First Investment Bank discloses information about its corporate governance practices, as this section of the Annual Report represents a Corporate Governance Statement pursuant to Art. 100n of the Public Offering of Securities Act and Art. 40 of the Accountancy Act.

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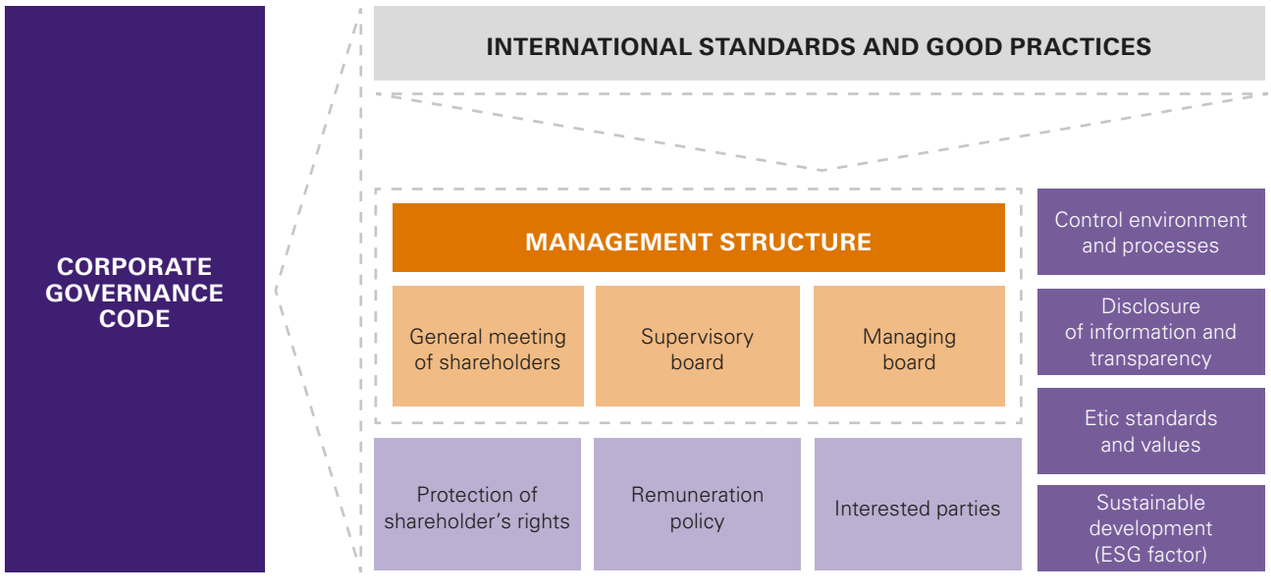
Corporate governance framework

For First Investment Bank AD good corporate governance is a key element for ensuring long-term and sustainable development, and successful business model. The corporate policy of the Bank is based on professional and transparent governance in accordance with internationally recognized standards and principles of good corporate governance, taking into account changes in the regulatory and economic environment as well as the financial markets in the country and abroad.

Key elements in the corporate governance framework



The corporate governance of First Investment Bank is a system of policies, rules, procedures and practices by which the Bank is managed and controlled, with clearly defined functions, rights and responsibilities at all levels: General Meeting of Shareholders, Supervisory Board and committees to it, Managing Board and committees and councils to it, Internal Audit, and structures at the headquarters, branches and offices. First Investment Bank has a two-tier governance system consisting of a Supervisory Board and Managing Board.

First Investment Bank applies a written Policy for governance on group level, which defines the main principles of internal governance and control over the subsidiaries, as well as the procedures and mechanisms facilitating the consistent and integrated development of the companies in the group in compliance with regulatory and supervisory bodies' requirements.

In 2025 the Bank developed its corporate governance policies, including on whistleblowing, remuneration policy, code of conduct, as well as by creating new auxiliary bodies to the Managing Board in connection with the implementation of the business objectives and compliance of activities with regulatory requirements.

Corporate governance code

First Investment Bank AD functions in accordance with the Corporate Governance Code adopted by the Managing Board and approved by the Supervisory Board. It outlines and structures the main components, functions and responsibilities constituting the system of corporate governance of First Investment Bank. In addition to the requirements of applicable law in the Republic of Bulgaria, the Code is structured by applying the principles of the Basel Committee on Banking Supervision, the guidelines of the European Banking Authority (EBA), as well as the applicable standards of the Organization for Economic Cooperation and Development (OECD) in this field, and the recommendations of the National Corporate Governance Code, approved by the Financial Supervision Commission.

The Code sets out the basic principles and requirements for maintaining and improving the organization and methods of governance at the Bank, aimed at:

- honest and responsible governance based on adding value;
- effective practices of oversight on management and control;
- executive management and senior staff acting in the best interest of the Bank and towards increasing the value of shareholders' equity;
- timely information disclosure and transparency, including on sustainable development;
- effective system of risk management and control based on the principle of three lines of defense.

In 2025 the Corporate Governance Code was updated in line with sustainability requirements, including those relating to the disclosure of information and the preparation of a sustainability report, its auditing by a registered sustainability auditor, and the role of the Audit Committee in this regard.

In compliance with the requirements of the applicable legislation, First Investment Bank annually discloses information on its corporate governance practices and on meeting the requirements set in the Corporate Governance Code of First Investment Bank, applying the "comply or explain" principle. Along with its annual report and financial statements, the Bank discloses to the public also a corporate governance assessment scorecard in compliance with the National Corporate Governance Code.

In addition to the Corporate Governance Code, First Investment Bank applies a Disclosure Policy. Both documents are publicly available at the corporate website of the Bank (https://www.fibank.bg/bg/za-nas/korporativno-upravlenie/kodeks-na-korporativno upravlenie).

In 2025 the requirements specified in these were met, including the requirements for disclosure of regulated information and information under the financial calendar of the Bank for 2025.

Code of conduct and whistleblowing policy

For the purpose of establishing the professional and ethical standards required and applicable to the Bank as a business company, work environment and a credit institution, Fibank has a Code of Conduct that determines the basic principles, ethical norms and corporate values which underlie the policies and business plans, rules, procedures and daily operational activities. In 2025 it was updated in connection with the upgrade of requirements regarding business etiquette and business conduct, as well as with the introduction of the euro in the Republic of Bulgaria.

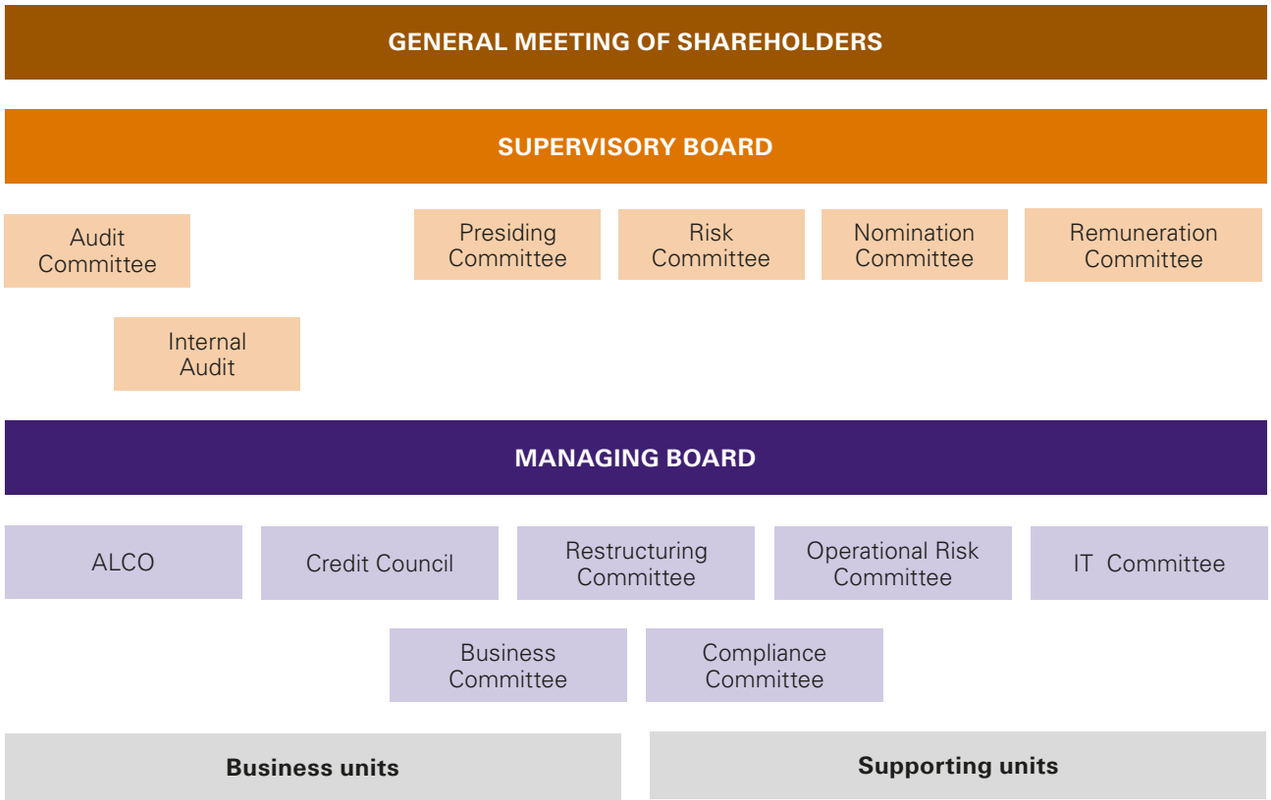
Fibank applies a Whistleblowing Policy. The Policy aims to systematize the means and procedure for submission of reports where there are suspicions of unlawful actions, or problems related to the work process, thereby ensuring their transparent and fair consideration and resolution. The Policy also includes the requirements of the Whistleblower Protection Act related to legal regulation in a work context. In 2025 the Policy was updated with regard to measures to ensure the protection of whistleblowers.

Group-level application

In accordance with First Investment Bank's policy for internal management at group level, as a parent company, First Investment Bank AD defines the basic principles, ethical standards, and corporate values, as well as guidelines and principles regarding compliance with applicable regulatory and other regulatory requirements and recognized standards for companies within the First Investment Bank AD Group, with a view to establishing a common framework for business ethics and conduct that will help maintain the good reputation of the subsidiaries and the Group as a whole.

Subsidiaries should comply with the Code of Conduct of First Investment Bank and adhere to the guidelines and principles set out in the Corporate Governance Code of First Investment Bank AD, as well as the internal policies for managing conflicts of interest, reporting and management of unlawful and unethical actions, and compliance of activities with regulatory requirements and standards, taking into account the local regulations and specifics of their activities.

Corporate structure



In 2025 new auxiliary bodies to the Managing Board were established – a Business Committee and a Compliance Committee, which operate according to written structure, scope of activities, and functions. For more information on the functions and composition of the committees, *see section "Committees and Councils to the Managing Board".*

Supervisory board

Structure and competences

In 2025 there were no changes in the composition of the Supervisory Board of First Investment Bank. During the year, the term of Mr. Jyrki Koskelo as a member of the Supervisory Board was extended for a new five-year period. As at 31.12.2025 the Supervisory Board consisted of five members, as follows:

Name	Position	Term of office
Evgeni Krastev Lukanov	Chairman of the Supervisory Board	24.01.2027
Maya Lubenova Georgieva	Deputy Chair of the Supervisory Board	24.01.2027
Radka Vesselinova Mineva	Member of the Supervisory Board	24.01.2027
Jordan Velichkov Skortchev	Member of the Supervisory Board	24.01.2027
Jyrki Ilmari Koskelo	Member of the Supervisory Board	27.07.2030

The business address of all Supervisory Board members is 111P, Tsarigradsko shose Blvd, 1784 Sofia.

Each member of the Supervisory Board has professional experience, knowledge, qualifications and skills, in compliance with the fit and proper requirements, contributing for the collective suitability in accordance with the activities carried out by the Bank, the risks and long-term goals.

In 2025 there were no changes in the number of shares of First Investment Bank held by members of the Supervisory Board. As at 31 December 2025 the members of the Supervisory Board held a total of 367,652 shares of First Investment Bank, as follows: Mr. Evgeni Lukanov (337,139 shares), Ms. Maya Georgieva (11,388 shares), Mr. Jordan Skortchev (19,125 shares), and none of them owned more than 1% of the issued share capital. In 2025 Mr. Jordan Skortchev also acquired 7 bonds with a total nominal value of EUR 350,000 issued by the Bank (ISIN BG2100023253), which do not exceed 1% of the total amount of the issue.

Diversity policy and independence

First Investment Bank complies its activity and maintains policies and practices for ensuring diversity in the composition of its governing bodies, including various aspects such as work experience, educational qualifications, gender.

The Bank seeks to maintain a target level of 30% of the members of the Supervisory Board to be from the underrepresented gender (rounding down to an integer if necessary). As of 31 December 2025, the Bank fulfilled the set target level, as two (40%) of the Supervisory Board members were women. The reported level exceeded the average levels in EU related to management board in its supervisory function (28%) according to latest reported data in research for diversity practices of the European Banking Authority (EBA Report on the benchmarking of diversity practices and the gender pay gap at the level of the Management body at European Union level under Directive 2013/36/EU (2021 data), EBA/REP/2023/07, published at https://eba.europa.eu/regulation-and-policy/internal-governance). As of 31 December 2025, three of the Supervisory Board members were men, as the percentage for gender diversity, calculated as ratio of women to men amounted to 40%/60%. *For further information regarding the professional experience and competences of the Supervisory Board members see section "Other information".*

The composition of the Supervisory Board is structured so as to ensure conscientious, professional and independent fulfillment of the obligations of its members. As of 31 December 2025, two (40%) of the Supervisory Board members were independent members, thus complying with the requirements applicable for significant banks and public companies, for 1/3 of the members of the Supervisory Board to be independent.

Functions and responsibilities

The Supervisory Board of First Investment Bank supervises16 and, where necessary, advises the Managing Board and monitors the overall activities of the Bank. It adopts and oversees the implementation of the objectives and development priorities, the corporate governance framework, and the corporate culture of the Bank. When exercising supervision over the activity of the

16 Performs supervisory/non-executive functions within the meaning of point 8 of EBA Guidelines on internal governance pursuant to Directive 2013/36/EU (EBA/GL/2021/05).

Managing Board, the Supervisory Board takes into account the achievement of objectives, the strategy and risks in the activity of the Bank, as well as the structure and operation of the internal systems for risk management and control.

The Supervisory Board ensures supervision of the risk management framework, including risk appetite, internal system for governance and control of all types of risks, incl. ESG risks, by requiring high risk culture among employees. It carries out its activity under effective exchange of information with the Managing Board subject to specifics, and by implementation of high ethical standards and the corporate values of business conduct sets the tone for high corporate culture and business ethics for sustainable development: „Tone from the Top".

The meetings of the Supervisory Board are determined in advance, in accordance with an annual work plan. In 2025 the Supervisory Board held 12 regular meetings in person, as well as additional meetings held in accordance with the procedure for making decisions in absentia, to consider issues within its competence. Emphasis in the activity, alongside the exercise of ongoing supervision in the implementation of the Risk Strategy, the Risk Appetite Framework, and the Strategy for Reduction of Non-performing Exposures and Repossessed Assets, where the Risk Committee provided active support, was placed on monitoring the Bank's preparations for the introduction of the euro in the Republic of Bulgaria, including the related migration of IT systems and processes, cash operations and terminal devices, as well as the documentary support for the activity. An important issue continues to be the progress on raising funds meeting the requirements for eligible liabilities (MREL), including the issuance of bonds under the terms of a private placement and their subsequent admission to trading on a regulated market of the Bulgarian Stock Exchange. Regular reviews were carried out on financial results and reporting and on the internal control framework, where the Audit Committee provided assistance. Matters concerning the current state of the branch network and branch operations, as well as the Bank's market shares dynamics were also discussed. Supervisory Board members were continually informed on the developments in the Bank's activity and of its compliance with new regulatory requirements, incl. on digital operational resilience, the submission of analytical data on credit and credit risk (BGAnaCredit), and sustainability-related disclosure. Twice a year, the Compliance Directorate and Internal Audit report to the Supervisory Board on the results of activities related to compliance with internal regulations.

The activity of the Supervisory Board is supported organizationally by a Secretary. In addition to organizing the meetings of the Supervisory Board and preparing the minutes, the Secretary has the responsibility to monitor the application of the procedures, as well as to ensure that information is provided and exchanged between the members of the Supervisory Board, members of committees, and the Managing Board.

Assessment of the activity

Once a year, the Supervisory Board performs an assessment of the effectiveness and efficiency of its own activities as a collective body and individually, assessment of the governance practices and procedures, suitability, as well as of the functioning of the Managing Board and the committees to the Supervisory Board. Such assessment for 2025 was accomplished at the end of the fourth quarter of the year.

Committees

The Supervisory Board is supported in its activity by a Presiding Committee, a Risk Committee, a Remuneration Committee, and a Nomination Committee which function according to written competencies, rights and responsibilities in compliance with the applicable regulatory requirements.

The **Presiding Committee** is responsible for overseeing the activities of the Managing Board on important strategic decisions, including the issue of new shares, bonds, hybrid instruments, the adoption of programs and budgets relating to the activity of the Bank, the distribution of line responsibilities among the members of the Managing Board, as well as the function for overview and control over the activity of the subsidiary companies of the Bank. In 2025 there were no changes in the composition of the Presiding Committee. Chair of the Presiding Committee is Ms. Maya Georgieva.

In 2025 the Presiding Committee held 4 meetings to consider issues within its competence, including allocation of responsibilities among members of the Managing Board in relation to the election of new Managing Board members, as well as regarding the Bank's more important projects, including those related to the introduction of the euro in the Republic of Bulgaria and the direct offering of services on foreign markets. Issues related to the creation of new auxiliary committees to the Managing Board, the coordination of the Bank's budget for 2026 and three-year business plans, and in addition monitoring of the activity of the subsidiaries were reviewed.

The **Risk Committee** advises the Supervisory Board and the Managing Board in relation to the overall current and future strategy on ensuring compliance of the risk policy and risk limits, risk-taking propensity and control of its execution by senior management. In 2025 there were no changes in the composition of the Risk Committee. Chairman of the Committee is Mr. Jyrki Koskelo.

The Risk Committee held 6 meetings during the reporting period, discussing issues of its competence. It reviewed updated plans and current risk reports, including the Recovery Plan and the internal capital adequacy analysis, for the purpose of coordinated implementation and subsequent application. During the year, the Committee reviewed and made recommendations on updating the Risk Management Strategy, Risk Appetite Framework and Strategy for Reduction of Non-performing Exposures and Repossessed Assets, as it was regularly informed and monitored their implementation. The Committee was continually informed on the effectiveness of the internal risk management and control systems.

The **Remuneration Committee** assists the Supervisory Board in the implementation of the Remuneration Policy of the Bank and its subsequent amendments, as well as in any other matters concerning remuneration, in accordance with the regulatory requirements and best practices in the area. In 2025 there were no changes in the composition of the Remuneration Committee. Chair of the Remuneration Committee is Mr. Evgeni Lukanov.

In 2025 the Remuneration Committee held 5 meetings discussing issues of its competence related to the Remuneration Policy, incl. with respect to newly elected Managing Board members and other key function holders, coordinating proposals in connection with the regular assessment process and updating the categories of identified staff, as well as on updating the Remuneration Policy of the Bank.

The **Nomination Committee** assists the Supervisory Board in assessing the individual and collective suitability of members of the Supervisory Board and Managing Board, as well as assessing the suitability of the key function holders in compliance with applicable regulations and the Policy of First Investment Bank for nomination and assessment of the suitability of members of the managing and supervisory bodies and persons holding other positions. In 2025 there were no changes in the composition of the Nomination Committee. Chair of the Nomination Committee is Mr. Jordan Skortchev.

During the year the Nomination Committee held 7 meetings to consider issues within its competence, including on the selection and suitability of new Managing Board members, of chairpersons of new and existing committees to the MB, as well as periodic follow-up assessments of the individual and collective suitability of members of the Supervisory Board, the Managing Board and key function holders. Topics were reviewed also on a group level with regards to changes in the management systems and the composition of the management bodies of subsidiaries.

As a public interest entity and according with the Law on the Independent Financial Audit and Assurance on Sustainability Reporting (LIFAASR), the Bank has a functioning **Audit Committee** which is responsible for supervising the financial reporting and the independent financial audit, as well as the effectiveness of the internal audit function and the systems for control and risk management in the Bank. The Committee also makes a recommendation in the selection and remuneration of the registered auditors, which perform the independent financial audit of the Bank, and monitors their independence in accordance with the requirements of the applicable European and national regulations, as well as with the Code of Ethics for Professional Accountants. The activity of the Audit Committee is structured based on written competencies, rights and responsibilities, included in its rules of procedure (stature within the meaning of Art. 107, par.7 of LIFAASR) in compliance with the requirements of the Law on the Independent Financial Audit and Assurance on Sustainability Reporting and Regulation 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities.

In February 2025, in relation to amendments to the LIFAASR, at an Extraordinary General Meeting of Shareholders of First Investment Bank AD, changes to the Audit Committee's Statute were approved, including taking on the functions in relation to sustainability assurance engagements, monitoring sustainability reporting processes, and recommending the selection and remuneration of the sustainability auditor.

First investment Bank fulfills the requirement that the majority of the members, incl. the chairman of the Audit Committee need to be external and independent from the Bank. In 2025 there were no changes in the composition of the Audit Committee. Chair of the Audit Committee is Mr. Dimitar Dimitrov, who possesses the financial competencies as well as the knowledge, professional experience and qualifications in the field of accounting and financial audit necessary for the effective performance of his duties.

During the year, the Audit Committee held 14 meetings, addressing various matters of its competence, including recommendations on the selection of registered auditors and sustainability auditors, as well as ongoing monitoring of financial reporting and independent financial audit, monitoring the effectiveness of the internal audit and compliance functions, and control systems, including through regular meetings held with the Chief Financial Officer, the Chief Compliance Officer, the Director of Internal Audit, as well as with representatives of the registered auditors of the Bank. The Audit Committee also discussed changes in

its Statute in relation to taking on the functions of monitoring sustainability reporting processes and sustainability assurance engagements.

Managing board

In 2025 changes were made to the composition of the Managing Board of First Investment Bank, which were entered in the Commercial Register and the Register of Non-Profit Legal Entities in March 2025. New Managing Board members were elected – Mr. Anton Petrov, as Chief Compliance Officer, and Mr. Vladimir Ikonomov, as Chief Digital Development Officer. Both are long-standing employees who have held a number of management positions at the Bank, with extensive professional experience in the banking and financial sector and high professional qualifications. *For more information on the professional experience and competencies of the new members of the Managing Board see section "Other information".*

Structure and competences

At the end of 2025 the Managing Board of First Investment Bank AD consisted of six members elected by the Supervisory Board on the recommendation of the Nomination Committee, in accordance with the requirements of applicable law, the Statute of the Bank, and the Policy of First Investment Bank AD for nomination and assessment of the suitability of members of the managing and supervisory bodies and persons holding other positions.

Name	Position	Term of Office
Nikola Hristov Bakalov	Chief Executive Officer (CEO), Chairman of the Managing Board	16.01.2030
Svetozar Alexandrov Popov	Chief Risk Officer (CRO), Member of the Managing Board and Executive Director	21.04.2029
Ralitsa Ivanova Bogoeva	Chief Retail Banking Officer (CRBO), Member of the Managing Board and Executive Director	28.04.2028
Ianko Angelov Karakolev	Chief Financial Officer (CFO) and Member of the Managing Board	21.05.2028
Anton Antonov Petrov	Chief Compliance Officer (CCO) and Member of the Managing Board	26.02.2030
Vladimir Plamenov Ikonomov	Chief Digital Development Officer (CDDO) and Member of the Managing Board	26.02.2030

The business address of all Managing Board members is 111P, Tsarigradsko shose Blvd, 1784 Sofia.

The Managing Board members are elected for period of up to 5 years and can be re-elected for further mandates without limitation.

The members of the Managing Board are established professionals with proven leadership qualities and capacity to translate their knowledge, skills and experience into well-argumented solutions that can be applied to the practices in the Bank, aiming to achieve the objectives and the development priorities, and stable management of the institution.

As at 31 December 2025 the members of the Managing Board held a total of 28,384 shares of First Investment Bank, as follows: Mr. Nikola Bakalov (2,516 shares), Mr. Svetozar Popov (5,856 shares), Mr. Ianko Karakolev (20,012 shares), and none of them owned more than 1% of the issued share capital.

In 2025 members of the Managing Board acquired debt instruments issued by the Bank (bond issue, ISIN BG2100023253), as follows: Mr. Nikola Bakalov (5 bonds with total nominal value EUR 250,000), Mr. Svetozar Popov (4 bonds with total nominal value EUR 200,000), Mr. Ianko Karakolev (4 bonds with total nominal value EUR 200,000), Mr. Anton Petrov (1 bond with total nominal value EUR 50,000), and none of them owned more than 1% of the total amount of the issue.

Diversity policy

In accordance with the policies and practices for maintaining and ensuring diversity in the composition of the management bodies, the Bank seeks to maintain a target level of 30% of the members of the Managing Board to be from the underrepresented

gender, if necessary rounding down to an integer. As of 31 December 2025, the Bank fulfilled the set target level as one (17%) of the Managing Board members was a woman. The reported level is close to the average levels in EU related to management board in its management function (18%) according to reported data in research for diversity practices of the European Banking Authority (EBA Report on the benchmarking of diversity practices and the gender pay gap at the level of the Management body at European Union level under Directive 2013/36/EU (2021 data), EBA/REP/2023/07, published at https://eba.europa.eu/regulation-and-policy/internal-governance). As of 31 December 2025, five of the Managing Board members were men, as the percentage for gender diversity, calculated as ratio of women to men amounted to 17%/83%. *For more information regarding the professional experience and competencies of the Managing Board members see section "Other information".*

The composition of the Managing Board is structured so as to ensure effective management of operations, subject to the generally accepted principles of managerial and professional competence and clear separation of duties and responsibilities. The Bank is represented together with each two of the executive members of the Board (executive directors).

Functions and responsibilities

The Managing Board of First Investment Bank is the body which manages[17] the Bank independently and responsibly, in accordance with the established mission, objectives and development priorities. The Managing Board operates under rules of procedure approved by the Supervisory Board. Its main functions are to manage and represent the Bank by resolving all matters affecting the Bank within its scope of activities, except those of the exclusive competence of the General Meeting of Shareholders or the Supervisory Board according to the law and the Statute of the Bank. The Managing Board organizes the implementation of decisions of the General Meeting of Shareholders and the Supervisory Board, and performs any other functions assigned to it by those bodies or the law. According to the statutes and internal regulations, certain decisions of the Managing Board are subject to approval by the Supervisory Board, while others require coordination with a committee to the SB.

In accordance with the principles of good corporate governance, an open dialogue is maintained between the Supervisory Board and the Managing Board of First Investment Bank. Besides the regular reports on implementation of objectives and activities, joint meetings are also conducted. The Managing Board immediately notifies the Chairman of the Supervisory Board or his deputy of any circumstances that are of material importance to the Bank and provides timely information regarding implementation of the business objectives and development priorities, risk appetite, risk limits or rules relating to regulatory compliance, the system of internal control, or the compliance of the Bank's activity with the regulatory requirements and the external environment.

The Managing Board of First Investment Bank holds meetings every week. The meeting agenda is prepared in advance. For the meetings of the Managing Board minutes are prepared which are signed by all members that were present at the meeting.

The activity of the Managing Board is supported organizationally by a Secretary, who is employed on a full-time basis and possesses the necessary qualifications and skills to ensure that the governing bodies follow internal rules and external regulations, as well as facilitating communication between them.

Committees and councils to the managing board

The activity of the Managing Board is supported by collective bodies, including the Credit Council, Assets, Liabilities and Liquidity management Council (ALCO), Restructuring Committee, and the Operational Risk Committee, which function according to written structure, scope of activities and functions – *for more information see section "Risk Management".*

In 2025 new auxiliary bodies to the Managing Board were created – a Business Committee and a Compliance Committee, which operate according to written structure, scope of activities, and functions.

The **Business Committee** is a specialized body that assists the Managing Board in achieving the Bank's business objectives. It makes decisions on business matters within its competence, including on products and services, development of distribution channels, marketing and advertising campaigns, changes in the Tariff and the Interest Bulletin. The Business Committee is chaired by the Director of the Small and Medium-sized Enterprises Banking department, and the other members include the directors of Retail Banking, Large Enterprise Banking, Digital Banking, Marketing and Advertising, and Card Payments departments.

The **Compliance Committee** is a specialized body that assists the Managing Board in performing its activities in accordance with regulatory requirements. It makes decisions within its competence, including on rules and other internal acts, general terms

17 Performs managing/executive functions within the meaning of point 8 of EBA Guidelines on internal governance pursuant to Directive 2013/36/EU (EBA/GL/2021/05).

and conditions, changes in processes related to regulatory or internal bank requirements, issues related to the prevention of money laundering and terrorist financing, and issues related to sustainability and environmental, social, and governance (ESG) factors. The Compliance Committee is chaired by the Chief Compliance Officer, and the other members include the directors of Compliance – Regulations and Standards, Legal, Compliance – Financial Crime Prevention, and Sustainable Development departments.

Other internal collective bodies also operate in the Bank, e.g. an IT Committee, which as an auxiliary body to the MB, is responsible for monitoring the implementation of the Bank's IT strategy, and to manage and control the IT project portfolio, the targeted use of resources and the approved budget in this area – *for more information see section "Information technology"*.

In line with the long-term priorities aimed at reducing non-interest-bearing assets and ensuring their effective realization, a Commission for the management and sale of assets functions within the Bank. Its role is to assist the Managing Board in relation to the management, administration and sale of acquired assets, in accordance with the Levels of authority established in the Bank. The Commission is chaired by the Chief Risk Officer, while the other members include the directors of the Impaired Assets, Asset Management and Administrative departments, as well as the Head of the Asset Valuation Specialised Unit.

Another functioning auxiliary body at the Bank is the Commission on cash operations, chaired by the Chief Retail Banking Officer, while the rest of the members include directors of the following departments: Vault, Accounting, Branch Network, Card Payments, Security, and a representative of the Risk Management department.

General meeting of shareholders

The General Meeting of Shareholders of First Investment Bank is the most senior management body, allowing shareholders to decide on fundamental issues concerning the existence and activities of the Bank. In particular, the General Meeting of Shareholders decides on amendments and supplements to the Statute of the Bank, on increasing or reducing the capital, as well as on transformation or dissolution of the Bank. The General Meeting of Shareholders has powers to appoint or dismiss members of the Supervisory Board, the Audit Committee and the Head of the Internal Audit of the Bank, decide on the distribution of profit, on the issuance of bonds, as well as on any other matters under the Statute of the Bank and the applicable law.

In February 2025, an Extraordinary General Meeting of Shareholders of First Investment Bank AD was held, with 81.39% of the share capital and voting rights represented, at which a registered auditor was selected to express limited assurance on the 2024 sustainability report. Changes to the Audit Committee's rules of procedure were also adopted, including the assumption of functions relating to sustainability assurance engagements, monitoring of sustainability reporting processes, and recommending the selection and remuneration of the sustainability auditor.

In June 2025, an Annual General Meeting of Shareholders of First Investment Bank was held, with 89.82% of the share capital and voting rights represented, at which a decision was taken that the entire net profit of the Bank for 2024 shall be capitalized and set in other reserves with general purpose, and no dividends shall be paid to shareholders and no other deductions shall be made from the profit for 2025, in order to include it in the Bank's CET1 capital. The General Meeting of Shareholders elected registered auditors for performing independent financial audit of the Bank for 2025 – Forvis Mazars OOD and Ecovis Audit Bulgaria OOD, as well as a registered auditor to express limited assurance on the 2025 sustainability report – Forvis Mazars OOD. The companies were elected after prior approval of the Bulgarian National Bank and upon recommendation from the Audit Committee of the Bank based on criteria for coordination of the selection, approved by the BNB together with the Commission for Public Oversight of Statutory Auditors. The General Meeting of Shareholders also decided to reelect for a new term a member of the Supervisory Board of the Bank – for more information see section "Supervisory Board", as well as to determine the remuneration of the members of the Supervisory Board and the Managing Board – *for more information see section "Report on the implementation of the Remuneration Policy"*.

In December 2025, an Extraordinary General Meeting of Shareholders of First Investment Bank AD was held, with 81.90% of the share capital and voting rights represented, at which a new Remuneration Policy of First Investment Bank AD was adopted, and additional remuneration was determined for members of the management and supervisory bodies with significant experience and contribution to the Bank's activities – *for more information see section "Report on the implementation of the Remuneration Policy"*.

Control environment and processes

The Bank has established and constantly improves a reliable and comprehensive internal control framework which includes control functions with the necessary powers and rights of access, enabling independent performance of duties by the structural and auxiliary units exercising monitoring and control. The risk management processes, procedures and requirements are structured according to the „three lines of defense", which include the business units, risk management and compliance functions, as well as internal audit. *For more information on the risk management function see section "Risk Management".*

Compliance

First Investment Bank has developed a Compliance function, whose main objective is to identify, assess, monitor and report the risk of non-compliance. The function ensures the compliance of activities with regulatory requirements and recognized standards, incl. with respect to measures against money laundering and terrorist financing, and supports the Managing Board and senior staff in the management and control of this risk. The function is organized under the management of the Chief Compliance Officer (Managing Board member and person under art. 15c of BNB Ordinance No 10, responsible for compliance with the relevant requirements for the prevention of money laundering and terrorist financing). The Chief Compliance Officer provides strategic guidance on the implementation of regulations and standards affecting the Compliance function at the Bank by establishing an appropriate management and control framework. He ensures that the Managing Board, Supervisory Board, and Risk Committee are informed of the risks of non-compliance, including in relation to anti-money laundering and counter-terrorist financing, data protection, investment services and activities, and the adequacy of the policies, procedures, and measures implemented to prevent non-compliance. The Chief Compliance Officer coordinates the Compliance function at individual and group level and is responsible for the overall assessment of the risk of non-compliance.

The Compliance function is performed by the departments Compliance – Regulations and Standards and Compliance – Financial Crime Prevention (Compliance Directorate), which are independent (separate from the business) structural units in the organizational structure of the Bank.

The Compliance – Regulations and Standards Department carries out the activities of identifying, assessing and managing the risk of non-compliance, ensures adequate and legitimate internal regulatory framework in the structure of the Bank, monitors for compliance of the Bank's products and services with existing regulations, as well as coordinating and assisting in the outsourcing of activities to external contractors and carries out activities related to the consideration of whistleblowing reports. It also manages and analyses customer satisfaction in the Bank in relation to customer complaints. As part of it, a Compliance – investment services and activities unit operates, executing ongoing control over the implementation of the regulatory requirements with respect to the Bank's activity as an investment intermediary and on the market abuse with financial instruments, as well as a Data Protection Officer, who has a leading role in ensuring the lawful processing of personal data in the Bank's structure – *for more information see section "Personal Data Protection".*

The Compliance – Financial Crime Prevention Department performs the Bank's activities related to prevention of money laundering and terrorist financing as a specialized service under Article 106 of the Measures Against Money Laundering Act (MAMLA), incl. regulatory compliance of this activity according to the EBA Guidelines on policies and procedures in relation to compliance management and the role and responsibilities of the AML/CFT Compliance Officer under Article 8 and Chapter VI of Directive (EU) 2015/849 (EBA/GL/2022/05) and BNB Ordinance No 10 on the Organization, Governance and Internal Control of Banks, as well as exercising control over the application of requirements for countering and preventing fraud.

In 2025, a Compliance Committee was created – a new specialized body that assists the Managing Board in performing its activity in accordance with regulatory requirements. *For more information see section "Committees and Councils to the Managing Board".*

The internal control framework is structured in compliance with the applicable requirements in this sphere, including Ordinance No 10 of the BNB on the Organisation, Governance and Internal Control of Banks and EBA Guidelines on internal governance under Directive 2013/36/EU (EBA/GL/2021/05).

In relation to measures against money laundering and terrorist financing, the internal regulations comply with the requirements of Ordinance No 10 of the BNB on the Organisation, Governance and Internal Control of Banks, the EBA Guidelines – EBA/GL/2022/05 (on policies and procedures in relation to compliance management and the role and responsibilities of the AML/CFT Compliance Officer under Article 8 and Chapter VI of Directive (EU) 2015/849); EBA/GL/2023/04 (on policies and controls for the effective management of ML/TF risks when providing access to financial services) and EBA/GL/2023/03 on customer

due diligence and the factors credit and financial institutions should consider when assessing the money laundering and terrorist financing risk associated with individual business relationships and occasional transactions.

In 2025, the Sofia Compliance Forum was held – a new initiative supported by First Investment Bank with the participation of leading professionals from Bulgaria and abroad for the exchange of knowledge and experience on regulatory requirements and trends in various areas of compliance, including measures against money laundering, terrorist financing, and sustainable development.

First Investment Bank applies written rules regarding the disclosure of conflicts of interest, in accordance with the adopted Conflict of Interest Management Policy, which consolidates the requirements in the applicable internal banking documents and further develops the necessary organization for timely identification, management, prevention or mitigation of present and potential conflicts of interest.

Internal audit

The internal audit function established in First Investment Bank has broad powers, independence, resource availability and access to the competent management and supervisory bodies. It contributes to the effective management of the Bank, giving reasonable assurance that legal regulations, rules and procedures are adhered to, and appropriate and timely corrective actions are taken, thereby helping to reduce the risk of losses and to achieve the business objectives of the Bank.

The internal audit carries out periodic inspections to ensure the achievement of objectives and tasks, the economical and efficient use of resources, adequate control of various risks, protection of assets, reliability and integrity of financial and management information, compliance of activity with current legislation, and observance of the existing policies, plans, internal rules and procedures.

In 2025 the General Meeting of Shareholders of First Investment Bank approved the 2024 annual report of the Internal Audit which informs shareholders of the main results of the control activities of internal auditors, the measures taken, and their implementation.

Registered auditors

The annual financial statements of First Investment Bank are subject to independent financial audit jointly by two audit companies, which are registered auditors pursuant to the Law on Independent Financial Audit and Assurance on Sustainability Reporting and in compliance with the applicable legislation. In order to ensure transparency and to disclose the results of the Bank to all stakeholders, the audited financial statements are published in Bulgarian and English on its corporate website at: www.fibank.bg.

The registered auditors are elected by the General Meeting of Shareholders on a proposal by the Supervisory Board and following a recommendation by the Audit Committee of the Bank. The registered auditors are audit companies independent from the Bank, and their selection is also agreed in advance with the Bulgarian National Bank based on criteria for coordination of the selection, approved by the BNB together with the Commission for Public Oversight of Statutory Auditors.

The registered auditors selected to perform independent financial audit of the annual financial statements of the Bank for 2025 are:

- Forvis Mazars OOD, UIC: 204638408, entered in the register of registered auditors on financial audit – auditing companies, maintained by the Commission for Public Oversight of Statutory Auditors under registration No 169; and
- Ecovis Audit Bulgaria OOD, UIC: 131039504, entered in the register of registered auditors on financial audit – auditing companies, maintained by the Commission for Public Oversight of Statutory Auditors under registration No 114.

At the Ordinary General Meeting of Shareholders held on 18 June 2025, a registered auditor was appointed to express limited assurance on the 2025 sustainability report as follows:

- Forvis Mazars OOD, UIC: 204638408, entered in the register of registered sustainability auditors – auditing companies, maintained by the Commission for Public Oversight of Statutory Auditors under registration No 169.

In its capacity as a public interest entity, in accordance with the Law on the Independent Financial Audit and Assurance on Sustainability Reporting, an Audit Committee functions within the Bank. *For further information see section "Supervisory Board".*

Protection of shareholders' rights

The corporate governance of First Investment Bank protects the rights of shareholders, depositors and other customers of the Bank, treating all shareholders of the Bank equally, including minority and foreign shareholders. The governing bodies of First Investment Bank provide shareholders and investors with regular and timely disclosure of information about major corporate events related to the operation and condition of the Bank, ensuring informed exercising of shareholders' rights, and informed investment decision-making by investors.

Convening of GMS and information

The convening of the General Meeting of Shareholders is made by written notice to shareholders in accordance with the Statute of the Bank in order to encourage their participation in the General Meeting, and in such a way as not to impede the voting or make it unnecessarily expensive. The Bank provides shareholders with timely and adequate information for decision-making, taking into account the scope of competence of the General Meeting. The invitation, together with the written materials related to the agenda of the General Meeting, are announced in the Commercial Register to the Registry Agency, submitted to the Financial Supervision Commission, and made available to the public through www.x3news.com at least 30 days before holding the General Meeting. They are also published on the website of the Bank in Bulgarian and English from the time of the announcement until the conclusion of the General Meeting. Upon request, the materials are provided to each shareholder free of charge. The invitation includes written rules for voting by proxy, requirements related to documents prepared in a foreign language, as well as information on receiving and accepting notifications, powers of attorney and other documents through electronic means of communication.

In cases where the Bank employees are also its shareholders, the same requirements regarding voting rights are applied as those currently applicable to the other shareholders.

Main transfer rights and restrictions

All shares issued by First Investment Bank AD are ordinary, dematerialized, registered, and each share entitles its holder to one vote at the General Meeting of Shareholders, and to a dividend and liquidation share in proportion with its nominal value. The Bank may not issue shares with different nominal values.

The Bank's shares are freely transferable, subject to the requirements of applicable law. Under the regulatory framework, natural or legal persons, or persons acting in concert, may not, without prior approval of the BNB, acquire directly or indirectly shares or voting rights in the Bank if, as a result of such acquisition, their holding becomes qualifying, or if such holding reaches or exceeds the thresholds of 20, 33 or 50 percent of the shares or voting rights, or when the Bank becomes a subsidiary.

No restriction on the rights of individual shareholders holding shares of the same class is allowed, and there are no shareholders of First Investment Bank with special voting rights. The Bank has no knowledge of agreements between shareholders that could lead to restrictions on the transfer of shares or voting rights.

First Investment Bank maintains a special section on the rights of shareholders on its corporate website (https://www.fibank.bg/bg/investitori/korporativno-upravlenie/prava-na-akcionerite).

Minority shareholders and institutional investors

In accordance with good corporate governance practices, the Bank develops initiatives to engage minority shareholders and institutional investors.

In an effort to maintain an open line of communication with shareholders and investors, First Investment Bank maintains an Investors Club, by registering in which all stakeholders can receive e-mail notifications of any investor information disclosed by the Bank to the public.

Information disclosure

Transparency and timely disclosure of information is a key principle in corporate governance. First Investment Bank maintains a system of disclosure in accordance with current regulations, which is aimed at providing timely, accurate and understandable information about significant events, allows for objective and informed decisions, ensures equal access to information, and prevents abuse of insider information.

First Investment Bank applies a Disclosure Policy that outlines the framework for provision of information to stakeholders, shareholders and investors in accordance with modern practices of good corporate governance and provides an opportunity for making objective and informed decisions and assessments. In disclosing information, the Bank is guided by the principles of accuracy, accessibility, equality, timeliness, integrity and regularity.

In its capacity as a public company and issuer, Fibank discloses to the public (through www.x3news.com) periodic information, including annual financial reports audited jointly by two registered auditors, as well as interim financial and activity reports. The scope of periodic information disclosed by First Investment Bank exceeds the requirements of national legislation, as the Bank has decided to publicly disclose quarterly financial activity reports in compliance with Art. 100o1, par.7 of the Public Offering of Securities Act and Art.15, par.2 of Ordinance No 2 of the FSC, which have more detailed content in its semi-annual reports, instead of the more concise public notifications for financial condition for the first, third and fourth quarter.

First Investment Bank prepares this Annual Report in Bulgarian and English. It contains detailed information on the development and competitive position of the Bank and its financial results, implementation of objectives and review of business by type of activity, as well as information on the management structure, the corporate governance framework (Corporate Governance Statement pursuant to the Public Offering of Securities Act and the Accountancy Act), risk management, information on sustainability (Sustainability Report within the meaning of the Accountancy Act) and remuneration policy and its implementation (Report on the implementation of the remuneration policy within the meaning of the Public Offering of Securities Act). In 2025 Fibank released its first Sustainability Report prepared in compliance with the European Sustainability Reporting Standards (ESRS) accompanied by an independent assessment by a registered sustainability auditor.

First Investment Bank also applies the requirements for disclosure through a single electronic reporting format as set out in Delegated Regulation (EU) 2019/815, according to which annual financial reports and activity reports are disclosed in XHTML format, while specific parts of the consolidated financial statements are marked by using the in-line XBRL format, which is a machine readable format.

As a large institution within the meaning of Regulation (EU) No 575/2013, registered on the stock exchange, the Bank discloses information in accordance with regulatory requirements on a quarterly, semi-annual and annual basis, applying the uniform disclosure formats under Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013.

The Bank also immediately discloses ad hoc information on important events related to its activity. Information is also published on the website of Fibank: www.fibank.bg, Investors section.

In 2025 the Bank began preparatory activities in connection with the requirements for the introduction of a European Single Access Point (ESAP) under Regulation 2023/2859, which should provide the public with centralized access to publicly available information of relevance to financial services, capital markets, and sustainable development.

First Investment Bank maintains a corporate website, including an English-language version, with established content and scope of the information disclosed therein. It provides information about the products and services of the Bank, as well as essential trading and corporate information about the Bank, including on shareholder structure, management and supervisory bodies and their committees, financial reporting and activity reports, sustainable development and environmental, social and governance (ESG) factors, as well as the other information required under the regulatory requirements and the National Corporate Governance Code. A special, easily accessible Investors section is maintained on the website, featuring detailed and updated corporate governance information, stock information, financial information, news for investors, general meetings of shareholders, etc.

In addition, Fibank publishes information on the Bank in the form of presentations and interviews with senior management, press releases, journals (e.g. Fibank News), discloses detailed information on the products and services of the Bank, the applicable terms and conditions and the Tariff and any amendments thereto, as well as information on non-financial events and initiatives in relation to sustainability.

Investor relations director

With a view to establishing an effective relationship between First Investment Bank and its shareholders and persons that have interest in investing in financial instruments issued by the Bank, an Investor Relations Director is appointed within First Investment Bank – Ms. Vassilka Momchilova Stamatova.

The Investor Relations Director of First Investment Bank has the necessary qualifications and professional experience for performing her obligations and responsibilities. The director is responsible for the timely disclosure of all needed reports, notifications and information the Bank is required to disclose to the Financial Supervision Commission, the Bulgarian Stock Exchange, the Central Depositary and the public, as well as to keep a register of all sent materials.

In execution of the applicable regulatory requirements, in June 2025 the Investor Relations Director of the Bank reported her activity during 2024 at the Annual General Meeting of Shareholders and her report was adopted by the shareholders.

The business address of the Investor Relations Director is 111P, Tsarigradsko Shose Blvd., 1784 Sofia, tel. +359 2 / 81 71 430, email: vasilka.stamatova@fibank.bg / ir@fibank.bg.

First Investment Bank has a mobile investor relations application providing quick access to financial information, the financial calendar of the Bank, as well as other data and news of interest to investors.

Stakeholders

First Investment Bank applies a policy of awareness to stakeholders with a bearing on its activities. These include certain groups along the value chain that the Bank impacts and that may in turn influence its activities or have an interest in its economic development, such as: customers, employees, investors (shareholders, bondholders), lenders and the public (suppliers and other counterparties, regulators, professional associations, NGOs, local communities and others).

Stakeholder groups	Stakeholder engagement
Clients: Individuals, micro, SME, large enterprises, institutional clients	• Contact center, video consultations, online chat via the corporate website, corporate blog, personal meetings with customers • Customer surveys and customer attitudes
Staff: Full-time and part-time employees	• Employee training, surveys, polls • Internal intranet site, face-to-face meetings with employees, whistleblowing channels
Investors and lenders: Shareholders, bondholders, creditors, potential investors	• General meetings of shareholders, meetings of bondholders • Mobile app for investor relations, Investors Club, meetings with lenders, minority shareholders and institutional investors
The Public: Suppliers and other contractors, regulators, industry organisations, NGOs, local communities	• Interaction with supervisory and regulatory institutions, and industry organisations • Participation in conferences for the banking and financial sector • Surveys, questionnaires, meetings with suppliers and business contractors

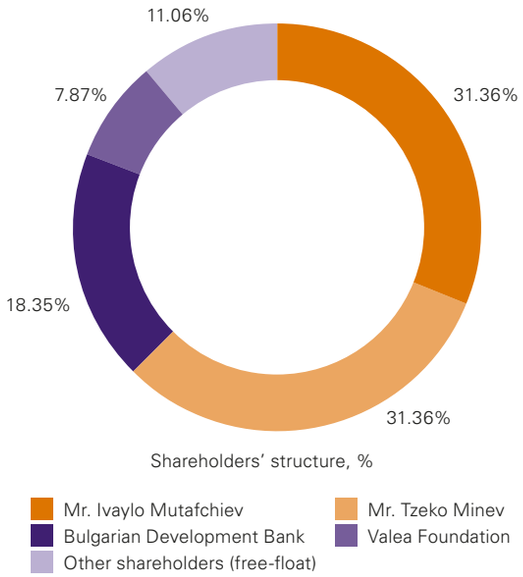
Periodically, in accordance with legal requirements and best practices, First Investment Bank discloses information of a non-financial nature, including on sustainable development taking into consideration ecological, social and government (ESG) factors. The Bank supports ecological initiatives, aimed at reducing the carbon footprint, as well as socially significant projects, provides sponsorship and develops donation programs directed primarily towards disadvantaged people, talented children, supporting Bulgarian sports, culture and education. *For more information, see "Sustainability Report".*

First Investment Bank maintains and develops a corporate blog which functions as a channel of communication aimed at open dialogue in accessible language with customers, partners and other stakeholders. *For more information see section "Distribution Channels".*

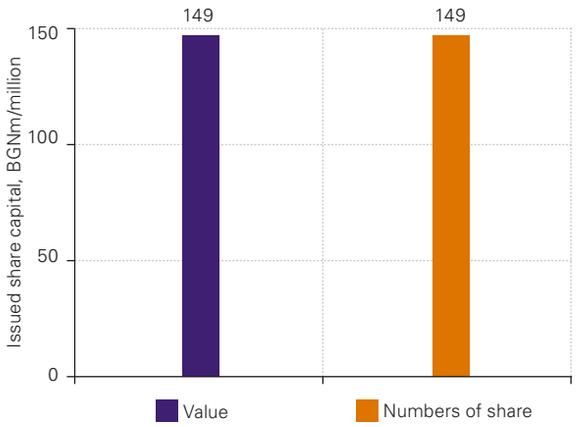
Shareholders' structure

As at 31 December 2025 the shareholder structure of First Investment Bank included the following shareholders: Mr. Tzeko Minev (31.36%), Mr. Ivailo Mutafchiev (31.36%), Bulgarian Development Bank AD (18.35%) and Valea Foundation (7.87%).

Shareholders' structure at end-2025



Issued share capital at end-2025



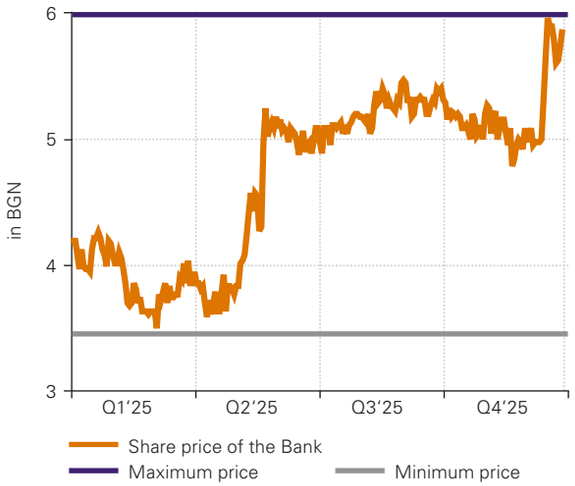
The remaining 11.06% of the Bank's issued share capital (BGN 16.5 million) was owned by other shareholders, holding shares subject to free trade on the Bulgarian Stock Exchange (free-float). At the end of the year the total number of shareholders was nearly 2,000 which include individuals and legal entities, incl. institutional investors.

During the reporting period First Investment Bank did not acquire or transfer own shares, and at the end of the reporting period the Bank did not have own shares.

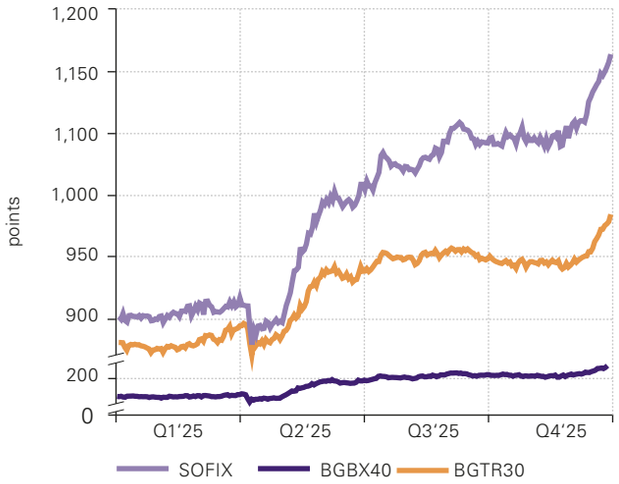
Share price and market capitalisation

In 2025, the share price of the Bank fluctuated in the range between BGN 3.68 and BGN 6.00. The last price of the shares of First Investment Bank for the reporting period was BGN 5.80 (2024: BGN 4.32) and the market capitalization of the Bank, calculated on this basis, amounted to BGN 864,692 thousand (2024: BGN 644,046 thousand). A total of 2,584 transactions were concluded with the shares of the Bank on the main market BSE, amounting to a turnover of BGN 4,819 thousand, compared to 5,165 transactions and BGN 12,423 thousand in turnover a year earlier.

Price of the Bank's shares for 2025



Main stock-exchange indices on Bulgarian stock exchange



As at 31 December 2025, the shares of the Bank were traded on the Main Market BSE, Premium Equities Segment of the Bulgarian Stock Exchange and were included in three stock exchange indices – SOFIX, BGBX40 and BGTR30, which bring together the largest, most traded and most liquid companies on the stock exchange in Bulgaria.

Report on the implementation of the remuneration policy

within the meaning of Art. 100n of the Public Offering of Securities Act

In its capacity as a credit institution and a public company, First Investment Bank discloses information regarding the remuneration policy and its implementation.

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Remuneration policy

In its capacity as a credit institution and a public company, First Investment Bank discloses information regarding the remuneration policy and its implementation, and this section of the activity report represents a Report on the implementation of the Remuneration Policy within the meaning of Art. 100n of the Public Offering of Securities Act

Main principles and objectives

The remuneration principles of First Investment Bank are structured in such a way as to contribute to sound corporate governance and risk management. The Bank implements a Remuneration Policy in accordance with the regulatory requirements, which is consistent with the risk strategy, development goals (incl. with respect to sustainability), values and long-term interests of the Bank, promoting reliable and effective risk management and does not stimulate risk-taking beyond the level acceptable to the Bank.

The main goal of the Policy is to attract and retain highly qualified staff, motivate them to achieve high results at a moderate level of risk and in accordance with the long-term interests of the Bank. It is based on the principles of avoiding conflicts of interest and discrimination, and equal treatment of all employees, gender neutrality, documentation, objectivity, reliable risk management.

Changes in the remuneration policy

In 2025, the General Meeting of Shareholders adopted a new Remuneration Policy at First Investment Bank AD, which is published on the Bank's website fibank.bg/web/files/documents/817/files/Remuneration policy_05.12.2025.pdf.

The remuneration policy further develops the principles for determining employee remuneration; the categories of personnel, including identified personnel; the criteria for granting remuneration, including variable remuneration; the internal organization in accordance with the three lines of defense model and the competent units for the implementation and control of the Remuneration Policy; builds on the specifics applicable to credit institutions and public companies.

Enforcement and control authorities

The General Meeting of Shareholders is the competent body for adopting the Remuneration Policy at First Investment Bank AD.

The Bank's Management Board organises the implementation and application of the Remuneration Policy, while the Supervisory Board monitors its application, in which it is mainly assisted by the Remuneration Committee operating under the Supervisory Board. In 2025, there were no changes in the composition of the Remuneration Committee, which consisted of three members of the Bank's Supervisory Board. The Chairman of the Remuneration Committee was Mr. Evgeni Lukanov, and the other members were Mr. Jyrki Koskelo and Mr. Jordan Skortchev. The Bank complies with the requirement that the majority of the members be independent members within the meaning of Article 10a, paragraph 2 of the Credit Institutions Act. *For more information on the activity of the Remuneration committee see section „Supervisory Board"*.

In accordance with the three lines of defense model, separate structures within the Bank participate in and complement each other in the control and implementation of the Remuneration Policy: Human Capital Management Department – supports the overall implementation of the Remuneration Policy, including any amendments and additions thereto, as well as reporting on its implementation; Risk Management Department – assists the Remuneration Committee and the Risk Committee in determining appropriate, risk-based performance measures and risk adjustment measures, as well as the impact of the variable remuneration structure on the Bank's risk profile; Compliance – Regulations and Standards and Legal Departments – support the activity by ensuring compliance with applicable regulatory requirements and agreements; Finance Department – supports the activity in relation to remuneration planning and budgeting, and the Internal Audit Department – conducts an annual review of the implementation of the Remuneration Policy.

Identified staff

The Remuneration Policy determines the categories of staff, incl. the identified staff, whose professional activities have a significant impact on the risk profile of the Bank, incl. members of the Supervisory Board and senior management staff, including

members of the Managing and executive directors; employees with managerial responsibility for material business units and for independent control functions and those whose activities involve risk-taking.

For 2025 the number of identified staff of First Investment Bank on a consolidated basis amounted to 43 employees, which include members of the Supervisory Board and the Managing Board, as well as other employees, whose activities are related to risk-taking, incl. in the field of lending and the main business lines, as well as those related to independent control and other corporate functions. They are identified in accordance with the internal methodology for evaluation and determination of the categories of employees by the identified staff, developed according to the qualitative and quantitative criteria of Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile.

Fixed remuneration

Individual permanent remuneration of identified staff is determined and developed by defining remuneration levels for the specific position. A starting level is determined at which employees are generally appointed, taking into account their expertise and relevant and proven managerial experience, as well as a remuneration level after successfully passing the probationary period, defined as a percentage increase over the starting level.

Permanent remuneration of employees within the category of identified staff is subject to annual review, which is carried out as part of the process of planning and budgeting staff numbers and staff expenses for the next year. The review of permanent remuneration and change decisions are based on assessment of employees' performance using a number of elements. They include performance against specific pre-defined key indicators/targets reflecting the specific contribution of the position and consistent with the targets and key priorities of the unit; indicators measuring the personal productivity and efficiency of employees; current priorities of the Bank by individual business line; general trends in the development of the labor market and/or data on current remuneration levels for similar positions; approved levels for the specific position and levels and individual remuneration of employees at similarly graduated positions; staff costs budgeted for the period.

Fixed remuneration is provided in the form of a salary determined individually for each employee, which depends on the job evaluation (level in the hierarchical structure, structural unit, responsibilities, etc.), competencies, and work performance of the employee. The salary includes basic and additional remuneration (for acquired work experience and professional experience and/or academic degree, etc.). Members of the Bank's management and control bodies are provided with a permanent remuneration in accordance with the functions, duties, and responsibilities associated with the position held and the overall responsibility of the person as a member of a management or control body of a credit institution. Additional monetary and non-monetary remuneration may be provided, which is not dependent on specific results and risk-taking, as well as remuneration for long-term contribution to the Bank's activities and/or for the performance of additional functions (such as chairperson, executive director, participation in committees and/or other functions related to current work).

Ratio between fixed and variable remuneration

The Remuneration Policy establishes the basic principles in determining of remuneration - fixed and variable, and the aim is to provide an opportunity for an optimal ratio between fixed and variable remuneration in accordance with the applicable provisions.

The amount of the variable remuneration of the identified staff may not exceed the amount of the permanent remuneration, except in the cases when by a decision of the General Meeting of Shareholders of the Bank a higher amount is determined, but not more than twice the amount of the permanent remuneration.

Criteria for evaluation and implementation of the activity

The variable remuneration shall be based on the results of the activity and the achieved goals, taking into account the level and time horizon of the assumed risks, the price of the capital and the necessary liquidity. The assessment shall be based on an appropriate combination of financial (quantitative) and non-financial (qualitative) criteria, including a combination of the assessments of the employee's performance, the structural unit in which the employee works and the Bank as a whole.

The quantitative criteria cover indicators such as the dynamics of the loan portfolio, the deposit base, and interest and fee and commission income, market share, net profit, return on equity (ROE), cost-to-income ratio (CIR), credit portfolio quality, capital adequacy and liquidity ratios.

Qualitative criteria include compliance with internal rules and limits, the Bank's code of conduct, customer satisfaction, leadership and management skills, teamwork, cooperation with other structural units.

Specific requirements for deferration, payment in instruments and retention of variable remuneration

In accordance with the current legislation and the Remuneration policy at least 50% of the variable remuneration of the employees from identified staff, shall comprise of shares and other instruments related to shares or equivalent non-cash instruments, as well as instruments within the meaning of Art. 52 or Art. 63 of Regulation (EU) № 575/2013 or other instruments which can be fully converted into Common Equity Tier 1 instruments or written down, as far as such instruments adequately reflect the credit quality of the Bank as a going concern and are appropriate to be used for the purpose of the variable remuneration in line with Delegated Regulation (EU) № 527/2014.

The requirements regarding the instruments to determine an appropriate retention period are included in order to comply with the incentives with the long-term interests of the Bank.

The remuneration policy shall provide a mechanism for a deferred payment of at least 40% of the variable remuneration of the identified staff for a period of at least four to five years, depending on the economic cycle, the nature of the activity and the associated risks, as well as by the position of the respective employee. The deferral mechanism shall involve proportionate allocation of the deferred variable remuneration or its gradual increase over the period of deferral.

The provisions of Regulation № 4 of the Bulgarian National Bank, where applicable, regarding exemption from the requirements for deferral, retention, and payment in instruments in relation to variable remuneration have also been taken into account.

Leave benefits

According to the concluded contracts for management and control in case of unilateral termination by the Bank, without notice, the members of the Managing Board are entitled to compensation in the amount of up to 6 monthly remunerations under the contract. According to the concluded agreements between the Bank and the members of the Supervisory Board, upon termination of the contract the members of the Supervisory Board are due compensation up to 12 monthly remunerations, and in special cases the compensation is up to 24 monthly remunerations.

The employment contracts of the Bank's employees comply with the applicable provisions of the Labor Code and do not contain clauses that differ from the provisions of the law and the usual practice.

Other information

In 2025, the remuneration paid to senior management of the Bank amounted to BGN 23,878 thousand (2024: BGN 14,987 thousand). During the year, no variable remuneration was paid to the identified staff under the meaning of Ordinance No4 of the BNB for the requirements towards remunerations in banks.

In BGN thousands

Reporting period	2025		2024	
	Identified staff - total	of which: SB/MB	Identified staff - total	of which: SB/MB
Fixed remuneration	27,858	23,878	19,551	14,987
Variable remuneration	-	-	-	-

At the General Meeting of Shareholders held on December 5, 2025 an Extraordinary meeting adopted a resolution on an item included in accordance with Article 223, paragraph 1 of the Commercial Act at the request of a shareholder for the payment of additional remuneration to members of the Bank's management and supervisory bodies with significant experience and contribution to its activities, to increase the Bank's capital by issuing new shares pursuant to Article 112, paragraph 4 of the Public

Offering of Securities Act and to repurchase own shares from the Bank's capital in the amounts, terms and conditions specified in detail in the minutes of the meeting published in accordance with Article 117, paragraph 3 of the Public Offering of Securities Act.

As a large institution within the meaning of Regulation (EU) No 575/2013 which is listed on a regulated market, the Bank discloses annually quantitative remuneration information structured by applying the uniform disclosure formats under Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards for the public disclosure by institutions of the information referred to in Part Eight, Titles II and III of Regulation (EU) No 575/2013.

For more information on Related party transactions and remuneration paid, see Note 35 "Related Party Transactions" of the Consolidated Financial Statements for the year ended 31 December 2025.

Integration of sustainability risks

Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Regulation (EU) 2019/2088), First Investment Bank, as an investment firm managing individual customer portfolios and providing investment advice, falls under the scope of harmonized requirements for transparency of remuneration policies in relation to the integration of sustainability risks in the process of taking investment decisions when providing services to customers.

In this regard, the Bank publishes the required information on its corporate website at (https://www.fibank.bg/bg/chastni-lica/spestjavanija-i-investicii/investicionni-uslugi-i-dejnosti). Remunerations received by employees of the Bank for providing portfolio management services and investment advice are not directly tied to investment performance. In addition, permissible risk exposures are predetermined, thus avoiding the possibility of additional risks being taken at the expense of sustainability, such risks having already been indirectly taken into account.

Achievements require
endurance, focus, and drive

Consolidated financial statements

for the year ended 31 december 2025
with independent auditors' report thereon

Report of the independent auditors

To the shareholders of First Investment Bank AD

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of First Investment Bank AD (the „Bank") and its subsidiaries (collectively, the „Group"), containing the consolidated statement of financial position as at 31 December 2025 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year, ending on that date, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the attached consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year ending that date, in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union (EU).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the section of our report „Auditors' Responsibilities for the Audit of Consolidated Financial Statements". We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Standards for Independence) of the Council on International Standards of Ethics for Accountants (IESBA Code), together with the ethical requirements of the Independent Financial Audit and Assurance of Sustainability Reporting Act (IFAASRA) that are relevant to our audit of the consolidated financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the requirements of IFAASRA.. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Impairment of customer receivables

Key audit matter
Impairment of customer receivables constitutes a material assessment by management regarding losses that would have been recognised within the Bank's loan book for the relevant reporting period. The bank assesses the need for impairment of customer loan receivables on an individual and portfolio basis. This process involves various assumptions and the accounting of factors, including an analysis of the financial condition of the credited client, forecast future cash flows from its activities, the value of the collateral on the loan, and others. As a result of the use of different modeling techniques and assumptions, they may lead to differences in the determination of the amount of impairment of customer receivables, respectively to differences in the amount of loss on loans granted. The exposures that create the greatest uncertainty in the valuation of customer receivables are those where there is a significant risk of cash flow shortfalls and/or insufficiency of the loan collateral. Customer receivables represent 51.30% of the Group's total consolidated assets. The bank categorizes its receivables from customers into 4 business segments: large, small and medium-sized enterprises, micro-enterprises and retail banking. The share of receivables from retail banking is the largest – 40.54% of total receivables from customers. Due to the materiality of customer receivables, as well as the complexity of the calculations to determine the impairment amount of these receivables, the many significant assessments and the high degree of uncertainty in the estimates set out in the impairment models applied, we have identified this issue as a key audit issue.
How this key audit matter was addressed in our audit
In this area, our audit procedures, among others, included: • Review the Bank's internal rules related to determining the impairment of customer receivables and gain an understanding of the impairment process for determining the impairment of these receivables, including the models for its calculation on an individual and portfolio basis and the key assumptions and judgments used in accordance with the requirements of IFRS 9 • Review and assess the adequacy, consistency and relevance of the methodology and models used by the Bank in relation to the requirements of IFRS 9 • Gain an understanding of the credit monitoring process and bypass key controls in determining the impairment amount of a sample of corporate and consumer loans • Review of a risk-based sample of loans for which substantive procedures have been carried out in relation to the assessment of the adequacy of the impairment recognised, as well as a recalculation of the impairment value of those loans • For a sample of loans with individual impairment by the Bank, we carried out a specific analysis of the assumptions and judgments used in determining the amount of expected future cash flows and for the realization of the collateral provided on these loans against the available market information. • For a sample of loans with portfolio impairment by the Bank, we reviewed the methodology used, analyzed and assessed the adequacy of the basic assumptions applied by the management in the context of the specifics of the Bank's individual loan portfolios and the availability of internal historical information, as well as data on the future development of their parameters. • For selected non-performing loans, we have evaluated management's forecast for cash flow generation, collateral estimates, and other sources of repayment. In addition, we have tested a sample of performing loans for which financial indicators have been assessed for weaknesses and other risks that may jeopardize the ability to repay exposures.

• Review of subsequent events that occurred after the reporting date and aimed at tracking the servicing of loans and receivables from customers from the identified risk-based sample in order to assess the consistency of the assumptions used by the Bank about the expected future cash flows. • Review for completeness and adequacy of the disclosures in the Bank's consolidated financial statements related to impairment losses on customer receivables.
Relevant references in the consolidated financial statements • Notes 18 • Note 2 (j) • Note 3 C (iii)

Other matters

When determining the risk-weighted exposures in Explanatory Note № 3 Risk Management, C. Capital Adequacy, the Group's management has excluded Right-of-use assets in accordance with IFRS 16 „Leasing" in the amount of BGN 79,105 thousand. -

Other information other than the consolidated financial statements and the audit report thereon

Management is responsible for other information. The other information consists of an activity report (on a consolidated basis), a corporate governance declaration (on a consolidated basis) prepared by management in accordance with Chapter Seven of the Accountancy Act, but does not include the consolidated financial statements and our audit report on it, which we received before the date of our audit report.

Our opinion on the consolidated financial statements does not cover other information, and we do not express any form of assurance with respect to it, unless it is not specifically stated in our auditor's report and to the extent it is specifically stated.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise 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 consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain a reasonable degree of certainty as to whether the consolidated financial statements as a whole do not contain material misstatements, whether due to fraud or error, and to issue an audit report that includes our audit opinion. A reasonable degree of certainty is a high degree of certainty, but it is not a guarantee that an audit carried out in accordance with the ISAs will always reveal material misaccounting, where it exists. Incorrect reporting may arise as a result of fraud or error and are considered material if it could reasonably be expected that they, alone or as an aggregate, could have influenced the economic decisions of consumers made on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, develop and implement audit procedures in response to these risks, and obtain audit evidence that is sufficient and relevant to provide a basis for our opinion. The risk of material misreporting resulting from fraud not being disclosed is higher than the risk of material misreporting resulting from an error, as fraud may include collusion, falsification, deliberate omissions, statements to mislead the auditor, and disregard or circumvention of internal controls.
- Obtain anunderstanding of the internal controls relevant to the audit in order to develop audit procedures that are appropriate in the specific circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the accounting basis on the assumption of going concern and, on the basis of the audit evidence obtained, on whether there is material uncertainty relating to events or conditions that could give rise to significant doubts as to the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, in the event that those disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that achieves a fair presentation.
- Plan and performthe Group's audit to obtain sufficient and relevant audit evidence regarding the financial information of entities or business units within the Group as a basis for forming an opinion on the Group's consolidated financial statements. We are responsible for the direction, supervision and review of the audit work carried out for the purposes of the Group's audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with management with a statement that we have complied with the applicable ethical requirements in relation to independence and that we will communicate with them any relationship and other matters that could reasonably be considered relevant to our independence and, where applicable, the related safeguards.

From the matters communicated with those charged with management, we identify those issues that were of the greatest relevance in the audit of the consolidated financial statements for the current period and which are therefore key audit matters. We describe these matters in our audit report, except where a law or regulation prevents the public disclosure of information about that matter or when, in extremely rare cases, we decide that an issue should not be communicated in our report, as it

could reasonably be expected that the adverse consequences of such action would outweigh the benefits in terms of the public interest of such communication.

We are jointly and severally responsible for the performance of our audit and for the audit opinion we expressed, in accordance with the requirements of the Independent Financial Audit and Assurance of Sustainability Reporting Act (IFAASRA) applicable in Bulgaria. In undertaking and performing the joint audit engagement, in relation to which we report, we have also been guided by the Guidelines for the Performance of Joint Audits, issued on 13.06.2017 by the Institute of Certified Public Accountants in Bulgaria and the Commission for Public Oversight of Registered Auditors in Bulgaria.

Report on other legal and regulatory requirements

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

In addition to our responsibilities and reporting under the ISAs, described above in the section „Other information other than the consolidated financial statements and the audit report thereon" with respect to the consolidated activity report and the consolidated corporate governance statement, we have also followed the procedures added to those required by the ISAs under the „Guidance on New and Expanded Audit Reports and Auditor Communication" of the the professional organization of registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA)". These procedures concern checks on the availability, as well as checks on the form and content of this other information in order to assist us in forming an opinion on whether the other information includes the disclosures and reports provided for in Chapter Seven of the Accountancy Act and in the Public Offering of Securities Act (Art. 100n, para. 10 of the Public Securities Act in conjunction with Art. 100n, par. 8, items 3 and 4 of the Public Offering of Securities Act), applicable in Bulgaria.

Opinion under Art. 37, para. 6 of the Accountancy Act

Based on the procedures performed, in our opinion:

(a) The information included in the consolidated activity report for the financial year for which the consolidated financial statements were prepared corresponds to the consolidated financial statements;

(b) The consolidated activity report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act and Art. 100(n), para. 7 of the Public Offering of Securities Act;

(c) The consolidated corporate governance declaration for the financial year for which the consolidated financial statements have been prepared shall present the required information under Chapter Seven of the Accountancy Act and Art. 100n, para. 8 of the Public Offering of Securities Information Act.

Opinion in under Article 100 (n), paragraph 10 in connection with Article 100 n, paragraph 8, p. 3 and 4 of the Public Offering of Securities Act

На база на извършените процедури и на придобитото познаване и разбиране на дейността на Групата и средата, Based on the procedures carried out and the acquired knowledge and understanding of the Group's activities and the environment in which it operates, in our opinion, the description of the main features of the Group's internal control and risk management systems in relation to the financial reporting process, which is part of the consolidated activity report (as an element of the content of the corporate governance statement) and the information under Art. 10(1)(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, do not contain cases of material incorrect reporting.

Reporting on compliance of the electronic format of the consolidated financial statements included in the annual consolidated financial statements for the activities under Art. 100n, para 5 of the Public Offering of Securities Act with the requirements of the EEF Regulation

We have made a commitment to express a reasonable degree of certainty as regards the compliance of the electronic format of the Group's consolidated financial statements for the year ending 31 December 2025, attached in the electronic file 549300UY81ESCZJ0GR95-20251231-BG-CON.zip, 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 by means of regulatory technical standards for the the definition of the single electronic reporting format ('EEF Regulation'). Our opinion is only with regard to the electronic format of the consolidated financial statements and does not cover the other information included in the annual consolidated financial statements for the activities under Art. 100n, para. 5 of the POSA.

Description of the subject matter and applicable criteria

Management has prepared an electronic format of the Group's consolidated financial statements for the year ending 31 December 2025 under the EEF Regulation in order to comply with the requirements of the POSA. The rules for the preparation of consolidated financial statements in this electronic format are set out in the EEF Regulation and they have, in our opinion, the characteristics of appropriate criteria for forming a reasonable assurance opinion.

Responsibilities of management and persons entrusted with general management

The Group's management is responsible for the application of the requirements of the EEF Regulation in the preparation of the electronic format of the consolidated financial statements in XHTML. Those responsibilities include the selection and application of appropriate iXBRL markings using the taxonomy of the EEF Regulation, as well as the introduction and implementation of such internal control system as management considers necessary for the preparation of the electronic format of the Group's annual consolidated financial statements, which does not contain material non-compliance with the requirements of the ESEF Regulation.

The persons entrusted with general management are responsible for supervising the process of preparing the Group's annual consolidated financial statements, including the implementation of the EEF Regulation.

Auditors' responsibilities

It is our responsibility to provide an opinion on a reasonable degree of certainty as to whether the electronic format of the consolidated financial statements complies with the requirements of the EEF Regulation. To this end, we have implemented the „Guidelines on the Expression of an Auditor's Opinion in Relation to the Application of the European Single Electronic Format (EEEF) for the Financial Statements of Companies Whose Securities Are Admitted to Trading on a Regulated Market in the European Union (EU)" of the Institute of Chartered Accountants (ICPA) in Bulgaria and made a commitment to express a reasonable degree of certainty in accordance with IAIS 3000 (revised) „Assurance Commitments, other than audits and reviews of historical financial information' (IAIS 3000 (recast)). This standard requires us to comply with ethical requirements, plan and execute appropriate procedures in order to obtain a reasonable degree of certainty that the electronic format of the Group's consolidated financial statements has been prepared in all material respects in accordance with the applicable criteria set out above.

The nature, timing and scope of the procedures chosen depend on our professional judgment, including the assessment of the risk of material non-compliance with the requirements of the EEF Regulation, whether due to fraud or error.

A reasonable degree of certainty is a high degree of certainty, but it is not a guarantee that a commitment made in accordance with IAIS 3000 (revised) will always disclose material non-compliance, where one exists.

Quality Management Requirements

We apply International Standard for Quality Management (IQMM) 1, which requires us to develop, implement and maintain a quality management system, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements for registered auditors in Bulgaria.

We meet the ethical and independence requirements of the International Code of Ethics for Professional Accountants (including International Standards for Independence) of the Council for International Standards of Ethics for Accountants (EUSJF Code), adopted by ICPA through the Law on Professional Accountancy.

Summary of the work done

The purpose of the procedures planned and carried out by us was to obtain a reasonable degree of certainty that the electronic format of the Group's consolidated financial statements has been prepared, in all material respects, in accordance with the requirements of the EEF Regulation. As part of the assessment of compliance with the requirements of the EEF Regulation with regard to the electronic (XHTML) format for reporting the Group's consolidated financial statements, we maintained professional scepticism and used professional judgment. We also:

- we gained an understanding of the internal controls and processes involved in the application of the EEF Regulation to the Group's consolidated financial statements, including the preparation of the Group's consolidated financial statements in XHTML format and their marking in machine-readable language (iXBRL);
- we checked that the applied XHTML format is valid;
- we have verified that the human-readable part of the electronic format of the consolidated financial statements corresponds to the audited consolidated financial statements;
- we assessed the completeness of the markings in the Group's consolidated financial statements when using machine-readable language (iXBRL) in accordance with the requirements of the EEF Regulation;
- we assessed the relevance of the iXBRL labels used selected by the core taxonomy, as well as the creation of an extended taxonomy element in line with the EEF Regulation where a suitable element in the core taxonomy is lacking; we assessed the relevance of mapping (fixing) the elements of the extended taxonomy in accordance with the ESEF Regulation.

We consider that the evidence obtained by us is sufficient and relevant to provide a basis for our opinion.

Opinion on the compliance of the electronic format of the consolidated financial statements with the requirements of the EEF Regulation

In our opinion, on the basis of the procedures carried out by us, the electronic format of the Group's consolidated financial statements for the year ending 31 December 2025, contained in the attached electronic file „549300UY81ESCZJ0GR95-20251231-BG-CON.zip", has been prepared in all material respects in accordance with the requirements of the EEF Regulation.

Reporting in accordance with Art. 10 of Regulation (EU) No 537/2014 in relation to the requirements of Art. 59 of the Independent Financial Audit and Assurance of Sustainability Reporting Act

In accordance with the requirements of the Independent Financial Audit and Assurance of Sustainability Reporting Act in connection with Art. 10 of Regulation (EU) No 537/2014, we report additionally the information set out below.

- Forvis Mazars Ltd. and Ecovis Audit Bulgaria Ltd. have been appointed as statutory auditors of the consolidated financial statements of First Investment Bank AD (the „Bank") for the year ending 31 December 2025 by the General Meeting of Shareholders held on 18 June 2025 for a period of one year.

- The audit of the Group's consolidated financial statements for the year ending 31 December 2025 represents the fourth full continuous commitment to a statutory audit of this entity carried out by Forvis Mazars Ltd. and the fourth full continuous commitment to a statutory audit of this entity carried out by Ecovis Audit Bulgaria Ltd.
- To support the auditor's opinion, we have provided in the Key Audit Questions section a description of the most important risks assessed, a summary of the auditors' response and important observations in relation to these risks, where appropriate.
- We confirm that the audit opinion expressed by us is in accordance with the additional report submitted to the Audit Committee of the Bank, in accordance with the requirements of Art. 60 of the Independent Financial Audit and Assurance of Sustainability Reporting Act.
- We confirm that we have not provided the information specified in Art. 64 of the Independent Financial Audit and Assurance of Sustainability Reporting Act, prohibited services outside the audit.
- For the period to which the statutory audit carried out by us relates, apart from the audit, we have not provided any other services to the Bank and its controlled subsidiaries that are not disclosed in the consolidated report of activities or the consolidated financial statements of the Group.
- We confirm that we have maintained our independence vis-à-vis the Group in carrying out the audit.

Sofia, 17-March 2026

About Ecovis Audit Bulgaria Ltd.:

Audit company with reg. № 114

Georgi Trenchev

Manager

Georgi Stoyanov Trenchev
Digitally signed by Georgi Stoyanov Trenchev
Date: 2026.03.02 19:43:30 +02'00'

Georgi Trenchev

Manager

Registered auditor responsible for the audit

Sofia. Sofia, blvd. Gen. Edward I. Totleben, Nos. 71-73

About FORVIS MAZARS LTD.:

Audit company with reg. № 169

Athanasios Petropoulos

Procurator

ATHANASIOS PETROPOULOS
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Date: 2026.03.02 18:30:41 +02'00'

Iva Slavkova

Registered auditor responsible for the audit

Sofia. Sofia, ul. Moskovska No 3A

IVA BISEROVA SLAVKOVA
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Date: 2026.03.02 19:20:49 +02'00'

Consolidated statement of profit or loss and of other comprehensive income for the year ended 31 December 2025

in BGN '000	Note	2025	2024
Interest income		584,925	538,221
Interest expense		(110,139)	(71,555)
Net interest income	**6**	**474,786**	**466,666**
Net fee and commission income		244,983	224,994
Fee and commission expense		(63,319)	(52,609)
Net fee and commission income	**7**	**181,664**	**172,385**
Net trading income	8	27,804	28,392
Other net operating income (expenses)	9	(99,262)	(54,241)
TOTAL INCOME FROM BANKING OPERATIONS		**584,992**	**613,202**
Administrative expenses	10	(273,019)	(249,866)
Other income/(expenses), net	12	69,413	52
Profit before impairment		**381,386**	**363,388**
Allowance for impairment	11	(168,784)	(199,799)
PROFIT BEFORE TAX		**212,602**	**163,589**
Income tax expense	13	(23,419)	(18,305)
PROFIT OF THE GROUP AFTER TAX		**189,183**	**145,284**
Other comprehensive income			
Items which should or may be reclassified as profit or loss			
Exchange Rate Differences from the Revaluation of Foreign Operations		1,931	6,494
Revaluation reserve of investments in securities		(1,378)	9,664
Other comprehensive income		**553**	**16,158**
TOTAL COMPREHENSIVE INCOME		**189,736**	**161,442**
Net profit attributable to:			
Holders of Ordinary Shares of the Bank		188,215	144,791
Non-controlling interest		968	493
Total comprehensive income attributable to:			
Holders of Ordinary Shares of the Bank		188,768	160,949
Non-controlling interest		968	493
Basic and diluted earnings per share (BGN)	**14**	**1.26**	**0.97**

The consolidated statement of profit or loss and of comprehensive income is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 134 to 199.

The consolidated financial statements have been approved by the Managing Board on 17 March 2026 and signed on its behalf by:

Nikola Bakalov
Chief Executive Officer

Svetozar Popov
Executive Director

Ralitsa Bogoeva
Executive Director

Ianko Karakolev
Chief Financial Officer

Audited as per the auditors' report dated 17/03/2026:

Athanasios Petropoulos
Procurator

ATHANASIOS PETROPOULOS
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Date: 2026.03.02 18:30:41 +02'00'

Forvis Mazars OOD

Georgi Trenchev
Manager, Registered auditor responsible for the audit

ECOVIS AUDIT BULGARIA OOD

Iva Slavkova
Registered auditor responsible for the audit

IVA BISEROVA SLAVKOVA
Digitally signed by IVA BISEROVA SLAVKOVA
Date: 2026.03.02 19:20:49 +02'00'

Georgi Stoyanov Trenchev
Digitally signed by Georgi Stoyanov Trenchev
Date: 2026.03.02 19:43:30 +02'00'

Consolidated statement of the financial position as at 31 December 2025

in BGN '000	Note	2025	2024
ASSETS			
Cash and balances with Central Banks	15	3,619,624	2,814,363
Investments in securities	16	3,336,398	3,441,113
Loans and advances to banks and other financial institutions	17	607,313	365,017
Loans and advances to customers	18	9,830,225	8,542,732
Property and equipment	19	322,412	308,660
Intangible assets	20	31,090	26,797
Derivatives held for risk management		-	3,020
Current tax assets		32,647	31
Repossessed assets	22	329,091	373,414
Investment Property	23	894,421	766,231
Rights of use assets	24	79,105	82,477
Other assets	25	78,769	131,755
TOTAL ASSETS		**19,161,095**	**16,855,610**
LIABILITIES AND CAPITAL			
Due to banks	26	16,916	15,010
Due to other customers	27	15,494,036	13,959,100
Other borrowed funds	28	1,300,485	730,033
Financial liabilities at fair value through profit and loss		-	936
Subordinated term debt	29	27,937	19,410
Hybrid debt	29	259,927	258,908
Derivatives held for risk management		4	-
Deferred tax liabilities	21	38,387	29,185
Current tax liabilities		479	1,962
Lease liabilities	24	77,386	80,328
Other liabilities	30	35,333	30,589
TOTAL LIABILITIES		**17,250,890**	**15,125,461**
Issued share capital	31	149,085	149,085
Share premium	31	250,017	250,017
Statutory reserve	31	39,865	39,865
Revaluation reserve of investments in securities		1,749	3,127
Revaluation reserve on property		4,500	4,500
Reserve from translation of foreign operations		23,247	21,316
Other reserves and retained earnings	31	1,441,742	1,256,144
TOTAL SHAREHOLDERS' EQUITY		**1,910,205**	**1,724,054**
Non-controlling interest		-	6,095
TOTAL GROUP EQUITY		**1,910,205**	**1,730,149**
TOTAL LIABILITIES AND EQUITY		**19,161,095**	**16,855,610**

The consolidated statement of the financial position is to be read in conjunction with the notes to and forming part of theconsolidated financial statements set out on pages 134 to 199.

The consolidated financial statements have been approved by the Managing Board on 17 March 2026 and signed on its behalf by:

Nikola Bakalov
Chief Executive Officer

Svetozar Popov
Executive Director

Ralitsa Bogoeva
Executive Director

Ianko Karakolev
Chief Financial Officer

Audited as per the auditors' report dated 17/03/2026:

Athanasios Petropoulos
Procurator

ATHANASIOS PETROPOULOS
Digitally signed by ATHANASIOS PETROPOULOS
Date: 2026.03.02 18:30:41 +02'00'

Georgi Trenchev
Manager, Registered auditor responsible for the audit

Forvis Mazars OOD

ECOVIS AUDIT BULGARIA OOD

Iva Slavkova
Registered auditor responsible for the audit

IVA BISEROVA SLAVKOVA
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Georgi Stoyanov Trenchev
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Date: 2026.03.02 19:43:30 +02'00'

Consolidated statement of cash flows for the year ended 31 December 2025

in BGN '000	2025	2024
Net cash flow from operating activities		
Net profit	189,183	145,284
Adjustment for non-cash items		
Allowance for impairment	168,784	199,799
Net interest income	(474,786)	(466,666)
Depreciation and amortization	26,588	18,098
Tax expense	23,419	18,305
Loss from sale and write-off of tangible and intangible fixed assets, net	676	13
(Profit) from sale of other assets, net	(6,842)	(18,271)
(Positive) revaluation of investment property	(104,650)	(6,019)
Impairment of acquired assets	15,797	-
	(161,831)	**(109,457)**
Change in operating assets		
Decrease in financial assets at fair value through profit or loss	112,316	22,937
(Increase) in financial assets at fair value in other comprehensive income	(132,170)	(1,134,287)
(Increase) in loans and advances to banks and financial institutions	(2,856)	(10,402)
(Increase) in loans to customers	(1,469,357)	(1,156,788)
Net decrease in other assets	90,282	102,081
	(1,401,785)	**(2,176,459)**
Change in operating liabilities		
Increase in due to banks	3,425	7,452
Increase in amounts owed to other depositors	1,529,591	1,640,582
Net (decrease) in other liabilities	(39,713)	(111,434)
	1,493,303	**1,536,600**
Interest received	573,780	626,413
Interest paid	(99,194)	(67,715)
Dividends received	3,893	2,637
Paid profit tax, net	(45,633)	(15,508)
Net cash flow from operating activities	**362,533**	**(203,489)**
Cash flow from investing activities		
(Purchase) of tangible and intangible fixed assets	(44,086)	(216,938)
Sale of tangible and intangible fixed assets	71	58
Sale of other assets	23,348	60,642
Decrease in investments	127,662	558,661
NET CASH FLOW FROM INVESTING ACTIVITIES	**106,995**	**402,423**
Financing activities		
Increase in borrowings	563,416	280,253
Increase in subordinated liabilities	9,466	1,019
NET CASH FLOW FROM FINANCING ACTIVITIES	**572,882**	**281,272**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,042,410**	**480,206**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**3,139,675**	**2,659,469**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (See Note 33)	**4,182,085**	**3,139,675**

The consolidated statement of the cash flows is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 134 to 199.

The consolidated financial statements have been approved by the Managing Board on 17 March 2026 and signed on its behalf by:

Nikola Bakalov
Chief Executive Officer

Svetozar Popov
Executive Director

Ralitsa Bogoeva
Executive Director

Ianko Karakolev
Chief Financial Officer

Audited as per the auditors' report dated 17/03/2026:

Athanasios Petropoulos
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Manager, Registered auditor responsible for the audit

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Date: 2026.03.02 19:43:30 +02'00'

Consolidated statement of shareholders' equity for the year ended 31 December 2025

In BGN '000	Issued share capital	Share premium	Other reserves and retained earnings	Revaluation reserve of investments in securities	Revaluation reserve on property	Reserve from translation of foreign operations	Statutory reserve	Non-controlling interest	Total
Balance as at 01 January 2024	**149,085**	**250,017**	**1,116,028**	**(6,537)**	**4,500**	**14,822**	**39,865**	**5,602**	**1,573,382**
Total comprehensive income for the period									
Net profit for the year ended 31 December 2024	-	-	144,791	-	-	-	-	493	145,284
Other comprehensive income									
Revaluation reserve of investments in securities	-	-	-	9,664	-	-	-	-	9,664
Reserve from translation of foreign operations			-			6,494			6,494
Dividend paid by subsidiaries			(1,956)						(1,956)
Effect from de consolidation of subsidiaries	-	-	(2,719)	-	-	-	-	-	(2,719)
Balance as at 31 December 2024	149,085	250,017	1,256,144	3,127	4,500	21,316	39,865	6,095	1,730,149
Total comprehensive income for the period									
Net profit for the year ended 31 December 2025	-	-	188,215	-	-	-	-	968	189,183
Other comprehensive income									
Revaluation reserve of investments in securities	-	-	-	(1,378)	-	-	-	-	(1,378)
Reserve from translation of foreign operations	-	-	-	-	-	1,931	-	-	1,931
Dividend paid by subsidiaries	-	-	(2,934)	-	-	-	-	-	(2,934)
Increase in investment in a subsidiary, related to an increase in the share of the subsidiary's capital.	-	-	226	-	-	-	-	(7,063)	(6,837)
Effect of initial consolidation of a subsidiary	-	-	91	-	-	-	-	-	91
Balance as at 31 December 2025	**149,085**	**250,017**	**1,441,742**	**1,749**	**4,500**	**23,247**	**39,865**	**-**	**1,910,205**

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 134 to 199.

The consolidated financial statements have been approved by the Managing Board on 17 March 2026 and signed on its behalf by:

Nikola Bakalov
Chief Executive Officer

Svetozar Popov
Executive Director

Ralitsa Bogoeva
Executive Director

Ianko Karakolev
Chief Financial Officer

Audited as per the auditors' report dated 17/03/2026:

Athanasios Petropoulos
Procurator
ATHANASIOS PETROPOULOS
Digitally signed by ATHANASIOS PETROPOULOS
Date: 2026.03.02 18:30:41 +02'00'

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ECOVIS AUDIT BULGARIA OOD
Georgi Stoyanov Trenchev
Digitally signed by Georgi Stoyanov Trenchev
Date: 2026.03.02 19:43:30 +02'00'

1. Basis of preparation

(a) Statute

First Investment Bank AD (The Bank) was incorporated in 1993 in the Republic of Bulgaria and has its registered office in: Sofia, 111P, Tsarigradsko Chaussee Blvd.

The Bank has a general banking license issued by the Bulgarian National Bank (BNB) according to which it is allowed to conduct all banking transactions permitted by Bulgarian legislation.

Following the successful Initial Public Offering of new shares at the Bulgarian Stock Exchange – Sofia, on June 13th 2007 the Bank was registered as a public company in the Register of the Financial Supervision Commission pursuant to the provisions of the Law on the Public Offering of Securities.

The Bank's management has a dual board structure, with the Managing Board and the Supervisory Board having the following members:

Managing Board

- Mr Nikola Bakalov – Chief Executive Officer
- Mr Svetozar Popov – Executive Director
- Ms Ralitsa Bogoeva – Executive Director
- Mr Ianko Karakolev – Managing Board member
- Mr Anton Petrov – Managing Board member
- Mr Vladimir Ikonomov – Managing Board member

In 2024 the composition of the Managing Board changed, as follows:

- Ms Nadya Vassileva Koshinska has not been a member of the Bank's Management Board since 25.07.2024. This circumstance was noted in the Commercial Register and Register of NPLE with the Recordation Agency on 31.07.2024.
- Mr Chavdar Zlatev has not been a member of the Bank's Management Board and Executive Director since 01.10.2024. This circumstance was noted in the Commercial Register and Register of NPLE with the Recordation Agency on 07.10.2024.

In 2025 the composition of the Managing Board changed, as follows:

Having obtained preliminary approval from the Bulgarian National Bank pursuant to Article 11, Para. 3 of the Law on Credit Institutions, on 26.02.2025 the Bank's Supervisory Board appointed as Management Board members Anton Petrov and Vladimir Ikonomov. This change in the composition of the Management Board was registered in the Commercial Register and Register of Non-for-Profit Legal Entities with the Recordation Agency on 12.03.2025.

Supervisory Board

- Mr Evgeni Lukanov – Supervisory Board chairperson
- Ms Maya Georgieva – Supervisory Board member
- Mr Jordan Skortchev – Supervisory Board member
- Ms Radka Mineva – Supervisory Board member
- Mr Jyrki Koskelo – Supervisory Board member

At 31 December 2025 the total number of employees of the Group was 2,751 (31 December 2024: 2,692).

The Bank's beneficial owners are disclosed in Note 31 below.

The consolidated financial statements of the Bank as at and for the year ended 31 December 2025 comprise the Bank and its subsidiaries (see note 36), together referred to as the "Group".

The Group has foreign operations in Cyprus (Cyprus Branch) and Albania (subsidiary).

The Group has not changed its name during the year ending 31 December 2025

(b) Statement of compliance

The financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Commission.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2 (p).

The financial statements are prepared in compliance with the going concern principle..

(c) Presentation of the financial statements

The financial statements are presented in Bulgarian Leva (BGN) rounded to the nearest thousand.

The financial statements are prepared in accordance with the fair value principle of derivative financial instruments, financial instruments recognised at fair value in profit or loss, investment properties, as well as assets recognised at fair value in other comprehensive income. Other financial assets and liabilities, as well as non-financial assets and liabilities, are reported at amortized or historical cost.

(d) Amended IFRS Accounting Standards as adopted by the European Union, effective for the current year

During the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union, which are mandatorily effective for annual reporting periods beginning on or after 1 January 2025. Their adoption has not had a material effect on the disclosures or on the amounts recognised in the financial statements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023), effective from 1 January 2025, adopted by the European Union on 12 November 2024 and published in the Official Journal of the European Union on 13 November 2024.

  The amendments:

  Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when the Group is 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 the Group 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 the Group discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchange ability affects, or is expected to affect, its financial performance, financial position and cash flows.

  The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

  The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

  The Group applies the amendments for annual reporting periods beginning on or after 1 January 2025.

The Group does not apply the amendments retrospectively. Instead, the Group recognises any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When the Group uses a presentation currency other than its functional currency, it recognises the cumulative amount of translation differences in equity.

(e) Amended IFRS Accounting Standards as adopted by the European Union that are not yet effective

As at the date of approval of these separate financial statements, the Group has not applied the following amended IFRS Accounting Standards that have been issued and adopted by the European Union but are not yet effective in the European Union:

- Amendments to IAS 9 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments (issued on 30 May 2024), effective from 1 January 2026, adopted by the European Union on 27 May 2025 and published in the Official Journal of the European Union on 28 May 2025.

  The amendments are the result of post-implementation review of the classification and measurement requirements of IFRS 9.

  The amendments to IFRS 9 address the following topics:

  - Derecognition of a financial liability settled through electronic transfer

  The application guidance in IFRS 9 has been amended to clarify the date of initial recognition or derecognition of financial assets and financial liabilities. The amendments permit to the Group to consider a financial liability (or part of it) that will be settled in cash using an electronic payment system as discharged before the settlement date if specified criteria are met.

  - 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 the Group can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement.

  Assets with non-recourse features

  The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset is considered to have non-recourse features if the Group's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets. In other words, the Group is primarily exposed to the specified assets' performance risk rather than the debtor's credit risk.

  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 involving multiple contractually linked instruments and provide an example.

  The amendments to IFRS 7 address the disclosure of:

  - investments in equity instruments designated at FVTOCI

  - contractual terms that could change the timing or amount of contractual cash flows.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted. The Group is required to apply the amendments retrospectively.

  The Group's Management does not expect the application of these amendments to have an impact on the Group's financial statements in future periods.

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Contracts Referencing Nature-Dependent Electricity (issued on 30 May 2024), effective from 1 January 2026, adopted by the European Union on 30 June 2025 and published in the Official Journal of the European Union on 1 July 2025.

The amendments address the recognition and disclosure of contracts to buy or sell electricity from renewable sources, such as wind and solar. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a Group's performance.

The amendments to IFRS 9 and IFRS 7 include:

Clarification of the application of the "own use" requirements;

- permitting hedge accounting if these contracts are used as hedging instruments

- adding new disclosure requirements to enable investors to understand the effect of these contracts on a Group's financial performance and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The amendments shall be applied retrospectively.

The Group's Management does not expect the application of these amendments to have an impact on the Group's financial statements in future periods.

- Annual Improvements to IFRS Accounting Standards — Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (issued on 18 July 2024), effective from 1 January 2026, adopted by the European Union on 9 July 2025 and published in the Official Journal of the European Union on 10 July 2025.

  These amendments include clarifications, simplifications, corrections and changes in the following areas:

  - hedge accounting by a first-time adopter (IFRS 1)

  - gain or loss on derecognition (IFRS 7)

  - disclosure of deferred difference between fair value and transaction price (IFRS 7)

  - introduction and credit risk disclosures (IFRS 7)

  - lessee derecognition of lease liabilities (IFRS 9)

  - transaction price (IFRS 9)

  - determination of a 'de facto agent' (IFRS 10)

  - cost method (IAS 7).

  The Group's Management does not expect the application of these amendments to have an impact on the Group's financial statements in future periods.

(f) New and amended IFRS Accounting Standards issued by the IASB but not yet adopted by the European Union

The following new and amended IFRS Accounting Standards have not yet been endorsed for use in the European Union and therefore cannot be applied by the Group:

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 August 2024), effective 1 January 2027

  IFRS 18 replaces IAS 1 Presentation of Financial Statements, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Furthermore, the IASB has made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings Per Share.

  IFRS 18 introduces new requirements to:

  - present specified categories and defined subtotals in the statement of profit or loss

  - provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements

  - improve aggregation and disaggregation.

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when the company applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Goup's Management expects the application of the new Standard to have an impact on the presentation of the Group's financial statements in future periods.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024), effective 1 January 2027

  IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

  A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

  IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

  The Company is only permitted to apply IFRS 19 if, at the end of the reporting period:

  - it is a subsidiary (this includes an intermediate parent)

  - it does not have public accountability, and

  - its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

  A subsidiary has public accountability if:

  - its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or

  - it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion). Eligible entities may apply IFRS 19 in their consolidated or separate financial statements.

  Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements (these are presented in addition to consolidated financial statements or in addition to the financial statements of an investor that does not have investments in subsidiaries but has investments in associates or joint ventures in which the investments in associates or joint ventures are required by IAS 28 to be accounted for using the equity method).

  If the Group elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If the Group elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

  The Group applies the amendments for annual reporting periods beginning on or after 01 January 2027. Earlier application is permitted.

  The Group's Management does not expect IFRS 19 to be applied for the purposes of the Group's financial statements.

- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 21 August 2025), effective from 1 January 2027.

  IFRS 19 permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements in respect of other Standards or amendments issued up to February 2021. The amendments to IFRS 19 assist eligible subsidiaries by reducing the disclosure requirements for Standards and amendments issued between February 2021 and May 2024.

  These amendments to IFRS 19 reflect changes in IFRS Accounting Standards that become effective up to 1 January 2027, when IFRS 19 will be applicable.

- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025), effective from 1 January 2027.

The amendments to IAS 21 require an entity whose functional currency is that of a non-hyperinflationary economy but whose presentation currency is that of a hyperinflationary economy to translate all amounts in its financial statements, including comparative information, at the closing rate as at the date of the latest statement of financial position.

When the Company's presentation currency ceases to be the currency of a hyperinflationary economy while its functional currency continues to be the currency of a non-hyperinflationary economy, the Company applies prospectively (without restating comparative amounts) the method currently applicable to such situations under IAS 21.

After considering the expected costs and benefits, the IASB also decided to include an exception to the above translation method for affected entities that apply IAS 29 Financial Reporting in Hyperinflationary Economies and are required to restate the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy. In these circumstances, the Company is required to restate the comparative amounts of that foreign operation included in the Company's previously issued financial statements by applying the general price index applied to the corresponding amounts for the previous reporting period in accordance with IAS 29:34.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027. They are to be applied retrospectively, subject to specific transitional provisions.

The Group's Management expects that the application of these amendments will not have an impact on the Group's financial statements in future periods.

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014), IASB Effective Date yet to be determined

  The amendments address a conflict between the requirements of IAS 28 Investments in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

- IFRS 14 Regulatory deferral accounts (issued on 30 January 2014), effective 1 January 2016

  The standard permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. With a view to improving comparability with the reports of entities already applying IFRS and not disclosing such amounts, the standard requires separate presentation of the regulatory deferral account balances.

  The EC has decided not to launch the endorsement process of the interim standard IFRS 14 and to wait for the final IFRS Standard.

2. Material information on the accounting policy

(a) Income recognition

(i) Interest income

Interest income and expense is recognised in the profit or loss as it accrues, taking into account the effective yield of the asset (liability) or an applicable floating rate. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group assesses the future cash flows, taking into account all contractual terms of the financial instrument without future credit losses.

The calculation of the effective interest rate includes all fees paid or received as well as discount and premiums which are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income is calculated by applying the effective interest rate on the gross value of the financial asset, except for impaired assets for which the effective interest rate is applied ot the amortised cost of the financial asset.

(ii) Fees and Commissions

Fee and commission income arises on financial services provided by the Group and is recognised in profit or loss when the corresponding service is provided.

(iii) Net trading income

Net gains (losses) on financial assets and liabilities held for trading includes those gains and losses arising from disposals and changes in the fair value of financial assets and liabilities held for trading as well as trading income in dealing with foreign currencies and exchange differences from daily revaluation of the net open foreign currency position of the Group.

(iv) Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

(b) Basis of consolidation

(i) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(ii) Non-controlling interest

Non-controlling interest is measured at its proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss, they are recognised directly in equity.

(iii) Subsidiaries

Subsidiaries are those enterprises controlled by the Bank. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group income, expenses, balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Bulgarian leva, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Foreign currency differences arising on translation are difference between amortised cost in functional currency in the beginning of period, adjusted with effective interest and received payments during the period, and amortised cost in foreign currency at the spot exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated to Bulgarian leva at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Bulgarian leva at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income.

The functional currency of the foreign operations in Cyprus is determined by the management to be the Euro. The functional currency of the foreign operations in Albania is determined by the management to be the Albanian Lek.

(d) Financial assets

(i) Recognition

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Group initially recognizes trade and other receivables on the date of transaction. Advances to customers are recognised when cash is advanced to the borrowers. At initial recognition, the Bank measures all financial assets at fair value plus, in the case of financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The Group classifies financial assets in the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. Management determines the classification of investments at initial recognition according to the business model for management of the specific class of financial assets and the contractual features of the cash flows associated with that financial asset.

(ii) Financial assets at amortised cost

Debt instruments held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows and where the contractual cash flows give rise only to principal and interest payments are recognised at amortised cost. After the initial recognition assets are booked at amortised cost.

Recognition at amortised cost requires application of the effective interest rate method. The amortised cost of a financial asset is the value at which the financial asset was initially recognised, minus the principal repayments plus or minus the amortisation accrued by using the effective interest rate method for each difference between the initial value and the value at the maturity date and minus impairment.

(iii) Financial assets at fair value through other comprehensive income

Debt instruments held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows or to sell the asset and where the contractual cash flows give rise only to principal and interest payments are recognised at fair value in other comprehensive income. After initial recognition, the asset is measured at fair value with changes in fair value in revaluation reserve of investments in securities (other comprehensive income). When the debt instrument is written off, the profit or loss accrued and recognised in other comprehensive income is transferred to profit or loss.

(iv) Financial assets at fair value through profit or loss

The position contains two categories: financial assets held for trading and financial assets not classified in the above two categories. A financial asset is classified in this category if it was acquired for the purpose of short-term sale or if its contractual characteristics do not meet the requirement for generating payments of only principal and interest. Derivatives are also categorised as held for trading unless they are designated as hedges.

The Group does not designate any debt instrument as at fair value through profit or loss to remove or significantly reduce an accounting mismatch.

(v) Capital instruments at fair value through other comprehensive income

The Group may make an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. When the equity instrument is written off, the profit or loss accrued and recognised in other comprehensive income is directly transferred to other reserves and retained earnings.

(vi) Reclassification

If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through other comprehensive income measurement category, the financial asset shall continue to be measured at fair value. The revaluation reserve for the instrument shall be formed from changes to fair value after the reclassification date.

If the Group reclassifies a financial asset out of the amortized cost measurement category and into the fair value through profit or loss measurement category, its fair value shall be measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the amortized cost measurement category, its fair value at the reclassification date shall become its new gross carrying amount.

If the Group reclassifies a financial asset out of the amortized cost measurement category and into the fair value through other comprehensive income measurement category, its fair value shall be measured at the reclassification date. Any revaluation difference shall be recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses shall not be adjusted as a result of the reclassification.

If the Group reclassifies a financial asset from the 'measured at fair value through other comprehensive income' category to the 'measured at amortized cost' category, the entire value of the accumulated revaluation reserve at the date of reclassification is offset against the fair value of the financial asset. Thus, in practice, it turns out that at the date of reclassification the financial asset is measured as if it had always been measured at amortized cost. The effective interest rate and the measurement of expected credit losses shall not be adjusted as a result of the reclassification.

Such reclassification is only possible after a change in the business model by which financial assets are managed.

In this analysis, the following criteria may serve as indication for change in the business model: government securities with sufficiently long residual term that have not been traded since their acquisition; or privately placed securities without an active market where the Group holds a significant part of the issue. In case of a significant predominance of the 'hold to collect' business model, the Group needs to consider whether to reclassify the financial assets from the 'Measured at fair value through other comprehensive income' category to the 'Measured at amortized cost' category, continuing to manage financial assets in such a way as to generate cash flows only from collecting contractual payments.

If the Group reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the fair value through profit or loss measurement category, the financial asset shall continue to be measured at fair value. The cumulative revaluation reserve at the reclassification date shall be reclassified to profit or loss.

The Group shall not reclassify any financial liability.

(vii) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When applicable, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. The Group, which holds a group of financial assets and financial liabilities, is exposed to market risk and credit risk. If the Group manages these portfolios on the basis of its net exposure either to market risk or credit risk, the fair value is measured on the basis of a price that would be received to sell a net long position or paid to transfer a net short position for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(viii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers these rights in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred to the buyer. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group enters into transactions whereby it transfers financial assets recognised in its statement of financial position, but retains either all or substantially all risks and rewards of the transferred asset. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised in the statement of financial position (an example of such transactions are repo deals).

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if it does not retain control over the asset. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers in which, control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with the central bank and short-term highly liquid accounts and advances to banks with original maturity of up to three months.

(f) Investments

Investments that the Group holds for the purpose of short-term profit taking or repurchases are classified as financial assets for trading. Investments in debt instruments held by the Group as part of a business model for the purpose of collecting contractual cash flows are classified as financial assets at amortised cost. Investments in debt instruments held by the Group as part of a business model for the purpose of collecting contractual cash flows and sale are classified as financial assets at fair value in other comprehensive income.

All other investments, including those whose contractual terms do not meet the requirement for generation of only principal and interest payments are classified as recognised at fair value in profit or loss.

(g) Securities borrowing and lending business and repurchase transactions

(i) Securities borrowing and lending

Investments lent under securities lending arrangements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy applicable for assets at fair value in profit or loss or at fair value in other comprehensive income. Cash collateral received in respect of securities lent is recognised as liabilities to either banks or customers. Investments borrowed under securities borrowing agreements are not recognised. Cash collateral placements in respect of securities borrowed are recognised under loans and advances to either banks or customers. Income and expenses arising from the securities borrowing and lending business are recognised on an accrual basis over the period of the transactions and are included in interest income or expense.

(ii) Repurchase agreements

The Group enters into purchases (sales) of investments under agreements to resell (repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognised. The amounts paid are recognised in loans to either banks or customers. The receivables are shown as collateralised by the underlying security. Investments sold under repurchase agreements continue to be recognised in the statement of financial

position and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale are reported as liabilities to either banks or other customers. The difference between the purchase (sale) and resell (repurchase) considerations is recognised on an accrual basis over the period of the transaction and is included in interest income (expenses).

(h) Deposits and current accounts

Borrowings are recognised initially at 'cost', being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognized in profit or loss over the period of the borrowings using the effective yield method.

If the Group purchases its own debt, it is removed from the statement of financial position and the difference between the carrying amount of a liability and the consideration paid is included in other operating income.

(i) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(j) Impairment of financial assets

The Group recognizes 12-month expected credit loss as loss allowance when there is no significant increase in the credit risk since initial recognition.

When there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as loss allowance.

Whether credit risk is significantly increased or not is determined based on the following factors and events for the debtor or the exposure:

- Internal behavioural scoring of natural persons, companies and institutions whose exposures are above the threshold for significance;
- Decrease in credit rating (internal or external) by a given number of notches for companies and institutions whose exposures are above the threshold for significance.
- Delinquencies;
- Other factors.

(k) Property and equipment

Land and buildings are presented in the statement of financial position at their revalued amount which is the fair value of the asset as at the date of revaluation less any subsequent amortisation and depreciation and accumulated impairment losses. All others classes of items of property, plant and equipment are stated in the statement of financial position at their acquisition cost less accumulated depreciation and allowance for impairment. Depreciation is calculated on a straight line basis at prescribed rates designed to decrease the cost or valuation of fixed assets over their expected useful lives. The annual rates of amortisation are as follows:

Assets	%
• Buildings	1.25 - 10
• Equipment	6.67 - 50
• Fixtures and fittings	10 - 15
• Motor vehicles	20
• Leasehold Improvements	2 - 50

Assets are not depreciated until they are brought into use and transferred from assets in the course of construction into the relevant asset category.

(l) Intangible assets

Intangible assets acquired by the Group are stated at cost, less accumulated amortisation and any impairment losses.

Amortisation is calculated on a straight-line basis over the expected useful life of the asset. The annual rates of amortisation are as follows: The annual rates of amortisation are as follows:

Assets	%
• Licenses and trademarks	10 - 14
• Software and licences	10 - 50

(m) Investment Property

Investment property is property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both. The Group has chosen for its accounting policy to account for investment property using the fair value model and applies this to all its investment property. Investment properties are initially measured at cost and are subsequently measured using the fair value model, and the revaluation income and expense is recognised in the profit for period in which they occurred.

The reclassification of repossessed assets reported as inventories into investment properties is possible only where a contract to rent out the respective property has been signed. The fair value of assets constituting investment property was determined by independent property assessors holding recognised professional qualification and recent experience in assessing property with similar location and category, using reliable techniques for determining fair values.

(n) Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and an reliable assessment of the amount due can be made.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The discount factor is determined before tax and reflects the current market assessment of the time value of money and the specific risks associated with the obligation.

(o) Acceptances

An acceptance is created when the Group agrees to pay, at a stipulated future date, a draft drawn on it for a specified amount. The Group's acceptances primarily arise from documentary credits stipulating payment for the goods to be made a certain number of days after receipt of required documents. The Group negotiates most acceptances to be settled at a later date following the reimbursement from the customers. Acceptances are accounted for as liabilities evidenced by paper.

(p) Off-balance sheet commitments

In the ordinary course of its business, the Group enters into off-statement of financial position commitments such as guarantees and letters of credit. The Group recognizes provision for off-statement of financial position commitments when it has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and when a reliable estimate can be made of the obligation.

(q) Taxation

Tax on the profit for the year comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted by the statement of financial position date, and any adjustment of tax payable for previous years.

Deferred tax is calculated using the balance sheet liability method on all temporary differences between the carrying amount of an asset or liability in the financial statements and its tax base. Deferred tax is measured using the tax rates that are expected to be in effect when the asset is realized or the liability is settled. The effect on deferred tax of changes in tax rates is recognized in profit or loss, except to the extent that it relates to amounts recognized in other comprehensive income or directly in equity. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the unused tax losses or tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Critical accounting estimates and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information on the valuations and the valuation uncertainty, for which there is a significant risk of change as of 31 December 2025 are stated below and are related to the impairment of financial instruments, income tax and the following notes related to other elements of the financial statements:

- Note 5, 19 - determining of the fair value of the financial instruments, land and buildings through valuation techniques, in which the input data for the financial assets and liabilities are not based on the available market information. The Management uses valuation techniques for the fair value of financial instruments (when there is no quoted price in an active market) and non-financial assets. In applying the valuation techniques the Management uses to a maximum degree market data and assumptions which market participants would take into account in pricing an instrument. When there is no available market data, the Management uses its best judgement of the assumptions that market participants would make. These judgements may differ from the actual prices that may be determined in a fair market transaction between informed and willing parties at the end of the reporting period.
- Notes 11, 16, 18 – measuring the expected credit loss – credit losses constitute the difference between all contractual cash flows payable to the Bank and all cash flows which the Bank expects to receive. Expected credit loss is the probability-weighted estimate of credit losses which require the Group's judgement. Expected credit loss is discounted with the initial effective interest rate (or with the loan-adjusted effective interest rate for purchased or initially created financial assets with credit impairment).
- Notes 16, 18 – debt instruments at amortised cost – the analysis and intentions of the Management are confirmed by the business model of holding debt instruments that meet the requirements for receiving only principal and interest payments and holding assets until collecting the contractual cash flows from the bonds which are classified as debt instruments at amortised cost.
- Note 24 – Lease contract term – in determining the lease contract term the Management takes into consideration all facts and circumstances that create economic incentives for exercising the option to extend the lease, or not to exercise the option to terminate the lease Extension options (or the periods after termination options) are included in the lease contract term only if it is reasonably certain that the lease contract has been extended (or has not been terminated).
- Note 30 – in accordance with IAS 37 — Provisions, Contingent Liabilities and Contingent Assets and the internal rules for setting aside provisions for pending court cases the Group has recognised provisions for pending court cases. The Group is a defendant in pending cases and the outcome of those cases may lead to liabilities in an amount different from the amount of provisions recognized in the financial statement.

(i) Assessment of repossessed assets from collaterals

Assets accepted as collateral are recognized at the lower of the cost of acquisition and the net realizable value. When evaluating the net realizable value of the assets the Group prepares several models for appraisal (e.g. discounted cash flows) and makes comparison to available market data (e.g. similar market transactions, offers from potential buyers).

(ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(s) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for the Bank's ordinary shares. Basic EPS is calculated by dividing the profit or loss for the period attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are calculated as the profit or loss for the period attributable to the Bank's ordinary shareholders, adjusted for the effect of all potential dilutive ordinary shares, which consist of convertible bonds and share options, divided by the weighted average number of ordinary shares held during the period.".

(t) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Government of Bulgaria is responsible for providing pensions in Bulgaria under a defined contribution pension plan. The Bank's contributions to the defined contribution pension plan are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The Bank has an obligation to pay certain amounts to each employee who retires with the Bank in accordance with Art. 222, § 3 of the Labour Code.

According to these regulations in the LC, when a labour contract of a bank's employee, who has acquired a pension right, is ended, the Bank is obliged to pay him compensations amounted to two gross monthly salaries. Where the employee has been with the same employer for the past 10 years, this employee is entitled to a compensation amounting to six gross monthly salaries. As at balance sheet date, the Management of the Bank estimates the approximate amount of the potential expenditures for every employee using the projected unit credit method.

For the last two years the Bank has prepared estimates for the due provisions for pensions and has not identified significant liabilities.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Bank has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee,

and the obligation can be estimated reliably. The Group recognises as a liability the undiscounted amount of the estimated costs related to annual leave expected to be paid in exchange for the employee's service for the period completed.

(u) Insurance Contracts

Significant insurance risk

Insurance contracts are those contracts under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The Group considers that the insurance risk is significant only if an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance (i.e. no discernible effect on the economics of the transaction). If an insured event could mean significant additional amounts would be payable in any scenario that has commercial substance, the condition in the previous sentence can be met even if the insured event is extremely unlikely, or even if the expected (i.e. probability-weighted) present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

Recognition of revenue by group of insurance contracts

The Group recognizes revenue from a group of insurance contracts , by deferring the insurance premium for the coverage period of each of the contracts forming the relevant group of insurance contracts. The coverage period is the period during which the entity provides insurance contract services. This period includes the insurance contract services that relate to all premiums within the boundary of the insurance contract.

Measurement of groups of insurance contracts – measurement model

IFRS 17 Insurance Contracts requires that assets and liabilities under insurance contracts be measured using the General Measurement Model (GM) where the estimates of all rights and obligations are remeasured using actual unbiased assumptions during each reporting period. It is admissible to use the simplified Premium Allocation Approach (PAA) for calculating the Liability for Remaining Coverage (LRC), provided that it ensures a measurement which does not differ significantly from the measurement made using the General Measurement Model, or where the coverage period of the group of insurance contracts is one year or less.

In order to apply the Premium Allocation Approach (PAA), the following criteria must be met at the same time:

- the coverage period of the group of insurance contracts is one year or less;
- The liability for remaining coverage calculated by using the PAA does not differ significantly from the liability for remaining coverage calculated by using the General Measurement Model (OM);
- There are no onerous groups of insurance contracts on initial recognition.

The Group recognizes the insurance contracts it has issued using the Premium Allocation Approach (PAA).

Liability for remaining coverage

The Group assesses the liability for remaining coverage using the Premium Allocation Approach and has chosen to recognize all acquisition cash flows when these costs are incurred.

On initial recognition the carrying amount of the liability is: the premiums, if any, received at initial recognition. Upon subsequent measurement, the carrying amount of the liability is the carrying amount at the start of the reporting period, plus the premiums received in the period, minus the amount recognized as insurance revenue for services provided during this period.

Liability for incurred claims

The liability for incurred claims is formed on the basis of the expected cash outflows related to claims, taking into account the time value of money and the financial risks related to future cash flows, plus the risk adjustment for non-financial risk.

The liability for incurred claims includes

- Reported but not settled claims – calculated using the "Claim by claim" method where it includes the expected amount of payments for each claim which has been reported but not settled. In order to calculate the amount of the reserve for reported but not settled claims, for each new claim an initial reserve is formed, based on statistical methods; upon an expert assessment of the claim, the reserve is changed based on this assessment in order to reflect the expected amount of the claim settlement. The amounts which are subject to reimbursement due to subrogation have been measured, and the reserve for reported but not settled claims in the business line "Other insurance related to motor vehicles" has been decreased.

- Incurred but not reported claims – includes the amount of unreported claims for events which occurred before the end of the reporting period, and the amount of claims which may be renewed.

In all business lines the claims incurred consist of reported claims (RBNS claims) and incurred but not reported claims (claims with delayed reporting, IBNR claims). The applicable regulation does not require that the calculation necessarily be made separately for reported claims, for unreported claims and for expenses to settle those claims. The Group calculates the reserve for claims on the basis of a model developed to generate the expected amount of claims incurred

The model generates expected cash flows on an annual basis with regard to claims based on premium earned and the quota for claims, and the results are compared to the settlement for claims and the reported claims (RBNS claims) in order to determine the reserve for claims.

(v) Leases

(i) The Company as lessee

For contracts concluded on or after 1 January 2019 the Group assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an asset (the identified asset) for a period of time in exchange for consideration. In order to apply this definition, the Group assesses three key elements:

Whether the contract refers to an identified asset which is either explicitly specified in a contract, or implicitly specified at the time that the asset is made available for use;

The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, within the scope of its right of use defined in the contract;

The Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct how and for what purpose the asset will be used throughout the period of use.

Assessment and recognition of leases by the Group as lessee

On the commencement date of the lease contract the Group recognises the right-of-use asset and the lease liability in the statement of financial position. The right-of-use asset is assessed at cost which comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of costs to be incurred by the lessee in dismantling and removing the the underlying asset at the end of the lease contract, and any lease payments made at or before the commencement date (less any lease incentives received).

The Group depreciates the right-of-use asset using the linear method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also reviews the right-of-use assets for impairment, where such indicators exist.

On the commencement date of the lease contract the Group measures the lease liability at the present value of the remaining lease payments at that date, discounted using the borrowing rate stipulated in the lease contract, if that rate can be readily determined, or the company's incremental borrowing rate.

As of 01.01.2019 the Group applies IFRS 16 Leases. To this end, an analysis was made of the requirements of this Standard, and the following key elements were identified:

IFRS 16 Leases introduces new rules for reporting lease agreements. First of all, the standard requires that an analysis be made of whether and which agreements with or without the legal form of lease constitute a lease or contain lease components in accordance with the definition of lease contained in IFRS 16, paragraph 9. According to Paragraph 9, a contract is, or contains, a lease if:

- there is an identified asset, and

- the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration.

In the general case, the lessee is required recognise a right-of-use asset and a lease liability at the commencement date.

Also, instead of applying the requirements for recognition of a right-of-use asset in return for consideration under a lease contract, the lessee may choose to report lease contracts as an expense under the linear method for the duration of the lease in the following tyupes of contracts:

- ending within 12 months of the date of initial application of IFRS 16

- lease of low-value assets

In the process of assessing the effects of application of this Standard, the Group did the following:

- Full review of all agreements was made in order to establish whether it may be necessary to consider additional agreements as lease agreements according to the new IFRS 16 definition;

- A decision was made for partial retrospective application (which means that the comparative information will not be changed). Under the modified approach it is possible not to assess whether existing agreements contain leases and other relief. Under the modified approach it is possible not to assess whether existing agreements contain leases and other relief.

The Management analysed the effect of application of the Standard for contracts expected to last up to five years because a big part of the rental agreements to which the Group is a party as a tenant, the Group can terminate after a three- or six-months' notice without owing an indemnity. Even in the other contracts this possibility is available in accordance with the law.

This reflects on the expected actual duration of the lease because the contract term depends on the probability that the Group would exercise that option. With relation to this the Group considers that a duration of five years is indicative of the maximum duration of the lease term, irrespective of whether contracts of longer duration exist or not.

In order to determine the incremental borrowing rate, the Group uses an interest rate consisting of the risk-free interest rate and a surcharge reflecting the credit risk related to the Group and additionally adjusted for the specific conditions of the lease contract, including term, country, currency, and collateral.

Lease payments included in measuring the lease liability comprise fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, and the exercise price of a purchase option if the Group is reasonably certain to exercise that option.

After the commencement date, the lease liability shall be decreased with the amount of payments made and shall be increased with the amount of the interest. The lease liability is remeasured to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

When the lease liability is remeasured, the amount of the remeasurement is recognised in the right-of-use asset or in profit or loss, if the carrying amount of the right-of-use asset is already reduced to zero.

The Group has chosen to report short-term leases and leases of low-value assets by using practical expedients envisaged in the standard. Instead of recognising right-of-use assets and lease liabilities, the Bank recognizes the payments related to them as an expense in profit or loss using the linear method during the lease term.

In the statement of financial position, right-of-use assets are presented on a separate row "Right-of-use assets", and the liabilities under lease contracts are also presented on a separate row - "Lease liabilities".

Extension options or termination options are included in a number of the Group's property rentals. They are used to increase the operative flexibility in the management of assets used in its operations.

(ii) The company as lessor

The portion of IFRS 16 which concerns the Group as lessor no significant changes were found in comparison to the previous IAS 17. The Group classifies a lease contract as a finance lease if it has transferred substantially all risks and rewards related to ownership of the asset subject to the lease. All other lease contracts are classified as operating.

In case of a finance lease, the Group recognises as asset a receivable under the contract in an amount equal to the net investment in the lease. During the lease term the Group recognizes interest income on the amount receivable at an interest rate reflecting the return rate of the net investment in the lease.

In case of operating lease, the Group recognises lease payments as revenue on a linear basis.

As lessor, the Group classifies each of its lease contracts as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

3. Risk management disclosures

A. Trading activities

The Group maintains active trading positions in a limited number of non-derivative financial instruments. Most of the Group's trading activities are customer driven. In anticipation of customer demand, the Group carries an inventory of money market instruments and maintains access to market liquidity by trading with other market makers. These activities constitute the proprietary trading business and enable the Group to provide customers with money market products at competitive prices.

The Group manages its trading activities by type of risk involved and on the basis of the categories of trading instruments held..

(i) Credit risk

Credit risk is the total risk of losses from positions in financial instruments as a result of the inability of one or more parties to the exposure to meet their obligations. Main components of credit risk:

• Default risk

The risk that issuers to financial instruments might default on their obligations.

• Counterparty credit risk

Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. It occurs under transactions with derivatives, repo deals, transactions for granting/receiving a loan of securities and goods, margin lending transactions and extended settlement transactions.

• Settlement risk

To the Bank settlement risk is the risk of unsettled transactions with securities, goods or cash. It occurs both under transactions with settlement of services of the "delivery versus payment" (DvP) type, and under trade without DvP ("free deliveries"). All instruments exposed to counterparty credit risk fall within the scope of this type of risk.

Credit risk is monitored on an ongoing basis subject to Bank's internal risk management procedures and is controlled through minimum thresholds for the credit quality of the issuer/counterpart and setting limits on exposure amount according to credit quality.

(ii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. The Bank assumes market risk when taking positions in debt instruments, equities, derivatives and foreign exchange transactions. These risks are managed by enforcing limits on positions taken and their risk sensitivities as measured by value-at-risk, duration or other measures appropriate for particular position in view of its sensitivity to risk factors. The major risk factors that affect Bank's trading activities are changes of interest rates (interest rate risk), changes of exchange rates (foreign exchange risk) and changes of equity prices (price risk).

Exposure to market risk is formally managed in accordance with risk limits set by senior management and the adopted risk strategy.

The Value at Risk is calculated and monitored on a daily basis as part of the Bank's ongoing risk management. Value at Risk is calculated using a one-day holding period and a 99% confidence level, which means that there is a 1% probability that the trading portfolio will incur a loss exceeding the calculated VaR over a one-day period. The parameters of the VaR model are estimated on the basis of exponentially weighted historical data on changes in risk factor prices.

The following table summarises the range of interest VaR for all positions in the Bank's trading portfolio carried at fair value:

in thousands of BGN	31 December 2025	2025			31 December 2024
		average	minimal	maximum	
VaR	155.1	322.0	74.0	841.4	143.3

B. Non-trading activities

Below is a discussion of the various risks the Group is exposed to as a result of its non-trading activities and the approach taken to manage those risks.

(i) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturity and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame to meet the liability obligations.

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

In compliance with the requirements of the Law on Credit Institutions, Ordinance No 7 of BNB for the organization and management of risks in banks and Directive 2014/59 / EU of the European Parliament and of the Council for establishing a framework for the recovery and resolution of credit institutions and investment firms, First Investment Bank AD prepared a recovery plan if financial difficulties occur. It includes qualitative and quantitative early warning signals and indicators of recovery such as capital and liquidity indicators, income indicators, market-oriented indicators upon the occurrence of which recovery measures are triggered. Liquidity indicators include Liquidity Coverage Ratio (LCR); net withdrawal of financing; liquid assets to deposits by non-financial customers ratio; Net Stable Funding Ratio (NSFR). Different stress test scenarios related to idiosyncratic shock, system shock and aggregate shock have been prepared.

In case of liquidity pressure, there are systems in place to ensure prompt and adequate reaction which include obtaining additional funds from local and international markets through issuance of appropriate financial instruments depending on the specific case as well as sale of non-liquid assets. The levels of decision making are clearly determined. In order to reduce the liquidity risk, preventive measures have been taken aimed to extend the maturity of borrowings from customers, to encourage long-term relationships with clients and to increase customer satisfaction. In order to adequately manage liquidity risk, the Bank monitors cash flows on a daily basis.

In order to adequately manage liquidity risk, the Bank monitors cash flows on a daily basis.

As part of the liquidity risk management, the Group keeps available liquid assets. They consist of cash, cash equivalents and government securities, which could be sold immediately in order to provide liquidity:

Liquid assets	**31.12.2025**	**31.12.2024**
in BGN '000		
Balances with central banks	2,552,192	2,178,255
Cash and current accounts with other banks	1,590,316	963,588
Unencumbered government securities	2,495,420	2,893,009
Gold	5,546	4,664
Total liquid assets	**6,643,474**	**6,039,516**

Prudent liquidity management requires the avoidance of concentration of funding from large depositors. Significant funding exposures are analysed on a daily basis, and diversification within the overall liabilities portfolio is monitored.

As at 31 December 2025, funds attracted from the thirty largest non-bank depositors represent 9.64% of the total amount due to other customers (31 December 2024: 14.10%).

One of the main ratios used by the Group for managing liquidity risk is the ratio of liquid assets to total borrowings from other clients.

	31 December 2025	**31 December 2024**
Ratio of liquid assets to total borrowings from other clients	42.88%	43.27%

The following table provides an analysis of the financial assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment.

Maturity table as at 31 December 2025

in thousands of BGN	Up to 1 month	From 1 to 3 Months	From 3 months to 1 year	From 1 to 2 years	More than 2 years	With Indefinite Maturity	Total
Assets							
Cash and balances with Central Banks	3,619,624	-	-	-	-	-	**3,619,624**
Financial assets at fair value through profit or loss	62,421	-	-	-	-	34,331	**96,752**
Financial assets at fair value through other comprehensive income	2,484,730	-	-	-	-	-	**2,484,730**
Financial assets at amortised cost	2,697	62,003	62,270	131,731	496,215	-	**754,916**
Loans and advances to banks and other financial institutions	574,948	131	6,198	5,788	20,248	-	**607,313**
Loans and advances to customers	420,500	292,600	1,205,623	1,109,011	6,802,491	-	**9,830,225**
Total financial assets	**7,164,920**	**354,734**	**1,274,091**	**1,246,530**	**7,318,954**	**34,331**	**17,393,560**
Liabilities							
Due to banks	16,916	-	-	-	-	-	**16,916**
Due to other customers	10,906,511	955,700	2,729,135	756,264	146,426	-	**15,494,036**
Other borrowed funds	31,361	16,884	122,050	250,826	879,364	-	**1,300,485**
Subordinated term debt	-	-	2,326	2,037	23,574	-	**27,937**
Hybrid debt						259,927	**259,927**
Other financial liabilities	4	-	-	-	-	-	**4**
Total financial liabilities	**10,954,792**	**972,584**	**2,853,511**	**1,009,127**	**1,049,364**	**259,927**	**17,099,305**
Positive/(negative) maturity gap between assets and liabilities	**(3,789,872)**	**(617,850)**	**(1,579,420)**	**237,403**	**6,269,590**	**(225,596)**	**294,255**

The table shows investments at fair value through other comprehensive income with a maturity of up to 1 month in order to reflect the management's ability to sell them within a short-term period, if needed.

The Group does not recognize as liquidity risk the current undrawn amounts of loans extended because the management considers that, based on the agreed conditions, the Bank can at any time terminate the extension of funds to its borrowers in case it is expected that their credit risk will increase.

Loans and advances to customers reflect also financial lease receivables.

The investments in securities reported in portfolios of financial assets at fair value in profit or loss, financial assets at fair value in other comprehensive income and financial assets at amortised cost are mostly investments in government securities from first-class issuers which are highly liquid and with the most favourable capital treatment.

The Group manages its investments in debt securities in line with the current market expectations and dynamics. As at 31.12.2025 the modified portfolio duration is 2.76 years, while a year earlier it was 2.23 years.

Maturity table as at 31 December 2024

in thousands of BGN	Up to 1 month	From 1 to 3 Months	From 3 months to 1 year	From 1 to 2 years	More than 2 years	With Indefinite Maturity	Total
Assets							
Cash and balances with Central Banks	2,814,363	-	-	-	-	-	**2,814,363**
Financial assets at fair value through profit or loss	176,114	-	-	-	-	34,566	**210,680**
Financial assets at fair value through other comprehensive income	2,347,176	-	-	-	-	-	**2,347,176**
Financial assets at amortised cost	28,892	22,577	126,191	124,214	581,382	-	**883,256**
Loans and advances to banks and other financial institutions	330,800	-	-	7,014	27,203	-	**365,017**
Loans and advances to customers	575,147	255,604	1,010,923	869,165	5,831,893	-	**8,542,732**
Other financial assets	1,814	1,206	-	-	-	-	**3,020**
Total financial assets	**6,274,306**	**279,387**	**1,137,114**	**1,000,393**	**6,440,478**	**34,566**	**15,166,244**
Liabilities							
Due to banks	15,010	-	-	-	-	-	**15,010**
Due to other customers	9,639,257	986,056	2,372,894	698,877	262,016	-	**13,959,100**
Other borrowed funds	18,329	16,891	57,832	148,431	488,550	-	**730,033**
Financial liabilities at fair value through profit and loss	198	566	172	-	-	-	**936**
Subordinated term debt	-	-	-	3,944	15,466	-	**19,410**
Hybrid debt	-	-	-	-	-	258,908	**258,908**
Total financial liabilities	**9,672,794**	**1,003,513**	**2,430,898**	**851,252**	**766,032**	**258,908**	**14,983,397**
Positive/(negative) maturity gap between assets and liabilities	**(3,398,488)**	**(724,126)**	**(1,293,784)**	**149,141**	**5,674,446**	**(224,342)**	**182,847**

The following table provides a remaining maturities analysis of the financial assets and liabilities of the Group as at 31 December 2025 based on the contractual undiscounted cash flows.

in thousands of BGN	Up to 1 month	From 1 to 3 Months	From 3 months to 1 year	From 1 to 2 years	More than 2 years	Total
Financial assets						
Cash and balances with Central Banks	3,619,624	-	-	-	-	**3,619,624**
Financial assets at fair value through profit or loss	96,752	-	-	-	-	**96,752**
Financial assets at fair value through other comprehensive income	2,484,730	-	-	-	-	**2,484,730**
Financial assets at amortised cost	2,702	62,119	62,990	135,975	577,802	**841,588**
Loans and advances to banks and other financial institutions	574,948	131	6,198	5,788	20,248	**607,313**
Loans and advances to customers	420,893	295,127	1,243,623	1,195,706	8,336,469	**11,491,818**
Total financial assets	**7,199,649**	**357,377**	**1,312,811**	**1,337,469**	**8,934,519**	**19,141,825**
Financial liabilities						
Due to banks	16,916	-	-	-	-	**16,916**
Due to other customers	10,906,991	956,146	2,734,015	759,459	147,869	**15,504,480**
Other borrowed funds	31,425	17,037	126,881	271,195	1,060,579	**1,507,117**
Financial liabilities at fair value through profit or loss.	-	-	-	-	-	**-**
Subordinated term debt	-	-	3,531	3,153	27,829	**34,513**
Hybrid debt	-	-	23,861	23,861	278,184	**325,906**
Total financial liabilities	**10,955,332**	**973,183**	**2,888,288**	**1,057,668**	**1,514,461**	**17,388,932**
Derivatives held for risk management						
Outgoing cash flow	4	-	-	-	-	**4**
Incoming cash flow	-	-	-	-	-	**-**
Cash flows from derivatives, net	**(4)**	**-**	**-**	**-**	**-**	**(4)**

The following table provides a remaining maturities analysis of the financial assets and liabilities of the Group as at 31 December 2024 based on the contractual undiscounted cash flows.

in thousands of BGN	Up to 1 month	From 1 to 3 Months	From 3 months to 1 year	From 1 to 2 years	More than 2 years	Total
Financial assets						
Cash and balances with Central Banks	2,814,363	-	-	-	-	**2,814,363**
Financial assets at fair value through profit or loss	210,680	-	-	-	-	**210,680**
Financial assets at fair value through other comprehensive income	2,347,176	-	-	-	-	**2,347,176**
Financial assets at amortised cost	28,929	22,703	126,928	127,059	666,129	**971,748**
Loans and advances to banks and other financial institutions	330,800	-	-	7,014	27,203	**365,017**
Loans and advances to customers	569,728	256,326	1,010,986	907,372	6,730,977	**9,475,389**
Total financial assets	**6,301,676**	**279,029**	**1,137,914**	**1,041,445**	**7,424,309**	**16,184,373**
Financial liabilities						
Due to banks	15,010	-	-	-	-	**15,010**
Due to other customers	9,665,680	986,227	2,374,431	699,974	262,976	**13,989,288**
Other borrowed funds	18,368	17,023	59,612	160,158	598,628	**853,789**
Financial liabilities at fair value through profit and loss	198	566	172	-	-	**936**
Subordinated term debt	-	-	-	-	22,132	**22,132**
Hybrid debt	-	-	-	-	261,405	**261,405**
Total financial liabilities	**9,699,256**	**1,003,816**	**2,434,215**	**860,132**	**1,145,141**	**15,142,560**
Derivatives held for risk management						
Outgoing cash flow	54	-	-	-	-	**54**
Incoming cash flow	1,868	1,206	-	-	-	**3,074**
Cash flows from derivatives, net	**1,814**	**1,206**	**-**	**-**	**-**	**3,020**

The expected cash flows of the Bank from some financial assets and liabilities are different from the cash flows as per the loan contract. The main differences are as follows:

- There is an expectation that the deposits on demand and term deposits will remain stable and will increase.
- Retail mortgages have original maturity of 18 years on average, but the expected average effective maturity is 12 years as some clients take advantage of the early repayment possibility.

(ii) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts.

Interest rate risk in the banking book (IRRBB)

In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, such as the Bulgarian Basic Interest Rate, the LIBOR and EURIBOR, although these indices tend to move in high correlation. In addition, the overall effect will also depend on other factors, such as the extent

to which payments are made before or after the contractual dates and fluctuations in interest rate sensitivity across maturity buckets and currencies.

In order to quantify the interest rate risk of its non-trading activities, the Group measures the impact of a change in the market rates both on net interest income and on the Bank's economic value defined as the difference between fair value of assets and fair value of liabilities.

The interest rate risk on the economic value of the Group following a standardised shock of +100bp/-100bp as at 31 December 2025 is BGN -105,911/-+40,734 thousand.

The interest rate risk on the Group's net interest income one year forward following a standardised shock of +100bp/-100bp as at 31 December 2025 is BGN +7,277/-38,499 thousands.

Effect in BGN '000	Net interest income		Equity	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
2025				
as at 31 December	7,277	(38,499)	(105,911)	40,734
Average for the period	7,323	(35,493)	(80,522)	16,620
Maximum for the period	11,330	(32,281)	(51,636)	52,218
Minimum for the period	5,332	(38,499)	(108,777)	(13,767)
2024				
as at 31 December	15,591	(17,785)	9,047	(9,683)

Credit Spread Risk in the Banking Book (CSRBB)

The risk arising from changes in market perception regarding the price of credit risk, the liquidity premium and other potential components of credit risk instruments that cause fluctuations in the price of credit risk, the liquidity premium and other potential components, which is not explained by IRRBB or by the expected credit / (jump to-) default risk. Only those instruments in the bank's book which are reported at fair value are subject to credit spread risk.

Similar to the interest rate risk arising from non-trading book activities, for credit spread risk the Group calculates the risk arising from potential changes in two aspects: how it affects net interest income and how it affects the Group's economic value.

The applicable stress test scenarios were calibrated with 99% confidence level compared to the historically observed changes. Shocks vary depending on the maturity of cash flows and the issuer's credit rating.

The effect on the Group's economic value as at 31 December 2025 amounted to BGN (33,963) thousand, and the effect on the net interest income amounted to BGN 6,889 thousand.

Effect in BGN '000	Net interest income	Equity
2025		
as at 31 December	4,387	(45,413)
Average for the period	4,696	(42,891)
Maximum for the period	6,290	(40,788)
Minimum for the period	3,466	(45,413)
2024		
as at 31 December	6,889	(33,963)

The following table indicates the effective interest rates at 31 December 2025 and the periods in which financial liabilities and assets reprice.

in thousands of BGN	Total	Floating interest rate instruments	Fixed interest rate instruments			
			Between 1 and 3 months	Between 1 to 3 Months	Between 3 months to 1 year	More than 1 year
Assets						
Cash and balances with Central Banks	**624,647**	473,336	151,311	-	-	-
Financial assets at fair value through profit or loss	**47,330**	-	47,330	-	-	-
Financial assets at fair value through other comprehensive income	**2,484,730**	-	2,484,730	-	-	-
Financial assets at amortised cost	**754,916**	-	2,697	62,002	62,270	627,947
Loans and advances to banks and other financial institutions	**442,555**	10,552	15,648	11,225	329,954	75,176
Loans and advances to customers	**9,544,625**	8,783,957	9,765	25,280	163,133	562,490
Total interest-bearing assets	**13,898,803**	**9,267,845**	**2,711,481**	**98,507**	**555,357**	**1,265,613**
Liabilities						
Due to banks	**16,916**	3,890	13,026	-	-	-
Due to other customers	**15,091,902**	8,637,799	2,234,016	404,239	2,814,220	1,001,628
Other borrowed funds	**1,291,861**	373,069	31,165	14,980	84,726	787,921
Subordinated term debt	**27,937**	-	-	-	2,326	25,611
Hybrid debt	**259,927**	-	-	-	-	259,927
Total interest-bearing liabilities	**16,688,543**	**9,014,758**	**2,278,207**	**419,219**	**2,901,272**	**2,075,087**

The following table indicates the effective interest rates at 31 December 2024 and the periods in which financial liabilities and assets reprice.

in thousands of BGN	Total	Floating interest rate instruments	Fixed interest rate instruments			
			Between 1 and 3 months	Between 1 to 3 Months	Between 3 months to 1 year	More than 1 year
Assets						
Cash and balances with Central Banks	**356,322**	199,939	156,383	-	-	-
Financial assets at fair value through profit or loss	**36,672**	-	36,672	-	-	-
Financial assets at fair value through other comprehensive income	**2,347,176**	-	2,347,176	-	-	-
Financial assets at amortised cost	**883,256**	-	28,892	22,578	126,191	705,595
Loans and advances to banks and other financial institutions	**98,114**	3,579	23,106	11,794	-	59635
Loans and advances to customers	**8,089,155**	7,535,710	3,395	27,556	108,543	413,951
Total interest-bearing assets	**11,810,695**	**7,739,228**	**2,595,624**	**61,928**	**234,734**	**1,179,181**
Liabilities						
Due to banks	**15,010**	2,817	12,193	-	-	-
Due to other customers	**14,092,182**	8,032,606	1,708,398	858,361	2,457,765	1,035,052
Other borrowed funds	**718,239**	256,720	17,814	16218	50,523	376,964
Subordinated term debt	**19,410**	-	-	-	-	19,410
Hybrid debt	**258,908**	-	-	-	-	258,908
Total interest-bearing liabilities	**15,103,749**	**8,292,143**	**1,738,405**	**874,579**	**2,508,288**	**1,690,334**

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk in performing transactions in foreign currencies and foreign-currency denominated financial instruments.

Following the introduction of a currency board arrangement in the Republic of Bulgaria, the Bulgarian lev was formally pegged to the euro. As the currency in which the Bank presents it financial statements is the Bulgarian lev, the Group's financial statements are effected by movements in the exchange rates between the Bulgarian lev and currencies other than the Euro.

The Group's transactional exposures give rise to foreign currency gains and losses that are recognised in profit or loss. These exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the presentation currency of the Group. These exposures are presented below:

in thousands of BGN	2025	2024
Monetary assets		
Euro	6,816,481	6,451,577
US dollars	722,479	615,782
Other currencies	867,166	724,634
Gold	5,546	4,673
Monetary liabilities		
Euro	6,554,716	6,037,968
US dollars	723,051	616,395
Other currencies	696,207	573,283
Gold	-	3,735
Net foreign currency position		
Euro	261,765	413,609
US dollars	(572)	(613)
Other currencies	170,959	151,351
Gold	5,546	938

In respect of monetary assets and liabilities in foreign currencies that are not economically hedged, the Group manages foreign currency risk in line with policy that sets limits on currency positions and dealer limits.

(iii) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The Group is subject to credit risk through its lending activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees. Credit risk management is carried out through regular analyses of borrowers' creditworthiness and the assignment of credit ratings. Exposure to credit risk is also managed through the acceptance of collateral and guarantees.

The table below provides information on the maximum exposure to credit risk:

in thousands of BGN	Loans and advances to other customers		Loans and advances to banks, including central banks		Investment in debt securities		Off-balance sheet commitments	
	2025	2024	2025	2024	2025	2024	2025	2024
Carrying amount	9,830,225	8,542,732	3,365,185	2,814,059	3,286,977	3,392,820	-	-
Contingent liabilities	-	-	-	-	-	-	1,251,731	1,141,510

The Group's primary exposure to credit risk arises through its loans and advances. The amount of credit exposure in this case is determined by the carrying amount of the assets. These exposures are as follows:

31 December 2025			in thousands of BGN.
Class of exposure	**Gross amount of loans and advances to customers**	**Allowance for impairment**	**Carrying amount of loans and advances to customers**
Performing			
Collectively impaired	9,411,794	(89,937)	9,321,857
Non-performing			
Collectively impaired	206,364	(47,107)	159,257
Individually impaired	607,507	(258,396)	349,111
Total	**10,225,665**	**(395,440)**	**9,830,225**

31 December 2024			in thousands of BGN.
Class of exposure	**Gross amount of loans and advances to customers**	**Allowance for impairment**	**Балансова стойност на вземания от клиенти**
Performing			
Collectively impaired	7,778,937	(77,362)	7,701,575
Non-performing			
Collectively impaired	214,418	(47,446)	166,972
Individually impaired	906,089	(231,904)	674,185
Total	**8,899,444**	**(356,712)**	**8,542,732**

Distribution of trade receivables and impairment as adjustment for financial assets (receivables from customers) according to the requirements of IFRS9:

	31/12/2025		31/12/2024	
	Gross amount of loans and advances to customers	Allowance for impairment	Gross amount of loans and advances to customers	Allowance for impairment
Exposures without increase of credit risk after the initial recognition (phase 1)	8,207,284	(19,328)	6,571,483	(14,175)
Exposures with significant increase of credit risk after the initial recognition (phase 2)	1,204,510	(70,609)	1,207,454	(63,187)
Non-performing (impaired) exposures (phase 3)	813,871	(305,503)	1,120,507	(279,350)
Total	**10,225,665**	**(395,440)**	**8,899,444**	**(356,712)**

Exposures classification into risk classes reflects the management's estimate regarding the loans recoverable amounts.

All exposures that are not individually assessed are subject to impairment on a portfolio basis, based on shared credit risk characteristics. The characteristics used (e.g. business segment, credit rating, behavioural scoring, collateralization, days past

due, etc.) are selected so as to be indicative of the debtors' ability to meet their obligations in accordance with the contractual terms of the financial assets. The combination of these characteristics determines the main risk parameters of the exposure (EAD, PD and LGD).

The values of the risk parameters are determined in the context of three economic development scenarios – optimistic, baseline and pessimistic. In this way, the impact of the macroeconomic environment on the long-term average values of the risk parameters under the realization of the different economic scenarios is taken into account.

The individual macroeconomic scenarios are defined through key macroeconomic indicators, such as GDP growth, consumer price index, unemployment and other relevant indicators. The impact of these indicators on the risk parameters used in the calculation of impairment losses is determined through internally developed statistical models of the Bank. The adopted macroeconomic scenarios are based on forecast data from independent sources, assuming that the forecasts used reflect the probability distribution of the expected economic development of the country. Changes in the forecast macroeconomic indicators or in the scenario weights are directly reflected in the measurement of expected credit losses.

As at 31 December 2025 the gross amount of overdue loans and advances to customers measured as exposures 90+ days overdue is BGN 393,284 thousand (2024: 512,789 thousand)

In addition, the Group is exposed to off-balance sheet credit risk through commitments to extend credits and issue contingent liabilities (See Note 32).

Concentrations of credit risk (on- and off-balance sheet) in respect of financial instruments arise in relation to counterparties that have similar economic characteristics; consequently, changes in economic and other conditions would affect their ability to meet contractual obligations in a similar manner.

The major concentrations of credit risk arise by location and type of customer in relation to the Bank's investments, loans and advances and off-balance sheet commitments.

The concentration of credit risk by industry sector in respect of receivables from customers is presented in the table below:

in thousands of BGN	**2025**	**2024**
Trade	1,353,472	1,317,963
Manufacturing	1,250,214	1,186,548
Services	966,684	875,569
Finance	128,525	64,657
Transport	181,112	160,682
Communications	72,303	75,377
Construction	650,198	514,642
Agriculture	223,693	213,045
Tourism	578,073	519,943
Infrastructure	648,339	606,431
Individuals	4,079,445	3,310,586
Other	93,607	54,001
Allowance for impairment	(395,440)	(356,712)
Total	**9,830,225**	**8,542,732**

The amounts reflected in the tables represent the maximum accounting loss that would be recognised at the statement of financial position date if counterparts failed completely to perform as contracted and any collateral or security proved to be of no value. Accordingly, the amounts significantly exceed the expected losses recognised as impairment.

The Group has extended loans to enterprises involved in different types of activities but within the same economic sector - industry. As such the exposures share a similar industry risk. As at 31 December 2025, there are three such groups of entities, with a total exposure at gross carrying amount of BGN 333,835 thousand. (2024: 283,050 thousand) – Ferrous and non-ferrous metallurgy, BGN 21,009 thousand. (2024: 16,813 thousand) – Mining, BGN 143,338 thousand. (2024: 147,518 thousand) – Energy.

The Group has extended loans, confirmed letters of credit and granted guarantees to 3 individual clients or groups (2024: 4) with each individual exposure exceeding 10% of the capital base of the Group, based on the amortised cost of the respective loan facilities and after application of the required regulatory exemptions and techniques for reducing credit risk. The total amount of these exposures was BGN 838,482 thousand, i.e. 41.43% of tier 1 capital (2024: BGN 1,061,664 thousand which represented 56.97% of tier 1 capital).

No loans were extended by the branch in Cyprus in 2025, as in 2024, and in 2025 the loans extended by the bank in Albania amounted to BGN 787,913 thousand (2024: BGN 653,254 thousand) gross book value.

The Group's policy is to require suitable collateral to be provided by certain customers prior to the disbursement of approved loans. Bank guarantees and letters of credit are also subject to thorough prior assessment. The agreements specify the monetary limits of the Bank's commitment.

Types of collateral held against different types of assets:

Type of credit exposure	**Main type of collateral**	**Collateral coverage ratio of exposures**	
		2025	**2024**
Repurchase agreements	Marketable securities	99%	99%
Loans and advances to banks	None		
Residential lending	Residential or non-residential properties	245%	257%
Consumer lending	Mortgage, guarantees, cash and other collateral	13%	15%
Credit cards	None	-	-
Corporate lending	Mortgage; pledge over a going concern; pledge over property, plant and equipment; pledge over inventories; pledge over other current assets; guarantee schemes; cash, financial and other collateral.	894%	898%

The table below shows a breakdown of total gross loans and advances (gross balance sheet value) extended to customers by the Group by type of collateral to the amount of the collateral, excluding credit cards in the amount of BGN 136,100 thousand (2024: 134,166 thousand)

in BGN '000	**2025**	**2024**
Mortgage	2,401,168	1,994,213
Pledge over receivables	2,371,970	1,997,852
Pledge over a commercial enterprise	6,306	6,302
Securities	20,976	23,337
Bank guarantees	3,750	3,750
Sureties and other guarantees	4,246,127	4,009,736
Pledge of goods	4,464	9,493
Pledge over machinery and equipment	51,414	29,551
Pledge over cash funds	847,264	555,228
Pledge over equity interests in companies	15	15
Other collateral	1,097	416
Unsecured	135,014	135,385
Total	**10,089,565**	**8,765,278**

Other collateral includes insurance policies up to the amount of insurance coverage, future proceeds credited to accounts, assignment of salary, and others.

Residential mortgage lending

The table below represents credit exposures from housing and mortgage loans to household customers by ranges of loan-to-value (LTV) ratio. The LTV is calculated as the ratio of the gross loan amount to the value of the collateral. The gross amount does not include accumulated impairment. The valuation of the collateral does not include future costs of acquisition and disposal of the collateral. The value of collateral for residential mortgage loans is based on the collateral value at loan origination, updated on the basis of an assessment of changes in residential property prices.

The table below represents a separation of the gross amount of housing mortgages granted to households according to the LTV ratio.

in BGN '000	2025	2024
Loan-to-value (LTV) ratio		
Less than 50%	543,304	478,393
Over 50% up to 70%	630,785	515,165
Over 70% up to 90%	791,259	554,611
Over 90% up to 100%	43,947	41,689
More than 100%	146,537	124,762
Total	**2,155,832**	**1,714,620**

Loans to corporate customers

Individually significant loans to corporate customers are subject to individual credit appraisal and impairment testing. The creditworthiness of an entity is generally the most appropriate indicator of the quality of the exposure to it. However, collateral provides additional security and the Group requests corporate borrowers to provide it. The Group takes collateral in the form of a first charge over real estate, floating charges over all corporate assets, and other liens and guarantees.

The Group routinely analyses collateral for possible changes in value due to market conditions, legal framework or debtor's actions. Where such changes lead to a breach in the requirements for sufficiency of collateral, the Group requires provision of additional collateral within a certain timeframe.

As at 31 December 2025 the net carrying amount of individually impaired loans to corporate customers amounts to BGN 403,423 thousand (2024: BGN 730,645 thousand) and the value of collateral held against those loans amounts to BGN 400,026 thousand (2024: 701,934 thousand)

The Group constantly monitors the risk of default on already given loans and if there is available data for potential or actual problems, the Group prepares an action plan and takes measures for managing the possible unwanted results, including restructuring of the loans

Renegotiated loans

For the purposes of the disclosure in these financial statements "renegotiated loans" are defined as loans, which have been renegotiated as a result of a change in the interest rates, repayment schedule, upon a client request, and others.

in BGN '000	2025		2024	
Type of restructuring	**Gross amount of loans and advances to customers**	**Allowance for impairment**	**Gross amount of loans and advances to customers**	**Allowance for impairment**
Loans to individuals	**212,110**	**2,740**	**205,088**	**3,711**
Change in the repayment term	132,094	2,154	118,040	3,018
Change in repayment installments	153	1	498	4
Change in the interest rate	32,198	22	47,076	29
At the borrower's request	38,409	50	25,471	28
Other reasons	9,256	513	14,003	632
Corporate lending	**1,864,242**	**174,193**	**1,961,371**	**128,979**
Change in the repayment term	256,755	4,684	281,971	865
Change in repayment installments	308,644	152	331,372	6,338
Change in the interest rate	48,883	2,252	105,655	4,820
At the borrower's request	741,151	1,131	918,874	81,624
Other reasons	508,809	165,974	323,499	35,332
Total	**2,076,352**	**176,933**	**2,166,459**	**132,690**

Structure and organisation of the credit risk management functions

Credit risk management as an overall process is carried out under the direction of the Bank's Management Board. The Supervisory Board exercises oversight over the activities of the Management Board in relation to credit risk management, directly and/or through the Risk Committee, which supports the Supervisory Board in exercising comprehensive oversight of the Bank's risk management function, including with respect to the formation of risk exposures.

To support the Management Board in credit risk management, collective bodies operate within the Bank – the Credit Council and the Restructuring Committee. The Credit Council supports the management of assumed credit risk by issuing decisions on credit transactions within the limits of the authority delegated to it. The Restructuring Committee is a specialised body responsible for monitoring credit exposures with indicators of deterioration. In addition to the collective bodies, specialised independent units operate within the Bank – the Risk Analysis and Control Directorate and the Credit Risk Management, Monitoring and Provisioning Directorate – which perform functions related to the identification, measurement and management of credit risk, including the performance of second-line control over risk exposures. The realization, coordination and current control over the lending process is organized from the following departments: Banking of Large Enterprises, Banking of Medium-sized Enterprises, Banking of Small Enterprises, Retail Banking, and Loan Administration, while the problem assets management is performed by the Impaired Assets Department.

(iv) Government debt exposures

The Group closely manages the credit risk on government debt exposures and as a result the overall quality of the government debt portfolio is very high.

The table below presents the carrying amount of the government debt portfolio by country.

in BGN '000

31 December 2025				
Issuing country	**at fair value through profit and loss**	**at fair value through other comprehensive income**	**at amortised cost**	**Total**
Bulgaria	7,003	465,039	349,602	**821,644**
Lithuania	-	37,643	40,325	**77,968**
Slovakia	-	-	1,981	**1,981**
USA	-	66,565	56	**66,621**
Romania	104	47,222	12,078	**59,404**
Italy	21,455	4,255	1,962	**27,672**
Spain	-	19,949	-	**19,949**
Portugal	-	-	19,996	**19,996**
Hungary	-	-	15,512	**15,512**
European Union	-	467,389	592	**467,981**
Albania	-	159,282	173,933	**333,215**
Ireland	-	-	19,852	**19,852**
Saudi Arabia	-	6,224	9,867	**16,091**
Belgium	-	316,872	-	**316,872**
France	18,871	32,569	-	**51,440**
Germany	-	573,720	-	**573,720**
Great Britain	-	73,178	-	**73,178**
Finland	-	38,856	-	**38,856**
Austria	-	20,423	-	**20,423**
Israel	-	48,047	-	**48,047**
Slovenia	-	9,699	-	**9,699**
Latvia	-	9,904	-	**9,904**
Poland	-	2,032	-	**2,032**
EFSF*	-	11,825	-	**11,825**
EMC**	-	32,023	-	**32,023**
Total	**47,433**	**2,442,716**	**645,756**	**3,135,905**

*European Financial Stability Facility

*European Stability Mechanism

in thousands of BGN

31 December 2024				
Issuing country	**at fair value through profit and loss**	**at fair value through other comprehensive income**	**at amortised cost**	**Total**
Bulgaria	6,162	184,397	430,178	**620,737**
Lithuania	-	28,080	41,092	**69,172**
Slovakia	-	-	1,981	**1,981**
USA	-	130,402	64	**130,466**
Romania	98	46,733	12,119	**58,950**
Italy	-	4,256	1,962	**6,218**
Spain	-	164,811	-	**164,811**
Portugal	-	-	20,088	**20,088**
Hungary	-	-	15,485	**15,485**
Croatia	-	7,006	-	**7,006**
European Union	-	254,215	593	**254,808**
Albania	-	73,523	171,945	**245,468**
Ireland	-	-	19,903	**19,903**
Saudi Arabia	-	6,146	9,925	**16,071**
Belgium	-	211,946	-	**211,946**
France	-	381,924	-	**381,924**
Germany	-	408,050	-	**408,050**
Great Britain	-	46,543	-	**46,543**
Finland	-	121,695	-	**121,695**
Austria	20,325	176,462	-	**196,787**
Israel	-	25,982	-	**25,982**
Slovenia	-	9,633	-	**9,633**
Malta	10,077	-	-	**10,077**
EFSF*	-	11,973	-	**11,973**
EMC**	-	26,112	-	**26,112**
Total	**36,662**	**2,319,889**	**725,335**	**3,081,886**

Maturity table of government debt securities by country issuer as at 31 December 2025

in thousands of BGN

Issuing country	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Bulgaria	-	63,286	35,348	67,378	261,372	394,260	**821,644**
Lithuania	-	-	40,325	-	10,057	27,586	**77,968**
Slovakia	-	-	-	1,981	-	-	**1,981**
USA	9,142	8,287	32,435	-	-	16,757	**66,621**
Romania	-	40,391	1,948	-	5,459	11,606	**59,404**
Italy	-	-	-	-	-	27,672	**27,672**
Spain	-	-	19,949	-	-	-	**19,949**
Portugal	-	-	-	-	19,996	-	**19,996**
Hungary	-	-	-	-	15,512	-	**15,512**
European Union	48,794	215,561	106,450	-	37,919	59,257	**467,981**
Albania	2,697	17,804	9,937	53,391	151,449	97,937	**333,215**
Ireland	-	-	-	-	-	19,852	**19,852**
Saudi Arabia	-	-	-	9,867	-	6,224	**16,091**
Belgium	-	109,225	171,523	-	-	36,124	**316,872**
France	879	-	-	-	-	50,561	**51,440**
Germany	68,400	19,512	485,808	-	-	-	**573,720**
Great Britain	-	11,153	62,025	-	-	-	**73,178**
Finland	-	-	38,856	-	-	-	**38,856**
Austria	-	20,423	-	-	-	-	**20,423**
Israel	-	-	28,967	5,865	13,215	-	**48,047**
Slovenia	-	-	-	-	-	9,699	**9,699**
Latvia	-	-	-	-	9,904	-	**9,904**
Poland	-	-	-	-	2,032	-	**2,032**
EFSF*	-	-	1,948	-	-	9,877	**11,825**
EMC*	-	19,480	-	-	-	12,543	**32,023**
Total	**129,912**	**525,122**	**1,035,519**	**138,482**	**526,915**	**779,955**	**3,135,905**

Maturity table of government debt securities by country issuer as at 31 December 2024

in thousands of BGN

Issuing country	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Bulgaria	19,769	20,680	103,308	98,284	190,594	188,102	**620,737**
Lithuania	-	-	-	41,092	-	28,080	**69,172**
Slovakia	-	-	-	-	1,981	-	**1,981**
USA	24,520	50,529	37,192	-	-	18,225	**130,466**
Romania	-	-	-	41,933	5,532	11,485	**58,950**
Italy	-	-	-	-	-	6,218	**6,218**
Spain	-	48,674	96,370	19,767	-	-	**164,811**
Portugal	-	-	-	-	-	20,088	**20,088**
Hungary	-	-	-	-	-	15,485	**15,485**
Croatia	-	7,006	-	-	-	-	**7,006**
European Union	58,641	82,730	14,552	-	37,627	61,258	**254,808**
Albania	9,122	28,242	20,314	22,478	96,959	68,353	**245,468**
Ireland	-	-	-	-	-	19,903	**19,903**
Saudi Arabia	-	-	-	-	9,925	6,146	**16,071**
Belgium	-	38,910	135,203	-	-	37,833	**211,946**
France	39,116	116,752	193,210	-	-	32,846	**381,924**
Germany	9,769	126,707	271,574	-	-	-	**408,050**
Great Britain	11,755	-	34,788	-	-	-	**46,543**
Finland	-	-	121,695	-	-	-	**121,695**
Austria	48,792	-	106,753	20,916	20,326	-	**196,787**
Israel	-	-	-	20,263	5,719	-	**25,982**
Slovenia	-	-	-	-	-	9,633	**9,633**
Malta	-	-	-	-	-	10,077	**10,077**
EFSF*	-	-	-	1,910	-	10,063	**11,973**
EMC*	13,684	-	-	-	-	12,428	**26,112**
Total	**235,168**	**520,230**	**1,134,959**	**266,643**	**368,663**	**556,223**	**3,081,886**

C. Capital adequacy

Since 1 January 2014, the provisions of the CRD IV package have been in force. Through Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, CRD IV package transposes into European law the provisions of the new capital standards for banks – Basel III.

Regulatory capital

The equity capital of the Group for regulatory purposes consists of the following elements:

Common Equity Tier 1 capital

a) issued and paid up capital instruments (ordinary shares);

b) share premium from issuance of ordinary shares;

c) audited retained earnings;

d) accumulated other comprehensive income, including revaluation reserves;

e) other reserves.

Deductions from components of the Common Equity Tier 1 capital include intangible assets, as well as value adjustments due to the requirements for prudential assessments and other deductions. The increase of CET1 includes the adjustments related to the transitional treatment of the effect from the initial application of IFRS 9.

Additional Tier 1 capital

The instruments of Additional Tier 1 capital include hybrid debt (see note 29).

Tier 2 Capital

Tier 2 capital amortised in accordance with the requirements of Regulation 575 includes subordinated term debt in the amount of EUR 16,900 thousand (equivalent to BGN 33.053 thousand), issued in 2019 (EUR 2,000 thousand) and in 2020 (EUR 2,900 thousand) and 2022 (EUR 5,000 thousand) in the form of subordinated bonds issued by the subsidiary First Investment Bank - Albania Sh.a. (See Note 29).

Total own funds

In thousands of BGN	**2025**	**2024**
Common Equity Tier 1 capital		
Paid-in capital instruments	149,085	149,085
(-) Indirect shareholding in Common Equity Tier 1 capital instruments	-	-
Premium reserves	250,017	250,017
Net interim profit, as verified by the auditors	110,200	78,716
Other reserves	1,287,242	1,146,007
Accumulated other comprehensive income	29,496	28,943
Adjustments of Common Equity Tier 1 capital		
(-) Intangible assets	(30,643)	(26,362)
Transitional adjustments of Common Equity Tier 1 capital	-	1,086
(-) Other deductions	(26,054)	(17,983)
Common Equity Tier 1 capital	**1,769,343**	**1,609,509**
Additional Tier 1 capital instruments		
Hybrid debt	254,258	254,258
Tier 1 Capital	**2,023,601**	**1,863,767**
Tier 2 Capital instruments		
Subordinated term debt	22,207	13,600
Tier 2 Capital	**22,207**	**13,600**
Total own funds	**2,045,808**	**1,877,367**

The Group calculates the following ratios:

a) the Common Equity Tier 1 capital ratio is the Common Equity Tier 1 capital of the institution expressed as a percentage of the total risk exposure amount;

b) the Tier 1 capital ratio is the Tier 1 capital of the institution expressed as a percentage of the total risk exposure amount;

c) the total capital ratio is the own funds of the institution expressed as a percentage of the total risk exposure amount.

The total risk exposure is calculated as the total of the riskweighted assets for credit, market and operational risk.

The Group calculates the requirements for credit risk for its exposures in banking and trading portfolios based on the standardised approach. Exposures are taken into account at their carrying amount. Off-balance sheet commitments are taken into account by applying credit conversion factors intended to convert them into balance sheet equivalents. Positions are risk-weighted using different percentages depending on the exposure class and its credit rating. Various credit risk mitigation techniques are used, such as collateral and guarantees. For derivative instruments, such as forwards and options, the counterparty's credit risk is assessed.

The Group calculates also capital requirements for market risk for foreign currency and commodity instruments in trading book and banking book.

The Group calculates capital requirements for operational risk by application of the standardized approach In this approach the Group distributes the net income from banking operations (called the relevant indicator) over the last three years for the respective business lines. Next, the distributed amount from the relevant indicator is multiplied by its corresponding percentage (beta factor) to obtain the annual capital requirement for each business line. The Group calculates the capital requirement for operational risk as the average value for the three-year period of the sum of the annual capital requirements for all business lines The respective risk exposure is calculated by further multiplication of the capital requirement by 12.5.

The Group has complied with the regulatory capital requirements throughout the period.

The capital adequacy ratios are as follows:

in BGN '000	Balance sheet/notional amount		Risk exposures	
	2025	2024	2025	2024
Risk weighted exposures for credit risk				
On-balance sheet exposures				
Central governments or central banks	5,792,578	5,425,472	578,897	363,568
Multilateral development banks	45	16	-	-
International organizations	894	894	-	-
Institutions	1,115,700	617,940	314,974	198,243
Corporates	3,137,533	3,082,115	2,107,710	2,320,215
Retail exposures	2,948,891	2,279,203	1,991,176	1,517,575
Exposures secured by mortgages on immovable property	3,266,147	2,484,298	1,287,868	913,724
Exposures in default	503,755	835,952	501,383	808,756
High-risk exposures	-	11,807	-	17,710
Collective investment undertakings	10,794	10,458	10,794	10,458
Equities	48,880	48,994	67,258	57,118
Other items	2,199,634	1,918,388	1,594,494	1,552,147
Total	**19,024,851**	**16,715,537**	**8,454,554**	**7,759,514**
Off-balance sheet exposures				
Institutions	-	-	478	6,996
Corporates	504,297	482,487	183,238	184,063
Retail exposures	589,299	545,671	153,713	164,883
Exposures secured by mortgages on immovable property	149,790	31,091	62,841	6,094
Exposures in default	8,011	66,808	4,809	52,007
High-risk exposures	-	14,358	-	10,769
Other items	-	-	83	103
Total	**1,251,397**	**1,140,415**	**405,162**	**424,915**
Derivatives				
Central governments or central banks	-	-	-	-
Institutions	346	162	173	81
Corporates	-	2,532	-	2,532
Other items	-	3,735	-	3,735
Total	**346**	**6,429**	**173**	**6,348**
Total risk-weighted exposures for credit risk			**8,859,889**	**8,190,777**
Total amount of exposures to market risk			**5,400**	**5,000**
Amount of exposures for deferred risk			**787,213**	**725,188**
Total amount of risk exposures			**9,652,502**	**8,920,965**

Capital adequacy ratios	Equity		Capital ratios %	
	2025	2024	2025	2024
Common Equity Tier 1 capital	**1,769,343**	**1,609,509**	**18.33%**	**18.04%**
Tier 1 Capital	**2,023,601**	**1,863,767**	**20.96%**	**20.89%**
Total own funds	**2,045,808**	**1,877,367**	**21.19%**	**21.04%**

D. Other risks - war in Ukraine

Diplomatic efforts aimed at ending the hostilities and reaching a peace agreement between Russia and Ukraine, initiated more than a year ago, remain contentious, with an uncertain outcome and ambiguous potential consequences for the parties to the military conflict as well as for Europe and the United States. At the same time, the ongoing trade war led by the United States, through the imposition of varying levels of tariffs on countries worldwide, further slows economic growth and prolongs macroeconomic and geopolitical uncertainty. In this context, the Group's Management believes that the conditions and prerequisites for a reliable quantitative assessment of the potential indirect impact of relevant changes in the micro- and macroeconomic environment on its financial position and results are still not in place. Nevertheless, Management remains committed to the continuous monitoring and analysis of the possible future consequences of the ongoing war between Russia and Ukraine, as well as the conflict in the Middle East, with a view to the timely identification of potential adverse effects and the implementation of measures to mitigate their impact on the Group's financial position and performance.

The disruptions caused by the war have both direct and indirect impacts on the economy of EU countries, leading to slower growth and higher inflation. The rapid increase in energy and food prices is fueling global inflationary pressure and posing challenges to the monetary policy of central banks.

Risks to future development include potential impacts on the business model arising from macroeconomic and global geopolitical uncertainty related to Russia's actions against Ukraine, as well as from instability in the Middle East. Customers' activities may also be affected by the higher prices of energy and the disruption of supply chains.

The Bank monitors the situation closely, and carries out additional stress tests under different scenarios. The Group's exposure to counterparties from Russia, Ukraine and Belarus is insignificant.

Up to the date of preparation and approval of the Group's separate financial statements, these events have not had a direct material impact on its operations.

4. Segment Reporting

Segment information is presented in respect of the Group's geographical segments. The primary format, geographical segments, is based on the Bank's management and internal reporting structure.

Reporting and measurement of segment assets and liabilities and segment revenues and results is based on the accounting policies set out in the accounting policy notes.

Transactions between segments are conducted on an arm's length basis.

The Group operates principally in Bulgaria, but also has operations in Cyprus and Albania.

In presenting information on the basis of geographical segments, revenue and operating income is allocated after intragroup eliminations based on the location of the Bank branch that generated the revenue. Segment assets and liabilities are allocated after intragroup eliminations based on their geographical location.

in BGN '000	Bulgarian operations		Foreign operations		Total	
	2025	2024	2025	2024	2025	2024
Interest income	506,989	456,329	77,936	81,892	584,925	538,221
Interest expense	(87,703)	(54,596)	(22,436)	(16,959)	(110,139)	(71,555)
Net interest income	**419,286**	**401,733**	**55,500**	**64,933**	**474,786**	**466,666**
Net fee and commission income	212,833	198,662	32,150	26,332	244,983	224,994
Fee and commission expense	(54,904)	(45,761)	(8,415)	(6,848)	(63,319)	(52,609)
Net fee and commission income	**157,929**	**152,901**	**23,735**	**19,484**	**181,664**	**172,385**
Net trading income	**23,597**	**24,541**	**4,207**	**3,851**	**27,804**	**28,392**
Administrative expenses	**(247,101)**	**(226,810)**	**(25,918)**	**(23,056)**	**(273,019)**	**(249,866)**
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Assets	**17,050,961**	**15,015,408**	**2,110,134**	**1,840,202**	**19,161,095**	**16,855,610**
Liabilities	**15,128,273**	**13,387,528**	**2,122,617**	**1,737,933**	**17,250,890**	**15,125,461**

The table below shows assets and liabilities and income and expense by business segments as at 31 December 2025.

in BGN '000

Business	Assets	Liabilities	Net interest income	Net fee and commission income	Net trading income	Other net operating income
Large enterprises	2,940,468	2,296,223	97,180	52,784	-	16
Small and medium enterprises	2,576,988	2,116,511	125,922	55,625	-	7,265
Retail Banking	4,312,769	12,166,898	182,269	74,741	-	3,948
Treasury	7,563,335	41,842	95,062	(1,615)	27,804	(122,345)
Other	1,767,535	629,416	(25,647)	129	-	11,854
Total	**19,161,095**	**17,250,890**	**474,786**	**181,664**	**27,804**	**(99,262)**

The Bank discloses the following information pursuant the requirements of Art. 70(6) of the Law on Credit Institutions.

in BGN '000

Business	Bulgaria	other EU member states	third countries	Total
Turnover rate	500,939	34,235	49,818	**584,992**
Equivalent number of full-time employees	2,445	18	288	**2,751**
Profit before tax	158,386	27,857	26,359	**212,602**
Accrued taxes on the financial result of the activity	(16,099)	(3,384)	(3,936)	**(23,419)**
Return on assets (ROA)	0.8%	3.6%	1.6%	**1.0%**
Government subsidies received	390	-	-	**390**

The information given in the column on third countries includes the subsidiary First Investment Bank - Albania Sh.a. which is covered in Note 36(b)

The information on other EU members states includes the branch in Cyprus.

5. Financial assets and liabilities

Accounting classification and fair values

The Group's accounting policy on fair value measurements is set out in Note 2(d)(vii).

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs are observable date for a given asset or liability. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

For all other financial instruments the Group determines fair values using other valuation techniques.

Other valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

However, where the Group measures portfolios of financial assets and financial liabilities on the basis of net exposures, it applies judgement in determining appropriate portfolio level adjustments such as bid-ask spread.

Such adjustments are derived from observable bid-ask spreads for similar instruments and adjusted for factors specific to the portfolio.

For more complex instruments, the Group uses proprietary valuation models, which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs include certain over the counter derivatives, certain loans and securities for which there is no active market and retained interests in securitisations. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes an Risk Management function, which is independent of Treasury division and reports to management, and which has overall responsibility

for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- a review and approval process for new models and changes to models involving the Risk Analysis and Control Division and the Group's Management Board;
- calibration of models against observed market transactions;
- analysis and investigation of significant daily valuation movements;
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous month, by Risk Analysis and Control division.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, Risk Management division assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Bank for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement;
- where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

The tables below set out analysis of financial instruments measured at fair value at the end of the reporting period classified by fair value hierarchy level framework categorising fair value measurement. The amounts are based on the amounts in the statement of financial position.

in BGN '000

31 December 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	62,417	34,250	85	**96,752**
Financial assets at fair value through other comprehensive income	2,305,877	178,853	-	**2,484,730**
Derivatives held for risk management	-	-	-	**-**
Total	**2,368,294**	**213,103**	85	**2,581,482**
Financial liabilities at fair value in profit or loss	-	-	-	**-**

in BGN '000

31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	50,387	160,209	85	**210,681**
Financial assets at fair value through other comprehensive income	2,254,082	93,094	-	**2,347,176**
Derivatives held for risk management	1,732	1,288	-	**3,020**
Total	**2,306,201**	**254,591**	85	**2,560,877**
Financial liabilities at fair value in profit or loss	-	936	-	**936**

The investments in securities reported in portfolios of financial assets at fair value in profit or loss, financial assets at fair value in other comprehensive income and financial assets at amortised cost are mostly investments in government securities from first-class issuers which are highly liquid and with the most favourable capital treatment.

The Group manages its investments in debt securities in line with the current market expectations and dynamics. As at 31.12.2025 the modified portfolio duration is 2.76 years, while a year earlier it was 2.23 years.

The tables below set out analysis of the fair values of financial instruments not recognised at fair value, classified by fair value hierarchy level framework categorising fair value measurement

in BGN '000

31 December 2025	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	3,619,624	-	3,619,624	3,619,624
Financial assets at amortised cost	718,919	-	-	718,919	754,916
Loans and advances to banks and other financial institutions	-	607,313	-	607,313	607,313
Loans and advances to customers	-	508,367	9,515,271	10,023,638	9,830,225
Total	**718,919**	**4,735,304**	**9,515,271**	**14,969,494**	**14,812,078**
Liabilities					
Due to banks	-	16,916	-	16,916	16,916
Due to other customers	-	10,906,511	4,521,048	15,427,559	15,494,036
Other borrowed funds	-	1,290,951	-	1,290,951	1,300,485
Subordinated term debt	-	27,937	-	27,937	27,937
Hybrid debt	-	259,927	-	259,927	259,927
Total	**-**	**12,502,242**	**4,521,048**	**17,023,290**	**17,099,301**

in BGN '000

31 December 2024	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	2,814,363	-	2,814,363	2,814,363
Financial assets at amortised cost	830,239	-	-	830,239	883,256
Loans and advances to banks and other financial institutions	-	365,017	-	365,017	365,017
Loans and advances to customers	-	841,155	7,699,878	8,541,033	8,542,732
Total	**830,239**	**4,020,535**	**7,699,878**	**12,550,652**	**12,605,368**
Liabilities					
Due to banks	-	15,010	-	15,010	15,010
Due to other customers	-	9,639,346	4,234,303	13,873,649	13,959,100
Other borrowed funds	-	723,560	-	723,560	730,033
Subordinated term debt	-	19,410	-	19,410	19,410
Hybrid debt	**-**	258,908	-	258,908	258,908
Total	**-**	**10,656,234**	**4,234,303**	**14,890,537**	**14,982,461**

Where available, the fair value of loans and advances to other customers is based on observable market transactions. Where observable market information is not available, the fair value is estimated using valuation models, such as discounted cash flow techniques. Inputs to the valuation techniques include lifetime expected credit losses, market interest rates and prepayment expectations. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral. For greater valuation accuracy, loans are grouped into portfolios with similar characteristics, such as product type, borrower type, maturity, currency and type of collateral.

The fair value of amounts due to customers is calculated using discounted cash flow techniques, applying interest rates currently offered for deposits with similar maturities and terms. The fair value of demand deposits is the amount payable as at the reporting date.

6. Net interest income

in BGN '000	2025	2024
Interest income		
Accounts with and placements to banks and financial institutions	16,400	12,276
Large enterprises	129,675	105,833
Small and medium enterprises	133,152	133,578
Micro enterprise	16,600	16,283
Households	202,659	175,480
Debt instruments	86,416	94,771
Other interest income	23	-
	584,925	**538,221**
Interest expense		
Deposits from banks	(75)	(73)
Deposits from other customers	(29,027)	(17,477)
Other borrowed funds	(53,715)	(27,004)
Subordinated term debt	(829)	(765)
Hybrid debt	(24,880)	(24,899)
Interest on assets cost	(802)	(558)
in profit or loss	(21)	(14)
Lease agreements and other	(790)	(765)
	(110,139)	**(71,555)**
Net interest income	**474,786**	**466,666**

For 2025 the recognized interest income from individually impaired financial assets (loans to customers) amounted to BGN 32, 296 thousand (2024: BGN 50,730 thousand).

7. Net fee and commission income

in thousands of BGN		
Net fee and commission income	**2025**	**2024**
Letters of credit and guarantees	4,699	3,669
Payment operations	37,051	34,949
Customer accounts	45,949	43,645
Card services	75,665	68,174
Other	81,619	74,557
	244,983	**224,994**
Fee and commission expense		
Letters of credit and guarantees	(586)	(537)
Payment systems	(5,313)	(5,300)
Card services	(45,817)	(36,649)
Other	(11,603)	(10,123)
	(63,319)	**(52,609)**
Net fee and commission income	**181,664**	**172,385**

8. Net trading income

in thousands of BGN	**2025**	**2024**
Net trading income arises from		
Debt instruments	688	68
Equities	836	1,806
Foreign exchange rate fluctuations	26,280	26,518
Net trading income	**27,804**	**28,392**

9. Other net operating income (expenses)

In BGN '000	**2025**	**2024**
Other net operating income (expenses) arising from:		
Net income from transactions and revaluation of gold and precious metals	4,321	1,972
Rental income	7,533	7,405
Debt instruments	(125,129)	(72,654)
Equities	2,784	4,430
- income from management of assigned receivables	11,060	4,444
- income from the management of loans acquired in a business combination	169	162
Other net operating income/(expenses)	**(99,262)**	**(54,241)**

10. Administrative expenses

in BGN '000	2025	2024
General and administrative expenses comprise:		
Personnel costs	126,291	109,637
Amortization of equipment and tangible fixed assets	26,588	18,098
Rights of use assets	19,970	33,182
Advertising	8,971	10,046
Telecommunication, software and other computer maintenance	20,769	18,757
Other expenses for external services	70,430	60,146
Administrative expenses	**273,019**	**249,866**

Staff costs include salaries, social security and health insurance contributions accrued in accordance with the requirements of local legislation. At 31 December 2025 the total number of employees was 2,751 (31 December 2024: 2,692).

The amounts accrued in 2025 for services provided by the registered auditors for independent financial audit amounted to BGN 954 thousand. The amounts accrued in 2024 for services provided by the registered auditors for independent financial audit amounted to BGN 900 thousand. In 2024 the amounts for other services unrelated to audit provided by the registered auditors amounted to BGN 153 thousand. (2024: BGN 34 thousand)

11. Allowance for impairment

in BGN '000	2025	2024
Reversal of write-downs		
Loans and advances to customers	(233,848)	(211,775)
Investments in non-consolidated subsidiaries	-	-
(v) Capital instruments at fair value through other comprehensive income	(217)	(43)
Off-balance sheet commitments	(101)	(963)
Write-downs		
Loans and advances to customers	64,393	12,679
(v) Capital instruments at fair value through other comprehensive income	127	63
Off-balance sheet commitments	862	240
Impairment, net	**(168,784)**	**(199,799)**

The expense for impairment in 2025 and 2024 is due to additional allowances resulting from the development of credit risk in a period of challenging economic environment and the conservative approach applied by the Group in recognising the risk of loss for certain individually impaired exposures.

12. Other income/(expenses), net

	2025	2024
Profit from the sale and write-off of assets acquired as collateral	4,984	13,370
Revaluation of investment property	104,650	6,019
Impairment of acquired assets	(15,797)	-
Income/(expense) from sale of investment property	1,593	4,757
Dividend income	3,893	2,637
Cost of guarantee schemes	(24,662)	(26,819)
Insurance income	12,675	10,952
(Expense) for insurance services	(7,310)	(6,893)
(Expense)/reversal of expense for provisions for pending court cases	(617)	626
Other income/(expenses), net	(9,996)	(4,597)
Total	**69,413**	**52**

13. Income tax expense

	2025	2024
Current taxes	(14,110)	(17,006)
Deferred taxes (See Note 21)	(9,309)	(1,299)
Income tax expense	**(23,419)**	**(18,305)**

Reconciliation of the tax expense to the accounting profit, as follows:

in BGN '000	2025	2024
Accounting profit before tax	**212,602**	**163,589**
Corporate tax at applicable tax rate (10% for 2025 and 10% for 2024)	21,260	16,359
Effect from tax rates of foreign subsidiaries and branches	1,899	1,635
Tax effect of permanent differences	260	311
Income tax expense	**23,419**	**18,305**
Effective tax rate	11.02%	11.19%

14. Earnings per share

	2025	2024
Net profit attributable to shareholders (in thousands of BGN)	188,215	144,791
Average weighted number of ordinary shares held (in thousands)	149,085	149,085
Earnings per share (BGN)	**1.26**	**0.97**

The basic earnings per share, calculated in accordance with IAS 33, are based on the profit attributable to ordinary equity holders of the Group. In 2025, as in the previous year, no convertible or option rights on the Bank's common shares were issued. The diluted earnings per share, therefore, correspond to the basic earnings per share.

15. Cash and balances with Central Banks

in thousands of BGN	2025	2024
Cash on hand		
- in BGN	282,111	249,827
- in foreign currency	285,011	115,494
Balances with Central Banks	2,560,410	2,222,970
Current accounts and amounts with foreign banks	492,092	226,072
Total	**3,619,624**	**2,814,363**

16. Investments in securities

In thousands of BGN	2025	2024
Bonds and notes issued by:		
Bulgarian Government		
- denominated in BGN	556,400	482,511
- denominated in foreign currencies	265,141	138,225
Foreign governments	2,314,262	2,461,152
Corporates	31,070	205,588
Banks	120,104	105,344
Other issuers – equity instruments	49,421	48,293
Total	**3,336,398**	**3,441,113**
Of which financial assets:		
at fair value through other comprehensive income	2,484,730	2,347,176
at amortised cost	754,916	883,256
at fair value through profit and loss	96,752	210,681
Total	**3,336,398**	**3,441,113**

The investments in securities reported in portfolios of financial assets at fair value in profit or loss, financial assets at fair value in other comprehensive income and financial assets at amortised cost are mostly investments in government securities from first-class issuers which are highly liquid and with the most favourable capital treatment.

The Group manages its investments in debt securities in line with the current market expectations and dynamics. As at 31.12.2025 the modified portfolio duration is 2.76 years, while a year earlier it was 2.23 years.

17. Loans and advances to banks and other financial institutions

(a) Analysis by type

in BGN '000	2025	2024
Placements with banks	181,273	133,357
Receivables under resale agreements	294,630	-
Other	131,410	231,660
Total	**607,313**	**365,017**

(b) Geographical analysis

in BGN '000	2025	2024
Domestic banks and financial institutions	100,130	83,772
Foreign banks and other financial institutions	507,183	281,245
Total	**607,313**	**365,017**

18. Loans and advances to customers

31/12/2025

in thousands of BGN	Gross value	Allowance for impairment	Amortised cost
Large enterprises	3,011,680	(71,212)	2,940,468
Small and medium enterprises	2,841,116	(264,128)	2,576,988
Micro enterprise	335,565	(7,502)	328,063
Retail Banking			
Consumer loans	1,745,372	(40,313)	1,705,059
Mortgage loans	2,155,832	(6,092)	2,149,740
Credit cards	136,100	(6,193)	129,907
Total	**10,225,665**	**(395,440)**	**9,830,225**

31/12/2024

in BGN '000	Gross value	Allowance for impairment	Amortised cost
Large enterprises	2,750,975	(65,205)	2,685,770
Small and medium enterprises	2,591,528	(228,046)	2,363,482
Micro enterprise	307,446	(10,238)	297,208
Retail Banking			
Consumer loans	1,400,709	(38,680)	1,362,029
Mortgage loans	1,714,620	(7,245)	1,707,375
Credit cards	134,166	(7,298)	126,868
Total	**8,899,444**	**(356,712)**	**8,542,732**

The distribution of the loan portfolio is reported according to the Bank's business segments.

Movement in impairment allowances

in BGN '000

Balance as at 01 January 2025	**356,712**
Additional allowances	233,848
Amounts released	(64,393)
Write-offs	(129,675)
Recovered against impairment	-
Other	(1,052)
Balance as at 31 December 2025	**395,440**

19. Property and equipment

in BGN '000	Land and Buildings	Fixtures and fittings	Motor vehicles	Assets under Construction	Leasehold Improvements	Total
Carrying value						
As at 01 January 2024	**23,648**	**150,678**	**7,781**	**17,762**	**76,797**	**276,666**
Additions	182,261	1,356	53	35,444	133	219,247
Othe adjustments -non-consolidated companies remaining below the substantiality threshold - AMC Imoti	(3,082)	(776)	(87)	(133)	-	(4,078)
Exchange rate differences	-	581	36	15	375	1,007
Write-offs	-	(9,097)	(351)	(13)	(1,712)	(11,173)
Transfers	-	14,814	2,732	(1,691)	(21,771)	(5,916)
At 31 December 2024	**202,827**	**157,556**	**10,164**	**51,384**	**53,822**	**475,753**
Additions	12,276	1,702		28,162	810	42,950
Exchange rate differences	-	160	9	7	101	277
Write-offs	-	(7,401)	(1,067)	(24)	(2,148)	(10,640)
Transfers	5,500	41,522	1,156	(56,952)	810	(7,964)
As at 31 December 2025	**220,603**	**193,539**	**10,262**	**22,577**	**53,395**	**500,376**
Amortisation						
As at 01 January 2024	**7,669**	**116,225**	**6,466**	**-**	**35,467**	**165,827**
Othe adjustments -non-consolidated companies remaining below the substantiality threshold - AMC Imoti	-	(520)	(82)	-	-	(602)
Exchange rate differences	-	416	15	-	140	571
Accrued during the year	750	9,290	556	-	2,353	12,949
For the written-off	-	(9,039)	(351)	-	(2,262)	(11,652)
As at 31 December 2024	**8,419**	**116,372**	**6,604**	**-**	**35,698**	**167,093**
Exchange rate differences	-	110	4	-	40	154
Accrued during the year	3,212	14,402	848	-	2,148	20,610
For the written-off	-	(7,360)	(1,012)	-	(1,521)	-9,893
As at 31 December 2025	**11,631**	**123,524**	**6,444**	**-**	**36,365**	**177,964**
Carrying amount						
As at 01 January 2024	**15,979**	**34,453**	**1,315**	**17,762**	**41,330**	**110,839**
As at 31 December 2024	**194,408**	**41,184**	**3,560**	**51,384**	**18,124**	**308,660**
As at 31 December 2025	**208,972**	**70,015**	**3,818**	**22,577**	**17,030**	**322,412**

In October 2024 the Bank purchased the Sofia Tech Park office building where its Head Office is located. The Bank had been renting the building since 2022.

The fair value of assets constituting land and buildings was determined by independent property assessors holding recognised professional qualification and recent experience in assessing property with similar location and category. The Group's policy requires that independent assessors determine the fair value sufficiently frequently so as to ensure that the balance sheet value does not differ significantly from the fair value at the end of the reporting period. As at 31 December 2025 the fair value of land and buildings was not significantly different from their balance sheet value as at that date. The fair value of land and buildings is categorised as Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique	Significant unobservable inputs	Relationship between key unobservable inputs and fair value
1. Discounted cash flows: The valuation model reflects the present value of the cash flows generated by the properties, taking into account expected rental growth, void periods, occupancy levels, incentive premiums such as rent-free periods, and other costs not borne by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the determination of the discount rate takes into account the quality of the building and its location (prime or secondary), the tenant's credit quality, and the lease term.	1. Expected market rental growth (4.5%–8%, weighted average 6.25%). 2. Period for cancellation (3 months on average after each rental agreement). 3. Occupancy rate (90%–95%, weighted average 92.5%). 4. Rent-free periods (one year for new leases). 6. Risk adjusted discount rate (4-9%, weighted average 6.5%).	The determined fair value would increase (decrease) if: • the expected market rental growth were higher (lower); • void periods were shorter (longer); • occupancy levels were higher (lower); • rent-free periods were shorter (longer); or • the risk-adjusted discount rate were lower (higher).
2. Market approach / Comparable approach. This approach is based on comparing the subject asset with other similar assets that have been sold or are offered for sale. Under this method, the value of a property is determined through direct comparison of the subject asset with comparable real estate properties sold within a period close to the valuation date. Following thorough research, verification and analysis of data obtained from the real estate market, a value is determined that represents the most reliable indicator of fair value. The essence of the method is the use of information on actual transactions completed during the last six months in the real estate market. Successful application of the method is possible only where a reliable database of actual transactions involving properties comparable to the subject asset is available. Information from real estate websites, local press and other information sources relates to sellers' future investment intentions and does not constitute a reliable source of information. When using such sites, the offer price for each analogous property is discounted at the valuator's discretion, but by no less than 5%.	1. Expected market growth of property (6-10%, weighted average 8%). 2. Time required to effect the sale (4 months on average after the offer is placed). 3. Transaction success rate (90-96%, weighted average 95%). 4. Location (1.0-1.05, weighted average 1.05). 5. Property status (1.0-1.1, weighted average 1.05).	The determined fair value would increase (decrease) if: • the expected market growth in property prices were higher (lower); • the sale periods were shorter (longer); • there were changes in the technical condition of the properties

20. Intangible assets

in BGN '000	Software products and licenses	Positive goodwill	Total
Carrying value			
As at 01 January 2024	**67,347**	**433**	**67,780**
Additions	1,167	-	1,167
Exchange rate differences	225	-	225
Transfers	5,366	-	5,366
As at 31 December 2024	**74,105**	**433**	**74,538**
Additions	2,247	-	2,247
Other adjustments - companies that exceeded the substantiality threshold	58	-	58
Exchange rate differences	75	-	75
Write-offs	(2,363)	-	(2,363)
Transfers	7,964	-	7,964
As at 31 December 2025	**82,086**	**433**	**82,519**
Amortisation			
As at 01 January 2024	**42,462**	-	**42,462**
Exchange rate differences	130	-	130
Accrued during the year	5,149	-	5,149
As at 31 December 2024	**47,741**	**-**	**47,741**
Exchange rate differences	46	-	46
Accrued during the year	5,978	-	5,978
Other adjustments - companies that exceeded the substantiality threshold	27	-	27
For the written-off	(2,363)	-	(2,363)
As at 31 December 2025	**51,429**	**-**	**51,429**
Carrying amount			
As at 01 January 2024	**24,885**	**433**	**25,318**
As at 31 December 2024	**26,364**	**433**	**26,797**
As at 31 December 2025	**30,657**	**433**	**31,090**

21. Deferred taxes

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 10% for Bulgaria and of 15% for Albania.

The deferred tax as at 31 December 2025 refers to the following items of the statement of financial position:

In thousands of BGN	Assets	Liabilities	Net
Property, plant and equipment and intangible assets	-	4,372	4,372
Investment Property	-	35,148	35,148
Repossessed assets	(1,499)	-	(1,499)
Other	(2,893)	3,259	366
Net deferred tax (assets)/liabilities	**(4,392)**	**42,779**	**38,387**

The deferred tax as at 31 December 2024 refers to the following items of the statement of financial position:

In thousands of BGN	Assets	Liabilities	Net
Property, plant and equipment and intangible assets	(60)	3,840	3,780
Investment Property	-	24,822	24,822
Other	(2,500)	3,083	583
Net deferred tax (assets)/liabilities	**(2,560)**	**31,745**	**29,185**

The movements of temporary differences in 2025 are recognised as follows:

in thousands of BGN	31/12/2024	Recognised during the period (in profit) or loss	Recognised during the period in equity	Other movements	31/12/2025
	Net liabilities				Net liabilities
Property, plant and equipment and intangible assets	3,780	592	-	-	4,372
Investment Property	24,822	10,326	-	-	35,148
Repossessed assets	-	(1,499)	-	-	(1,499)
Other	583	(110)	(112)	5	366
Net deferred tax (assets)/liabilities	**29,185**	**9,309**	**(112)**	**5**	**38,387**

22. Repossessed assets

in thousands of BGN	2025	2024
Land	194,717	213,924
Buildings	121,974	148,746
Machines, plant and vehicles	11,593	9,928
Fixtures and fittings	807	816
Total	**329,091**	**373,414**

Repossessed assets acquired as collateral are measured at the lower of cost and net realisable value. The net realizable value of the lands and buildings is approximately equal to their fair value. The assessment methodology for land and buildings is given in note 19.

23. Investment Property

in thousands of BGN

Balance as at 01/01/2025	**766,231**
Additions	598
Increases from expenses incurred recognized in the asset's value	8,124
Transferred from repossessed assets	21,667
Revaluation of investment properties to fair value	104,650
Write-offs upon sale	6,849
Balance as at 31/12/2025	**894,421**

24. Rights of use assets

in thousands of BGN

As at 01 January 2025	**82,477**
Additions	3,091
Amortisation	(19,988)
Effect of modification to lease terms and expectations on lease term	13,263
Exchange rate differences	262
As at 31 December 2025	**79,105**
Lease liabilities	
As at 01 January 2025	**80,328**
Additions	3,091
Lease payments	(16,997)
Effect of modification to lease terms and expectations on lease term	13,504
Exchange rate differences	(2,540)
As at 31 December 2025	**77,386**

Right-of-use assets recognised by the Group rare the branches and offices in various towns in Bulgaria and Cyprus. Upon completing the initial recognition, the Group analysed and took into account information on the expected duration of the period in which the Group will be using the assets. In 2025 some of these expectations changed and as a result the Group reviewed its initial assessment and recognized an increase in the right-of-use assets in the amount of BGN 13,263 thousand, and in lease liabilities in the amount of BGN 13,504 thousand.

In October 2024 the Bank purchased the Sofia Tech Park office building where its Head Office is located. The Bank had been renting the building since 2022.

In the assessment of right-of-use assets and lease liabilities, the Group took into consideration the current level of financing costs in case it plans to finance the purchase of the assets in question, and included this assumption both in the initial, and in the subsequent valuation of right-of-use assets and of lease liabilities.

The table below analyses lease liabilities according to the expected residual term of rental agreements:

BGN '000	Maturity analysis of lease liabilities		
	To 1 year	**More than 1 year**	**Total**
As at 01 January 2025	18,136	62,192	80,328
As at 31 December 2025	17,854	59,532	77,386

25. Other assets

in BGN '000	**2025**	**2024**
Deferred expense	21,983	16,925
Gold	5,546	4,673
Investments in non-consolidated subsidiaries	600	8,344
Other assets	50,640	101,813
Total	**78,769**	**131,755**

26. Due to banks

in BGN '000	2025	2024
Term deposits	**10,107**	12,193
Current accounts	6,809	2,817
Total	**16,916**	**15,010**

27. Due to other customers

in BGN '000	2025	2024
Retail customers		
current accounts	5,550,694	4,343,903
Term and saving deposits	5,520,429	4,981,382
Businesses and public institutions		
current accounts	4,109,812	4,038,624
Term deposits	313,101	595,191
Total	**15,494,036**	**13,959,100**

28. Other borrowed funds

in BGN '000	2025	2024
Liabilities under repurchase agreements	24,922	7,649
Liabilities for received financing.	14,392	19,998
Obligations under loan agreements	1,261,171	702,386
Total	**1,300,485**	**730,033**

Financing from financial institutions through extension of loan facilities can be analysed as follows:

Lender	Interest rate	Maturity	Amortised cost as at 31 December 2025
Bulgarian Development Bank AD - program for promotion of SMEs and micro	0% - 4.85%	15/03/2027	5,571
Bulgarian Development Bank AD - program for indirect financing of SMEs	0% - 5.68%	30/11/2028	1,840
Fund Manager of financial instruments in Bulgaria - microcredit program with shared risk	0% - 2.96%	31/12/2033	6,800
Fund Manager of financial instruments in Bulgaria - rural financing program	0% - 2.96%	31/12/2031	181
Total			**14,392**

Lender	Interest rate	Maturity	Amortised cost as at 31 December 2024
European Investment Fund – JEREMIE 2	0% - 4.68%	30/09/2025	519
Bulgarian Development Bank AD - program for promotion of SMEs and micro	0% - 4.85%	15/03/2027	8,414
Bulgarian Development Bank AD - program for indirect financing of SMEs	0% - 5.68%	30/11/2028	2,455
Fund Manager of financial instruments in Bulgaria - microcredit program with shared risk	0% - 2.96%	31/12/2033	7,834
Fund Manager of financial instruments in Bulgaria - rural financing program	0% - 2.96%	31/12/2031	776
Total			**19,998**

29. Hybrid and subordinated debt

in BGN '000	Principal amount	Amortised cost as at 31 December 2025
Hybrid debt with principal EUR 60 mio	117,350	123,839
Hybrid debt with principal EUR 30 mio	58,675	58,829
Hybrid debt with principal EUR 30 mio	58,675	57,656
Hybrid debt with principal EUR 10 mio	19,558	19,603
Total	**254,258**	**259,927**

In thousands of BGN	Principal amount	Amortised cost as at 31 December 2024
Hybrid debt with principal EUR 60 mio	117,350	123,839
Hybrid debt with principal EUR 30 mio	58,675	58,829
Hybrid debt with principal EUR 30 mio	58,675	56,637
Hybrid debt with principal EUR 10 mio	19,558	19,603
Total	**254,258**	**258,908**

In December 2021, the Bank attracted by issuing first and second tranche of the issue ISIN code XS2419929422 Hybrid Debt Issue total EUR 27,133

In April 2022, the Bank attracted by issuing third tranche of the issue ISIN code XS2419929422 Hybrid Debt Issue for EUR 2, 867

In August 2022, the Bank attracted by issuing first tranche of the issue ISIN code XS2488805461 Hybrid Debt Issue for EUR 10,000

The bonds under all instruments are registered, dematerialized, interest-bearing, perpetual, unsecured, freely transferable, non-convertible, deeply subordinated and without incentive to redeem.

All hybrid instruments fully comply with the requirements of Regulation 575/2013 and are included in the additional tier 1 capital.

in BGN '000	Amortised cost as at 31 December 2025	Amortised cost as at 31 December 2024
Subordinated term debt with principal of EUR 2 million	2,326	3,943
Subordinated term debt with principal of EUR 2.9 million	2,036	5,679
Subordinated term debt with principal of EUR 5 million	9,788	9,788
Subordinated term debt with principal of EUR 7 million	13,787	-
Total	**27,937**	**19,410**

The four subordinated term debt fully comply with the requirements of Regulation 575/2013 and are included in the additional tier 2 capital.

On 10 November 2025, the Group (through its subsidiary bank in Albania) issued subordinated term debt. The maturity date of the subordinated term debt is 25 April 2026, and it is denominated in Euro with total amount of EUR 2,000 thousand. The subordinated term debt instrument fully complies with the requirements of Regulation 575/2013 for inclusion in the tier 2 capital. The subordinated term debt matures on 10 November 2032; it is denominated in Euro and its total amount is EUR 7,000 thousand.

30. Other liabilities

in BGN '000	2025	2024
Liabilities to personnel	1,514	1,515
Liabilities under insurance contracts	2,340	2,183
Provisions for pending court cases	1,026	409
Impairment on off balance sheet commitments	333	1,094
Other payables	30,120	25,388
Total	**35,333**	**30,589**

The provisions for pending court cases were calculated on the basis of the Bank's expectations (using internal and external experts) regarding the outcome of these court cases.

31. Capital and reserves

(a) Number and face value of registered shares as at 31 December 2025

The subscription for the public offering of shares of First Investment Bank AD was completed successfully on 3 July 2020. Out of the 40 000 000 ordinary dematerialized shares with nominal value of BGN 1, and issue value of BGN 5.00 each, a total of 39 084 800 shares were subscribed and paid up.

On 31 July 2020 First Investment Bank's capital increase was registered in the Commercial Register and Register of Non-for-profit Legal Entities. This registration was carried out after the subscription for shares was successfully completed on 03 July 2020 based on the prospectus confirmed by the Financial Supervision Commission.

Thus, the Bank's capital was increased to BGN 149 084 800 by issue of 39 084 800 new ordinary, registered, dematerialized shares, each with one voting right in the general meeting, with nominal value of BGN 1 and issue value of BGN 5. The amount of the capital after the increase was reflected in the By-Laws of First Investment Bank AD after approval granted by the Bulgarian National Bank.

With relation to this issue, the Bank's premium reserve increased by BGN 153,017 thousand, net of the issue costs, reaching a total amount of BGN 250,017 thousand (31 December 2019: BGN 97, 000 thousand).

The Extraordinary General Meeting of Shareholders held on 05 December 2025 adopted a resolution under an item included pursuant to Article 223, paragraph 1 of the Commerce Act, upon the request of a shareholder, regarding the payment of additional remuneration to members of the Bank's management and supervisory bodies with significant tenure and contribution to its activities, the increase of the Bank's capital through the issuance of new shares pursuant to Article 112, paragraph 4 of the Public Offering of Securities Act, and the repurchase of own shares from the Bank's capital within the amounts, timeframes, and under the conditions specified in detail in the minutes of the meeting published in accordance with Article 117, paragraph 3 of the Public Offering of Securities Act.

(b) Shareholders

The table below shows those shareholders of the Bank holding shares as at 31 December 2025 together with the number and percentage of total issued shares.

	Number of shares	% of issued share capital
Mr. Ivailo Dimitrov Mutafchiev	46,750,000	31.36
Mr. Tzeko Todorov Minev	46,750,000	31.36
Bulgarian Bank for Development AD	27,350,000	18.35
Valea Foundation	11,734,800	7.87
Other shareholders (shareholders holding shares subject to free trade on the Bulgarian Stock Exchange – Sofia)	16,500,000	11.06
Total	**149,084,800**	**100.00**

As of 31 December 2025, the calculated book (accounting) value per share (Total equity / number of shares) amounts to BGN 12.81 per share (2024: BGN 11.56 per share).

(c) Statutory reserve

Statutory reserves comprise amounts set aside for purposes prescribed by local legislation. In accordance with Bulgarian legislation, the Bank is required to allocate at least one-tenth of its annual profit to statutory reserves until their aggregate amount reaches one-tenth of the Bank's share capital.

In 2025, as in the previous year, the Bank did not distribute dividends

32. Commitments and contingent liabilities

Contingent liabilities

The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally have a validity period of up to two years.

The amounts under concluded agreements for the issuance of contingent liabilities are presented in the table below by respective category. The amounts shown in the table as off-balance sheet commitments represent the maximum accounting loss that would be recognised in the statement of financial position if counterparties fail to meet their obligations and all collateral proves to be of no value.

in BGN '000	2025	2024
Bank guarantees	231,473	210,170
Unused credit lines	929,457	850,937
Letters of credit	29,058	26,663
Unutilized limits for issuing bank guarantees and letters of credit	61,743	53,740
Total	**1,251,731**	**1,141,510**
Impairment on off balance sheet commitments	333	1,094

The commitments and contingent liabilities presented in the table give rise only to off-balance sheet credit risk, with only commitment fees and provisions for potential losses recognised in the statement of financial position until the expiry of the commitment or its settlement. Most of the contingent liabilities are expected to expire without requiring partial or full payment. Accordingly, the amounts do not represent expected future cash outflows.

As at the date of the report there are no other significant contingent liabilities and commitments requiring additional disclosure.

33. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances with an original maturity of up to three months:

In BGN '000	2025	2024
Cash and balances with Central Banks	3,619,624	2,814,363
Loans and advances to banks and financial institutions with an original maturity of up to three months	562,461	325,312
Total	**4,182,085**	**3,139,675**

34. Average balances

The average carrying amounts of financial assets and liabilities are presented below. The amounts are calculated by using a simple average of monthly balances for all instruments.

in BGN '000	2025	2024
Financial assets		
Cash and balances with Central Banks	2,743,873	2,343,461
Investments in securities	3,383,725	3,338,453
Loans and advances to banks and other financial institutions	502,204	278,671
Loans and advances to customers	9,222,992	8,069,751
Financial liabilities		
Due to banks	8,147	8,577
Due to other customers	14,272,500	12,906,400
Other borrowed funds	1,042,597	591,046
Subordinated term debt	21,192	19,486
Hybrid debt	263,056	262,057

35. Related party transactions

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party on making financial or operational decisions, or both parties are under common control.

In the normal course of banking operations, certain transactions are conducted with related parties. These include loans, deposits and other transactions. Such transactions are carried out on market terms. The amounts of these transactions and the related balances as at the end of the respective periods are as follows:

Type of related party	Parties that control or manage the Group		Enterprises under common control	
in BGN '000	2025	2024	2025	2024
Loans				
Credit exposure at the beginning of the period	1,690	1,553	655	71,359
Loans granted/(repaid) during the period	1,072	137	(191)	(70,704)
Credit exposure at the end of the period	**2,762**	**1,690**	**464**	**655**
Deposits and loans received				
In the beginning of the period	59,541	16,144	40,570	23,310
Received/(paid) during the period	4,775	43,397	(24,203)	17,260
In the end of the period	**64,316**	**59,541**	**16,367**	**40,570**
Deposits placed				
Deposits In the beginning of the period	-	-	59,635	47,693
Deposits placed/(withdrawn) during the period	-	-	(8,663)	11,942
Deposits In the end of the period	-	-	**50,972**	**59,635**
Other receivables				
In the beginning of the period	-	-	421	420
Received/(paid) during the period	-	-	6,254	1
In the end of the period	-	-	**6,675**	421
Other borrowings				
In the beginning of the period	-	-	(3)	150
Received/(paid) during the period	-	-	3	(153)
In the end of the period	-	-	-	(3)
Issued contingent liabilities				
In the beginning of the period	1,640	2,100	675	3,516
Granted/(expired) during the period	2,067	(460)	(10)	(2,841)
In the end of the period	**3,707**	**1,640**	**665**	**675**
Calculation on leasing obligations				
In the beginning of the period	-	-	-	2,669
Granted/(expired) during the period	-	-	-	(2,669)
In the end of the period	-	-	-	-

Type of related party	Parties that control or manage the Group		Enterprises under common control	
in BGN '000	2025	2024	2025	2024
Interest income	72	33	1,502	4,757
Interest expense	63	(3)	-	-
Net fee and commission income	61	38	191	1,860
Fee and commission expense	10	(7)	3	(7)
Reintegrated impairment	-	-	-	267

Remuneration of Key Management Personnel

The remuneration of key management personnel on group level includes the following expenses:

in BGN '000	2025	2024
Short-term remuneration:		
Salaries, including bonuses	23,878	14,987
Social security expenses	89	73
Total short-term remuneration	**23,967**	**15,060**

As at 31 December 2025 and 31 December 2024, there were no amounts payable to key management personnel.

The General Meeting of Shareholders, held on 5 December 2025 as an extraordinary meeting, adopted a resolution for the allocation of additional remuneration to three members of the Bank's management and supervisory bodies with significant tenure and contribution to its activities. The remuneration consists of two components – a fixed cash amount and a fixed number of shares in the Bank's share capital, including both newly issued shares and treasury shares.

As at 31 December 2025, in implementation of the adopted resolution, the Bank had paid the first portion of the approved cash remuneration to each of the three members of the Supervisory Board. In turn, each of the three Supervisory Board members transferred to the Bank's capital increase subscription account the amounts specified in the General Meeting resolution, corresponding to the nominal value of 496,440 shares. As at the date of approval of the present financial statements, the Bank has initiated procedures with the regulator – the Bulgarian National Bank (BNB) – for approval of the amendments to its Articles of Association in connection with the resolution of the General Meeting of Shareholders dated 5 December 2025.

36. Subsidiaries

(a) Finclub AD (formerly known as Diners Club Bulgaria AD)

In May 2005 the Group acquired 80% of the share capital of Diners Club Bulgaria AD. The Company was incorporated in 1996 and its principal activities include representation, agency and processing services for Diners Club International. As at 31 December 2024 the share capital of the company is BGN 910 thousand, and the Bank's shareholding is 96.51%.

At the General Meeting of Shareholders of Diners Club Bulgaria AD held on 09.02.2024 a resolution was made to terminate the operation of Diners Club Bulgaria AD as a payment institutions, respectively - to terminate the company's activities for representation of Diners Club International. Following a procedure pursuant to the Law on Payment Services and Payment Systems, the Governing Council of the Bulgarian National Bank, with its Resolution № 58 of 15.02.2024, approved the proposed plan for terminating the company's operations, and for withdrawal of its license as of 15.04.2024. On 25.11.2024 the General Meeting of Shareholders decided to terminate the operations of Finclub AD, declare it in liquidation, respectively – for starting a liquidation procedure pursuant to Art. 266 and subsequent of the Commerce Act, with a 6-month term for liquidation. Following the liquidation period, at an extraordinary general meeting held on 29.12.2025, after the adoption of the final liquidation balance sheet, the explanatory report of the liquidator thereto, and the liquidator's report, a resolution was passed to deregister „FINCLUB" AD – in liquidation from the Commercial Register and the Register of Non-Profit Legal Entities at the Registry Agency.

(b) First Investment Bank – Albania Sh.a.

In April 2006 the Bank acquired 99.9998% of the capital of First Investment Bank - Albania Sh.a. upon its incorporation. On 27 June 2007 First Investment Bank – Albania was granted a full banking licence by the Bank of Albania, and on 1 September 2007 it effectively took over the activities of the former branch FIB – Tirana, assuming all rights and obligations, assets and liabilities.

As at 31 December 2025 the share capital of First Investment Bank – Albania Sh.a. was EUR 11,975 thousand, fully paid up, and the Bank's shareholding is 100%. The Group consolidates its investment in the enterprise.

(c) Debita OOD

Acting jointly the Bank and First Financial Brokerage House OOD (FFBH) set up two new companies Debita OOD and Realtor OOD, which were entered in the Commercial Registry in January 2010. The capital of the two companies is BGN 150,000 each, distributed in shares with value of BGN 100 each, as follows:. Realtor OOD - 70%, i.e. 1.050 shares for the Bank and 30%, i.e. 450 shares for FFBH OOD.

The company was established as a servicing company within the meaning of Article 18 of the Law on Special Investment Purpose Companies, currently a company within the meaning of Article 27 of the Law on Special Purpose Investment Companies and Securitisation Companies. The main lines of business for Debita OOD include acquisition, servicing, management and disposal of receivables and the related consultancy services

By the decision of the general meeting of associates held on 05.09.2024 the operations of Debita OOD were terminated and winding-up proceedings were initiated, to be completed within six months. As of 07.11.2025, the company has been deregistered as a trader in the Commercial Register and the Register of Non-Profit Legal Entities.

(d) Fi Health Insurance AD

In the second half of 2010 the Bank acquired a majority stake capital of Health Insurance Fund FI Health AD (formerly Health Insurance Fund Prime Health AD). By decision of the Financial Supervision Commission dated June 2013, the Company was granted a licence to carry out insurance activities. The name was changed to FI Health Insurance AD and the principal activity is insurance – Disease and Accident.

In June 2018 the company expanded its license with one more insurance class - „Various financial loss".

On 8 August 2025, pursuant to a sale and purchase agreement for dematerialised shares concluded between the Bank and Prime Health AD, Fibank AD purchased and acquired from Prime Health AD 1,645,000 (one million six hundred and forty-five thousand) shares, each with a nominal value of BGN 1 (one), in the share capital of Fi Health Insurance AD. As a result, the Bank's shareholding in the share capital of Fi Health Insurance AD increased to 92%.

On 6 November 2025, the Bank acquired the remaining 8% of the shares in the share capital of Fi Health Insurance AD through sale and purchase agreements for dematerialised shares concluded with each of the remaining minority shareholders. As at 31 December 2025 the share capital of the company is BGN 5,00 thousand, and the Bank's shareholding is 100%.

Prior to the execution of the described transactions for changes in the non-controlling interest, the Group already exercised control over the insurance company and, accordingly, these transactions were accounted for as transactions with owners in accordance with IFRS 10 and Note 2(b)(ii).

The difference between the consideration paid and the carrying amount of the acquired non-controlling interest was recognized directly in the statement of changes in equity attributable to the owners of the parent, under the line item "Increase in investment in subsidiary related to an increase in the ownership interest in the subsidiary." As at 31 December 2025, as a result of the acquisition of the remaining non-controlling interest, and without any change in control over the subsidiary, the Group no longer recognizes a non-controlling interest.

The Group consolidates its investment in the enterprise.

(e) Creative Investment EOOD and Lega Solutions EOOD - in liquidation

During the first half of 2013 the Bank established as the sole shareholder the companies Creative Investment EOOD and Lega Solutions EOOD. Each company has the minimum required capital of BGN 2 and their principal activities include manufacturing and trade in goods and services in Bulgaria and abroad (Creative Investment EOOD), acquisition, management and sale of assets, information processing, financial consultations (Lega Solutions EOOD), etc.

The subsidiaries Creative Investment EOOD and Lega Solutions EOOD - in liquidation are not included in the consolidated financial statements of the Group for the year ended 31 December 2025, as they are considered immaterial to the financial position, financial result and the cash flow of the Group for the year. The assessment for consolidation of the subsidiaries is reconsidered at each reporting date.

By a resolution of the sole owner of the capital dated 25.11.2025, the Management Board of First Investment Bank AD adopted a decision to terminate the activities of „Lega Solutions" EOOD, initiate liquidation proceedings, and appoint a liquidator.

(f) AMC Imoti EOOD

AMC Imoti EOOD was registered in September 2010 and was acquired by the Bank in 2013 through the purchase of MKB Unionbank EAD as its subsidiary. The Company's principal activities include the acquisition of property rights and their subsequent transfer, as well as the research and valuation of real estate, property management, consultancy and other services. As at 31 December 2025 the capital of the company was BGN 500 thousand, and the Bank was the sole owner. The company is not included in the consolidated financial statements of the Group for the year ended 31 December 2017, as it is considered immaterial to the financial position, financial result and the cash flow of the Group for the year.

The assessment for consolidation of the subsidiary is reconsidered at each reporting date.

(g) MyFin EAD

At its meeting held on 21 March 2019 the Group's Managing Board decided to establish the sole-shareholder company MyFin EAD to be operating as an issuer of electronic money within the meaning of Article 34, Para. 2(2) of the Payment Services and Payment Systems Act. The Group's Managing Board decision was approved by the Supervisory Board on 27 March 2019. On 19 April 2019 the Group paid up the company's capital, amounting to BGN 1,000 thousand, as per the decisions of the competent bodies. The company holds a license to operate as an electronic money institution, and also has the right to carry out the activities listed in the payment services license, as stated in the company's scope of operation by Resolution № 71 of 27.02.2020 issued by the BNB Governor, under № BNB-26660/02.03.2020. After the company obtained its license, it was listed in the Commercial Register and Register of Non-Profit Legal Entities on 25.03.2020 under listing № 20200325093135

The company's own capital was increased from BGN 1 000 thousand to BGN 2 000 thousand through the issue and subscription by the Bank as the sole shareholder of 1 000 000 new ordinary registered dematerialised voting shares, each with a nominal value of BGN 1 (one), for a total value of BGN 1 000 000 (one million). The resolution for the capital increase was made by the Management Board at its meeting held on 17.06.2021, and then approved by the Bank's Supervisory Board on 30.06.2021. The company's company increase was listed in the Commercial Register and Register of Non-Profit Legal Entities on 02.09.2021 under listing № 20210902164014.

The Company is included in the consolidated financial statements of the Group as at 31 December 2025.

(h) Incasso Guarant EOOD

Incasso Guarant EOOD was established by Management Board resolution of 09.08.2022 approved by the Supervisory Board on 24.08.2022, and listed in the Commercial Register and Register of Non-for-Profit Legal Entities on 09.09.2022; its field of operation will be: private security services, personal (professional) security services for individuals, security of valuable shipments and cargo, security of railway transport, security of property of both individuals and legal entities, of buildings, premises and business facilities, security with the help of signal-notifying equipment (subject to licensing), development, design and construction of high-tech systems for security and video surveillance, as well as any commercial activity not prohibited by law. As at 31 December 2025 the capital of the company is BGN 100 thousand, and the Bank is the sole owner.

The Company is not included in the consolidated financial statements of the Group as at and for the year ended 31 December 2025, as it is immaterial to the financial position, financial performance and cash flows of the Group for the year ended on that date.

The assessment for consolidation of the subsidiary is reconsidered at each reporting date.

37. Post balance sheet events

(a) Finclub AD (formerly known as Diners Club Bulgaria AD)

As at 07.01.2026 "FINCLUB" AD, following the completion of the liquidation procedure, has been deregistered as a trader in the Commercial Register and the Register of Non-Profit Legal Entities at the Registry Agency.

(b) Introduction of the euro in Bulgaria

Pursuant to the Law on the Introduction of the Euro in the Republic of Bulgaria, effective 1 January 2026, the euro will become the official currency and legal tender in Bulgaria. The official exchange rate has been fixed at BGN 1.95583 for EUR 1. The introduction of the euro as the official currency of the Republic of Bulgaria constitutes a change in the Bank's functional (presentation) currency, which will be accounted for prospectively and does not represent an event after the reporting period requiring adjustment in the consolidated financial statements for the year ended 31 December 2025. The Bank does not expect material effects from the conversion of opening balances as at 1 January 2026 into euro or from the process of changing its functional (presentation) currency.

(c) The Conflict in the Middle East

The ongoing conflict in the Middle East, including the military actions involving Iran, represents a source of heightened geopolitical and macroeconomic uncertainty. The Group has no significant direct exposures to the affected region. The potential impact on the Group is expected to be predominantly indirect, through possible effects on global energy markets, inflation and economic activity in Europe.

A potential deterioration in the macroeconomic environment may affect the creditworthiness of certain customers and, accordingly, the measurement of expected credit losses. These effects are reflected through the macroeconomic scenarios applied in the impairment model and through the periodic updates of the forecast values of key macroeconomic indicators and scenario weights.

As at the date of approval of the financial statements, the Group has not identified any significant direct impact of the conflict on its financial position; however, it continues to monitor developments as a potential factor for changes in the macroeconomic assumptions used in the measurement of expected credit losses.

We achieve our goals
step by step

Meeting the 2025 goals

N	Goals	Fulfilled
1	A UNIVERSAL BULGARIAN BANK, LEADING IN KEY SEGMENTS • Set a priority on the development of retail and SME banking segments. • Offer new and creative products, providing convenience and security to customers. • Upgrade cross selling and transactional business models	• In 2025 the retail, micro, and SME loan portfolios registered an increase, their combined share reaching 70.5% of the total loan portfolio of the Group (2024: 69.1%). This was mainly driven by retail and SME loans which grew by 24.2% and 9.6% respectively during the period. • Fibank retained its leading position among banks in the country: fifth in deposits, fifth in corporate loans, fifth in consumer loans, and fifth in mortgage loans. • The Bank offers services to individuals directly in the territory of European Union member states under the single passport and mutual recognition requirements. • New credit products have been offered – consumer credit "Click", "Home+", and "Christmas Loan", and the scope of mortgage lending to individuals has expanded. *For more information see sections "Business review" and "Highlights 2025".*
2	HIGH QUALITY CUSTOMER SERVICE • Maintain highest quality of customer service by developing motivational programs and training for high standards in service. • Speed up customer service by improving IT systems and applying customer-oriented approaches. • Develop personalized services and loyalty programs.	• The deposit base of the Group grew to BGN 15,494,036 thousand at the end of the period (2024: BGN 13,959,100 thousand), and the total loan portfolio to BGN 9,830,225 thousand (2024: BGN 8,542,732 thousand). • Recognition for the achievements during the period were the awards received – "Elite quality recognition award 2024" by J.P. Morgan for outstanding quality and meeting the high global standards in wire transfers; "Bulgaria's Best Bank for Customer Experience" by Euromoney; "Mystery Customer" award by the Association "Bank of the Year". • A new service called „Click to Pay" has been launched, which aims to facilitate online card payments without the need to enter card details. Another important innovation is the provision of an electronic PIN – an "e-PIN" code for bank cards. *For more information see sections "Business review" and "Awards 2025".*
3	FOCUS ON DIGITIZATION AND INNOVATION • Implement technological innovations and digitize the branch network. • Develop digital services, mobile applications and e-banking. • Optimize IT and business processes, in line with innovation in banking and automation of activity.	• The Bank's virtual assistant has been successfully integrated into internal systems, and since the beginning of 2026, it has also been integrated into the corporate website for use by Fibank customers. • For customers of the My Fibank mobile application, a new service has been introduced – transferring funds via debit or credit card ("top-up"). • A new service called „Parking Zones" has been launched, allowing customers to pay for parking (hourly paid parking) in the zones and parking lots included in the service throughout the country. • For 2025 the integrated electronic banking platform "My Fibank" has established itself as a channel that generates a predominant share (over 95%) of the Bank's total outgoing transfers, with a reported increase of 17% in transactions and 10% in the number of customers using the platform. *For more information see sections "Business review", "Distribution channels", and "Awards 2025"..*

4	SUSTAINABLE BUSINESS MODEL AND STABILITY • Ensure sound capital position and levels of equity, and eligible liabilities (MREL). • Effective management of liquidity and funding risk. • Optimal asset structure and reduction of loan portfolio risk..	• At the end of 2025, the Group reported increased capital ratios as follows: Common Equity Tier 1 (CET1) ratio 18.33%, Tier 1 capital ratio 20.96%, and total capital adequacy ratio 21.19%. • Fibank maintained high liquidity, with liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of 318.84% and 155.63% respectively at the end of the period. • Other borrowed funds grew to BGN 1,300,485 thousand (2024: BGN 730,033 thousand), mainly as a result of placement of a new bond issue worth EUR 50 million, as well as an increase of obligations under loan agreements offered by the Bank in order to meet the MREL requirements. • Non-performing loans ratio (NPL ratio) decreased to 5.9%, while non-performing exposures ratio (NPE ratio) – down to 4.8% of gross loans and advances of the Group pursuant to FinREP reporting framework. • Balance sheet equity of the Group increased by 10.4% to BGN 1,910,205 thousand (2024: BGN 1,730,149 thousand), as a result of an increase in other reserves and retained earnings. *For more information see sections "Financial review" and "Risk management".*
5	RESPONSIBLE BANKING FOR A SUSTAINABLE FUTURE • Offer products and finance projects that are consistent with the green transition and sustainable development. • Implement environmentally efficient internal processes. • Support socially significant projects and initiatives.	• In 2025 Fibank was among the first banks in Bulgaria to publish a Sustainability Report prepared in accordance with the European Sustainability Reporting Standards (ESRS), accompanied by an independent assessment of the information by a registered sustainability auditor. • Continued offering of consumer loans "Green Energy for Households" and "Green Transport for Households" for purchase of electric vehicles and financing solar systems. • In 2025 the total value of funds donated by Fibank for various social initiatives and sponsorships exceeded BGN 550 thousand. A number of initiatives were realized in the spheres of education, culture and sports, incl. Week for early child financial literacy; support for the Federation for children deprived of parential care, for the Bulgarian Rhythmic Gymnastics Federation, incl. through a charity calendar, with a focus on supporting young talent in sports. *For more information see "Sustainability Report".*
6	SHAREHOLDER RETURN AND COST OPTIMIZATION • Achieve a high return on equity. • Maintain optimal cost-to-income ratio. • Invest in profitable securities and diversify income.	• The reported return on equity (after tax) on a consolidated basis was 10.33% for 2025, above the long-term target of 8%. • For 2025 the administrative expenses/total income ratio on a consolidated basis of 41.72% (2024: 40.74%) remained in line with the target level of below 50% set in the development priorities. • The Group's profit after tax increased to BGN 189,183 thousand, while profit before impairment reached BGN 381,386 thousand as a result of growth in the major sources of income and policies for managing non-interest-bearing assets. • The Group's investment securities portfolio remained balanced – BGN 3,336,398 thousand (2024: BGN 3,441,113 thousand), managed according to market conditions with the aim of generating additional profitability while maintaining a balanced risk-return ratio. *For more information see sections "Financial review" and "Risk management".*

Subsequent events

- On January 1, 2026 First Investment Bank confidently switched to the euro, successfully migrating all banking information systems, accounts, digital banking, ATM and POS terminal networks, etc. to the new official currency of the Republic of Bulgaria, ensuring a smooth and seamless transition for customers.
- As of January 7, 2026, the subsidiary Finclub AD – in liquidation was deregistered from the Commercial Register and the Register of Legal Entities with Non-Profit Status at the Registry Agency.
- Since early February 2026, the Bank's virtual assistant has been integrated into the corporate website for use by the Bank's customers.

For more information see the Consolidated Financial Statements for the year ending 31 December 2025.

Development priorities

Universal bulgarian bank, leading in key segments

- Priority focus on the development of retail and SME segments.
- Offering new and creative products, providing customers with convenience and security.
- Upgrading the cross-selling and transactional business models.

High quality customer service

- Maintaining highest quality of customer service by developing motivational programs and training for employees.
- Speed in customer service by improving IT systems and applying customer-oriented approaches.
- Development of personalized services and loyalty programs.

Focus on digitization and innovation

- Implementation of technological innovations and branch digitalisation.
- Development of digital services, mobile applications and e-banking.
- Optimization of IT and business processes in line with innovation in banking and automation of activities.

Stable and sustainable business model

- Ensure sound capital position and MREL.
- Effective management of liquidity and financing risks.
- Maintain optimal asset structure and reduce loan portfolio risk.

Responsible banking for sustainable future

- Offer products and finance projects aimed at sustainability and supporting the green idea.
- Implement environmentally friendly internal processes.
- Support responsible projects and initiatives with social impact.

Return for shareholders and cost optimisation

- Achieve high return on equity.
- Maintain maximum efficient cost-to-income ratio.
- Invest in profitable securities and revenue diversification.

Other information

Members of the Supervisory Board

Evgeni Lukanov - Chairman of the Supervisory Board

Mr. Lukanov joined First Investment Bank AD in 1998 as Deputy Director, and later as Director and General Manager of the Tirana Branch, Albania. From 2001 to 2003 he was Director of the Bank's Vitosha Branch (Sofia).

Mr. Lukanov has occupied a number of senior positions with First Investment Bank AD. From 2003 to 2007 he was Director of the Risk Management Department and Member of the Managing Board. From 2004 to 2012 - Executive Director and Member of the Managing Board of First Investment Bank AD.

During his years of work in First Investment Bank AD, Mr. Lukanov has been Chairman of the Credit Council and the Liquidity Council of the Bank. He has been in charge of the following departments: Risk Management, Impaired Assets and Provisioning, Loan Administration, Specialized Monitoring and Control, Retail Banking, Methodology, and Liquidity.

Mr. Lukanov has also been member of the Managing Board of First Investment Bank – Albania Sh.a.

At the beginning of February 2012, Mr. Lukanov was elected as Chairman of the Supervisory Board of First Investment Bank AD. For the period 2012-2019 he was Chairman of the Risk Committee to the Supervisory Board of the Bank and since May 2019 was elected as Chairman of the Remuneration Committee to the Supervisory Board of the Bank.

Mr. Lukanov holds a Master's Degree in Economics from the University of National and World Economy, Sofia. Prior to joining First Investment Bank AD, Mr. Evgeni Lukanov worked as currency broker with First Financial Brokerage House OOD.

Besides his position on the Supervisory Board of the Bank, Mr. Lukanov is also Chairman of the Supervisory Board of Fi Health Insurance AD..

Maya Georgieva - Deputy Chair of the Supervisory Board

Prior to joining First Investment Bank, Ms. Maya Georgieva worked with the Bulgarian National Bank for 19 years where she gained considerable experience in international banking relationships and payments, banking statistics and firm crediting. Her last appointment with BNB was as Head of the Balance of Payments Division.

Ms. Maya Georgieva joined First Investment Bank AD in 1995 as Director of the International Department. From 1998 to 2012 she served as Executive Director of First Investment Bank and Member of the Managing Board. During her years of work in the Bank she has been responsible of the following departments: International Payments, Letters of Credit and Guarantees, SME Lending, Human Capital Management, Administrative Department, Sales Department, Retail Banking, Marketing, Advertising and PR, Branch Network, Private Banking and the Vault.

Alongside her responsibilities at the Bank, Ms. Georgieva has also occupied a number of other senior executive positions. From 2003 to 2011 she chaired the Supervisory Board of CaSys International - a Northern Macedonia-based card processing company servicing card payments in Bulgaria, Northern Macedonia and Albania.

From 2009 to 2011 she was Chair of the Board of Directors of Diners Club Bulgaria AD - a franchise company of Diners Club International, owned by First Investment Bank. In this capacity, she inspired the launch of a number of products, including the first female-oriented credit card. From 2006 to 2011 Ms. Georgieva was also member of the Managing Board of First Investment Bank - Albania Sh.a., a subsidiary of First Investment Bank. From 2011 to 2012 she was also member of the Management Board of the Association of Banks in Bulgaria.

In the beginning of February 2012, Ms. Georgieva was elected as Deputy Chair of the Supervisory Board of First Investment Bank AD and Chair of the Presiding Committee to the Supervisory Board of First Investment Bank AD.

Ms. Georgieva holds a Masters Degree in Macroeconomics from the University of National and World Economy in Sofia and has post-graduate specializations in International Payments and Balance of Payments with the International Monetary Fund and Banking from Specialized postgraduate course of BNB joint with the Bulgarian Union of Science and Technology.

She was granted several times with the „Banker of the Year" award of the Bulgarian financial weekly „Banker" - in 2001 and 2011, as well as in 2018 for overall contribution to the development of the banking system.

Radka Mineva - Member of the Supervisory Board

Prior to joining First Investment Bank AD, Ms. Mineva worked as a capital markets dealer at the Bulgarian National Bank where she gained considerable experience in banking. During the time spent with the Central Bank, she specialized at the Frankfurt Stock Exchange and the London Stock Exchange as a capital markets dealer.

Ms. Mineva started her career with the foreign trade enterprise Chief Engineering Trade Department – Ministry of the Foreign Trade, where she worked for 9 years; she also spent three years as an expert at RVM Trading Company.

Since 2000, Ms. Mineva has been a Member of the Supervisory Board of First Investment Bank AD. Since May 2019, she was also elected as Member of the Presiding Committee to the Supervisory Board of First Investment Bank. Alongside her responsibilities at the Bank, for the 2011-2024 period, Ms. Mineva was Member of the Supervisory Board of Balkan Holidays Limited London.

She is a graduate of the University of National and World Economy in Sofia, with a degree in Trade and Tourism.

Besides her position on the Supervisory Board of the Bank, Ms. Mineva is Manager of Balkan Holidays Services EOOD - a company with activities in the sphere of tourism, transportation, hotel business, tour operation, and tour agency services. Ms. Mineva is also Manager of Balkan Holidays Elite Collection OOD - a company engaged in international and domestic tourism services, foreign economic transactions, and financial management. Ms. Mineva owns more than 25% of the capital of Balkan Holidays Elite Collection OOD. She is also Member of the Managing Board of the non-profit organization "National Board of Turism" and of the non-profit organization "Union of investors in tourism".

Jordan Skortchev - Member of the Supervisory Board

Before joining First Investment Bank AD, Mr. Jordan Skortchev worked for two years with the Central and Latin America Department of the foreign trade organization Intercommerce, followed by five years with First Private Bank, Sofia as an FX Dealer and Head of the Dealing Division.

Mr. Skortchev joined First Investment Bank in 1996 as Chief Dealer, FX Markets. From 2001 to 2012 Mr. Skortchev was Member of the Managing Board and Executive Director of the Bank. During his years of work in the Bank, Mr. Skortchev has been responsible for the following departments: Card Payments, Operations, Gold and Numismatics, Internet Banking, Dealing, Security and Office Network-Sofia.

Alongside his responsibilities at the Bank, Mr. Skortchev has also occupied other senior executive positions. Mr. Skortchev has been Chairman of the Supervisory Board of UNIBank AD, Republic of Northern Macedonia, member of the Supervisory Board of CaSys International, Republic of Macedonia, member of the Board of Directors of Diners Club Bulgaria AD, member of the Board of Directors of Bankservice AD, member of the Board of Directors of Medical center FiHealth AD, and Manager of FiHealth OOD.

In the beginning of February 2012, Mr. Skortchev was elected as a Member of the Supervisory Board of the Bank. For the period 2012-2019, he was Chairman of the Remuneration Committee to the Supervisory Board of First Investment Bank AD. Since May 2019, Mr. Skortchev was elected as Chairman of the Nomination Committee to the Supervisory Board of First Investment Bank AD.

Mr. Skortchev holds a Masters Degree in International Economic Relations from the Higher Institute of Economics (now the University of National and World Economy) in Sofia. He has specialized in banking in Luxembourg, in swap deals at Euromoney, and in futures and options at the Chicago Stock Exchange.

Mr. Skortchev holds more than 10% of the capital of Investment intermediary Delta Stock AD and of Funds4Traders OOD.

Jyrki Koskelo – Member of the Supervisory Board

Mr. Jyrki Koskelo was elected as member of the Supervisory Board of First Investment Bank AD in June 2015. In his capacity as an independent member Mr. Koskelo supports the Supervisory Board in setting up the business objectives and the strategy of the Bank, the corporate culture and values, as well as in overseeing good corporate governance practices and effective risk management. Since the end of 2019, he has been Chairman of the Risk Committee to the Supervisory Board of First Investment Bank AD. Mr. Koskelo has long-term experience in banking and global financial markets, as well as wide professional practice in different geographical regions.

Mr. Koskelo worked in the International Finance Corporation (IFC - a member of the World Bank Group) for 24 years, from 1987 to late 2011. The first 13 years he worked as an Investment Officer covering the Central and Eastern Europe and Africa regions. In 2000, he was appointed as Director Work-out Loans and in 2004 he became Director Global Financial Markets. In 2007, he was appointed as Vice President (reporting to the CEO) and a member of the IFC's Management Committee. Mr. Koskelo led the formulation and implementation of the IFC's investment strategy, policies, and practices across industries and regions, including in Central and Eastern Europe, Latin America and Africa. His major legacies include IFC's entry to Global Trade Finance Programs, decentralization of the organization with significant staffing across emerging markets, IFC's leading role in private sector side of Vienna Initiative to support Central Europe banks after Lehman Crisis and establishment of IFC's Asset Management subsidiary's first $3 billion fund for capitalization of weak banks in poor countries.

Prior to joining the IFC, he spent close to 10 years in senior management positions in the private sector in the Middle East and in USA.

Mr. Koskelo currently holds senior advisory positions in European and African multilateral organizations and is a Member of the Board of Directors and chair of Risk committee of Gulf Marine Services PLC (GMS International), UK, a London listed company.

During the period 2012 – up to 2025 Mr. Koskelo acted in multiple Supervisory Board and advisory positions including in the Africa Development Corporation, Germany; African Banking Corporation, Botswana; RSwitch, Rwanda; EXPO Bank, Latvia and Czech Republic, AtlasMara Co-Nvest LLC, UK, Al Jaber Group, UAE, AATIF (a KfW & EU sponsored Africa Agriculture and Trade Investment Fund), Luxemburg and Serengeti Energy Ltd, Mauritius.

Mr. Koskelo holds a Master of Science (M.Sc.) degree in Civil Engineering from the Technical University of Helsinki, Finland and a Master of International Management (MBA equivalent) in International Finance from the Massachusetts Institute of Technology (MIT), Sloan School of Management in Boston, USA..

Members of the Managing B oard

Nikola Bakalov – Chief Executive Officer (CEO) and Chairman of the Managing Board

Mr. Nikola Bakalov has extensive experience in the banking and insurance sector in Bulgaria, combined with proven professional and managerial skills. From December 2000 to September 2011, he worked at First Investment Bank AD, taking increasing responsibilities from Card Services Specialist to Director of the Card Payments Department, which position he held for almost 6 years. During this period he was also elected as member of the executive committees of Mastercard Bulgaria and VISA Bulgaria.

In the period December 2011 - August 2012, Mr. Bakalov was member of the Managing Board of Allianz Bank Bulgaria AD, where he served as Executive Director, and subsequently as Chief Executive Officer.

From 2013 to August 2020, Mr. Bakalov was Executive Director of FiHealth Insurance AD, where he expanded significantly the activity of the company and transformed it in a leading company in the sphere of health insurance.

At the beginning of 2020, he was elected as Chief Retail Banking Officer (CRBO), Member of the Managing Board and Executive Director of First Investment Bank AD, responsible for the retail banking business lines within the Bank.

Since April 2020 Mr. Bakalov has beenthe elected Chief Executive Officer (CEO) and Chairman of the Managing Board of First Investment Bank AD.

Responsibilities in the Bank – Legal Department, Corporate Communications Department, Marketing and Advertising Department, Human Capital Management Department, Administrative Department, Problem Assets Department, Asset Management Department and Corporate Servicing Department.

Mr. Bakalov holds a Master's degree in International Economic Relations from the University of National and World Economy in Sofia, and has additional specializations in card payments, finance retail services and corporate governance.

Apart from his position at the Bank, Mr. Bakalov is Deputy chairman of the Supervisory Board of FiHealth Insurance AD, Member of the Board of Directors of BORICA AD, Member of the Management Board of Association of Banks in Bulgaria, Manager of International Banking Institute EOOD and Member of the Trustees Council of the University of National and World Economy (UNWE).

Svetozar Popov – Chief Risk Officer (CRO), Member of the Managing Board and Executive Director

Mr. Svetozar Popov joined First Investment Bank AD in 2004 as part of the Risk Management Department, and was shortly thereafter promoted to Head of the Credit Risk Division. From 2006 to 2008 he was Deputy Director of Risk Management, during which period he also chaired the Bank's Credit Council. From 2016 to 2017, Mr. Popov held the office of Chief Compliance Officer (CCO), and in May 2017 he was appointed as Chief Risk Officer (CRO), Member of the Management Board and Executive Director of First Investment Bank AD.

From 2008 to 2015, Mr. Popov was member of the Managing Board and Executive Director of UNIBank AD, Northern Macedonia, where he gained significant management experience and was responsible for the areas of risk management, credit administration, and finance. Prior to joining First Investment Bank AD, Mr. Popov worked at Raiffeisenbank (Bulgaria) EAD as an SME loan officer.

Mr. Popov holds a Masters degree in Finance from the University of National and World Economy in Sofia, and has obtained additional qualifications in the field of financial analysis from the European Bank for Reconstruction and Development (EBRD) and other internationally recognized institutions, as well as practical experience in foreign banks.

In the Bank he is responsible for the Risk Management Department, the Loan Administration Department, Security Department and Information Security Department.

Besides his position in the Bank, Mr. Popov is a Chairman of the Supervisory Board of UNIBank, Republic of Northern Macedonia.

Ralitsa Bogoeva – Chief Retail Banking Officer (CRBO), Member of the Managing Board and Executive Director

Ms. Ralitsa Bogoeva has been Chief Retail Banking Officer, Member of the Managing Board and Executive Director of First Investment Bank AD since May 2020. She has extensive professional experience in various fields of banking.

Ms. Ralitsa Bogoeva joined the team of First Investment Bank AD in 2002 as a Retail Loan Officer and a year later was promoted to Deputy Director of the Retail Banking Department, a position she held for eight years. From 2011 to 2018 she was Director, Internal Audit of Fibank. From June 2018 to 2020, Ms. Bogoeva held the position of Chief IT and Operations Officer at the Bank. During her professional career, Ms. Bogoeva has managed various projects in the fields of finance, the development and administration of products for individuals and businesses, as well as innovative projects in the field of information technology and digitalization of banking.

Ms. Bogoeva has a Master's degree in Accounting and Control from the University of National and World Economy in Sofia, as well as a number of additional qualifications in the areas of banking, international auditing standards, planning and project management.

Responsibilities in the Bank – Retail Banking Department, Private Banking Department, Card Payments Department, Branch Network Department, Organisation and Control of Customer Service Department, Gold and Commemorative Coins Department, the Vault.

In addition to her position in the Bank, Ms. Bogoeva is a member of the Supervisory Board of UNIBanka AD, Northern Macedonia. She owns 25% of the capital of Raya Homes OOD.

Ianko Karakolev – Chief Financial Officer (CFO) and Member of the Managing Board

Mr. Ianko Karakolev was elected Chief Financial Officer (CFO) and Member of the Managing Board of First Investment Bank AD in June 2020. He is a longtime financial analyst and staff member of First Investment Bank AD.

Mr. Karakolev joined the Bank's team in 1999 as an accountant-controller in the Financial and Accounting Department and soon became Director of the Internet Branch. In the period 2002-2007 he was promoted from Head of the Financial Statements, Analyzes and Budgeting unit to Deputy Chief Accountant. After that, until 2011, he held the position of Deputy Director of the Finance and Accounting Department. From 2011 to 2014 he was Chief Financial Officer and Director of the Finance and Accounting Department, and in the period 2014-2020 was Director of the Finance Department. During his professional career, Mr. Karakolev has participated in the management of many innovative projects contributing to the implementation of international standards and the development of banking, as well as in corporate actions such as the acquisition of MKB Unionbank and its subsequent merger with First Investment Bank AD.

Prior to joining the team of First Investment Bank AD, Mr. Karakolev worked at Bulgarian Commercial and Industrial Bank AD as an accountant. He holds a Master's degree in Finance

from the University of National and World Economy in Sofia and has professional certificates and qualifications in the fields of international financial and accounting standards, the European regulatory framework on banking and reporting, management and business planning.

Responsibilities in the Bank – Finance Department, Accounting Department, Treasury Department and Intensive Loan Management Department.

In addition to his position in the Bank, Mr. Karakolev is a member of the Steering Council of First Investment Bank - Albania Sh.a. and member of the Supervisory Board of UNIBanka AD, Northern Macedonia.

Anton Petrov – Chief Compliance Officer (CCO) and Member of the Managing Board

Mr. Anton Petrov was elected as a member of the Management Board of First Investment Bank AD in March 2025. He is a lawyer with professional experience in European and international law in the financial sector.

Mr. Petrov joined the team of First Investment Bank AD in 2017 as a legal advisor, International Legal Relations, in the Legal Department. His professional development went through the positions of Team Leader and Deputy Director of the Legal Department, and in March 2023 he was elected Chief Compliance Officer.

Before joining the team of First Investment Bank AD, Mr. Petrov worked as a consultant at PricewaterhouseCoopers Bulgaria EOOD and as a senior expert at the Ministry of Regional Development and Public Works, where he gained experience in international projects, in management of programs related to the European Structural and Investment Funds, and in coordination of the risk assessment function.

Mr. Petrov holds a Master's degree in Law from the University of National and World Economy in Sofia and a Master's degree in Finance, Banking and Real Estate from the American University in Blagoevgrad and SDA Bocconi School of Management. He has additional specializations in Risk Management in Banking and Financial Markets from the Indian Institute of Management Bangalore; and in Corporate Financial Analysis from the Ross School of Business at the University of Michigan, USA. In 2019, Mr. Petrov was included in the list of leading corporate counsel in Central and Eastern Europe (Legal500 CEE GC Powerlist), and in 2021 he was among the four nominees in the Rising Star category at the European Counsel Awards in London.

His responsibilities in the Bank include the Compliance - Regulations and Standards Department, the Compliance - Prevention of Financal Crimes Department, the Sustainable Development Department, the Financial Institutions and Correspondent Relations Department, the Investor Relations Department, and the Asset Valuation specialized unit.

Apart from his position at the Bank, Mr. Petrov does not hold any positions or participate in other companies.

Vladimir Ikonomov – Chief Digital Development Officer (CDDO) and Member of the Managing Board

Mr. Vladimir Ikonomov was elected Chief Digital Development Officer and member of the Management Board of First Investment Bank AD in March 2025. He has professional experience in auditing, strategic project management, and implementing innovative solutions in banking practice in the field of information technology and digital banking.

Mr. Ikonomov joined the team of First Investment Bank AD in 2010 as an expert in the Internal Audit Department, and in 2014 he was promoted to Head of Department. His professional development includes the positions of Project Manager in the Strategic Planning and Development

Department and Head of the Project Activities Organization and Control Department. In the period 2020 - 2025, Mr. Ikonomov was Director of the Digital Banking Department. Over the years, Mr. Ikonomov expanded his professional and managerial skills managing numerous projects in the field of operational audit, specialized systems for the purposes of audit processes, information security, development of technological channels in the banking sector, and digital banking.

Mr. Ikonomov holds a Master's degree in International Economic Relations from the University of National and World Economy in Sofia, and a Master's degree in Information Security in Computer Systems and Networks from the Faculty of Mathematics and Informatics at St. Kliment Ohridski University in Sofia. He has professional certificates and qualifications in the field of project management, IT processes and change management, relational databases, machine learning, as well as practical experience in financial and fintech institutions.

His responsibilities in the Bank include the Digital Banking Department, the IT Infrastructure and Operations Department, the Application and Payment Information Systems Department, the International Market Development Department, the IT Architecture and Policies specialized unit and the Project Management specialized unit.

In addition to his position at the Bank, Mr. Ikonomov is the Manager of "Wise OPS" OOD and owns 50% of the company's capital.

List of abbreviations

AD	Joint Stock Company
ALCO	Asset, liability and Liquidity management Council
AML	Anti Money Laundering
ATM	Automated Teller Machine
BAF	Bulgarian Athletics Federation
Bank/Fibank	First Investment Bank AD
BEIA	Bulgarian Export Insurance Agency
BISERA	Bank integrated system for electronic payments
BISERA 7-EUR	System for servicing customer transfers in euros
BNB	Bulgarian National Bank
BOC	Bulgarian Olympic Committee
BORICA	Banking organization for payments using cards
BRGF	Bulgarian Rhythmic Gymnastics Federation
BPM	Business Process Management
BRRD II	Bank Recovery and Resolution Directive II (Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC)
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CCBO	Chief Corporate Banking Officer
CFO	Chief Financial Officer
CGS	Continuous Gross Settlement
CO2	Carbon footprint
CRBO	Chief Retail Banking Officer
CRO	Chief Risk Officer
CSRBB	Credit Spread Risk in the Banking Book
DvP	Delivery versus Payment (Доставка срещу плащане)
DPO	Data Protection Officer
EAD	Exposure at Default
EAD	Sole-owned joint stock company
EBA	European Banking Authority
EEA	European Economic Area
EC	European Commission
ECB	European Central Bank
EOOD	Sole-owned limited liability company
EP	European Parliament
ERM	Exchange Rate Mechanism
ESG	Environmental, Social, Governance

ESMA	European Securities and Markets Authority
EU	European Union
FDI	Foreign Direct Investments
FSC	Financial Supervision Commission
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GVA	Gross value added
HIC	Health insurance company
HHI	Herfindahl-Hirschman Index
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IFC	International Finance Corporation
IRRBB	Interest Rate Risk in the Banking Book
IT	Information Technology
ITP	Internal-transfer prices
LCR	Liquidity Coverage Ratio
LIFO	Law on independent financial audit
LGD	Loss Given Default
LPOSA	Law on public offering of securities
LR	Leverage Ratio
LRE	Leverage Risk Exposure
MB	Managing Board
MiFIR	Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012)
MREL	Minimum requirements for own funds and eligible liabilities
MRR	Minimum Required Reserved
NATO	North Atlantic Treaty Organization
NFC	Near Field Communication
NPE	Non-performing exposures
NPL	Non-performing loans
NSFR	Net Stable Funding Ratio
OECD	Organization for Economic Cooperation and Development
OOD	Limitied liability company
OSII	Other Systemically Important Institution
PAMP	Produits Artistiques de M-taux Pr-cieux
PD	Probability of Default
PRIIPS	Packaged Retail Investment and Insurance Products (Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products)
RCSA	Risk Control Self Assessment

RINGS	Real-time Interbank Gross Settlement System
ROA	Return-on-assets
ROE	Return-on-equity
SB	Supervisory Board
SCA	Strong Customer Authentication
SEPA	Single Euro Payments Area
SME	Small and medium-sized enterprises
SP	Sole proprietor
SPPI	Solely Payments of Principal and Interest
SRM	Single Resolution Mechanism
SSM	Single Supervisory Mechanism
TCR	Total Capital Ratio
TPPs	Third party providers
TREA	Total Risk Exposure Amount
UAB	Union of Artists in Bulgaria
UN	United Nations
VaR	Value-at- Risk

List of branch network

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REUTERS DEALING CODE: BFIB
e-mail: fib@fibank.bg, www.fibank.bg
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The present consolidated Activity report for 2025 was approved by the Managing Board of First Investment Bank AD in accordance with the Bank's internal regulations at a meeting dated 11 March 2026.

Nikola Bakalov

Chairman of the Managing Board
Chairman of the Managing Board

Svetozar Popov

Executive Director,
Chief Risk Officer,
Member of the Managing Board

Ralitsa Bogoeva

Executive Director,
Chief Retail Banking Officer,
Member of the Managing Board

Ianko Karakolev

Chief Financial Officer,
Member of the Managing Board

Fibank
My bank