



FINANCIAL AND SUSTAINABILITY REPORT



DIGITAL TRANSFORMATION POSTBANK



EUROBANK BULGARIA AD



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LETTER TO SHAREHOLDERS FROM PETIA DIMITROVA

CHIEF EXECUTIVE OFFICER AND CHAIRPERSON OF THE MANAGEMENT BOARD OF POSTBANK

2024 Г.

Dear Shareholders,

In this letter, I am pleased to present the diverse palette of achievements we accomplished together during another exceptionally successful year for Postbank - a period marked by outstanding results and strategic breakthroughs. I extend my heartfelt gratitude for the support and guidance we receive from the Eurobank Group; to our entire team, whose dedication and professionalism contributed to our record-breaking performance; and to our partners and clients for their trust.

The year 2024 was another record-setting year for Postbank. Capitalizing on strong credit demand, especially in the retail banking segment, the bank expanded its loan portfolio, enhancing both revenue and profitability. Net profit for the year rose by one-third to BGN 412.2 million. Return on equity reached 16.5%, nearly two percentage points higher than the previous year, while return on assets stood at 2.0%.

Gross loans increased by nearly BGN 2.22 billion, up 17% year-on-year to BGN 15.12 billion. Approximately two-thirds (BGN 1.45 billion) of new loans were extended to households, which now account for 55% of the loan portfolio. The buoyant real estate market and stable interest rates fuelled the expansion of the mortgage portfolio, which reached BGN 4.6 billion.

Consumer loans also saw strong demand, growing by more than BGN 525 million (16.2% year-on-year) to BGN 3.77 billion. Growth in the "Small Business Banking" segment was more modest - loans to small businesses increased by BGN 117 million (11.5% year-on-year) to BGN 1.14 billion. Corporate lending continued to improve. While nominal growth in corporate loans was nearly BGN 420 million in 2023, in 2024 it rose by 50% to BGN 653 million, bringing the total corporate loan portfolio to BGN 5.6 billion. The market share of all business loans improved by 43 basis points to 10.7%.

Total deposits grew by nearly BGN 1.6 billion (10.1% year-on-year) to BGN 17.24 billion. Market growth was one percentage point lower (9%), resulting in a market share increase of 13 b.p. to 10.6%.

More than 90% of new deposits came from the retail banking segment (primarily households), whose deposits closed the year at BGN 12.68 billion. Meanwhile, the corporate sector continued to experience a lack of free liquidity in the market. Nominal deposit growth in the system was only BGN 2.3 billion, about BGN 600 million below 2023 levels and lower than any of the previous four years. Consequently, corporate deposits at Postbank increased by BGN 111 million to BGN 4.56 billion. In parallel, we signed an agreement with IFC for a EUR 140 million credit line to finance green projects and SMEs led by women entrepreneurs.



Dear Shareholders,

2024 marked a pivotal strategic move - the launch of our Go Beyond transformation program, through which we will reshape Postbank together. This initiative will allow us to set new service standards and deliver faster, higher-quality services, greater operational efficiency, and agility in today's dynamic environment. Our mission and priority remain focused on delivering exceptional customer experiences and high-quality financial services and digital innovations, continuously adapting and improving processes while leveraging cutting-edge technologies to ensure security, convenience, and efficiency in every interaction.

Throughout the year, Postbank made strategic and significant investments in digital technologies to enhance service efficiency and accessibility. These investments enabled us to offer more convenient and flexible solutions to clients, including mobile apps, online banking, and automated service systems.

This transformation is not an end in itself - it is a step toward being even closer to our Customer. "Client obsession" is our new strategic pillar, and every transformation in systems, processes, and culture begins with the question: "What does this mean for our customer?"

We remain committed to improving and digitizing processes and reducing the effort required by clients to use our services. As a result, last year we invested substantial resources in developing mobile banking, enhancing our online platform, launching the OneWallet digital wallet, and implementing new analytical tools to better understand our users' needs.

Electronic document signing became a cornerstone of our digital transformation and the preferred method for clients, reaching over 85% of all transactions (compared to 79% in 2023). This solution significantly reduced service time, improved process efficiency, enhanced customer convenience, and cut paper usage by over 4 million pages annually - contributing to the bank's sustainability goals.

Focusing on convenience and speed, we continued expanding our branch network equipped with Digital Zones for express banking. These zones allow clients to perform transactions quickly and efficiently on their own, with over 40% of all transactions in these branches now conducted through them (up from 35% in 2023).

We worked on several major projects, set to be finalized next year, that will distinguish us from competitors. Much of our effort was directed toward euro adoption, as we are committed to being ready by the beginning of next year - a goal we will meet. Clients can already see some of these changes in practice, such as dual display of amounts in BGN and EUR on POS terminals, account statements in online banking, and soon on ATM receipts and screens.

These successful projects earned over 30 awards from prestigious national and international competitions. For the fourth consecutive year, Postbank won two international awards from the World Finance Digital Banking Awards 2023 by World Finance Magazine: "Best Consumer Digital Bank, Bulgaria" and "Best Mobile Banking App, Bulgaria".

The bank also won five awards at PR Prize 2024 - the oldest and most established PR competition in Bulgaria - including gold in "B2B Communication Project," two silver awards in "Corporate Communication Campaign" and "Internal Communication Project," and bronze in "Special Event". Postbank also received the special award from KRIB, affirming its undisputed victory. We triumphed with three gold awards in the "Greenest Companies in Bulgaria" competition in "Green Event", "Green CSR Campaign", and "Internal

Green Communication Campaign". For its sustainable green policy, the bank also won silver in the "Green Investment" category.

Our social engagement was reflected in numerous initiatives in education, entrepreneurship, culture, and philanthropy. We strive to foster a culture of responsibility - both within the organization and in society.

Dear Shareholders,

As Chairperson of the Association of Banks in Bulgaria, I place a clear emphasis on the successful transition to the euro area next year, expected to support economic integration and enhance the country's competitiveness. This will stimulate international trade and facilitate access for Bulgarian companies to new markets.

Euro adoption will provide Bulgarian firms with easier access to cheaper capital and support the development of capital markets. It will offer new investment opportunities for businesses and facilitate financing of long-term projects. Entry into the eurozone will boost confidence in Bulgaria's economy and reduce currency risk, making the country more attractive to foreign investors.

I would also like to remind you that at the beginning of 2025, Bulgaria became a full member of the Schengen Area, which will bring additional advantages to Bulgarian businesses and is expected to have a positive impact on the national economy.

Postbank will continue to play a key role as a reliable partner to businesses and households, providing support during the euro transition. We will focus on enhancing financial literacy and helping businesses and households adapt to the new euro environment.

In 2025, we will continue investing in modern technologies and innovations to ensure a smooth and efficient transition to the euro and to meet the evolving needs of our clients.

Sincerely,
Petia Dimitrova
Chief Executive Officer and Chairperson of the Management Board of Postbank

BANK PROFILE

IMPORTANT EVENTS DURING THE FINANCIAL YEAR



Postbank, is the fourth biggest bank in Bulgaria in terms of assets, operating with a wide branch network throughout the country and having a significant customer base of individuals, companies and institutions. It has been a leading player in innovations and a trend setter in the Bulgarian banking sector for more than three decades, with multiple awards for its innovations. The Bank holds a strategic place in both retail and corporate banking in Bulgaria. Postbank is among the leaders in the market for credit and debit cards, mortgages and consumer loans, savings products, as well as for

products targeted at corporate clients from small businesses to large corporate international companies with an established presence in the country. The financial institution has one of the best developed branch networks and modern alternative banking channels, paying special attention to providing high-quality services to its clients.

2024 has been another important year for Postbank marked with numerous achievements and prestigious local and international recognitions that reflect the Bank's commitment to innovation and quality, to work with care for people, society and nature, combining the best of traditional and digital banking.



In April 2024, Postbank became the first bank in the country to launch an initiative to abolish the fee for depositing amounts in BGN in the citizens' accounts supporting the efforts toward the country's accession to the Eurozone and the adoption of the euro as the national currency.



Throughout the year, Mrs. Petia Dimitrova, CEO and Chairperson of the Management Board of Postbank and Chairperson of the Executive Board of the Association of Banks in Bulgaria (ABB), took part in several key business events and nationally significant conferences related to Bulgaria's accession to the Eurozone such as the business conference "Together Towards Success: A Stable Financial Ecosystem and Bulgaria's Path to the Eurozone", organized by the ABB; conference "Bulgaria in the Eurozone, When?" organized by the ABB, the Association of Honorary Consuls in



Bulgaria, and the Bulgarian CFA Association; participation in the opening of Euro Week at the University of National and World Economy (UNWE) and the Tenth Annual Monetary and Economic Scientific Conference on Digital Transformation and Economic Recovery in the Post-Crisis Period.

Petia Dimitrova emphasized that Bulgaria's accession to the Eurozone and introduction of the euro as local currency is the most significant upcoming event and that it would positively impact the economy, accelerate reforms, and benefit citizens and companies through lower transaction costs, improved investment climate, and increased employment, while banks are fully prepared for the transition and have launched an informational campaign to highlight the benefits of Eurozone membership.



Postbank once again received key recognition for the effectiveness of its business operations when, in June 2024, the international rating agency Moody's Ratings raised the institution's long-term and short-term deposit ratings to Baa2/P-2, respectively. The outlook for the long-term deposit rating remains positive. At the same time, the rating agency raised the long-term Counterparty Risk Rating (CRR) to Baal. This updated rating from one of the world's three largest rating agencies confirms Postbank's ability to maintain strong financial performance and successfully adapt to dynamic market conditions. Moody's report emphasizes





Postbank's stable capitalization, strong recurring profitability, and a growing deposit base.

In September 2024, Moody's Ratings raised Postbank's long-term deposit rating for the second time— from Baa2 to Baa1. At the same time, the agency assigned Postbank a long-term and short-term issuer investment rating for both foreign and local currencies of Baa3/P-3. The outlook for the long-term ratings, both for deposits and for the issuer, is stable and is based on Moody's expectations that Postbank's solvency and liquidity profile will remain solid.



On May 16, 2024, the annual General Assembly of the Association of Banks in Bulgaria was held, attended by all members of the association. During the meeting, Petia Dimitrova—CEO and Chairperson of the Management Board of Postbank—was unanimously re-elected for a three-year term on the governing body of the Association.

During the annual "Bank of the Year" awards, organized by the "Bank of the Year" Association, Postbank was recognized in the "Secret Client" category. This category reflects overall customer satisfaction with the service and the performance of the front offices of the banks. The evaluation was based on a specialized, large-scale survey conducted by a marketing agency. The award was presented to Mrs. Petia Dimitrova, CEO and Chairperson of the Management Board of Postbank and Chairperson of the Executive Board of ABB.



In the "Mr. and Mrs. Economy" contest, organized by the Confederation of Employers and Industrialists in Bulgaria (KRIB) and the Economy magazine, the prize in the "Investments and Growth" category was awarded to Mrs. Petia Dimitrova, CEO and Chairperson of the Management Board of Postbank and Chairperson of the Executive Board of ABB.



On the eve of the bankers' professional holiday, BANKERb presented its traditional "Banker of the Year" awards for the 31st time to managers of financial institutions who achieved remarkable success during the year. For the record growth in assets, Mrs. Petia Dimitrova, CEO and Chairperson of the Management Board of Postbank, was honored with the "Banker of the Year" award. In her acceptance speech, she mentioned that with the acquisition of BNP Paribas Personal Finance finalized in mid- 2023—Postbank has entered new key segments that are developing exceptionally well, demonstrating that the bank's strategy is both sound and effective.

In 2024, Postbank was recognized as a "Top Employer" in Bulgaria for a second consecutive year by the international, independent Top Employers Institute. The financial institution, for which success goes hand in hand with employee development, received high marks based on a detailed assessment of its internal processes. This recognition reinforces the bank's position among the leading companies on both a global and national scale, and demonstrates its commitment to providing better working conditions and care for its employees through exemplary human resources practices and policies.



Postbank was also honored with two first-place awards at the prestigious Forbes HR & Employer Branding Awards, establishing itself as a leader not only in the banking market but also in talent management. The company emerged as winner in the categories "Employee Onboarding" and "Technological HR Innovation," further highlighting its innovative approach toward its workforce and its commitment to creating a dream workplace. Key concepts such as gamification, personalization, digitization, and automation are an integral part of the bank's strategy for establishing an innovative and preferred employer brand.

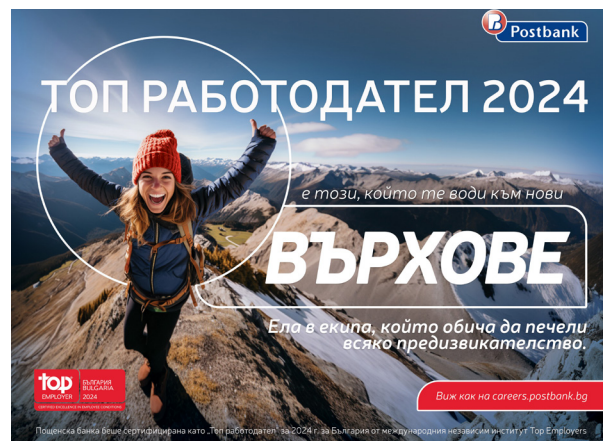


Once again, Postbank received significant international recognition from the prestigious Employer Brand Stars Awards 2024 by winning four gold awards in the following categories: “Diversity, Equity, and Inclusion,” “Use of Digital,” “Internship Program,” and “Candidate Experience.”

Kosher 2024, one of the most anticipated events of the year took place at the Inter Expo Center. With its large-scale format, innovative program, and more than 14 interactive zones, the event promised something for everyone—from tech enthusiasts and creative professionals to those seeking new career opportunities. Over 50 inspiring speakers shared their stories and experiences. Postbank participated in the festival’s rich program with its own special booth, where it welcomed attendees with a variety of activities, inspiring them with its special youth program, Project YOUTH.



the most modern and effective solution for customer relationship management (CRM). By combining a 360-degree view with multi-channel interactions, Postbank’s adaptive cloud platform empowers its employees to excel in a dynamic environment.



Postbank’s revolutionary strategy, “Strength in One: Unifying the Customer Experience Across All Channels,” received recognition from the prestigious global organization Qorus, a leader in fostering innovation in the financial sector. It is featured in the 15th edition of the Qorus – Infosys Finacle Innovation in Retail Banking report for 2024, which highlights the latest trends and the best projects for innovation and transformation worldwide. Postbank’s strategy is entirely focused on enhancing customer engagement, adopting a multi-channel approach, and managing relationships. It is built on the Salesforce platform,



Postbank was once again named the Best Retail Bank in Bulgaria at the prestigious international World Finance Banking Awards for 2024. The Bank receives this award for the seventh consecutive year, positioning itself among the best banks in the world, demonstrating remarkable consistency and reaffirming its leadership in the segment.



Postbank was also recognized for the twelfth consecutive year as the Best Custodian Bank in Bulgaria. The prestigious international publication Global Custodian (www.globalcustodian.com), which covers capital markets, asset management, and investment activities, awarded the institution—once again highlighting the high quality of its custody services.

The company also won the Deal of the Year award in the 10th-anniversary edition of the annual Company of the Year awards. This is yet another recognition that the financial institution received for the successful acquisition of the Bulgarian branch of BNP Paribas Personal Finance in 2023. The deal is part of the strategic vision for sustainable business growth that the bank has been developing for over 30 years. Following the acquisition, Postbank executed an extremely successful campaign to transform and introduce the new brand, PB Personal Finance,



to the market—a campaign that had a flying start thanks to its remarkable ambassador, the most successful Bulgarian tennis player, Grigor Dimitrov. Dimitrov's unique presence and qualities positioned him as the perfect symbol of success in harmony with the campaign's key message, "Finance for Champions."

making it the most decorated bank at the ceremony. One of the standout projects of the evening was the Retail RELOAD – powered by AI conference, which won the gold prize in the B2B Communication Project category, as well as third place in the Special Event category. The conference marked the official launch of PB Personal Finance—the new brand that Postbank created following the acquisition of the Bulgarian branch of BNP Paribas Personal Finance in 2023.

The company was one of the major winners at the

The institution triumphed with five awards at the PR Awards 2024—a competition for the best achievements in public relations in Bulgaria—



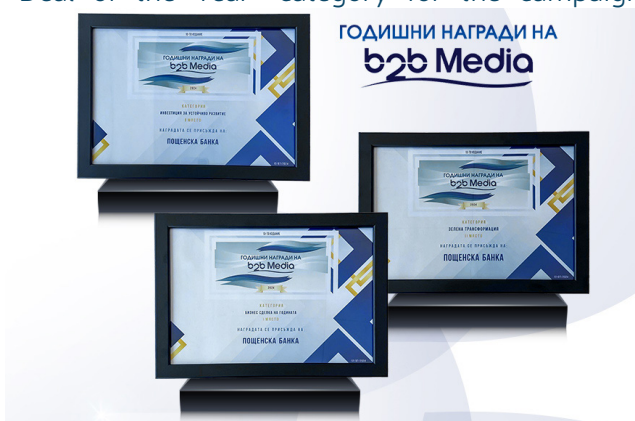
inaugural contest entirely dedicated to financial innovations, NEXT DiFi 2024. Organized by b2b Media and a continuation of the internationally popular financial forum NEXT DiFi, the contest evaluated the most innovative organizations in the financial and fintech sphere. It tracked the progress of companies across various areas related to digital financial tools, new technologies, and contemporary challenges in the financial sector. Postbank was honored with three awards during the official prize-giving ceremony.



Once again, Postbank was among the major winners at the Annual Awards of b2b Media, which this year marked their 10th anniversary edition. Amongst extremely strong competition, Postbank triumphed with two gold and one silver award, making it one of the most decorated companies during the ceremony. The bank was the undisputed winner in the “Investment for Sustainable Development” category. This award was granted for the project renovating the area near the Dragalevski Monastery on Vitosha, which the bank executed jointly with Mastercard. Postbank also won the gold award in the “Business Deal of the Year” category for the campaign

related to the acquisition and transformation of the Bulgarian branch of BNP Paribas Personal Finance. In the “Green Transformation” category, the bank won the prestigious silver award and received recognition for its targeted efforts to improve the environment and reduce its carbon footprint.

For yet another year, Postbank was among the major winners in the “Greenest Companies in Bulgaria” contest, organized by b2b Media. Postbank was the most awarded bank at this year’s ceremony, triumphing with a total of four awards—three gold awards and one silver prize—which placed it at the top of the rankings and earned it the recognition of the “greenest bank.” Two gold awards were granted to the financial institution in the categories “Green Event” and “Green CSR Campaign” for the project renovating the area near the Dragalevski Monastery on Vitosha, executed jointly with Mastercard. Once again, with a first-place prize, Postbank was honored



by the contest jury in the “Internal Green Communication Company” category. This recognition acknowledged its internal initiatives and strong green messaging as part of the campaign uniting with the team of PB Personal Finance, which joined the bank’s family in the summer of 2023. In the “Green Investment” category, the bank won the prestigious silver award and was recognized for its targeted efforts to improve the environment and reduce its carbon footprint.

Throughout the year, the bank’s employees participated in various business forums



and conferences, including the 10th Annual Monetary and Economic Conference “Digital Transformation and Economic Recovery in the Post-Crisis Period,” the business forum “Finance: Equations and Solutions,” organized by Bulgaria on Air TV, the conference “Bulgaria in the Eurozone, When?,” the “Financial Forum Innovations” conference organized by the Bank of the Year Association, the prestigious financial forum “The Noise of Money 2024,” organized by the financial portal profit.bg, the Banking Today conference organized by the financial portal Investor.bg, the prestigious international technology forum Digital Trends 2024, the forum “Money.bg – Personal Finance,” the conference “Banks for Development – A Tool for Better Utilization of Public Funds” held on the occasion of the 25th anniversary of the establishment of BDB, the 11th edition of the Salesforce conference “AI & CRM: Surfing the Wave of Innovation,” organized by Next Consult, the Ecommerce and Retail Summit, the Tech of Tomorrow event organized by Investor.bg, the 5th edition of the annual conference on the automation and digitalization of business processes themed “Automation and Artificial Intelligence: The Path to a Business with Prospects,” the forum “Business and Civil Society: Partners for a Better Environment,” co-organized by Bulgarian and international employers’ and business associations as well as non- governmental organizations, the 15th Annual Risk Management Conference organized by ICAP CRIF, “PR Festival 2024: PR and Technology: The Balance of Forces,” the educational program of Finance Academy, and others.

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co-organized by Bulgarian and international employers’ and business associations as well as non-governmental organizations, the 15th Annual Risk Management Conference organized by ICAP CRIF, “PR Festival 2024: PR and Technology: The Balance of Forces,” the educational program of Finance Academy, and others.

Postbank continued to innovate and enhance its position as a leader in financial services during 2024. Among the achievements were numerous strategic partnerships, including a collaboration with Vivacom to promote the “Smart POS by Postbank” mobile app aimed at enabling contactless payments for small businesses. The partnership was part of the bank’s broader initiative to support digital payments and modernize financial services. Additionally, the bank’s youth program, Project YOUTH, gained popularity at the Aniventure Comic Con, engaging young audiences with interactive, fun-filled experiences such

as quizzes and games designed to promote financial literacy. Postbank also introduced new products such as innovative educational loans for students in collaboration with the "America for Bulgaria" Foundation, offering 6% fixed interest rates and flexible repayment terms. Furthermore, Postbank utilized artificial intelligence tools to redefine the job application process with features like "Story Builder" and "CV Assistant," pioneering AI-driven recruitment technologies in Bulgaria. These initiatives emphasize the bank's ongoing commitment to technological advancements, customer satisfaction, and its leadership role in the financial sector. In 2024, Postbank secured several prestigious awards for its business and social responsibility efforts, including recognition at the BAPRA Bright Awards, Leaders of Influence Awards, and NEXT DiFi Awards. The bank's focus on green transformation and sustainable initiatives was highlighted with several awards in the "Green Transformation" and "Sustainable Development Investment" categories. Its success was also recognized through its strategic partnership with Mastercard, which aimed at promoting sustainable development initiatives in Bulgaria. Finally, Postbank's robust portfolio of financial products expanded, including new structured deposit options like the INDEX EURO STOXX SD 30 deposit, aimed at providing investment opportunities tied to performance indices, further solidifying Postbank's prominent role in the financial landscape of Bulgaria.



NEW PRODUCTS

In 2024, Postbank launched new, innovative products and services aimed at enhancing customer convenience and offering more benefits. As the financial sector increasingly shifts towards digitalization, companies had to swiftly adopt new solutions to ensure customer experience and maintain success. In response, the bank continues to support its clients by developing and implementing advanced, tech-driven financial solutions that can be accessed remotely and through their preferred sales channels, delivering added value.

In 2024, Postbank and Vivacom joined forces in a special partnership aimed at presenting and promoting Postbank's mobile application "Smart POS by Postbank," designed to facilitate digital payments for small businesses in Bulgaria. This partnership is intended to enable small and medium-sized enterprises in the retail sector that accept payments to transition to contactless transactions. The "Smart POS by Postbank" service is a mobile application that transforms a mobile phone into a POS terminal. The software enables the easy and convenient acceptance of payments with Mastercard and Visa cards— including digital cards—directly on a smartphone, thereby eliminating the need to purchase, install, and maintain an additional POS device. Smart POS offers a user-friendly interface and features that make digital payments accessible to everyone. To ensure a high level of security and speed with every transaction, the technology used in EMV chip cards is applied, allowing customers to manage their business easily, conveniently, and reliably—anywhere and

ПРОГРАМА „ТВОЕТО БЪДЕЩЕ В БЪЛГАРИЯ“
ПОТРЕБИТЕЛСКИ КРЕДИТ ЗА ОБУЧЕНИЕ

ТИ СИ:

- СТУДЕНТ-ИММЕРСИОНЕН УЧАСТИТЕЛ В БЪЛГАРИЯ
- СТАРТЪНТЪНТ ПО ПРОГРАМА „БУДЪЩЕТО“
- КРЕДИТ – СТОДАНТИСАНТ

ВИЖ ПРЕДИМСТВАТА НА ПРОГРАМАТА:

- 6% ФИКСИРАН ЛИХВЕН ПРОЦЕНТ ЗА ЦЕЛНИЯ СРОК НА КРЕДИТА
- ГРАТИСЕН ПЕРИОД ГО ЗЕМЕ НА ОБУЧЕНИЕТО
- ДО 120 МЕСЕЦА СРОК НА ИЗПОЛЗВАНЕ
- БЕЗ ТАКСИ ПОКРИТИЕ НА СМЕТКАТА ТА
- ВЪЗМОЖНОСТ ЗА 20% ФИНАНСОВА ПОДКРЕПА ОТ ФУНДАЦИЯ „АМЕРИКА ЗА БЪЛГАРИЯ“
- БЕЗ ПОРЪЧИТЕЛСТВО

AMERICA FOR BULGARIA FOUNDATION

Postbank

**С ДИГИТАЛНИТЕ СИ
РЕШЕНИЯ УЛЕСНЯВАМЕ
БИЗНЕСА ВИ**

ИЗТЕГНЕТЕ ОТ
Google Play

Научи повече на postbank.bg

Smart POS by Postbank дава възможност за приемане на плащания с карти чрез собствено мобилно смарт устройство. Услугата се предоставя на търговци при условията на склучен Договор за ПОС с Пощенска банка, след успешно регистриране и инсталиране на съответното приложение. Пълна информация може да бъде намерена на www.postbank.bg. Настоящата кампания се реализира с подкрепата на Mastercard.

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at any time.

Postbank became a partner in the newest program “Your Future in Bulgaria” by the America for Bulgaria Foundation. The program is aimed at students at the American University in Bulgaria (AUB) pursuing a regular bachelor’s degree, Fulbright scholarship recipients studying at higher education institutions in the USA, and medical graduates undertaking postgraduate medical specialization at a Bulgarian institution. The consumer loan for education offers a fixed interest rate of

6% for the entire term of the loan, a grace period during studies or specialization, and a maximum repayment period of up to 120 months after the grace period ends. The loan will be granted without fees, commissions, or the need for a guarantor. In partnership with Postbank, the America for Bulgaria Foundation provides young people the opportunity to remain in and develop within Bulgaria by offering them financial support.

**ДАИ СТАРТ НА
КАРИЕРАТА СИ**

AI STORY BUILDER | AI CV ASSISTANT | AI INTERVIEW TRAINER

Разкажи ѝ твоята история.

Кой си ти, какво знаеш и можеш?
Ще получиш анализ на силите си страни.
Кандидатствай за стаж с твоите умения
на www.careers.postbank.bg

Postbank

Postbank developed innovative tools based on Artificial Intelligence (AI) on its career website modernizing and streamlining the application process for jobs and internships. The new AI technologies – “Story Builder,” “CV Assistant,” and “Interview Trainer”–

enhance the institution’s overall strategy for attracting and developing talent, demonstrating its care for candidates and its innovative approach to improving the overall work environment. The financial institution is the first on the Bulgarian market with an “AI Story Builder,” which assesses their strengths and allows them to apply using an alternative way, in line with current global trends, rather than using a traditional CV. The Bank is also amongst the first in the country to use AI to assist candidates through the functionalities “CV Assistant” and “Interview Trainer” on its career website (www.careers.postbank.bg).

Postbank’s youth program Project YOUTh was a success among young people at Aniventure Comic Con 2024. The Aniventure Comic Con 2024 festival was held for the seventh time in Sofia, with over 25,000 people sharing the excitement of the country’s biggest pop culture event. Postbank and Visa created a dedicated zone for the youth program Project YOUTh by Postbank. Young people had the unique opportunity to enjoy an exclusive experience with a camera robot, interactive Tetris game, and test

their knowledge through an entertaining financial quiz. During Aniventure Comic Con 2024, fans also had the chance to meet their favorite actors in person, who shared stories about themselves and interesting moments from their lives and careers.

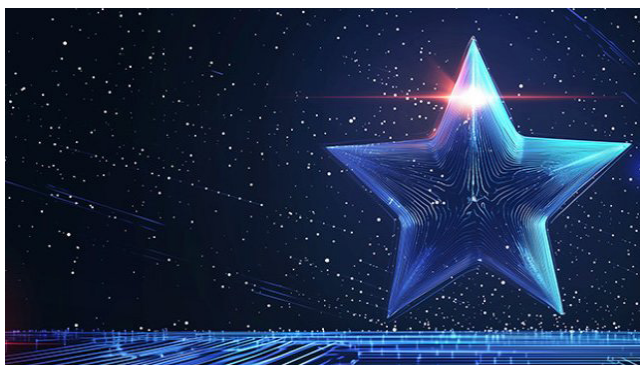
The financial institution offers a variety of tailored solutions designed to meet and exceed the highest expectations of its consumers, providing the convenience, speed, and security they expect in managing their personal finances.



The Premium segment of Postbank is part



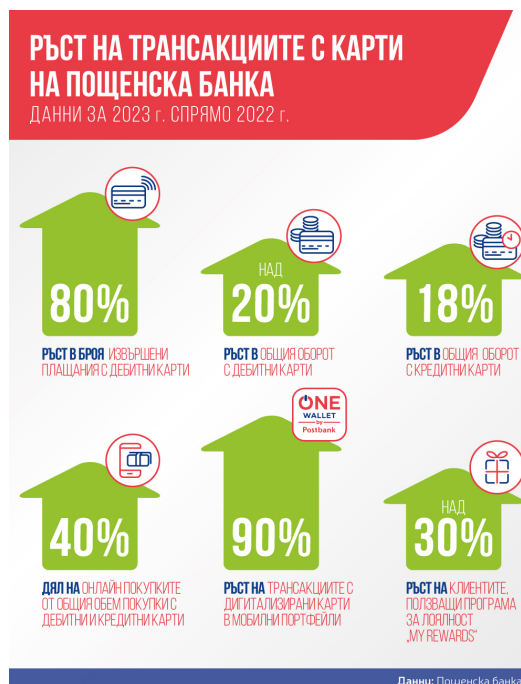
of the institution's long-term strategy for a comprehensive overhaul of its branch network, with exceptional attention given to premium clients.



indices. A primary goal of the financial institution is to be as useful as possible to its customers by offering a wide range of products and services that meet all their requirements.

To meet its customers' expectations, Postbank has developed its latest innovative savings product – the structured deposit “Index Solactive Big Data.” This is the newest addition to the institution's rich portfolio of deposit products, which provides a fixed interest rate for each year of its term, as well as the opportunity to receive additional interest at the end of the period. “Index Solactive Big Data” is a 5-year deposit in euros that consists of two components – a base fixed annual interest rate and the

Postbank continually enriches its portfolio of savings products. In recent years alone, it has offered more than seven varieties of structured deposits linked to the performance of various



possibility of earning extra interest at maturity, which is linked to the performance of a stock index.. The product guarantees the principal at maturity and offers a base fixed annual interest rate of 2.00% on the deposited sum, which is due at maturity but paid in advance annually – for each completed (elapsed) year of the deposit's term – and can be withdrawn at any time. Alternative new issuance of a structured deposit called INDEX EURO STOXX SD 30 also took place during the year.

In 2024, there was an even more accelerated growth in card and online payments, according to Postbank's data on consumer shopping habits.. There was also an increase in the overall turnover with debit cards, with a sustained trend toward a higher share of purchases relative to cash withdrawals. Cards are increasingly used for paying for goods and services at retail outlets for smaller amounts, and less frequently for ATM cash withdrawals, with the average purchase amount via card being 50 levs.

The use of credit cards is also becoming increasingly popular among consumers—not only because of the convenience, speed, and security they offer but also due to the many additional benefits they provide to their holders. With Postbank's credit cards, customers enjoy a long interest-free grace period, free travel insurance when abroad, discounts at international merchants provided by the payment operators Visa and Mastercard, various travel privileges for certain types of cards, as well as rewards through the "MyRewards" loyalty program.

The BRIT Awards are the most popular music awards in the UK recording industry, first presented in 1977 and established as an annual event in 1982. Initially awarded for pop music—in the album and single categories—and later also for classical music. The 'Win a Double Ticket to the BRIT Awards 2024 with Mastercard and Postbank' promotional campaign gives winners the opportunity to attend the event.



participated, provided that at least 10 transactions in the form of purchases of goods and/or services were made during the promotional period. These transactions could be made in physical or online stores, including via the mobile wallet ONE Wallet by Postbank, the digital wallet on iOS devices (Apple Pay), or through payments for utility bills, local taxes, and fees via one of Postbank's digital channels: Internet Banking (e-postbank), Universal

ТОП 3 КАТЕГОРИИ ТЪРГОВЦИ ПРИ РАЗПЛАЩАНИЯТА С КРЕДИТНИ И ДЕБИТНИ КАРТИ НА ПОЩЕНСКА БАНКА

ДАННИ ЗА 2023 г.



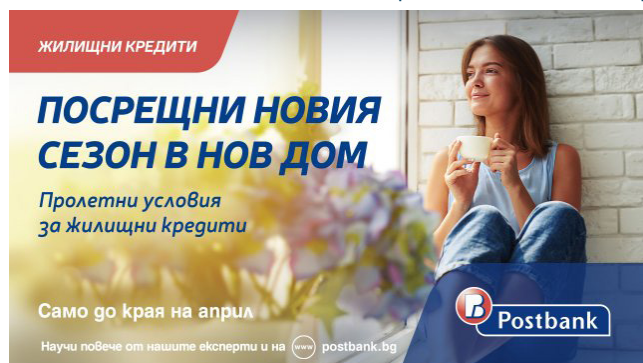
Данни: Пощенска банка

In the campaign "Pay with your Postbank Visa card and you could win one of two packages to attend the Olympic Games in France, Paris, in 2024, or one of one hundred gift cards for shopping at Decathlon!" debit and credit Visa cards issued by Postbank before 06.02.2024 to individuals over 18



Payer (u-postbank), or Mobile Banking (m-postbank).

Postbank launched a campaign for its comprehensive program that enables customers to save for a new home and benefit from housing loans on preferential terms. “Towards Home” is a value-added financial solution created to help customers on the path to realizing their dream home by combining two



banking products. Under this program, customers can open a “Towards Home” deposit account with preferential conditions to save their own contribution toward purchasing a property, as well as apply for a new housing loan on promotional terms.

Postbank offered special conditions with its housing loan proposal at the onset of spring 2024. With a maximum amount of up to 700,000 levs, a repayment term of up to 35 years, an option to finance up to 85% of the property’s market value,

and a promotional offer that allows customers to save on the initial costs associated with financing their new home by benefiting from a reimbursement of mortgage setup expenses of up to 500 levs. In addition, during the campaign, customers could also enjoy further discounts – with no fees for creditworthiness assessment, document analysis of the collateral, or appraisal of the collateral, provided that other existing obligations were covered.

In October, Postbank also offered its customers the opportunity to acquire home with a housing loan on promotional terms. When applying for a housing loan, customers can benefit from attractive conditions and save on their initial costs by receiving a reimbursement of mortgage setup expenses of up to 1,000 levs. The loan, which may be used for purchasing a property or refinancing existing obligations, is available for amounts up to 350,000 euros (or 700,000 levs) with a term of up to 30 years. Financing is available for up to 85% of the collateral’s value, and the repayment of the loan can be made in equal or decreasing monthly installments according to the borrower’s personal preferences.

Postbank’s customers can also take advantage of the convenience of the Online Housing Loan Center, which introduces a new model for fast and efficient customer service. The new digital solution in the housing financing process is an extension of the services provided by the Bank’s specialized Housing Loan Centers. In this way, the Bank is enhancing its online housing loan application service to fully meet customer expectations for remote consulting and communication with the Bank during the loan approval process, transitioning the process into a digital environment.



FINANCIAL REVIEW

WORLD ECONOMY

The global economy was performing well in 2024, despite faster than expected slowdown in some Asian and European economies. GDP growth is expected to be 3.2%, a notch lower than in 2023. The factors that influenced the growth in the last year vary across countries and regions, but amid the most important ones were lower consumption and weak manufacturing and export activity. Geopolitical tension, particularly in the Middle East and Europe, as well as global trade frictions were also key contributing factors. One of the few bright spots among the advanced economies were the United States where the strong domestic consumption kept the economy going at the same pace, although it is unlikely that it will be repeated in the short run.

GDP growth is expected to remain stable in the next two years at a level of 3.3% - slightly higher than in 2024, but below the historical pre-COVID average. It will be supported by an improvement in real income growth as inflation continues to moderate, aided by lower commodity prices, as well as by the easing of policy rates globally. The economies of Europe and Japan will be on the path to recovery, which will offset the slowdown in the US and China, while the emerging markets' economies are expected to match their performance from last year.

The main downside risks are the potential for substantial adverse trade policy shifts, escalating geopolitical tension and higher than expected inflation. Foreign trade may be affected by new trade restrictions if the new American president fulfills his promise of a sharp increase in the tariffs, especially in case of retaliatory actions by the affected countries. This will push the domestic and international prices and fuel the inflation which remains elevated, especially in the service sectors. The latter is attributed to the real wage growth in recent years which in turn might create new inflationary pressures and force the central banks to slow the pace of easing the monetary policy. Last, but not least the conflicts in the Middle East and Ukraine could worsen, directly disrupting trade routes as well as affecting food and energy prices.

The monetary policy remained largely accommodative. Receding inflation allowed the central banks to start easing the monetary policy, although slower than expected. Nevertheless, monetary policy rates of major central banks will continue to decline, though at different paces, reflecting variations in growth and inflation outlooks. The Federal Reserve reduced its policy rate three times in the second half of 2024 from 5.25-5.5% to 4.25-4.5% but will be more careful in the current year. In contrast to its usually more cautious approach, ECB began lowering the rates earlier than the Federal Reserve and by its end took 4 rate actions, bringing the rate on the deposits facility to 3% at the end of 2024, compared with 4% a year earlier. At the same time, ECB no longer reinvests the principal payments from maturing securities under the Asset purchase program (APP), while the same decision was taken for the Pandemic emergency purchase program (PEPP) at the end of the year.

ECONOMIC SITUATION IN BULGARIA

After the sharp deceleration in the preceding two years, in 2024 Bulgaria's economy is slowly reversing direction according to the express data by NSI. In the fourth quarter, GDP growth was 3.1% YoY, rising steadily throughout the year (from 2.0%, 2.4% and 2.7% in the previous three). Consumption remains the driving force, increasing by 5.8% YoY in Q4. Investments continue to disappoint, rising by just 0.7% in real terms for the same period, reflecting the difficult political environment and lack of spending by the state. The contribution of the external sector was negative, with the exports and imports moving in opposite directions - imports rising by 1.2% YoY in Q3, while the exports fell by 3.2% YoY for the same period.

Bulgaria's foreign trade was still suffering from the trade restriction on Russia and the slowdown in the European economies. The value of the exports last year was 84 billion leva, or 3.3% lower than in 2023. The value of imports was 97.4 billion leva, a minimal increase of 0.3% vs. 2023. The exports to non-EU members were impacted by the lower prices and quantity of exported grain and natural oils, as well as energy resources and shrank by 5.1%. Also lower were both the exports and the imports to EU members down by -2.2% and -4% respectively. Only the imports from third countries were rising steadily in the past year - by 6.9%. The latter is due to the higher import of energy resources and ores, while fewer machinery and transportation vehicles were imported. The top 5 trading partners of the country remain unchanged, compared to a year ago - Germany, Romania, Italy, Turkey and Greece.

In 2024 Foreign direct investment (FDIs) were 1.5 billion euro, dropping almost twice on an annual basis. The reinvested profit continues to dominate the structure of the foreign investments, accounting for close to 99% of all investments (1.33 billion euro). Equity investments (211 million euro) were less than a third their level in 2023, while the outflow of debt instruments continued although on a much smaller scale (down 87% YoY to 41 million euro). The biggest net inflow of investments came from Austria (427 million euro), Greece (295 million euro) and Italy (246 million euro), while the biggest net outflows were to Luxembourg (437 million euro) and USA (379 million euro).

Inflation followed a downward trend for most of the year, but reversed direction in the last quarter. Measured through the consumer price index it was 2.2% at the end of December 2024, compared with 4.7% a year earlier. In most of the categories the prices were higher than last year, but only a few goods and services were rising with double digit rates (animal and vegetable oils, water supply and disposal, railway tickets and education). For a second consecutive year highest inflation was observed in the Hospitality sector where the prices went up 7.5% over the year. The prices of Education were rising with a similar rate - 7.1%. Lower were the prices of Communications (-3.2%), Furniture (-1.5%), Clothing (-1.2%) and Transportation (-0.6%). The 12-month average HICP fell to 2.6%, while the average inflation of the 3 countries with the lowest inflation in the eurozone was 1.0% meaning that Bulgaria is formally not fulfilling the last Maastricht criteria as of the end of last year.

The economic recovery was felt in the labor market. The unemployment rate fell by 0.4 pp to 3.9%, according to the data by the National Statistical Institute. The number of unemployed was 115 thousand - some 12 thousand fewer than a year ago. The employment ratio in the age group 15-64 years improved slightly by 0.2 pp to 70.7%. The workforce remained almost unchanged compared with a year ago at a level of little more than 3 million. The number of long-term unemployed (unemployed for more than 2 years) decreased by close to 7 thousand people to 32.7 thousand. Another positive sign is that the young unemployment (age 15-24) is showing a significant drop - from 14.1% in 2023 to 9.8% in 2024. The Northwestern region has the highest unemployment rate (8.2%), same as in the previous year, followed by the Northcentral (4.8%). The lowest unemployment rate was recorded in the Southwestern region - 2.3% (which includes Sofia), followed by the South Central region (around Plovdiv) with 3.2%. The latter was the only region where the unemployment rate is rising.

The wage inflation continues to be above the price inflation, resulting in rise of the real income for yet another year in a row. The average salary in the country rose by 14% YoY to 2,468 leva at the end of December or more than 6 times the CPI. In only two of the sectors were the increases in the single digits – Mining (2%) and Electricity, gas, steam and air conditioning supply (6%). On the other extreme are the salaries in Other service activities which rose by 30% YoY. ITC continues to be the best paying sector with an average salary of 5,553 leva (10% YoY), well above the second (Financial and insurance activities), where the average salary is 3,872 leva (16% increase YoY).

The public sector was paying an average salary of 2,624 leva (12% YoY). Although the salaries in the private sector rose faster – by 14% YoY to 2,414 leva, the public sector is still paying around 10% more than the private one.

The lack of a stable parliamentary majority and elected government complicated the fiscal policy. For the better part of the year, Bulgaria was governed by a caretaker government which was careful to preserve the fiscal stability and keep the budget deficit within the 3% limit as per the Maastricht criteria. At the same time, the budget was under strain due to the increase in the salaries of some state employees, pensions and transfers to the municipalities which were approved by the previous parliament. As there were few viable options for cost optimization, the decision of the government was to cut the capital expenditures which at the end of the year were less than half of the planned level. On a cash basis the budget finished with a deficit of 3.1%.

Budget revenues were just short of 72 billion leva, increasing by 7.4% compared to December 2023 and being 95.6% of the projected level. The shortfall is explained by unreceived amounts from the second and third tranche of the Recovery and Resilience Facility. The tax revenues were 58.7 billion leva which is 12% higher than in 2023, slightly exceeding the projections, while the non-tax revenues were some 11% lower than projected. The expenditure rose by 8% (5.7 billion leva) to 76.5 billion leva. The biggest share of the increase came from the personnel expenses which rose by more than 3 billion leva (17% YoY) to 20.3 billion leva. The interest expense jumped by 21% YoY to a little over 1 billion leva and are bound to rise in the next years due to the persistent budget deficits. The capital expenditures was probably the only item which was lower than the previous year – a 26% decrease to 6.8 billion leva which undermines the potential for future growth. The revenues of the social security funds (mainly pension and health insurance) were 18.3 billion leva (representing an increase of 15% YoY), while the expenditures were close to 32.9 billion leva, also 15% more than a year ago. This further widened the gap to 14.6 billion leva which is covered by transfers from the state budget and will further strain its balancing in the next years.

The state debt expanded by 6.4 billion leva in 2024 to 47.8 billion leva (23.7% of GDP). The Ministry of Finance delayed issuing new external debt until August, when it managed to place a record €4.35bn in euro and USD denominated bonds in three tranches. The first tranche consisted of 8-year euro denominated bonds for €1.75bn with a yield of 3.823%. The second tranche consisted of 20-year euro denominated bonds for €1.25 billion with a yield of 4.413%, while the third one was of 12.5-year USD-denominated bonds for \$1.5 billion and a yield of 5.192%. The placement was enough to cover the maturing debt of €1.49bn in the beginning of September and the projected deficit for year-end. In addition, some 1.7 billion leva in BGN denominated bonds were issued earlier in the year.

In 2024 the rating agency FITCH did two reviews of Bulgaria's credit rating and in each of them confirmed the rating of the country at BBB with a positive outlook. S&P did one review confirming the rating at BBB also with a positive outlook. The third big rating agency, Moody's, did not make any reviews within 2024, thus the rating remained unchanged at Baa1 with stable outlook.

BULGARIAN BANKING SYSTEM

The results of the Bulgarian banks continued to set new records. The demand for new lending remained strong, especially in the retail segment, outpacing the growth of the deposits. The change of direction of the monetary policy by ECB did have some effect on the income of the banks, mostly on the placements with other banks and to a much lower extent on the income from corporate loans, but it was more than compensated by the rising volumes. The net profit of the banks increased by 8.1% to a new high of 3.7 billion leva. The return on equity was 17.1%, somewhat lower than last year's 18.3%, while the return on assets was 2.03% (2023: 2.1%).

In 2024 lending was growing with slightly higher rate than in the previous year – 13.6% vs. 13.2% in 2023. In nominal terms, total loans increased by 13.2 billion leva to 110.6 billion leva. In contrast to the previous two years, in 2024 most of the lending was to households, which increased by 8.5 billion leva (21.6% YoY) to 48 billion leva, while loans to companies were up by 4.7 billion leva (8.1% YoY) to 62.6 billion leva, the lowest level for the last three years. A closer look shows that the long-term loans were just half their level a year ago, which suggests that the political instability and the weak external demand are having an impact on the expansion plans of the business. In contrast, the utilization of overdrafts surged more than three times and they comprise more than two-thirds of the new loans. The demand for consumer loans accelerated and they rose by 3.05 billion leva (16.9% YoY) to 21.1 billion leva. Even this was dwarfed by the unprecedented activity in the mortgage segment – it was growing by more than 25% YoY, adding 5.55 billion leva new mortgage loans to a total of 27.6 billion leva. The latter was the reason for the central bank to introduce measures to cool down the market or at least prevent excesses, although their effect is yet to be felt.

The interest rates on new loans to nonfinancial companies in local currency remained more or less stable throughout the year and were 4.47% at the end of the year – 8 bps lower than a year ago. Throughout the year EURIBOR fell by more than 100 bps in line with ECBs loosening of the monetary policy, but this was not reflected in the pricing of the new loans, suggesting that the banks are focusing on profitability and competing on service rather than price. There was some increase in the pricing of the new consumer loans, however, which finished the year at a level of 10%, some 40 bps higher than a year ago. In contrast, the rates on new mortgage loans were slowly eroding and fell to 2.5% by the end of the year.

For a second year in a row, growth of deposits could not keep up with the demand for new loans. In nominal terms they increased by 12.2 billion leva (8.9% YoY), or about 1 billion below the net increase of the lending portfolio, leaving the banks to cover the gap by much more expensive external funding. On average the Bulgarian banks were paying around 4% for funding from their counterparties, compared with just 25 bps on clients' deposits (2023: 17 bps). The total volume of deposits was 148.9 billion leva and the gross loans to deposits ratio 74% - 3 pps higher than a year ago. Out of those, 56.7 billion leva were deposits from companies, rising by 2.5 billion leva (4.7% YoY) over the last year, some 10% higher than in 2023, but far from the record 2022 when they increased by more than 10.6 billion leva. On their part, the households increased their savings by a record 9.6 billion (11.7% YoY) to 92.3 billion leva or 62% of all deposits. Banks were willing to pay more to companies (34 bps on average), while the deposits from households came much cheaper – 20 bps on average.

Interest income increased by 14.4% YoY (848 million leva) to 6.73 billion leva. Almost all of the additional income came from the lending portfolio (801 million leva) of which 371 million leva from loans to companies. Interest income on loans to companies rose by 16% YoY, twice the rate of increase of the respective loans, reflecting the fact that the new loans are priced higher than the existing stock. The decrease of the ECB rates did have an effect on the income from placements. Despite rising by 13% to 10 billion leva in volume, the income from them dropped by 283 million leva (28% YoY). The rising yields and volume on securities, especially the Bulgarian ones, more than compensated the latter and brought close to 300 million leva

additional income for the banks. Interest expenses increased by 12.4% (128 million leva) to 1.16 billion leva with several distinctive effects. After a sharp increase (close to 200 million leva) in 2023, the interest expenses on liabilities held for trading fell by almost the same amount (206 million leva), but it was more than offset by the increase of the expenses for clients' deposits (143 million leva) and deposits from banks (138 million leva). Net fee and commission income rose by 10% (145 million leva) and total income by 14.1% (973 million leva) to 7.89 billion leva.

Expenses were largely kept under control, contained to a single digit (9%) increase. For the whole year they were 2.96 billion leva of which staff costs were just over half (1.4 billion leva) and growing by 13.5% YoY (171 million leva) in line with the rate of the wage increases in the financial segment.

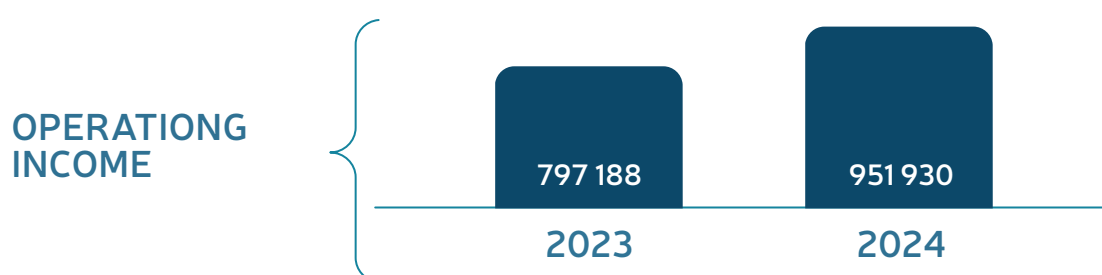
Provisions for impairment increased by 60% (249 million leva) to 662 million leva in 2024, but it is more a return to the normal levels rather than a worrying sign. Cost of risk was 64 bps, compared with 45 bps in 2023 and 72 bps in 2022. The nonperforming ratio improved by 52 bps to 3.44%. The volume of nonperforming loans fell by 47 million leva, while the loans overdue by more than 180 days decreased by 66 million leva. At the end of the year the coverage ratio stood at 86% (2023: 81%).

Throughout the year the banks continued to build up their capital buffers, as well as their eligible liabilities. Total CAD ratio stood at 22.70% as of the end of December (December 2023: 21.65%), while the CET1 ratio was 21.03% as of the same date (December 2023: 20.07%).

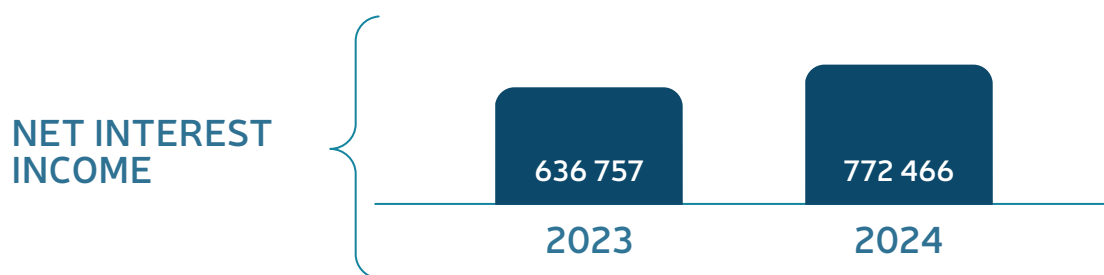
EUROBANK BULGARIA PERFORMANCE AND KEY INDICATORS

The year 2024 was another record one for Eurobank Bulgaria. Leveraging on the strong market demand for loans, especially in the retail segment, Eurobank Bulgaria managed to expand its lending portfolio with the market, improving its income and profitability. Net profit for the year increased by a third to 412.2 million leva. The return on equity was 16.5%, almost two percentage points higher than last year's, while the return on assets was 2.0% (2023: 1.74%).

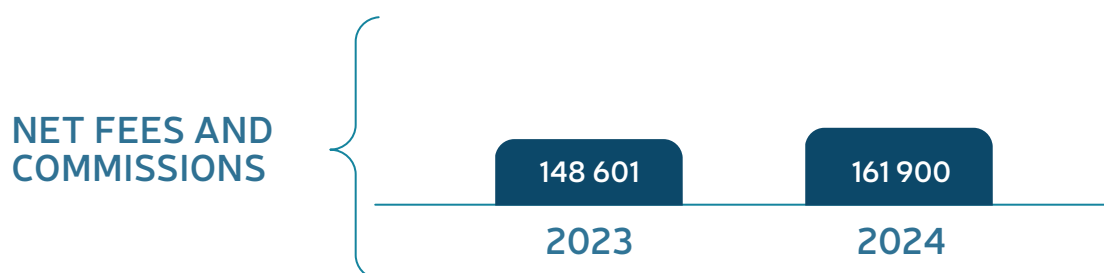
Total operating income was up by 19% YoY (155 million leva) to 952 million leva.



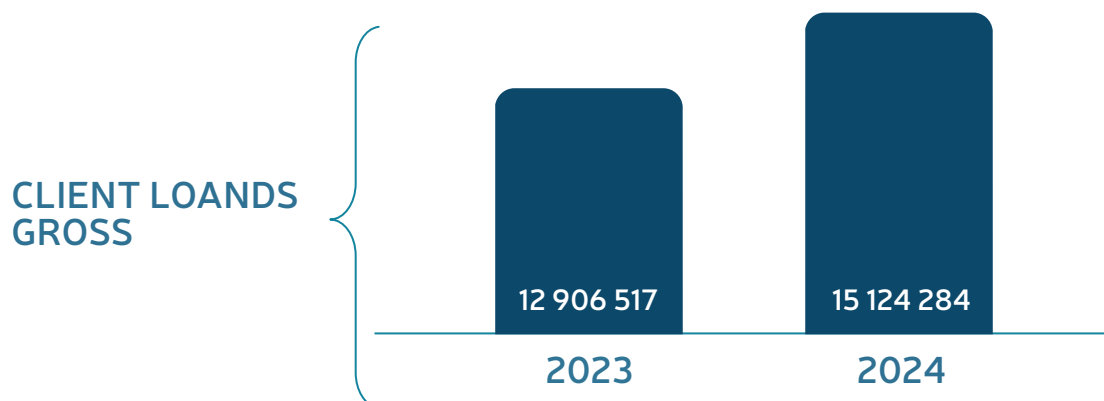
Net interest income increased by 21% (136 million leva) to 772.5 million leva. Interest income from loans and advances to customers was rising faster (28% or 172 million leva), but this was not enough to compensate the higher interest costs, especially on the more expensive external funding (banks and other borrowed funds) which accounted for more than half of the interest costs (86.6 million leva out of a total 163.6 million leva).



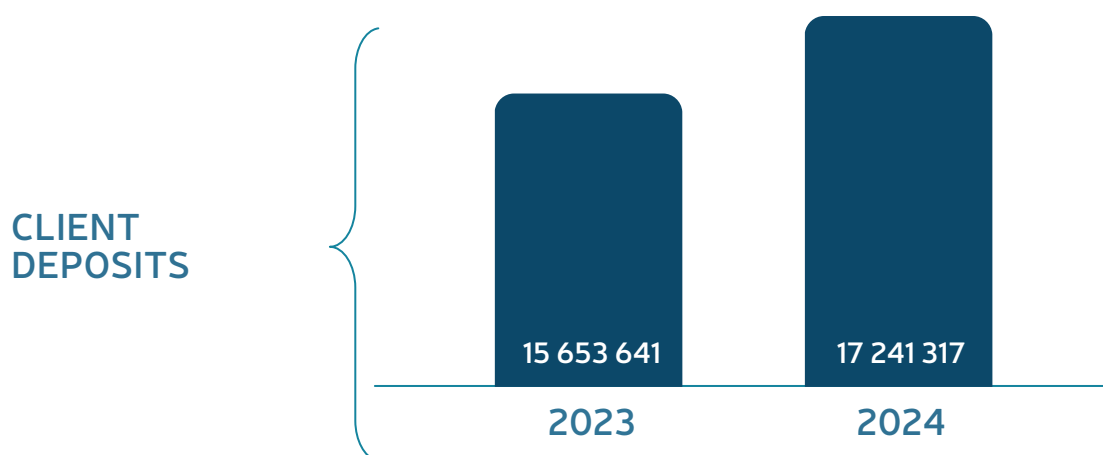
Net fee and commission income was up by 9% (13.3 million leva to 161.9 million leva) with the main contributors being the money transfers, accounts subscription fees and the loan related fees and commissions, reflecting the increase of the lending portfolio and the rise of transactional clients.



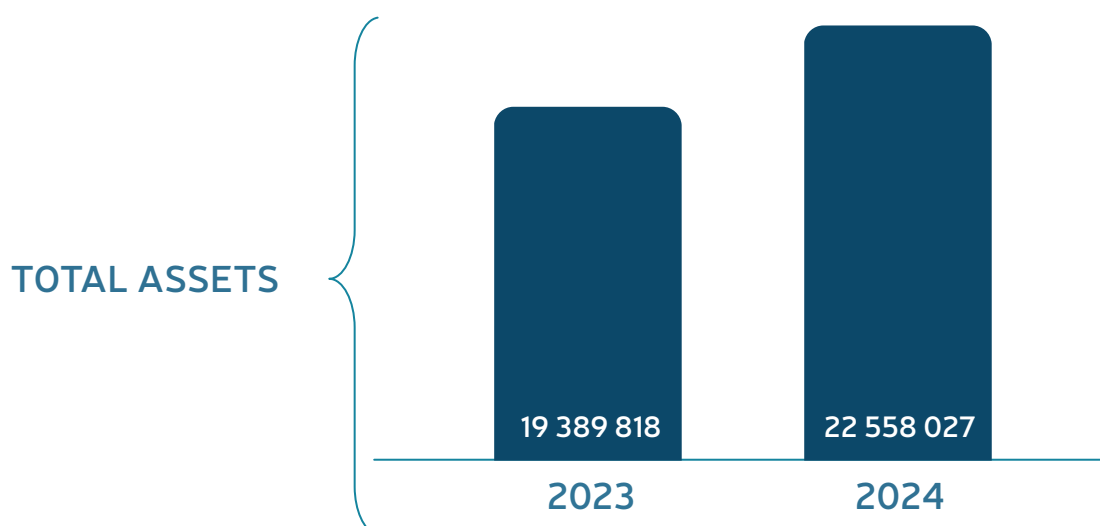
Gross loans increased by close to 2.22 billion leva (17% YoY) to 15.12 billion leva. This was just above the market growth and allowed for a small market share gain of 42 bps to 13.7%. Around two-thirds (1.45 billion leva) of the new lending was to households which now comprise 55% of the lending portfolio. The booming real estate market and the stable interest rates propelled the mortgage portfolio by a quarter (921 million leva) to 4.6 billion leva. The market rose slightly faster (25.2% YoY) which resulted in a marginal market share loss of 4 bps to 16.5%. Consumer loans were also in great demand and rose by more than 525 million leva (16.2% YoY) to 3.77 billion leva. Growth in the Small Business Banking segment was more modest – loans to small businesses rose by 117 million leva (11.5% YoY) to 1.14 billion leva. Corporate lending was picking up. While in 2023 the nominal growth of the corporate loans was close to 420 in 2024 it was 50% higher (653 million leva) and total corporate loans reached 5.6 billion leva. Market share of all loans to companies (including SBBs) improved by 43 bps to 10.7%.



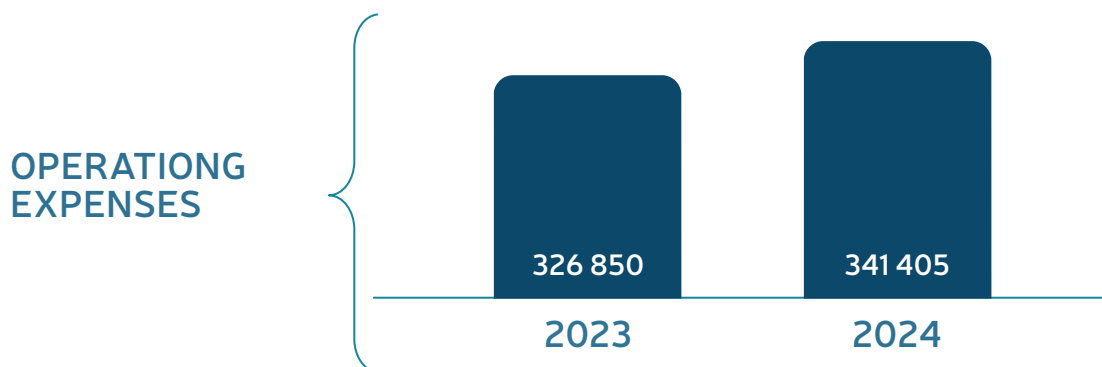
Total deposits rose by close to 1.6 billion leva (10.1% YoY) to 17.24 billion leva. Market growth was a whole percentage point lower (9%) leading to a market share gain of 13 bps to 10.6%. More than 90% of the new deposits came from retail customers (mainly households) whose deposits closed the year with a volume of 12.68 billion leva. At the same time the corporate sector continued to feel the liquidity squeeze. Market delta was just 2.3 billion leva, some 600 million leva below the level in 2023 and lower than in any of the preceding four. Eurobank Bulgaria's corporate deposits thus rose by some 111 million leva to 4.56 billion. Eurobank Bulgaria did not need any new Tier II or MREL eligible liabilities, but at the end of the year signed an agreement with IFC for a €140 million line which will be used for financing of green projects and SME companies managed by women entrepreneurs.



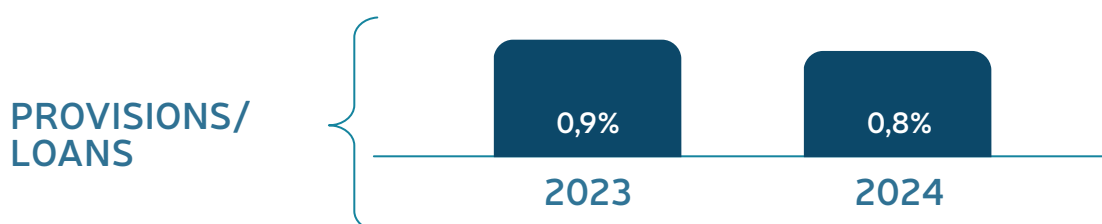
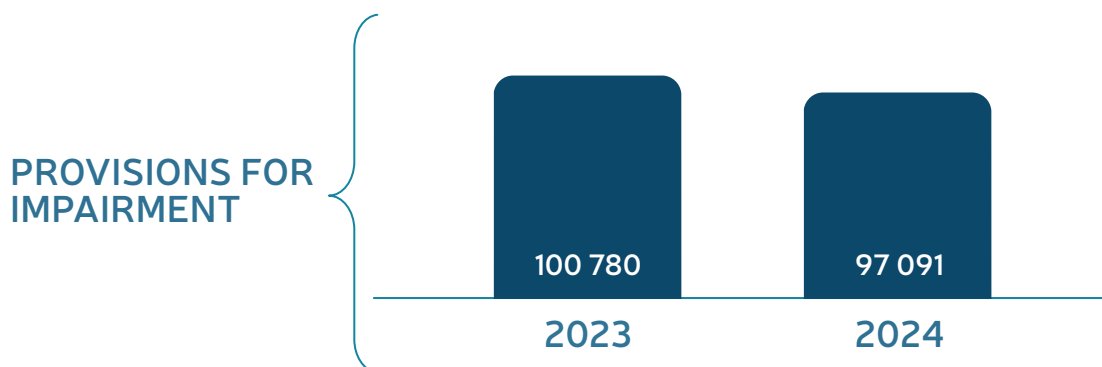
Loans and deposits growth contributed for the overall increase in Total Assets of 16% on yearly basis.



Total operating expenses increased modestly (4.5% YoY, 14.6 million leva) to 341.4 million leva. YoY increase is mainly due to fully loaded BNP PF cost base after acquisition in Jun'23 and the annual inflation on HR, utilities and services cost. With the income growth outpacing the increase of the costs, the Bank was able to improve its cost-income ratio considerably –5.1 pps to 35.8%.

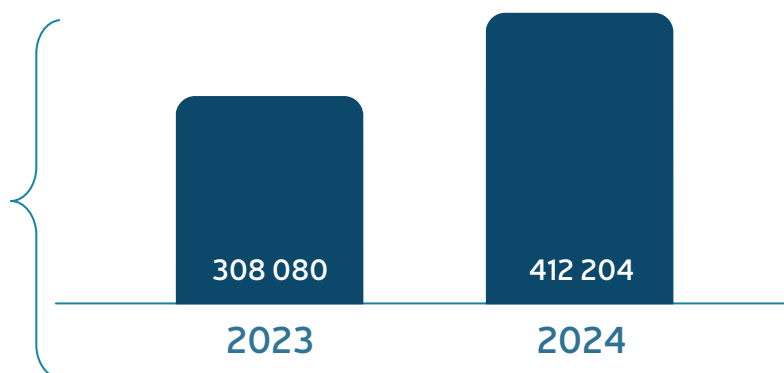


The constantly improving quality of the lending portfolio allowed the Bank to reduce its provisions for impairment by 4% (3.7 million leva) to 97.1 million leva. Cost of risk fell by 17 bps to 0.76%. The nonperforming exposures ratio improved slightly – by 4 bps to 2.48%. The stage 3 coverage ratio was 61%, close to previous year level, while the total coverage ratio was 103% (2023: 113%).

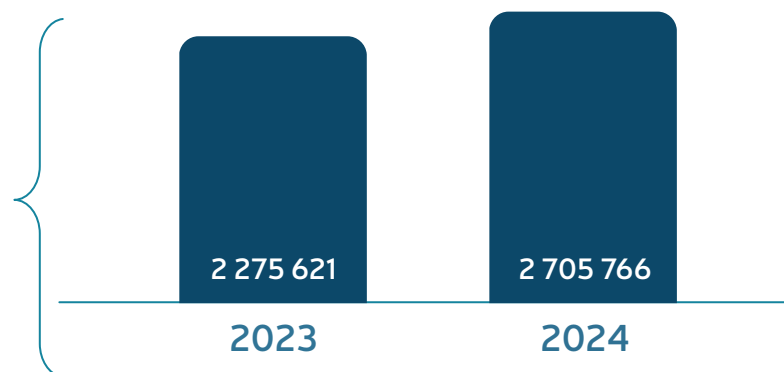


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NET PROFIT

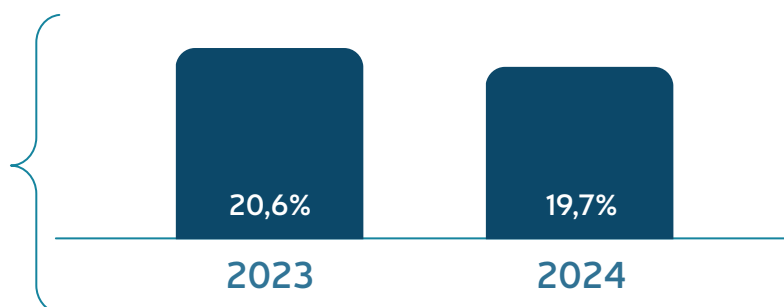


SHAREHOLDERS' EQUITY



At the end of the year the capital adequacy stood at 19.72% (CET 1: 18.04%). On a pro-forma basis, including the profit for the second half of the year the capital adequacy ratio would reach 21.07% or 19 bps higher than in the previous year. CET 1 ratio would be 19.43% vs. 19.01% in 2023.

CAPITAL



EVENTS AFTER THE BALANCE SHEET DATE

On 27 March 2025, Eurobank Bulgaria has acquired 100% of Oscar Estate EAD shares. The acquisition was finalized for a total purchase price of BGN 76,669 thousand which was paid in cash. Oscar Estate EAD balance sheet includes one office building for the amount of BGN 76,486 thousand, which will be used as office building of the Bank.

The allocation of the purchase price is based on preliminary estimates and is subject to change upon finalization of

the valuation of the assets acquired and liabilities assumed. Management is in the process of determining the fair value of the acquired assets and liabilities assumed. The final allocation of the purchase price will be completed within one year from the acquisition date. The acquisition was accounted for using the acquisition method of accounting in accordance with IFRS 3 Business Combinations.

ANNUAL REPORT POSTBANK 2024

Retail Banking Sector

Strategic Development Individual Banking Division

1. HOUSEHOLD LENDING

In 2024, Bulgaria continued to demonstrate upward economic dynamics despite the challenges arising from the international situation. After the formation of a government that ensured the necessary political stability, the country made significant steps forward in some key strategic areas.

One of the most significant steps was the process of adopting the euro currency. In July 2024, a law for the introduction of the euro was submitted, reflecting Bulgaria's determination to become part of the eurozone as soon as possible. This was an important signal to investors and European partners that the country is on track to meet the conditions for joining the currency union.

Another significant achievement in 2024 was Bulgaria's acceptance into the Schengen area. In March 2024, sea and air checks were removed, which was an important stage in the integration process. Although the Bulgarian-Romanian land border remained under partial control for a certain period, from the beginning of 2025, Bulgaria is a full member of Schengen, with all internal border checks removed. This significantly strengthens the country's position as part of the European Union and as a key part of the common space for free movement.

These achievements show how, despite internal differences and external difficulties, Bulgaria still manages to unite around its strategic priorities and take decisive steps forward in its economic and political integration into the European Union.

In economic terms, 2024 marked a growth of the domestic economy by 2.8%, accompanied by continued growth in bank lending. By the end of December 2024, the household loan portfolio reached BGN 48 billion, with an annual growth of 22%.

The housing loan sector was particularly significant, growing by 25% year-on-year, reaching a portfolio of BGN 27.6 billion at the end of December. The growth in newly granted housing loans is even more impressive in percentage terms, namely 33%, compared to 16% for the previous year. 2024 was another successful year for housing lending at Postbank, with portfolio growth compared to 2023 being 25% (in line with the market), and newly granted volumes 39%. In conditions of increased competition and a dynamic market environment, Postbank managed to strengthen its market position and stand out from competitors with attractive product offerings.

Regarding consumer loans, the data shows an increase in the portfolio by 16.9%, reaching a level of BGN 21.1 billion at the end of December. The market growth in the volume of newly granted consumer loans is 16%, compared to 9% in the previous year. Postbank's consumer loan portfolio grows in line with the market, recording a growth of 17.1%, almost identical in percentage change to the bank's growth in the previous 2023 year of 17%.

The positive trend of increasing credit activity, which has been maintained for several consecutive years, is supported by the country's stable macroeconomic indicators – wage growth, low unemployment, increased consumption, and high banking liquidity. Postbank successfully took advantage of these factors and once again consolidated its leading position in household lending.

Against the backdrop of these positive developments, there were mixed movements in interest rates in the credit market. While consumer loans in BGN saw an increase of an average of 31 basis points in 2024, the increased competition between banks led to a moderate decrease of 7 basis points in average interest rates for housing loans compared to the previous year.

In summary, 2024 was a period of good economic growth and significant achievements for Bulgaria, despite internal and external challenges. The continued increase in bank lending and progress in strategic initiatives such as the adoption of the euro, Schengen membership, and established political stability reflect the country's commitment to sustainable development and integration into European structures, which stimulates investment interest and domestic consumption.

2. CONSUMER LENDING

In 2024, the consumer lending market in Bulgaria recorded a significant growth of almost 16.9%, (BGN 3.05 billion more compared to 2023), reaching BGN 21.09 billion banking system's portfolio in the end of the year. Thanks to its strategy, Postbank achieved a loan portfolio of BGN 4.06 billion, which is growth of a 17.1%. As a result, the bank secured the second place in the market at the end of the year with a 19.25% market share according to the official statistics of the Bulgarian National Bank, significantly outpacing our main direct competitors.

The year typically started with increased demand for consumer loans. Interest rates on loans were already following an upward trend, while banks continued to offer aggressive pricing to high-profile clients with above-average incomes for the country, working in key sectors of the economy.

From the beginning of the year, the dynamics in the consumer lending market were significant, which led to a significant increase in newly granted volumes compared to the same period of the previous year. The growth of new volumes on an annual basis is nearly 20%. For households, the demand for financial resources to purchase goods for current consumption and durable goods has the greatest contribution to the increased demand for consumer loans. Throughout 2024, the sector experienced some monthly fluctuations in the annual percentage rate (APR) and the interest rate on newly granted consumer loans, with averages for 2024 being 9.60% and 8.96%, respectively (9.17% and 8.65% in 2023).

Postbank's main focus in 2024 was again on accelerated growth in the field of consumer lending with balanced pricing policy and risk appetite, which is a key step towards achieving the goal of better market positioning and sustainability. Thanks to continuous market monitoring, the parameters of the loans in the bank's portfolio were adapted to achieve the necessary flexibility in pricing policy, given the high market dynamics, offering the best possible terms for clients. In recent years, the bank has followed a successful strategy of offering not just individual products, but comprehensive financial solutions with high added value for its clients. In combination with our efforts to continuously improve service quality and the new technologies being intensively implemented in the field of digital banking, many good clients are attracted and retained. The focus is on understanding that clients need diverse banking services across the entire banking spectrum, so the bank strives to offer comprehensive solutions for daily banking, achieving high levels of customer satisfaction and brand loyalty.

Following market trends and the changing macroeconomic environment, the year started with a focus on various product and promotional offers for our clients, which helped boost the sales of the credit products of Postbank. The results achieved during the year were also supported by a successful communication campaign introduced in the fourth quarter of 2023 for Priority and Premium services. The marketing campaign supported the bank's clear strategy to attract more affluent and creditworthy clients, improve the client profile, and increase sales. The campaign once again positioned Postbank as a leader in attracting the most valuable clients, who are our main target group with potential for long-term relationships.

As a market leader, the bank's efforts were also directed towards offering competitive and flexible lending solutions, with a refinancing offer aimed at consolidating credit obligations, responding to the increased interest from clients seeking solutions to optimize costs by reducing their monthly loan payments. The promotional conditions showed excellent results, with the share of loans for debt consolidation increasing to 26% in the first quarter of 2024, maintaining a stable trend of growth for this main type of loan among newly granted consumer loans.

With the start of the second quarter of the year, the main priority for Postbank was again to attract new business by providing comprehensive financial solutions for the clients, with a strong focus on building long-term relationships.

At the beginning of August 2024, Postbank entered a partnership with the America for Bulgaria Foundation, based on which was successfully launched a program "Your Future in Bulgaria", which is part of Postbank's wide range of sustainable financing products (Sustainable Finance Framework). The program is aimed at students at the American University in Bulgaria (AUBG), Fulbright program scholars, medical specialists, and students studying in regular form for a bachelor's degree in "Nursing" and "Midwifery". Thanks to the program, by the end of the year, Postbank managed to provide the necessary financial support to more than 100 students, offering them opportunities for professional development and incentives to motivate them to build a successful career here in Bulgaria. In this way the bank once again confirmed its leading position and strategic vision in the banking market.

At the end of the summer months and the beginning of the autumn season, the bank once again realized one of its most successful communication campaigns, combining the most sought-after financial solutions by the clients: "Action Month" in consumer lending. Once again, customers had the opportunity to take advantage of several products that best meet the current market demand and the seasonal factor in the need of specific financing. With a new marketing concept and strong communication messages, extremely attractive product offers were positioned: "Debt Consolidation Loan", "Back to School", as well as consumer loans for renovation, vacation, or car.

With the onset of the winter months and holidays, when it was expected the demand for consumer loans to remain high and provide significant business potential, Postbank supported its clients with the "Black Friday" campaign. In response to market demand for products that provide more security, a new consumer loan with a fixed interest rate for the entire contract period was launched. This was a product without an analogue so far in the current portfolio of Postbank, with which was guaranteed maximum security for borrowers for the entire life of the loan.

Despite the challenges, strong competition, and dynamic market environment, the growth trend continued until the end of the year, achieving incredible results thanks to the efforts of all bank employees, as well as an adequate marketing and advertising strategy. Customers continued to actively seek financing for their plans and ideas, leading to significant growth in consumer lending. As a result of its innovative products, high-tech solutions, balanced policy, and multiple sales channels, Postbank once again confirmed its position as a leader in the segment, offering high-quality services to its clients with a view to even greater ambitions in the future.

3. MORTGAGE LENDING

The past 2024 year was extremely successful for Postbank, which once again established its position as a leader in the banking market and a key driver of trends in residential mortgage lending for individuals. Driven by the desire to provide the highest level of customer experience, the bank introduced a number of innovative improvements in the processes of applying, approving, and disbursing residential mortgage loans.

The ability to precisely identify customer needs and offer personalized solutions from the rich portfolio of residential mortgage products of Postbank was a key factor in attracting new clients and establishing the bank as their preferred and long-term partner.

The residential mortgage market in Bulgaria maintained its steady upward momentum throughout the year, recording a 25% annual growth in the portfolio. Postbank successfully kept pace with this growth, reporting an increase in its own portfolio in full alignment with the market trend. The sustained rise in housing prices, increasing incomes of the population, stable economic environment, and attractive mortgage financing conditions formed a favorable basis for the dynamic development of the residential mortgage market.

Thanks to the high liquidity of the market and the stable economic environment, interest rates on newly granted residential mortgages remained at an attractive level of 2.52% by the end of the year. This stimulated strong consumer demand and further intensified competition among banks.

Postbank's mortgage portfolio reached BGN 4.56 billion by the end of 2024, growing from BGN 3.65 billion a year earlier, registering an increase of nearly 25%. In a highly competitive and dynamic market environment, Postbank managed to strengthen its market position and stand out from competitors with attractive product offerings. The bank continued to earn the trust of clients through its mission to provide modern financial solutions with high added value while continuously improving service quality and process efficiency. This led to a significant increase in newly granted residential mortgages by nearly 40% year-on-year.

Throughout the year, Postbank implemented a series of campaigns and initiatives aimed at stimulating new business and reinforcing our leading role in the mortgage market in Bulgaria. Special offers tailored to the diverse needs of our clients contributed to increased interest and solidified our leadership position in the sector. Unique market product offers such as the Savings Mortgage Loan and the Fixed-Rate Mortgage Loan for the first 10 years in euros, once again distinguished the bank and attracted consumer attention. Postbank also relied on its main product in residential mortgage lending with the Flexi option.

During the year, the bank improved the conditions and increased the rewards in its unique loyalty program "Share and Win," which over the years has established itself as extremely attractive to clients and a benchmark for competitors.

A key focus was also the numerous optimizations and automations in the credit process, supporting our goal of continuously improving the customer experience and building long-term relationships of trust and loyalty. Postbank introduced an automated pre-approval process for residential mortgages, significantly speeding up and simplifying the customer's experience. This innovation allows to respond more quickly to customer needs, providing greater clarity and convenience at the initial application stage.

As a result of the initiatives and campaigns implemented throughout the year, Postbank established itself as one of the most popular and preferred banks for residential mortgages in Bulgaria. The advertising efforts and PR activities in 2024 contributed to attracting new mortgage business and strengthened the bank's positioning as a reliable and customer-oriented partner.

4. CARD BUSINESS

In 2024, the Postbank data on customer usage habits showed a significant 25% increase in the use of debit and credit cards. This trend is supported by numerous innovative services, special campaigns and advantages that the bank provides to its customers. The statistics also show a 65% increase in the number of transactions with digitized cards in mobile wallets and an increasing interest in the innovative ONE wallet, thanks to the speed and convenience that the application provides. The bank also recorded a

severalfold increase in transactions to installments functionality for 2024, as more and more customers take advantage of the convenient option for credit cards, through the ONE wallet application.

There is a steady increase in the preferences of the bank's customers for card and online payments, and there has also been a growth in the use of digitized cards in mobile wallets. Every 6th card transaction is made with a digitized debit or credit card. And every 3rd debit card transaction in 2024 is in a digital environment. Customers are increasingly appreciating the convenience, security and additional benefits that debit and credit cards issued by Postbank offer. It is significant that for another year the bank has reported an upward trend in debit card transactions on a monthly basis, which shows that customers recognize them as the main means of payment and are increasingly using them for their daily purchases. The sustainable growth in these segments is the result of a constant strive to improve the user experience.

The growth in the preference for card and online payments is also the result of Postbank's regular campaigns to stimulate consumers to use credit and debit cards with attractive rewards, as well as those focusing on digital payments, convenience and additional services provided to cardholders.

In order to ensure maximum convenience for its customers, in 2024 The financial institution installed an additional 40 new machines for express issuance of bank cards in 10 new cities, bringing the number to over 100 in 29 cities across the country, placing it in a leading position in this type of service. With the introduction of this service, Postbank has saved thousands of hours of its customers' time since 2018.

The trend from 2023 for the categories of merchants in which Postbank credit cards are most often used, remains the same in 2024, and is almost similar to that for debit cards. Purchases made in large supermarket chains and grocery stores have the most significant share in the total volume of card purchases, as for 2024 it is 27%. The bank's clients have also been particularly active in places where they had the opportunity to have fun and enjoy their free time, visiting restaurants, pubs and bars, with the share of transactions in these locations increasing from 16% in 2022, to 18% in 2023 and reaching 20% in 2024. The trend for debit cards is identical.

The bank's data is in line with global trends in digital payments. Analysis of the figures shows that in 2024, Bulgarians traveled more as debit and credit card transactions with airlines increasing by 20%. These are just some of the data that demonstrate that Bulgarians have actively invested in their free time over the past year. A significant growth of 40% was recorded in purchases of digital services and products related to entertainment, such as software applications, games and platforms with audiovisual content, providing access to films, music and books. This trend is part of the global transformation, which testifies to an increasingly accelerated digitalization and changes the everyday life and habits of consumers.

The figures confirm that shopping continues to be among the favorite activities of Bulgarians – transactions in clothing stores increased by about 25%, and purchases of books, magazines and specialized literature also increased by 16%. Over the past year, young people between the ages of 19 and 30 have become even more active in paying with cards. They registered a growth of 44% in transactions, which is a sign of the trust and high assessment that the most demanding audience gives to Postbank products.

The data from the Postbank analysis show that 80% of the number of debit card transactions are for purchases, which shows that consumers highly appreciate the advantages and security of card payments, as well as the targeted initiatives that the institution implements to encourage their use. Over the past year, the bank has invested significant efforts to modernize and improve the infrastructure related to card payments, which also contributes to strengthening the trust and preference of customers for this type of payments. 30% of debit card purchases are abroad, while for credit cards this percentage is 40.

The use of credit cards is becoming increasingly popular among consumers, not only because of the

convenience of being able to use additional funds at any time, but also thanks to the many additional advantages that they bring to their holders. With Postbank credit cards, customers receive a long interest-free grace period, free insurance when traveling abroad, discounts at international merchants, privileges and free visits to VIP lounges at selected airports, as well as rewards under the “MyRewards” loyalty program. In 2024, thousands of customers benefited from the loyalty program, exchanging points for amounts of up to 1 000 BGN per card, and their number increased by one fifth compared to 2023. The total volume of the gained rewards amounted to millions of BGN. The upward trend clearly proves that consumers increasingly appreciate the advantages of credit cards as a means of payment and this is gaining more importance than price parameters, along with quality service and additional services. This is also evident from the bank’s data on a 20% increase in the total turnover of credit card payments.

The growth in the use of credit and debit cards registered by the Postbank is also a result of regular campaigns that offer customers attractive benefits, prizes and additional services. Over the past year, consumers have benefited from numerous intriguing opportunities that guaranteed them exciting profits and emotions, thanks to the various campaigns related to key events such as the Olympic Games, the BRIT Awards, Comic Con, Black Friday, holiday promotions and offers. Thanks to the performed activities and implemented improvements, the bank reported a significant growth in card turnover – by 20% for credit cards and 25% for debit cards. The total value of the rewards amounts to millions of BGN, which emphasizes Postbank’s commitment to creating value for its customers.

5. DEPOSITS AND ACCOUNTS

Regarding individual deposits, the Bank achieved a net growth of EUR 673 million in 2024. The operational merger of the acquired deposit customers from BNP Paribas Personal Finance was successfully completed. At the same time, we increased the existing portfolio of Postbank by using a rightly set communication and product policy.

In 2024, the income growth and the positive trend in attracting funds from individuals from all segments were flat. The deposit market reported a record growth of EUR 4.9 billion on an annual basis for last year. Postbank achieved remarkable results with a net growth of EUR 673 million, taking ~ 14% of the market growth and reaching a portfolio of over EUR 5.6 billion. As a result of its overall performance, Postbank consolidated its leading 4th position in the deposit market for individual clients and increased its market share to 11.82%. These results are due to the Bank’s strategic focus on offering a diverse portfolio of products tailored to the changing needs of different target customer groups.

In addition to the rich portfolio of personalized products, the Bank also launched a new structured deposit in 2024. The solution provides clients with fixed interest payment and the opportunity for additional profitability related to the performance of a market index. The benefits of investing in a structured deposit are that it combines the security of a term deposit with the opportunity to receive additional profitability related to the performance of a given stock market index.

6. PACKAGE PROGRAMS FOR DAILY BANKING

The daily banking package programmes provide comprehensive services through which the Bank offers its customers optimised and facilitated daily financial operations. Through the various package programmes, the Bank provides an advantageous everyday banking solution to customers from the different segments. Their high appreciation is confirmed by constantly growing number of new package programmes: “My Banking”, “My Family” and “Super @ccount”, which are growing with ~21% YoY in 2024. Last but not least, the ‘Priority by Postbank’ package program has met customer expectations, growing more than 5 times in 2024.

Postbank was the first bank to launch a campaign for free cash depositing amounts in BGN to an accounts of individual clients, thus supporting the efforts to join the euro area and adopt the euro as the national currency. For the last year, the free cash depositing of banknotes in BGN was valid for the following bank channels - at a cash desk in a financial centre, via ATM with deposit function or via Digital self-service areas. There was no limit to the amount deposited when depositing at a cash desk.

7. BANCASSURANCE AND PENSION

The past year, 2024, reported yet another period of steady growth and improvement in the results achieved in its insurance business. The institution not only managed to solidify but also to surpass the positive trend of recent years, improving its performance across all key areas. The annual revenue targets from the distribution of insurance products were once again exceeded, with a reported increase of over 20% in revenues compared to 2023 (BNP Paribas PF results annualized, based on data after 1 June 2023).

Postbank continues to successfully offer a variety of insurance and investment-insurance products, providing customers with protection, peace of mind, and opportunities for long-term financial planning. Its consistent long-term strategy, in-depth product expertise, and strong focus on the client's needs are the foundation of the wide acceptance and positive assessment of its offerings. These factors contribute to building lasting relationships with clients and enhancing their awareness of the benefits of insurance protection-especially in the context of credit products, where security and predictability are crucial.

Thanks to the high quality and added value of its solutions, Postbank has earned the trust of a growing number of clients, which is reflected in the stable growth of insurance contracts and increased interest in its available proposals.

In line with its strategic goal of offering innovative products and services and improving customer experience, the Bank continues to actively develop its digital channels for acquiring new clients. Remote application and contracting products, including insurances, have become established practice, used daily by the clients-convenient, secure, and free of charge, in a fast and accessible manner. They can access a wide range of insurance protection options, such as electronic payments fraud, phishing, theft or loss of money and personal belongings, financial support in case of unemployment, extended hospitalization, and more.

At the same time, Postbank is expanding the range of insurance products that can be signed electronically in person via the specialized e-Sign Pad device. Documents are reviewed and signed using a digital pen-a process that is secure, convenient, significantly faster, and environmentally sustainable.

In September, the Bank launched a new and improved debit card insurance program "Card Protect Plus". Bank cards have become one of the most widely used methods of payment, both in physical retail and online shopping, necessitating insurance protection tailored to the rapidly changing risks of the modern digital and physical environment. Key improvements include significantly increased benefits for covered risks and expanded coverage. The updated program also introduces new risks—offering, for the first time on the Bulgarian market, coverage for online purchases, as well as enhanced protection for electronic payments—reflecting the rapidly evolving digital habits of consumers. Given the upcoming accession of Bulgaria to the Eurozone, the product is offered in euros and is available to all cardholders. The insurance can be purchased online or at any bank office.

In line with the global trends and driven by the ambition to provide added value to the customers, Postbank offers innovative medical services - "Second Medical Opinion" and "Prevention Health Program" - as part of the "Payment Protection" insurance to consumer loans. These services are designed to support clients facing serious health conditions and to promote active health prevention.

The “Second Medical Opinion” program, provided by the global partner MediGuide International, gives clients access to a remote medical expert evaluation of a diagnosis and prescribed treatment. In case of a serious health issue, the client may submit their medical documents, which are reviewed by leading specialists from the internationally recognized medical centers to provide a second opinion—either confirmation or an alternative diagnosis and treatment proposal. The service is available multiple times during the policy term, providing peace of mind and confidence during critical health situations.

The “Prevention Health Program” is a fully digital service also developed by Medi Guide International. It allows clients to receive an online assessment of their general health condition by certified physicians, as well as individualized recommendations for improving their health. If desired, the results can be shared with the client’s general practitioner in digital format.

The integration of these medical services into the insurance products demonstrates Postbank’s commitment to offering not only financial but also health support to its borrowers, aligned with the dynamics and risks of modern life.

As a pension insurance intermediary, Postbank gives clients a fast, secure, easy, and convenient way to select or switch their pension fund. Thousands of clients have trusted theBank with their pension fund transfers, resulting in a nearly 30% increase in revenue compared to 2023 (BNP Paribas PF results annualized, based on data after 1 June 2023). This service meets clients’ needs for comprehensive banking services and expands the range of products and services offered.

Through consistent efforts, innovative insurance solutions, and effective distribution, Postbank has reaffirmed its leading position in bancassurance market. With a well-structured and diversified product portfolio tailored to client needs, the bank offers high-value solutions while achieving stable growth.

The results achieved clearly reflect the sustained interest in the diverse portfolio and the trust clients place in Postbank. They also highlight the stability and long-term nature of its partnerships – key factor to continuous success in this segment.

DIGITAL BANKING

DIGITAL TRANSFORMATION

The year 2024 was a key period for Postbank, with a focus on upgrading the bank's digital channels and solutions and introducing new ones that transformed the way we serve our customers and manage our processes. We created and are vigorously implementing the Go-Beyond program – a strategic plan that will transform Postbank and enable us to set the standards for service and provide better and faster services, higher operational efficiency, and flexibility in the dynamic environment that surrounds us. Our mission and priority continue to be to provide exceptional customer experience and high-quality financial services and innovative digital solutions by constantly adapting and improving our processes and using the latest technologies to ensure security, convenience, and efficiency in every interaction.

We remain committed to improving and digitizing our processes and reducing the effort required by customers to use our services. As a result, over the past year we have invested significant resources in the development of mobile banking, the improvement of the internet platform, the ONEwallet digital wallet, and the implementation of new analytical tools for a better understanding of our users' needs.

In addition to AI technologies, we have also made significant progress in automation through robotic process automation (RPA), achieving a 27% increase in the number of automated operations compared to the previous year. Thanks to the consistent upgrading of RPA solutions over the past three years, the total time saved on automated processes has increased nearly threefold. The combination of AI and RPA technologies allows us to build a more efficient and adaptive operating environment that creates faster and more accurate services for customers and optimizes internal processes and operations.

In parallel with the technological changes, in 2024 we placed a strong focus on changing the internal culture, encouraging greater flexibility, innovation, and customer orientation. We continued to implement agile working approaches in key teams, enabling us to respond more quickly to customer needs, deliver value incrementally, and improve our products and services based on real feedback. The new way of thinking has strengthened collaboration between different teams, shortened the time from idea to implementation, and contributed to greater employee engagement in the digital transformation process.

In 2024, we are proud to report significant progress in improving operational efficiency and productivity through process optimization. Throughout the year, process simplification remained our constant priority. By applying the Lean methodology, we successfully identified and eliminated weaknesses while promoting a culture of continuous improvement. These results are a testament to the dedication and commitment of our employees and our goal of delivering exceptional value to our customers.

A key part of our digital transformation is simplifying processes and putting real customer needs and feedback at the center of our efforts. Over the past year, we have thoroughly defined E2E processes to better understand and improve customer experience. By mapping each step of customer interaction in detail, we were able to identify key areas for improvement and simplify processes. Our optimization initiatives focused on the time and effort customers invest in using our products and services. We analyzed the entire customer journey—from initial contact to final interaction—and adapted or digitized individual stages of the processes.

Our optimization initiatives focused on the time and effort customers invest in using our products and services. We analyzed the entire customer journey—from initial contact to final interaction—and adapted or digitized individual stages of the processes. As a result of targeted improvements, we were able to save customers over 100,000 hours per year by significantly reducing the effort required to use our services.

In support of our goal to provide faster and higher-quality customer service, we strengthened our focus on internal indicators that measure the efficiency and quality of key business processes. By regularly monitoring and analyzing key metrics, we were able to identify opportunities for improvement and focus our efforts on critical areas. This approach accelerates the transformation and ensures sustainable progress towards an operating model that is efficient, effective, flexible, and customer centric.

All these results are proof that in 2024 we made significant progress in implementing our digital transformation, and with this pace of development and commitment, we entered 2025 with confidence. We will continue to build on our achievements in terms of innovative and digital solutions, speed and quality of service that meet the dynamic expectations of today's customers and consolidate our position as a bank with leading customer experience, effective processes, and technological progress for sustainable development in the future.

RETAIL BANKING, PREMIUM AND PRIORITY SEGMENTS

Premium banking

In 2024, the main priority for Premium banking at Postbank was to maintain and continuously enhance the highest level of service quality and customer satisfaction. We adhered to a strategy of moderate growth and attracting new high-potential clients, offering them personalized solutions that combine security, flexibility, and high added value. These efforts remained the main focus of the segment throughout the year, with the primary goal being customer satisfaction through tailored financial solutions.

The result of these efforts is a net growth in the client base by 18%, which is clear evidence of the trust our clients place in the products and services we offer. This exceptional achievement highlights Postbank's commitment to providing innovations and quality in serving its most valuable clients.

In addition to high-quality service, we continued to develop digital transformation in Premium banking, with a focus on simplifying customer service through innovative technological solutions. We expanded the option for digital signing of documents and organizing video meetings, and we improved the processes for consumer credit disbursement, allowing our clients to benefit from faster and easier financing tailored to their needs and capabilities. This further enhanced the satisfaction and loyalty of our Premium clients.

With the growing interest from high-profile clients in investment solutions, we saw a significant increase in mutual fund sales, reaching over 280% compared to 2023. This not only expanded our ability to offer high-value-added financial solutions but also enabled us to assist our clients in achieving their long-term investment goals.

In 2024, we succeeded in maintaining a high level of service and expanded our ability to offer personalized financial solutions that meet the constantly changing needs of our clients, strengthening long-term relationships with them.

Priority segment for individuals

Priority Banking provides many opportunities for our digitally-oriented affluent customers. The segment is specifically designed to meet their high demands providing time and cost optimization opportunities. This is why we have upgraded capabilities to the program by providing Priority customers with savings solutions specifically designed for their needs:

- Priority by Postbank Basic Current Account Yield.
- One-year deposit, for Priority by Postbank customers with attractive terms.

Additionally Priority customers get:

- Free express issuance of a high-end Debit Mastercard Gold debit card with free foreign travel insurance included and many more benefits. The service is widely available, being offered at the bank's 91 financial centres and 10 Moment locations.

- Priority service at financial centres with Priority desk. We have expanded the network of branches offering the service, with 51 Priority Service locations now available to customers. Whether it's a cash or non-cash transaction, customers receive professional advice and priority service without having to wait.

Access our digital services:

- Postbank's Digital Centre is an opportunity for customers to connect with the Bank from anywhere - no matter if it is the comfort of their home or office. A team of experts will take care of the desired services quickly and conveniently. Customers can request a video appointment or get in touch by phone, with the option to sign the necessary documents remotely and on the spot.
- Digital express banking zones. Customers save time with free access to over 150 digital express banking zones in more than 50 locations.
- Discounts on teller transactions and payments through Internet Banking and One wallet.

Mass Segment

In 2024, the leading approach for effective management and achieving results was the improvement of processes, products, and the possibility of digitizing most of the main business areas. Thanks to this and with enormous joint efforts, we achieved significant growth in the generated business volume in the main areas compared to 2023, providing our customers with even better and more competitive conditions, improved processes, and timing that meets the market dynamics. In attracting new resources, the results are a 38% growth, a 39% growth in housing loans, and a 12% growth in consumer loans. The main focus is on developing cross-sales, in the form of added value from the offered service, accessibility, efficiency, and security for our customers. To support the results, we work with a large product portfolio that meets the interests and requests of our customers. The possibility of conducting sales competitions, which reward the extra efforts of colleagues from the branch network, additionally contributed and positioned the Bank among valuable and high-profile clients.

In deposit products, we were supported with relevant deposit solutions with different terms and interest rates, which contributed and added business value to the results. In addition, various types of campaigns with properly selected clients and the possibility of individual solutions allowed us to significantly accelerate the pace of attracting new resources. In the mortgage business, we worked with the innovative "KYM DOMA" program, unparalleled in the market, which distinguishes us from competitors and allows us to work towards two key strategic goals of the Bank – attracting deposits and generating new mortgage business. We also continued with the successful and well-functioning approach in the form of two campaigns "Spring Days of Housing Lending" and "Housing Lending Days throughout October". Additionally, we successfully launched in all locations, and the preliminary approval, except for a small number of criteria, is now automatically processed by a robot, which in itself frees up time for colleagues from the branch network and central management to be utilized for processing applications at a later stage. This opportunity does not cancel the clients' commitment to a full set of income and housing documentation at the final stage. Additionally, we present the progress in results and the plan of deals in work at the specialized centers and their teams monthly. In this way, we properly manage a large part of the generated mortgage business.

In consumer loans, we completely changed the approach and product matrix. Providing our customers with flexibility regarding the requested amount. Accompanied by the removal of accompanying fees for granting and applying, we once again proved to be a market leader well recognized by our customers. Last year, we started a unique project allowing digital signing through Eurotrust of the credit file and the accompanying 100% cross-sell, with zero risk due to identification, updating the data in the client file, and entering the credit in the branch. This hybrid model works successfully in 12 pilot branches and will soon be implemented for use by the entire branch network.

In credit cards, the year was dynamic and brought excellent results. We had sales campaigns providing our customers with free application for a new card, along with interest-free periods for purchases and cash

withdrawals. Also, one of our well-known options for express/immediate issuance remained with a 50% lower fee, which significantly increased activities at the embossing machines available in the branches. Last year, we managed to distribute express issuance machines in all major and medium locations in Sofia and the country. This option additionally supports the results because it allows our customers to receive a new credit card within 1 hour. A service that distinguishes us from competitors in the market, making us fast, flexible, and accessible to our customers.

Numerous initiatives are underway to support the business and work towards optimizing and digitizing processes, which will free up technical time for consultations and business meetings.

Payroll business

Primary clients traditionally are main focus in Retail banking, help the business to build successful partnership and to generate significant profitability. In 2024Y we succeed to increase our payroll clients base whit 11%, organizing two acquisition campaigns for individual clients, conducting Postbank's days on the spot with top employers, increasing the synergy between Individual banking sector and Wholesale sector in order to increase group payrolls, exploring our B2B partnerships.

For most of the time within the year we have initiatives and acquisition campaigns for payroll clients attracting - Activation campaigns for Payroll customers with Visa debit cards and Nike – campaign with raffle for payroll clients, which was popularized in our Branch network, Sales initiatives with top employers on the spot, Online and Outdoor. In order to motivate our clients to refer their family and friends, we developed and implemented, first among the banks in Bulgaria - Member Get Member program for payroll.

In order to stand the most preferred bank for employees of our corporate and small business clients employees, we created special offer and distribute it to all companies and conducted activities, where was possible. On best effort we succeed to attract clients from peers, being close to the individuals. We have increased collaboration and synergy with Small Business Banking and Wholesale.

Primary clients with pension transfers - we are glad to share that Postbank is the only bank that offers a complete solution to pensioners with full program including top offer for bank account with debit card, overdraft, consumer loan and savings.

In addition, we organized raffle for pension clients and each month 10 of our clients receive award of BGN 200. Because of the success, the interest of the clients, and the sufficient results, we take a consideration to prolong the campaign in 2025Y.

Our goal is not only to attract more clients from those group with top conditions but also with our social engagement and respect to our grandmothers and fathers. We have special attention to our centenarians who receive their pension in the bank by personally greeting and giving them a symbolic gift as a gesture of respect.

SMALL BUSINESS BANKING SEGMENTS AND SALES

SBB Segments and Sales Division

The processes and products in SBB Segment and Sales Division fully correspond to the Bank's long-term strategy and are focused on three main pillars - growth, digitalization and excellent customer experience.

In 2024, we laid the foundations and the beginning of several strategic projects, namely:

- Digital signing of credit documentation and comprehensive optimization of the lending process for SBB clients;
- Building an architecture for the implementation of digital onboarding for legal entities;
- Working on two concluded guarantee agreements with EBRD and BDB, aimed at risk sharing and financing green and sustainable projects;
- We launched a project with the World Bank (International Finance Corporation), aimed at providing financial support to business activities led by women and/or actively participating in industries that support adaptation to climate change and reduce levels of harmful emissions in the atmosphere.

We started offering completely new processes, products and services for our clients, namely:

- Digital signing of a contract for a POS terminal and agreements with the bank's SBB partners; optimization of the processes for approval and finalization of signing of the relevant documentation in up to 4 days;
- Financing SBB clients under a new agreement with the European Investment Fund, aimed at supporting the competitive position of companies and ensuring a smooth transition to a circular economy;
- Implementation of new products for specialized business activities and entities - Special account package for an insurance broker. The new Dinamika packages (Start, Online, Development and Max) with an annual service fee give our clients predictability in planning expenses;
- Digital update of BMB clients through the Bank's website, which does not require a physical presence in a branch of the Bank, but provides an opportunity for additional sales;
- Improving the integration of remote service systems for legal entities;

CORPORATE BANKING AND CAPITAL MARKETS DEPARTMENT

SHARE CAPITAL STRUCTURE

As of 31 December 2024 the total authorized number of ordinary shares of Eurobank Bulgaria AD was 560,323,302 with a nominal value of BGN 1 per share. Eurobank S.A. owns 99.99% of Eurobank Bulgaria's AD shares, and 0.01% is held by minority shareholders.

MANAGEMENT BOARD

As of 31 of December, 2024 the Management Board consist of the following members:

- Petia Dimitrova – Chief Executive Officer, Chairperson and Member of the Management Board;
- Dimitar Shoumarov - Deputy CEO, Chief Financial Officer and Member of the Management Board;
- Asen Yagodin – Deputy CEO and Member of the Management Board;
- Panagiotis Mavridis – Chief Operating Officer and Member of the Management Board;
- Angel Mateev – Executive Director Retail Banking and Member of the Management Board (as of 19.04.2024).

1. Shares and bonds of the company that are acquired, owned and transferred by the members of the Management Board during the year

No member of the Management Board has owned or transferred shares or bonds of the Bank.

2. The Management Board members' rights to acquire shares and bonds of the company

No member of the Management Board holds special rights of acquisition of shares or bonds of the Bank.

3. The Management Board member's ownership in other commercial enterprises, as:

3.1. Partners with unlimited liability

No member of the Management Board has been a partner with unlimited liability in other commercial enterprise.

3.2. Partners/shareholders holding more than 25 per cent of the capital of another company

• Asen Yagodin

Dike - Imoti OOD – partner

3.3. Participants in the management of other companies or cooperatives as procurators, managers or board members

• **Petia Dimitrova**

- Association of Banks in Bulgaria (non-profit legal entity) – Chairperson of the Executive Board;
- Foundation Atanas Bourov (non-profit legal entity) – Member of the Management Board;
- Hellenic Business Council in Bulgaria (non-profit legal entity) – Member of the Management Board;
- Association Endeavor Bulgaria – Member of the Management Board;
- Association of the Canadian Commercial Chamber in Bulgaria – Vice President;
- PB Personal Finance EAD – Chairperson of the Board of Directors;
- Borika AD – Member of the Board of Directors (as of 30.09.2024) Association Endeavor Bulgaria.

• **Asen Yagodin**

- Bulgarian Stock Exchange – Sofia AD, Bulgaria – Member of the Board of Directors;
- Bulstrad Life Vienna Insurance Group JSC, Bulgaria – Independent Member of the Supervisory Board;
- Green Finance and energy center (GFEC) (non-profit legal entity) – Member of the Management Board;

• **Dimitar Shoumarov**

- PB Personal Finance EAD – Member of the Board of Directors

SUPERVISORY BOARD

As at 31 of December, 2024 the members of the Supervisory Board are:

- Stavros Ioannou - Member of the Supervisory Board;
- John David Butts – Chairperson and Member of the Supervisory Board;
- Ivi Vigka - Member of the Supervisory Board;
- Raika Ontzova – Member of the Supervisory Board;
- Minko Guerdjikov – Member of the Supervisory Board;
- Nikolaos Pavlidis – Member of the Supervisory Board (appointed as of 01.07.2024).

Members released in the calendar year 2024:

- Georgios Provopoulos - Chairperson of the Supervisory Board (released as of 01.07.2024);

- Iasmi Ralli - Member of the Supervisory Board (released as of 04.09.2024);
- Michalakis Louis - Member of the Supervisory Board (released as of 04.09.2024);

Chairpersonship changes in 2024: Mr. Butts was officially elected as Chairperson of the SB in place of Mr. Georgios Provopoulos on 11.07.2024.

1. Shares and bonds of the company that are acquired, owned and transferred by the members of the Supervisory Board during the year.

No member of the Supervisory Board has owned or transferred shares or bonds of the Bank.

2. The Supervisory Board member's rights to acquire shares and bonds of the company.

No member of the Supervisory Board holds special rights of acquisition of shares or bonds of the Bank.

3. The Supervisory Board member's ownership in other commercial enterprises, as:

3.1 Partners with unlimited liability

• Minko Guerdjikov

Hemus Investments OOD – Partner (33% share in the partnership) and Managing Director

• Nikolaos Pavlidis

NIKOS LAND EOOD – Sole Owner

3.2 Partners/shareholders holding more than 25 per cent of the capital of another company

• John David Butts

Lex RX Bulgaria EOOD, Bulgaria – Manager;

Ubad - Toro OOD, Bulgaria – Partner;

Lexrx Capital OOD, Bulgaria – Partner and and Manager.

• Raika Ontzova

VPS Lilia & Ontzovi SD – Unlimited partner, Manager and Representative

3.3 Participants in the management of other companies or cooperatives as procurators, managers or board members

• Stavros Ioannou (Greece)

Eurobank Ergasias Services and Holdings S.A, Greece – Deputy Chief Executive Officer, Group Chief Operating Officer & International Activities, Executive Director;

Eurobank S.A., Greece – Deputy Chief Executive Officer, Group Chief Operating Officer &

International Activities, Executive Director and Member of the Executive Board;

BE – Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services, Greece – Chairperson and member of the Board of Directors;

Eurobank Cyprus Ltd, Cyprus – Vice Chairperson and Member of the Board of Directors;
Eurobank private Bank Luxembourg, Luxembourg – Member of the Board of Directors (as of 10.10.2024);

Grivalia Management Company S.A., Greece - Member of the Board of Directors.

• **Michalakis Louis (Greece)**

Eurobank S.A, Greece – Head of International Activities General Division & Group Private Banking (until 18.09.2024), Member of the Executive Board;

Hellenic Bank Public Company Limited, Cyprus – Chief Executive Officer (CEO) and member of the Board of Directors (as of 18.09.2024);

Eurobank Private Bank Luxembourg S.A., Luxembourg – Member of the Board of Directors (released as of 30.09.2024);

Eurobank Cyprus Ltd, Cyprus - Chief Executive Officer and member of the Board of Directors (released as of 17.09.2024).

• **John David Butts**

Lexrx Capital OOD, Bulgaria – Managing Director

• **Raika Ontzova**

VPS Lilia & Ontzovi SD – Managing Director

• **Minko Guerdjikov**

Hemus Investments OOD – Managing Director

4. Contracts concluded during the year according to Art. 240 b of the Commercial Law

In 2024, the Bank did not conclude contracts within the meaning of Art. 240 b para. 1 of the Commercial Law.

In 2024 the members of the Management and Supervisory boards have received remuneration amounting to BGN 5,672 thousand (2023: BGN 3,513 thousand).

BANK STRUCTURE

Eurobank Bulgaria AD has one subsidiary as at 31 December 2024 - PB Personal Finance E.A.D. The Bank employees are 3,859 people (2023: 4,213).

OBJECTIVES FOR 2025

Eurobank Bulgaria's strategy is based on three pillars - organic growth, digitalization and customer service aiming at sustainable growth and value creation for the shareholders. In 2025 Eurobank Bulgaria will have two key objectives – improving the profitability and completing the key strategic projects.

Without a doubt the most important of those will be the adoption of the euro, the target date of which was postponed by another year to 1 January 2026. Positively, the delay allowed Eurobank Bulgaria to complete the necessary preparatory work and even implement some of the system changes in the production environment. The current year will be devoted to extensive testing and training in order to ensure a smooth conversion for all clients. The adoption of the euro is expected to bring benefits for the bank such as higher capital adequacy, reduced minimum reserve requirements and better access to funding, while any delay will add to the costs and create further complexities for the future strategic projects.

In 2025, the demand for loans is projected to start cooling and both the loans and the deposits to grow in parallel. Therefore, focus area for Eurobank Bulgaria is to ensure a stable growth of deposit volumes at reasonable prices in order to improve further its liquidity ratios and accumulate enough resources to keep its position in the lending market. The projections are that most of the new loans will be to households, where Eurobank Bulgaria is traditionally strong and is well placed to take its fair market share. At the same time, Eurobank Bulgaria will continue to gradually reduce its NPE ratio, while maintaining prudent coverage over the nonperforming exposure.

Profitability will be improved through smart pricing of the new lending production and cost control, including through implementation of cost reduction measures. In order to achieve the latter, investments in digital transformation projects will continue, increasing automation and improving the customer experience. The ultimate goal is to free the front office staff from mundane tasks and devote more time to client consultation and advisory.

The net profit of the bank will be retained in order to support the expansion of the risk-weighted assets and, if necessary, additional loans taken in order to cover the MREL requirements. Last, but not least, given the tight labor market, Eurobank Bulgaria will try to foster a positive, productive and rewarding work environment in order to retain talent and further improve its employee satisfaction.

The Directors are required by Bulgarian law to prepare financial statements each financial year that give a true and fair view of the financial position of the company and its financial results as at year end. The management has prepared the enclosed financial statements in accordance with IFRS as adopted by the European Union.

The Directors confirm that suitable accounting policies have been used.

The Directors also confirm that the legislation applicable for banks in Bulgaria has been followed and that the financial statements have been prepared on a going concern basis.

RISK MANAGEMENT

The Bank considers risk taking as an integral part of its activities for achieving its strategic and business objectives. Risk taking is core to the financial business, and the operational risks are inevitable consequences. Therefore, timely and effective risk management is a key priority of the Bank's management.

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of a combination of risks. The risk management policies reflect the Bank's objectives. It is therefore not intended that large risk positions are maintained to increase short-term profitability. The Bank's intent is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance.

A consistent and effective framework for risk identification, assessment, monitoring and control has been fully documented by the Bank's Risk Management unit, forming the basis for consistent definition of strategies, policies and procedures across all risk taking units within the Bank. The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

The Supervisory Board of the Bank (SB) has delegated to the Risk Committee the role of approving all strategic risk management decisions. The Risk Committee is in charge of monitoring the quantitative and qualitative aspects of all credit, market, liquidity and operational risks. Risk Division supports and complements the activities of the Risk Committee. In addition, Internal Audit is responsible for the independent review of risk management and the control environment.

The Bank's risk management function is capturing all material risk sources across all portfolios and operations. Management is responsible for developing and maintaining processes and systems to ensure effective and efficient operations, adequate control of risks, prudent conduct of business, accurate disclosures both internally and externally, and compliance with internal and external rules.

The Bank's risk measurement, monitoring, and control functions have clearly defined responsibilities that are sufficiently independent from position/risk taking functions. The Bank's internal control systems are designed to provide adequate segregation of duties, in order to prevent conflicts of interest with respect to the distinct functions of undertaking, approving, monitoring and controlling risks.

The Risk Management Unit has an active participation in the development and pricing of new products, the design of new procedures, in issues relating to business decision-making and to adopting the proper risk management and control mechanisms. The Bank ensures that proper identification of risks inherent in new products and activities is undertaken and that these are subject to adequate procedures and controls before being introduced or undertaken.

The Bank manages with higher priority the following major types of banking risks arising from its activities – credit risk, market risk (including interest rate risk in the banking book), liquidity risk and operational risk.

Credit Risk

Credit risk is the risk related to the inability or unwillingness of a customer or a counterparty to fully meet the commitments made to the Bank in relation to lending, trading (with financial instruments, currency, etc.), settlement, hedging or other transactions within the agreed time period or schedule.

Credit exposures arise principally in lending activities that lead to loans and advances, and investment

activities that bring debt securities and other bills into the Bank's asset portfolio. There is also credit risk in off-balance sheet financial instruments, such as loan commitments, and counterparty risk in over-the-counter derivative transactions.

The Bank uses rating systems and slotting methodology to assess the creditworthiness of its corporate borrowers. The rating systems aggregate quantitative and qualitative information on individual obligors to perform the assessment of their creditworthiness and determine the credit rating for the obligor. The Bank assesses the credit quality of the wholesale loans on a case-by-case basis using the borrower's credit rating and based on a profound analysis of a set of qualitative and quantitative factors. The classification of retail clients is based on the full delinquency analysis by groups. The grouping is based on the common characteristics of the respective products, the similar risks they bear and the type of collateral that secures them.

Exposures to credit risk are managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing the lending limits where appropriate. The exposure to any borrower is restricted by limits covering on- and/or off-balance sheet. Off-balance sheet facilities to customers include foreign exchange and interest rate derivatives, letters of credit, letters of guarantee and other financial instruments.

In compliance with its risk strategy, the Bank targets to maintain a low level of credit risk concentration by industries and at a customer level.

The Bank makes assessment of the risk exposure, evolving from the loan portfolio by classifying and provisioning loans in compliance with the requirements of the IFRS framework and Impairment Policy applied on a monthly basis. The impairment provisions reflect the probability that management will not be able to enforce its rights and repossess collateral on defaulted loans.

Market risk

The Bank is exposed to market risk, which is the risk of potential financial loss due to adverse changes in market variables such as interest rates, equity prices or foreign exchange rates. The fair value or future cash flows of a financial instrument may fluctuate because of changes in market variables and thus may influence the Bank's profitability.

The corporate governance with respect to market risk control and supervision is defined in the Bank's Market and Counterparty Risk Policy. It is further supported by procedures which set out the detailed standards and requirements necessary to implement the Policy. The Policy and procedures apply to the control of market risks, arising on all of the Bank's assets, liabilities and off-balance sheet positions, therefore covering both Treasury and non-Treasury activities that run market risk.

The market risk control and supervision framework set by the Bank aims to protect the Bank against unforeseen market losses and contribute to earnings stability through the independent identification, assessment and understanding of the market risks inherent in the business as well as to develop objective, transparent and consistent market risk information as a basis for sound decision making.

The Market Risk Control function helps to align the Bank's organizational structure and management processes with best international banking practice and set standards for controlling market risks and to link business strategy and operations with the objectives for risk control and supervision.

The Bank's market risk appetite is expressed in terms of nominal limits set on the exposures to market risks as well as through characteristics such as different types of allowed markets, products, countries, counterparties and currencies. Currently market risk measurement is done using notional exposure

data and notional level limits, supported by regular stress testing. The Bank is not using VaR-based limits. Upon senior management decision in the future the Bank may introduce additional value-at-risk analysis.

The market risk measurement system measures risk arising from exposure to the following specific market risk factors:

a) Interest Rate Risk

Banking is related to maintenance of positions sensitive to the fluctuations in the prevailing levels of market interest rates, which influences the Bank's financial position and cash flow dynamics. Interest rate risk is the probability for potential change of the net interest margin which may increase as a result of such changes, but may also reduce or create losses in the event that unexpected movements arise. Interest rate risk may include re-pricing risk, yield curve risk, basis risk, spread risk, option risk, volatility risk. The Management reviews the interest rate gaps, the interest rate mismatch and the necessary re-pricing on a monthly basis.

b) Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The major part of the Bank's FX position is against EUR, while the BGN/EUR currency rate remains pegged at 1.95583 as part of the Currency Board Arrangements. The management sets limits on the open positions in individual currencies as well as on the aggregate open positions for both overnight and intra-day positions, and these limits are monitored on an ongoing basis.

c) Equity price risk

Equity price risk is the risk of decrease of the fair values of equities as a result of changes in the levels of equity indices and the value of individual stocks. It may include outright risk, volatility risk, spread risk and dividend risk.

d) Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

The Bank has a limited appetite for liquidity risk and accepts the potentially increased costs of maintaining sufficient liquidity buffers to ensure a sound liquidity position.

The Bank maintains appropriate liquidity policies which have to ensure prudent liquidity management practices are in place. Within its liquidity risk management framework, the Bank observes various liquidity ratios and indicators. The main aspects to be considered in liquidity control are liquidity ratios, the availability of sufficient and high quality liquid assets and buffers, maturity mismatch profile, diversity and stability of the deposit base, loans to deposits ratio, stress test results and other.

The Bank also makes assessment of its liquidity position under stress scenarios, developed to analyse the adequacy of the Bank's liquidity to withstand crisis situations (e.g. significant deposit outflows, tightening of credit lines, etc.).

The Management Board (MB) of the Bank assigns the Assets and Liabilities Committee (ALCO) as the primary responsible body to advise on the strategic management of assets and liabilities with aim to manage the interest rate and liquidity risks of the Bank. On a strategic level ALCO manages the Bank's assets and liabilities to ensure regular and timely meeting of current and future obligations.

Within its authority is to take all the necessary decisions regarding the interest rate policy, the liquidity and assets and liabilities management and to set the target parameters of potential external funding. The operational management of the Bank's liquidity and the execution of ALCO decisions regarding liquidity are assigned to the Head of Capital Markets Division.

Market Risk Department is responsible to regularly produce and distribute the internally adopted liquidity gap reports with embedded liquidity ratios and is the unit that exercises an independent liquidity risk control function, escalating any breaches of limits to the respective management bodies.

APPLICATION

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Independent Auditors' Report

To the shareholders of
Eurobank Bulgaria AD

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Eurobank Bulgaria AD (the Bank) as set out on pages 43 to 170, which comprise the separate statement of financial position as at 31 December 2024 and the separate income statement, separate statement of comprehensive income, separate statement of changes in shareholder's equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the unconsolidated financial position of the Bank as at 31 December 2024, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Separate Financial Statements" section of our report. We are independent of the Bank in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (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 separate financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IFAASRA and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined the following key audit matters:

Impairment of loans and advances to customers

As at 31 December 2024, the separate financial statements include:

- Gross loans and advances to customers of BGN 15,124,284 thousand (31 December 2023: BGN 12,906,517 thousand) and ECL allowance of BGN 384,640 thousand (31 December 2023 ECL allowance: BGN 366,275 thousand), as presented in note 18 to the separate financial statements.
- Impairment charge for credit losses recognized in the separate income statement of BGN 97,091 thousand (2023: BGN 100,780 thousand), as presented in note 12 to the separate financial statements.

Also refer to the following notes to the separate financial statements:

- 2.2.15 Impairment of financial assets
- 3.1 Impairment losses on loans and advances
- 5.2.1 Credit risk

| Key audit matter | How this key audit matter was addressed in our audit |
|--|---|
| <p>Impairment allowances for loans and advances to customers (collectively, "loans", "exposures") represent the Bank's best estimate of expected credit losses ("ECL") associated with these exposures at the reporting date. Measurement thereof requires the Bank to make complex judgements and assumptions.</p> <p>As described in note 3.1 to the separate financial statements, the expected credit losses have been determined in accordance with the Bank's accounting policies based on the requirements of IFRS 9 Financial Instruments ("IFRS 9"). As required by IFRS 9, the Bank estimates the expected credit losses considering a stage allocation of the loan exposures.</p> <p>For performing exposures (stage 1 and stage 2 loans in the IFRS 9 hierarchy), as well as stage 3 exposures not exceeding specific thresholds set for different segments as per the Bank's "Accounting policy for impairment of lending exposures", the expected credit losses are determined based on statistical models using the Bank's historical debt service data and also forward-looking information and macroeconomic scenarios. The key assumptions in this area are,</p> | <p>Our audit procedures, performed, where applicable, with the assistance of our financial risk management, valuation and IT audit specialists, included among others:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the loan impairment accounting policies and related methods and models against the requirements of the relevant accounting standard, our business understanding and industry practice. As part of the above, we challenged the Management Board on whether the level of the methodology's sophistication is appropriate based on an assessment of the entity-level and portfolio-level factors; • Making relevant inquiries of the Bank's risk management, internal audit and information technology (IT) personnel in order to obtain an understanding of the ECL estimation process, IT applications used therein, key data sources and assumptions used in the ECL model. Also, assessing and testing the Bank's IT control environment for access and program change; |

among other things, the probability of borrower's default ("PD"), the assessment of the amount non-recoverable from the borrower in the event of a default ("loss given default", "LGD") and of the amount of exposure at default ("EAD"). In the wake of the economical volatility caused by geopolitical uncertainties and weak economic growth, measurement of the collective impairment allowance was associated with additional complexities and an increased estimation uncertainty. Among other things, the application of post-model adjustments was required from management in arriving at the year-end estimate of collective impairment losses.

For Stage 3 exposures in excess of specific thresholds set for different segments as per the Bank's "Accounting policy for impairment of lending exposures", expected credit losses are determined on an individual basis by means of a discounted cash flows analysis. The process involves subjectivity and reliance on a number of significant assumptions, including those in respect of the expected proceeds from the sale of the related collateral and minimum period for collateral disposal.

Given the above factors and complexities, we considered impairment of loans and advances to customers to be associated with a significant risk of material misstatement in the separate financial statements, which required our increased attention in the audit and as such was determined to be a key audit matter

- Testing the design, implementation and operating effectiveness of selected key controls over the approval, recording and monitoring of loans, including, but not limited to, the controls relating to the appropriateness of the classification of exposures into performing and non-performing, calculation of days past due, stage allocation and calculation of the ECL;
- For a sample of loans, critically assessing, by reference to the underlying loan documentation (updated financial indicators, repayment pattern, default events, forbore status) and through inquiry with the loan officers and credit risk management personnel, the existence of any triggers for classification to Stage 2 or Stage 3 as at 31 December 2024;

For ECLs estimated on a collective basis:

- Obtaining the Bank's relevant macroeconomic forecasts and critically assessing the forward-looking information and macroeconomic scenarios used in the calculation of the ECL by inspecting publicly available information;
- Challenging the collective PD, LGD and EAD parameters for a sample of the Bank's portfolios, by reference to, among other things, our own analysis of the Bank's data on past default occurrence, realized losses on those defaults, contractual cash flows and contractual lifetime;
- Testing post-model related adjustments to reflect the current market volatility not reflected in the original ECL models. As part of the procedure, we evaluated the data, assumptions and methods used in calculating the adjustments;
- Recalculating the expected credit losses as of 31 December 2024 based on the Bank's ECL model for a sample of the Bank's portfolios;

For ECLs estimated on an individual basis:

- For those loans where triggers for classification in Stage 3 were identified, challenging key assumptions applied in the Management Board's estimates of future cash flows in the impairment calculation, including time to sell and any realizable value of the collateral, by reference to the underlying collateral agreements and

| | |
|--|---|
| | <p>appraisals, whose relevance and reliability we independently assessed;</p> <p>For loan exposures in totality:</p> <ul style="list-style-type: none"> Examining whether the Bank's ECL-related disclosures in the separate financial statements appropriately address the relevant quantitative and qualitative requirements of the applicable financial reporting framework |
|--|---|

Information Other than the Separate Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the separate management report and the corporate governance statement, prepared by management in accordance with Chapter Seven of the Accountancy Act, but does not include the separate financial statements and our auditors' report thereon.

Our opinion on the separate financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Additional Matters to be Reported under the Accountancy Act

In addition to our responsibilities and reporting in accordance with ISAs, in relation to the separate management report and the corporate governance statement, we have also performed the procedures added to those required under ISAs in accordance with the New and enhanced auditor's reports and auditor's communication Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA). These procedures refer to testing the existence, form and content of this other information to assist us in forming an opinion about whether the other information includes the disclosures and reporting provided for in the applicable in Bulgaria Chapter Seven of the Accountancy Act and Art. 100(m), paragraph 8, where applicable, of the Public Offering of Securities Act.

Opinion in connection with Art. 37, paragraph 6 of the Accountancy Act

Based on the procedures performed, our opinion is that:

- The information included in the separate management report for the financial year for which the separate financial statements have been prepared is consistent with those separate financial statements.
- The separate management report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.
- The corporate governance statement for the financial year for which the separate financial statements have been prepared presents the information required under Chapter Seven of the Accountancy Act and Art. 100 (m), paragraph 8, where applicable, of the Public Offering of Securities Act.

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

We are jointly and severally responsible for performing our audit and for our audit opinion as per the requirements of the IFAASRA, applicable in Bulgaria. When accepting and performing the joint audit engagement, in relation to which we are reporting, we are also directed by the Guidelines for performing joint audit, issued on 13 June 2017 by the Institute of Certified Public Accountants in Bulgaria and by the Commission for Public Oversight of Statutory Auditors in Bulgaria.

Report on Other Legal and Regulatory Requirements

Additional reporting in relation to Ordinance No 58/2018 issued by the Financial Supervision Commission

Statement in relation Art. 11 of Ordinance No 58/2018 of FSC on the requirements for protection of financial instruments and deposits of clients, for management of products and for granting or receiving remunerations, commissions, or other monetary or non-monetary benefits

Based on the audit procedures performed and the knowledge and understanding of the Bank's activity (Investment intermediary), in the course and context of our audit of the separate financial statements as a whole, we identified that the designed and implemented organization for safeguarding of customers' assets complies with the requirements of Art. 3 – 10 of Ordinance No 58 of the FSC and Art. 92-95 of the Markets of financial instruments Act in relation to the activities as an investment intermediary.

Reporting in accordance with Art. 10 of Regulation (EU) No 537/2014 in connection with 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 hereby additionally report the information stated below.

- KPMG Audit OOD and Baker Tilly Klitou and Partners EOOD were appointed as a statutory auditors of the separate financial statements of the Bank for the year ended 31 December 2024 by the general meeting of shareholders held on 6 June 2024 for a period of one year. The audit engagement was accepted by signing the Joint Audit Engagement Letter on 10 October 2024.
- The audit of the separate financial statements of the Bank for the year ended 31 December 2024 represents seventh total uninterrupted statutory audit engagement for that entity carried out by KPMG Audit OOD and seventh total uninterrupted statutory audit engagement for that entity carried out by Baker Tilly Klitou and Partners EOOD.
- We hereby confirm that the audit opinion expressed by us is consistent with the additional report, provided to the Bank's audit committee, in compliance with the requirements of Art. 60 of the Independent Financial Audit and Assurance of Sustainability Reporting Act.

- We hereby confirm that we have not provided the prohibited non-audit services referred to in Art. 64 of the Independent Financial Audit and Assurance of Sustainability Reporting Act.
- We hereby confirm that in conducting the audit we have remained independent of the Bank.

Sofia, 26 March 2025

For KPMG Audit OOD:

Registered under No. 045 in the Register of the registered auditors

**IVAN
ANDONOV
ANDONOV**

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IVAN ANDONOV
ANDONOV
Date: 2025.03.26
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Ivan Andonov

Authorised representative and registered auditor, responsible for the audit

For Baker Tilly Klitou and Partners EOOD:

Registered under No. 129 in the Register of the registered auditors

**Tsvetana Slavova
Stefanina**

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Tsvetana Stefanina

Authorised representative and registered auditor, responsible for the audit

**Nedyalko Bozhidarov
Apostolov**

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Nedyalko Apostolov

Authorised representative

45/A Bulgaria Boulevard
Sofia 1404, Bulgaria

5 Stara Planina Str. 5th floor
Sofia 1000, Bulgaria

SEPARATE INCOME STATEMENT

| | NOTES | YEAR ENDED 31 DECEMBER | |
|--|----------|------------------------|----------------|
| | | 2024 г. | 2023 г. |
| Interest income calculated using the effective interest method | | 929,929 | 725,052 |
| Other interest income | | 6,166 | 13,751 |
| Interest expense and similar charges | | (163,629) | (102,046) |
| Net interest income | 6 | 772,466 | 636,757 |
| Fee and commission income | | 161,900 | 194,797 |
| Fee and commission expense | | (56,746) | (46,196) |
| Net fee and commission income | 7 | 161,900 | 148,601 |
| Net trading income | 9 | - | 1,642 |
| Gains less (losses) from trading securities | 17 | 482 | 869 |
| Gains less (losses) from investment securities | 196 | 7,292 | 4,624 |
| Other operating income, net | 8 | 9,790 | 4,695 |
| Revenue | | 951,930 | 797,188 |
| Dividend income | | 683 | 496 |
| Revaluation of property, plant and equipment | 21 | (4,003) | (2,913) |
| Repossessioned assets impairment | | (1,637) | (3,519) |
| Other operating expenses | 10 | (341,405) | (326,850) |
| Deposit Insurance Fund expense | | (24,935) | (20,753) |
| Impairment charge for credit losses | 12 | (97,091) | (100,780) |
| Profit before income tax | | 483,542 | 342,869 |
| Income tax expense | 13 | (71,338) | (34,789) |
| Profit for the year | | 412,204 | 308,080 |

The separate financial statements were authorized by the management on 12 March 2025.

The following notes set out on pages 49 to 170 form an integral part of these separate financial statements. Translation from the original Bulgarian version, in case of divergence the Bulgarian original shall prevail.

**Petia Nikolova
Dimitrova**

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Dimitrova
Date: 2025.03.26 16:47:28 +02'00'

Petia Dimitrova

Chief Executive Officer and Chairperson of the
Management Board

Initialled for identification purposes in reference to the auditor's report:

For KPMG Audit OOD, registered under No
045 in the Register of the registered auditors:

**IVAN ANDONOV
ANDONOV**

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Ivan Andonov

Registered Auditor responsible for the audit
Authorized representative

**Dimitar Borisov
Shoumarov**

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Date: 2025.03.26 15:56:13
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Dimitar Shoumarov

Deputy CEO, Chief Financial Officer and
Member of the Management Board

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For Baker Tilly Klitou and Partners
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**Tsvetana Slavova
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Tsvetana Stefanina

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**Nedyalko Bozhidarov
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Nedyalko Apostolov
Managing director

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

| | Year ended 31 December | | |
|---|------------------------|---------|---------|
| | Notes | 2024 | 2023 |
| Profit for the year | | 412,204 | 308,080 |
| <i>Items that are or may be reclassified subsequently to profit and loss:</i> | 14 | 16,649 | 30,976 |
| Debt securities at FVOCI | | | |
| - net changes in Fair Value, net of tax | | 16,051 | 33,745 |
| - reclassified to profit or loss, net of tax | | 598 | (2,769) |
| <i>Items that will not be reclassified to profit or loss:</i> | | 1,292 | 516 |
| Change in FV of property, plant and equipment, net of tax | | 1,047 | (600) |
| Remeasurements of retirement benefit obligations, net of tax | | 245 | 1,116 |
| Other comprehensive income for the year | 14 | 17,941 | 31,492 |
| Total comprehensive income for the year | | 430,145 | 339,572 |

The separate financial statements were authorized by the management on 12 March 2025.

The following notes set out on pages 49 to 170 form an integral part of these separate financial statements. Translation from the original Bulgarian version, in case of divergence the Bulgarian original shall prevail.

**Petia Nikolova
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Petia Dimitrova

Chief Executive Officer and Chairperson of
the Management Board

**Dimitar Borisov
Shoumarov**

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Dimitar Shoumarov

Deputy CEO, Chief Financial Officer and
Member of the Management Board

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For KPMG Audit OOD, registered under No
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**IVAN ANDONOV
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Authorized representative

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and Managing director

**Nedyalko Bozhidarov
Apostolov**

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Date: 2025.03.26 18:20:34
+02'00'

Nedyalko Apostolov

Managing director

SEPARATE STATEMENT OF FINANCIAL POSITION

| | Notes | As at 31 December 2024 | 2023 |
|--|-------|---------------------------|-------------------|
| ASSETS | | | |
| Cash and balances with the Central Bank | 15 | 2,380,546 | 2,365,538 |
| Loans and advances to banks | 16 | 1,180,837 | 783,234 |
| Trading assets | 17 | 74,656 | 37,272 |
| of which pledged | 17 | 5,455 | 5,323 |
| Derivative financial instruments | 25 | 33,505 | 18,655 |
| Loans and advances to customers | 18 | 14,739,644 | 12,540,242 |
| Investment securities | 19a | 3,464,426 | 3,028,859 |
| of which pledged | 19 | 1,061,300 | 344,982 |
| Shares in subsidiary undertakings | 37 | 1,000 | 1,000 |
| Deferred tax assets | 28 | 3,558 | 4,734 |
| Property, plant and equipment, including right of use assets | 21 | 321,839 | 309,951 |
| Investment property | 20 | 445 | 441 |
| Intangible assets and goodwill | 22 | 194,275 | 164,641 |
| Other assets | 23 | 163,296 | 135,251 |
| Total assets | | 22,558,027 | 19,389,818 |
| LIABILITIES | | | |
| Deposits from banks | 24 | 973,063 | 140,905 |
| Derivative financial instruments | 25 | 35,807 | 22,687 |
| Due to customers | 26 | 17,241,317 | 15,653,641 |
| Other borrowed funds | 27 | 1,305,591 | 1,036,249 |
| Current income tax payable | | 25,763 | 6,596 |
| Provisions for other liabilities and charges | 29 | 26,972 | 32,418 |
| Retirement benefit obligations | 30 | 4,389 | 4,026 |
| Other liabilities | 31 | 239,359 | 217,675 |
| Total liabilities | | 19,852,261 | 17,114,197 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | | 560,323 | 560,323 |
| Statutory reserves | | 282,521 | 282,521 |
| Retained earnings and other reserves | | 1,862,922 | 1,432,777 |
| Total shareholders' equity | 32 | 2,705,766 | 2,275,621 |
| Total shareholders' equity and liabilities | | 22,558,027 | 19,389,818 |

The separate financial statements were authorized by the management on 12 March 2025.

The following notes set out on pages 49 to 170 form an integral part of these separate financial statements. Translation from the original Bulgarian version, in case of divergence the Bulgarian original shall prevail.

Petia Nikolova Dimitrova Digitally signed by Petia Nikolova Dimitrova
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Petia Dimitrova
Chief Executive Officer and Chairperson of the
Management Board
Initialed for identification purposes in reference to the auditor's report:

For KPMG Audit OOD, registered under No 045 in the
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IVAN ANDONOV Digitally signed by IVAN
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Ivan Andonov
Registered Auditor responsible for the audit
Authorized representative

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Shoumarov
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Dimitar Shoumarov
Deputy CEO, Chief Financial Officer and
Member of the Management Board

For Baker Tilly Klitou and Partners EOOD,
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Tsvetana Stefanina
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Apostolov
Nedyalko Apostolov
Managing director

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Share capital | Property revaluation reserve | Fair value reserve | Statutory Reserves | Retained earnings and other reserves | Total |
|--|----------------|------------------------------|--------------------|--------------------|--------------------------------------|------------------|
| Balance at 01 January 2023 | 560,323 | 9,371 | (55,813) | 282,521 | 1,139,648 | 1,936,050 |
| Profit for the year | - | - | - | - | 308,080 | 308,080 |
| Other comprehensive income | | | | | | |
| Change in fair value reserve on financial assets at FVOCI | - | - | 30,976 | - | - | 30,976 |
| Revaluation of property, plant and equipment | - | (600) | - | - | - | (600) |
| Remeasurements of retirement benefit obligations, net of tax | - | - | - | - | 1,115 | 1,115 |
| Total comprehensive income for 2023 | - | (600) | 30,976 | - | 309,195 | 339,571 |
| Balance at 31 December 2023 | 560,323 | 8,771 | (24,837) | 282,521 | 1,448,843 | 2,275,621 |
| Balance at 01 January 2024 | 560,323 | 8,771 | (24,837) | 282,521 | 1,448,843 | 2,275,621 |
| Profit for the year | | | | | 412,204 | 412,204 |
| Other comprehensive income | | | | | | |
| Change in fair value reserve on financial assets at FVOCI | | | 16,649 | | | 16,649 |
| Revaluation of property, plant and equipment | - | 1,047 | - | - | - | 1,047 |
| Remeasurements of retirement benefit obligations, net of tax | - | - | - | - | 245 | 245 |
| Total comprehensive income for 2024 | - | 1,047 | 16,649 | - | 412,449 | 430,145 |
| Balance at 31 December 2024 | 560,323 | 9,818 | (8,188) | 282,521 | 1,861,292 | 2,705,766 |

The separate financial statements were authorized by the management on 12 March 2025. Translation from the original Bulgarian version, in case of divergence the Bulgarian original shall prevail.

**Petia Nikolova
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Petia Dimitrova
Chief Executive Officer and Chairperson of the
Management Board
Initialed for identification purposes in reference to the auditor's report:

For KPMG Audit OOD, registered under No 045
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Authorized representative

**Dimitar Borisov
Shoumarov**

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Dimitar Shoumarov
Deputy CEO, Chief Financial Officer and
Member of the Management Board

For Baker Tilly Klitov and Partners EOOD,
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**Tsvetana Slavova
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and Managing director

**Nedyalko Bozhidarov
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Nedyalko Apostolov
Managing director

SEPARATE STATEMENT OF CASH FLOWS

Year ended 31 December
2024 2023

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|--|----------------|----------------|
| Interest received | 964,897 | 735,338 |
| Interest paid | (126,701) | (59,984) |
| Dividends received | 683 | 496 |
| Fees and commission received | 218,234 | 195,580 |
| Fees and commission paid | (50,971) | (39,798) |
| Amounts paid to and on behalf of employees | (180,991) | (163,979) |
| Net trading and other income received | 2,408 | (86) |
| Other operating expenses paid | (184,295) | (138,684) |
| Tax paid | (52,988) | (29,816) |
| Cash from operating activities before changes in operating assets and liabilities | 590,276 | 499,067 |

CHANGES IN OPERATING ASSETS AND LIABILITIES

| | | |
|--|----------------|----------------|
| Net (increase) in reserve with the Central Bank | (149,842) | (301,937) |
| Net decrease in loans and advances to banks | (2,566) | (17,094) |
| Net decrease in trading securities | (37,384) | (2,044) |
| Net (increase) in loans and advances to customers | (2,285,719) | (1,671,232) |
| Net (increase)/ decrease in other assets | (23,922) | (24,301) |
| Net (decrease)/increase in derivatives instruments | (1,181) | (13,117) |
| Net (decrease)/ increase in due to other banks | 832,158 | 117,001 |
| Net increase in amounts due to customers | 1,553,438 | 1,737,912 |
| Net increase/ (decrease) in other liabilities | 37,542 | 10,878 |
| Net cash flows from operating activities | 512,800 | 335,133 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|---|------------------|--------------------|
| Payment for acquisition of BNP Pariba, net of cash acquired (Note 38) | - | (761,148) |
| Purchase of shares in subsidiaries | - | (1,000) |
| Purchase of property, plant and equipment and intangible assets (Notes 21,22) | (81,536) | (56,719) |
| Purchase of investment securities | (1,357,081) | (787,015) |
| Proceeds on disposal of property and equipment | 170 | 7 |
| Proceeds from sale of investment securities | 969,899 | 535,009 |
| Net cash flow/(used in) from investing activities | (468,548) | (1,070,866) |

CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES

| | | |
|--|------------------|------------------|
| Long-term financing received | 273,816 | 557,412 |
| Long-term debt repaid | (5,654) | (5,654) |
| Payment of lease liability | (19,440) | (17,842) |
| Net cash used in financing activities | 248,722 | 533,916 |
| Effect of exchange rate changes on cash and cash equivalents | (308) | 592 |
| Net change in cash and cash equivalents | 292,666 | (201,225) |
| Cash and cash equivalents at beginning of year | 2,179,885 | 2,381,110 |
| Cash and cash equivalents at end of year (Note 33) | 2,472,551 | 2,179,885 |

The separate financial statements were authorized by the management on 12 March 2025

**Petia Nikolova
Dimitrova**

Digitally signed by Petia
Nikolova Dimitrova
Date: 2025.03.26 16:48:59
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Petia Dimitrova

Chief Executive Officer and Chairperson of
the Management Board

**Dimitar Borisov
Shoumarov**

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Dimitar Shoumarov

Deputy CEO, Chief Financial Officer and
Member of the Management Board

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For KPMG Audit OOD, registered under No
045 in the Register of the registered
auditors:

**IVAN ANDONOV
ANDONOV**

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Ivan Andonov

Registered Auditor responsible for the audit
Authorized representative

For Baker Tilly Klitou and Partners EOOD,
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**Tsvetana Slavova
Stefanina**

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Tsvetana Stefanina

Registered Auditor responsible for the audit
and Managing director

**Nedyalko Bozhidarov
Apostolov**

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Bozhidarov Apostolov
Date: 2025.03.26 18:22:28 +02'00'

Nedyalko Apostolov
Managing director

· гарантиране на правилното прилагане на политиките и процедурите, свързани с ESG въпроси, в съответствие с надзорните изисквания и доброволните ни ангажименти.

SUSTAINABILITY POLICY STATEMENT

We at Postbank believe that environmentally and socially responsible actions are an essential part of sustainable business growth.

As a financial services institution, we are aware of the environmental and social impacts of our own operations and we strive for efficiency in our use of natural resources, reduction of waste, pollution prevention, climate change mitigation and protection of biodiversity, in a workplace where human and labor rights, as well as health and safety are treated as matters of highest priority. We also recognize the indirect impacts stemming from our lending and investment activities.

We have committed to regularly assess the environmental and social impact of our activities, establish appropriate objectives and targets, continuously enhance our mechanisms for control and improvement of our performance, and comply with all applicable local national and international environmental laws and regulations.

We also believe that our business and financial activities can contribute to the promotion of sustainable development and economic growth. To this end, we maintain a responsible attitude towards our environment and society, and we encourage our clients, suppliers, shareholders, and other stakeholders to join us in the adoption of advanced sustainability practices.

SUSTAINABILITY GOVERNANCE

While the implementation of the Bank's sustainability policies and strategies is a responsibility of every member of our organization, we have established dedicated functions to support our bank-wide efforts to address today's environmental, climate, economic and social challenges and to turn them into opportunities for positive impact on the environment and society.

We have an ESG Management Committee chaired by the Chief Executive Officer and comprising members of the top management of Postbank with the purpose of:

- providing strategic direction on ESG initiatives.
- reviewing the Bank's ESG strategy.
- integrating the elements of the ESG strategy into Postbank's business model & operations.
- measuring and analyzing the progress of the ESG goals and performance targets.
- ensuring the proper implementation of ESG related policies and procedures, in accordance with supervisory requirements and voluntary commitments.

We have an ESG Department reporting to the CEO, with the purpose of promoting the ESG principles and culture across the Bank. The ESG Department is also responsible for monitoring the Bank's operational impact and for the coordination of the ESG strategy implementation.

We also have a Climate and ESG Risks Department within Risk Division, whose overall responsibility is to identify, measure, monitor, control and integrate climate-related and ESG risks into the Bank's risk management policies and procedures. The unit reports to the Chief Risk Officer and is independent of

the business units.

We also have an internal program 'Green Together' whereby we are funding environmental initiatives which are implemented with the voluntary work of our employees.

SUSTAINABILITY STRATEGY

Postbank is part of the large family of Eurobank Group, which is committed to supporting the transition towards sustainability. The key objective of the Group's Sustainability Strategy is to adapt its business model and operations in a way that addresses climate change challenges, accommodates social needs and safeguards prudent governance, in accordance with the relevant regulatory requirements, international standards and best practice.

Within that context, Postbank has adopted its ESG Operational Impact Strategy, which is built upon three strategic pillars that relate to the direct impacts generated by own operations (i.e. operational footprint):

1.Environmental impact

We aim to minimize the negative impact across our value chain to promote environmental stewardship with a focus on:

- Climate change mitigation and reduction of emissions with the ultimate goal to achieve net zero operational impact (Scope 1 and Scope 2 emissions). This excludes the impact from lending and investing activities.
- Reduction of paper consumption and efforts towards paperless operations, i.e. minimization of paper use and promotion of digitalization.
- Promotion of circular economy practices through minimizing waste generation and increasing recycling in the offices.

2. Employer's impact

We want to empower our people to perform at their best by providing an inclusive environment, promoting ethics and integrity through:

- Promotion of diverse and inclusive work environment by fostering a culture of respect and tolerance.
- Development of wellbeing culture through policies and procedures to improve employees' wellbeing.
- Fostering an innovative environment, including expansion of digital products and the digital transformation of operations.

3. Societal and business impact

We seek to drive positive changes for entrepreneurs and communities to foster sustainable development and social prosperity by building sustainability awareness, internally and across the value chain, while enhancing transparency through:

- Implementing sustainable procurement by integrating ESG measures into the procurement processes and decisions.
- Upholding good corporate citizenship by promoting sustainable development and prosperity for the benefit of society.
- Enhancing transparency and ESG capacity building through integrating ESG knowledge in the organizational processes and enhance internal and external stakeholders' awareness of sustainability matters.

The progress of implementation of Postbank's Operational Impact Strategy is overseen by the ESG Management Committee.

ENVIRONMENTAL PERFORMANCE OVERVIEW

Postbank's direct impact on the environment stems from the use of energy and other natural resources in our operations. The efforts to increase efficiency and reduce our resource consumption are the foundations of the environmental pillar of our Operational Impact Strategy. During the reporting period, we continued to optimize our environmental footprint guided by our overarching objective of achieving net zero Scope 1 and Scope 2 emissions.

1. Energy Consumption

The importance of climate change mitigation makes the monitoring of energy use our top priority, as fuel and energy consumption are the source of our direct Scope 1 and indirect Scope 2 greenhouse gas (GHG) emissions.

In the last few years, we have been implementing targeted measures to reduce our energy consumption and the resulting GHG emissions. These include increasing energy efficiency, replacement of fossil-fuel heating equipment and self-production of renewable energy.

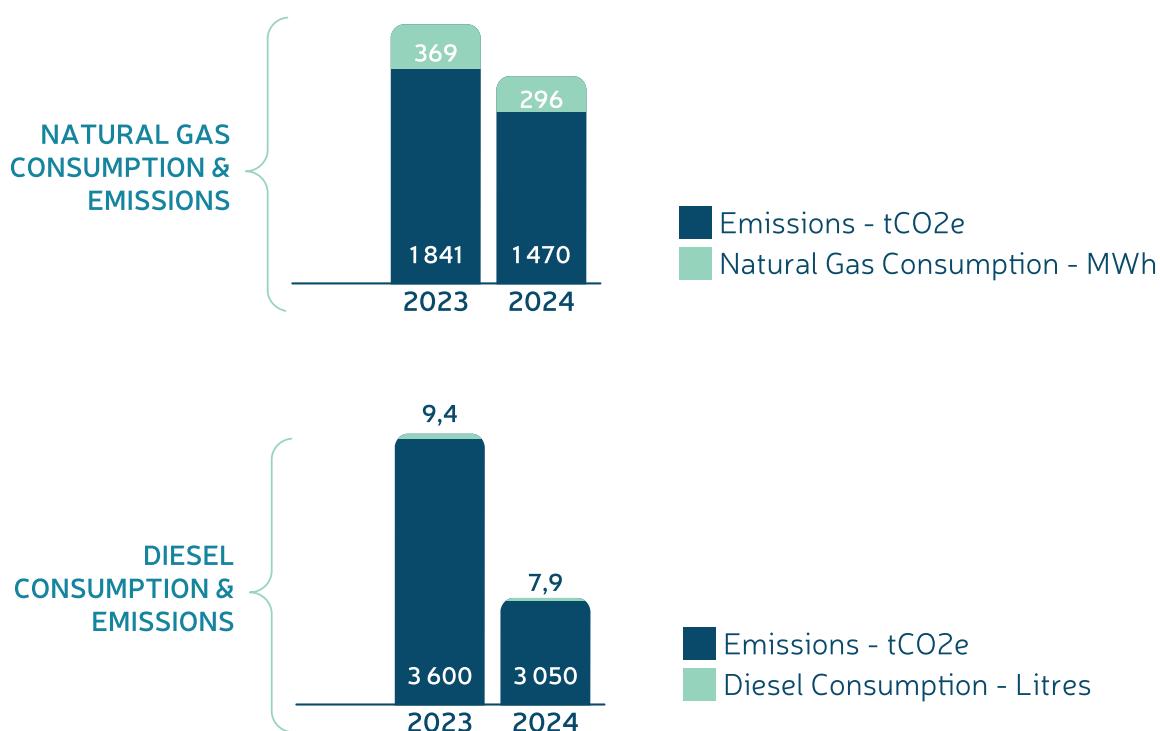
In 2023, we completed the installation of our own photovoltaic plant in our head office building in Sofia, with total installed capacity of 388 kWp. In 2024, the PV installation produced 410 MWh clean energy that covered about 20% of the head office building's total energy consumption for the year.

In addition, we have invested in upgrading our premises into modern and energy-efficient workspaces. In 2024, we continued advancing on the large-scale project for renovation of our head office building in Sofia. The first renovated section welcomed its occupants with a highly efficient HVAC system and a state-of-the-art Building Management System (BMS) for automated monitoring and control of the building's performance. The BMS facilitates the optimum use of the installed HVAC and lighting equipment, resulting in increased energy efficiency of the building and improved comfort of the occupants.

The other large-scale improvement initiative of the Bank, the complete renovation of the branch office network, was more than 90% complete as of 2024-year end. We now welcome our customers in modern, convenient and energy-efficient offices with reduced environmental footprints.

1.1. Fossil Fuels Consumption

With our renovation initiatives we also aim to minimize our use of fossil fuels for heating, which we were able to cut in half since 2022. The installation of modern electrical systems for heating and cooling in our premises and the replacement of gas- and diesel-powered equipment with fully electrical HVAC systems has resulted in 20% reduction in natural gas consumption compared to 2023 and an overall reduction of



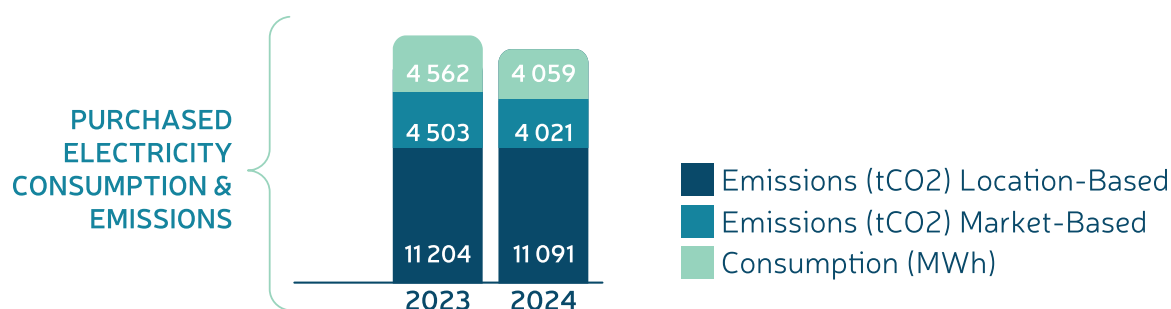
40% since 2022. Our use of diesel fuel for heating decreased by 15% compared to 2023 and by 64% since 2022.

Following the acquisition of BNP Paribas Personal Finance (PF), which was completed in the middle of 2023, its company cars were added to Postbank's vehicle fleet, which grew by 43% as a result. Despite the significant increase in the number of vehicles in use due to the acquired PF fleet, our fuel consumption in 2024 was only 4% higher than in 2023. This is a result of the effective management of our car fuel

1.2. Purchased Electricity Consumption

Purchased electricity is the major source of Postbank's Scope 2 emissions – only 6% of our GHG emissions in this category come from purchased heat. Electricity consumption also accounts for 63% of the Bank's total energy consumption.

The reduction in our natural gas and diesel consumption for heating resulting from the replacement of fossil fuel equipment with fully electrical HVAC systems increased our demand for electricity. Despite that, in 2024, we managed to reduce our purchased electricity consumption by 1% compared to the previous year. In addition, our electricity intensity score improved from 14.05 MWh per million leva turnover in 2023 to 11.65 in 2024 due to the significant growth of our business without increasing our electricity consumption.



2. Office Paper Consumption

A key commitment under the environmental pillar of our Operational Impact Strategy is the acceleration of our transition to paperless banking. While the banking business has been traditionally associated with the generation of a significant volume of documentation every day, over the last few years we have been implementing effective measures to reduce the consumption of office paper in our operations.

During 2024, we continued investing significant resources in digitalization, process optimization and systems upgrades that allow us to use less office paper and offer improved customer experience. Many of our products and services are already available fully digitally through remote e-signing documents, while a significant share of the documents produced in our branch offices are signed on tablets instead of being printed out on paper. We digitalized the Tariff, Interest Rate Bulletin, and General Terms and Conditions, and discontinued the paper brochures in our branch network.

In 2024, we implemented a managed print services program in all our offices that will facilitate the monitoring of our printing paper consumption and the implementation of further efficiency and optimization measures.

All these initiatives have enabled us to reduce our paper usage, despite the constant growth of our business. This is evident in the reduction in our office paper purchases. In 2024, we bought 8% less office paper than in 2023 and reduced our paper consumption intensity from 173 kg to 133 kg per million leva turnover.



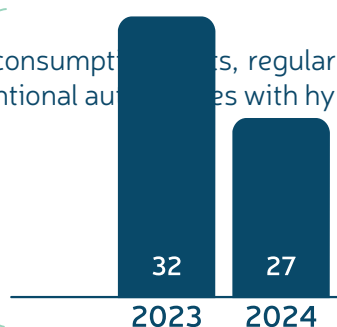
3. Water Consumption

Water is one of the most valuable natural resources. Acknowledging the ever-increasing pressure on the availability of clean water in our country, we seek to contain water consumption in our premises by implementing measures to ensure optimal use of this precious resource. We closely monitor the quantity of water consumed in our offices to be able to timely identify any leaks or need for corrective actions. We have installed dual flush toilets in our offices and part of the faucets and toilets in our renovated head office are sensor-operated to reduce water waste.

In 2024 we were able to reduce water consumption in our premises by 5 thousand cubic meters or by 8% compared to 2023. This means that we have saved 5 million liters of water during the year, which is close to 14 thousand liters per day.

usage through various measures, such as fuel consumption, regular car maintenance, choice of fuel-efficient vehicles, and replacement of conventional automobiles with hybrid ones, among others.

**WATER
CONSUMPTION**
(Thousand m³)



4. Solid Waste Management and Recycling

We have implemented waste management practices, aiming to increase the opportunities for recycling and safe disposal of the solid waste generated in our offices in line with the commitment, included in our Operational Impact Strategy, to promote circular economic practices.

While our operations do not generate an excessive quantity of solid waste, used office paper is the most significant source of waste (by volume) produced in our offices. Therefore, we have established a mechanism for proper collection, safe destruction and subsequent recycling of the hard-copy documents generated in our operations that are no longer needed for business purposes. This also includes the archived documents for which the applicable regulatory retention period had expired. In 2024 we handed over 160 tons of waste office paper to a contractor for safe destruction and subsequent recycling.

We also partner with licensed contractors for safe disposal and recycling of our decommissioned electric and electronic equipment.

INTERNAL AWARENESS AND ENGAGEMENT ON CLIMATE AND ESG ISSUES

A key element of our Operational Impact Strategy is our commitment to boost the ESG capacity of our employees. In line with this commitment, in 2024 we undertook various initiatives to build the knowledge and increase the relevant skills of our employees in the areas of climate change, environmental protection, sustainable development, opportunities and risks, related to the transition to low-carbon economy and other ESG issues.

We offered training solutions tailored to the specific needs of different categories of staff across the three lines of defense, including key management. More than 3,400 employees took the internally developed ESG Fundamentals course through the Bank's online learning platform. More than 100 staff from our corporate and small business lending units took the online certification course Sustainability Training and E-Learning Program (STEP) developed by the International Finance Corporation. The members of the Management and the Supervisory Boards received training on the requirements of the Corporate Sustainability Reporting Directive.

We launched a regular internal ESG bulletin issued by the ESG Department and available to all staff. It directs our employees' attention to the UN sustainable development goals, climate, environmental and social issues and puts these global sustainability topics in the context of our everyday activities through practical tips on how to integrate environmental and social considerations into our work and personal lives. We also try to engage employees through surveys and quizzes on environmental and social matters.

In 2025, we will continue our focused efforts to:

- Expand our comprehensive employee upskilling program which covers sustainability, ESG factors, as well as climate and environmental risk topics.
- Explore new opportunities to design and implement effective measures to further reduce the impact of our own operations in line with the commitments and targets in our Operational Impact Strategy.

FINES, SANCTIONS OR CASES BROUGHT THROUGH DISPUTE RESOLUTION MECHANISMS

During the reporting period, the Bank has not been subject to any fines, penalties or litigation with respect to issues related to environmental management.

MISSION, VISION AND VALUES

OUR MISSION

We are a dynamically developing bank and we support the ideas and dreams of our employees, customers and partners at every stage of their lives. We value trust, quality and effectiveness. We share the good example and support creative ideas. We respect the fair and responsible attitude, personal contribution and team spirit. We take care of people, society and the environment, and create a new financial world that combines the best of traditional and digital banking. Together we find the successful individual solutions for your tomorrow.

OUR VISION

To be the fastest growing, most preferred and reliable financial institution that makes traditional banking modern and fully accessible.

OUR VALUES

Да бъдем най-бързо развиващата се, най-предпочитаната и сигурна финансова институция, която прави традиционното банкиране модерно и напълно достъпно.

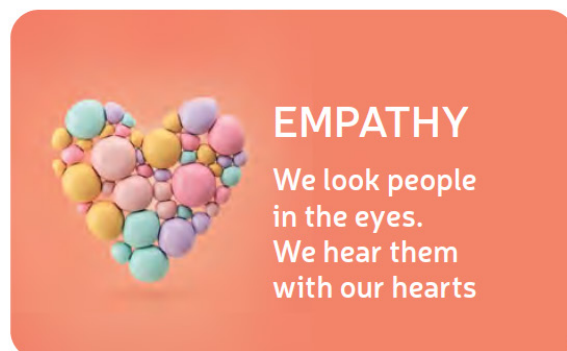
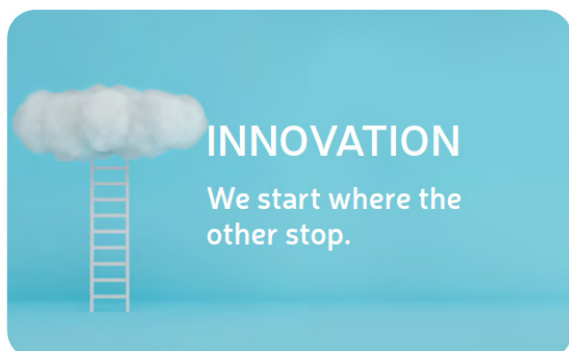
OPEN AND TRANSPARENT RELATIONS

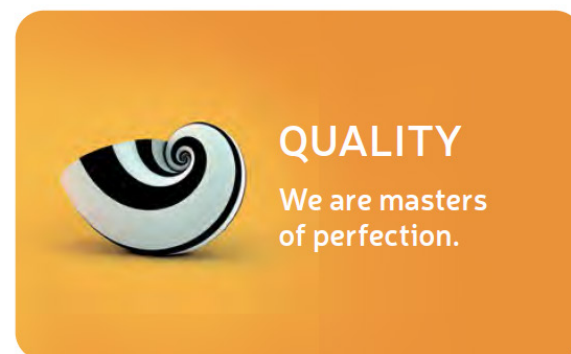
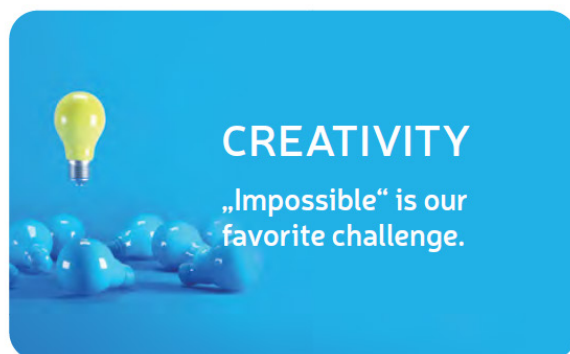
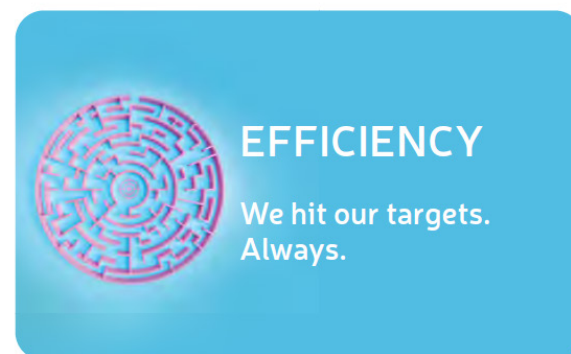
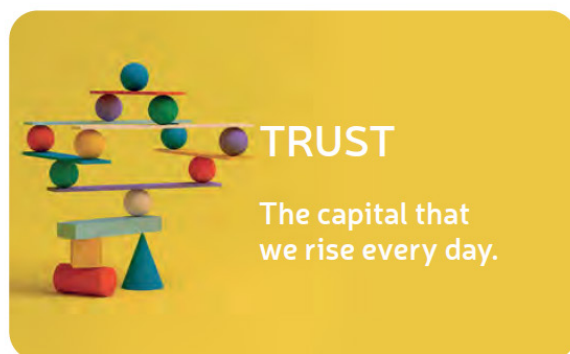
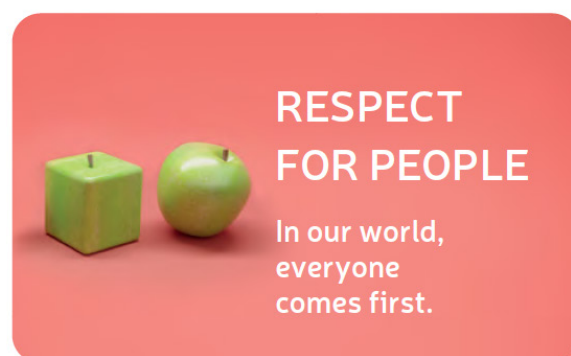
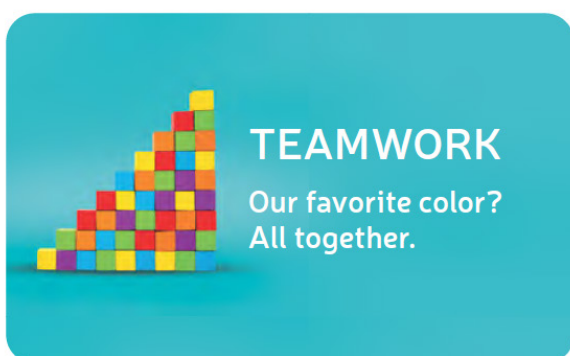
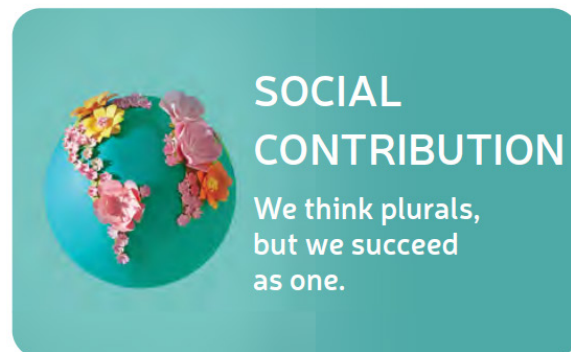
Some of Postbank's main priorities are to continue improving its sustainable development and corporate social responsibility policies, taking into account the expectations of the people and organizations it works with. To achieve this objective, the Bank has set up channels for a dialogue with its stakeholders in order to facilitate the transparent and continuous communication with all interested parties. Thus, Postbank's partners and clients can always rely on a communication channel, which ensures that their opinion reaches the Bank.

The stakeholders can use the following channels to exchange information with Postbank:

Clients

- One of the largest branch networks across the country;
- Specialized business centres – Small Business Banking, Mortgage Lending and Premium





banking;

- Business centres servicing medium and large corporate customers;
- Modern digital channels for servicing and communication with customers;
- Client Relations department;
- 24/7 Customer Service Centre available on phone number: 0700 18 555 and short code: *7224;
- Webpage: www.postbank.bg;
- Press Office's webpage: <http://mediacenter.postbank.bg/>;
- Postbank's profiles on social media such as Facebook, LinkedIn, Google+, YouTube;
- Head office on 260 Okolovrasten Pat Str, 1766 Sofia;
- Meetings with the Bank's representatives.

Shareholders and investors

- General Meeting of Shareholders;
- Scheduled meetings;
- A notification system for regulated information;
- Press Office's webpage: <http://mediacenter.postbank.bg/>.

Personnel

- Human Resources Division;
- Regular meetings;
- Annual meeting of the Bank;
- Annual performance attestation;
- Internal project aimed at encouraging green practices – Green Together with Postbank;
- Notifications to the personnel;
- Intranet (Help Desk);
- Weekly electronic news bulletin;
- Contribution to sustainable development;
- Internal contest, called Ideino (Good Ideas), which is aimed at encouraging employees' ideas and proposals for improving their work

Suppliers

- Contacts with Contractors;
- Committees on supplier selection.

Community and environment

- Environmental Office;
- Social and environmental projects;
- Participation in forums, seminars, conferences and round-table meetings on these topics;
- Contacts with specialized bodies and institutions;
- Cooperation with social agencies;
- Media coverage of these topics.

ECONOMIC CONTRIBUTION

CONTRIBUTION TO ECONOMIC GROWTH

Postbank sees contributing to Bulgaria's economic development as a key priority in achieving sustainability. The extent of the Bank's corporate responsibility is determined by the scope of its operations and the proper and fair distribution of capital among its different stakeholders, while securing its stable economic position and investment opportunities, development of human capital and technological innovations.

In addition to the fair distribution of capital, Postbank strives to support the Bulgarian economy by adhering strictly to centralized procedures for managing procurements, ensuring the top quality of supplies, containing costs and promoting the best social practices. Postbank follows a unified policy of selection of suppliers, based on strategic synergies and mutually beneficial relations. The procedures for selection and evaluation of suppliers are regulated by complete transparency at all stages and by objective criteria such as good prices, regular deliveries and successful cooperation in the past. Moreover, in the selection of suppliers, the Bank aims at ensuring complete respect of human rights in those companies, as well as consistent application of environmentally friendly practices aimed at constant reduction of energy consumption.

Recognizing the need for support to local economies, in 2021 Postbank preferred to work with local suppliers in selected categories of goods and services. The Bank works with a large network of local partners, accounting for around 90% of all its suppliers.



DIRECT ECONOMIC VALUE CREATED

SOCIAL PRODUCT

| The contribution of the Bank to the "Social product" | PUBLISHED RESULTS 2024 | | PUBLISHED RESULTS 2023 | |
|--|---------------------------|--------------|---------------------------|--------------|
| | BGN Mio | EUR Mio | BGN Mio | EUR Mio |
| Turnover | 1172,3 | 599,4 | 945,4 | 483,4 |
| Interest Expense and Fees & Commissions expense | (220,4) | (112,7) | (148,2) | (75,8) |
| VAT on Added Value of the Bank | (10,0) | (5,1) | (2,1) | (1,1) |
| Impairment losses | (97,1) | (49,6) | (100,8) | (51,5) |
| Social Product | 844,8 | 432,0 | 694,3 | 355,0 |

The "Social product" and its Distribution

| | | | | |
|---|--------------|--------------|--------------|--------------|
| I. Personnel | 165,5 | 84,6 | 141,9 | 72,6 |
| Gross Pay | 185,5 | 94,9 | 158,8 | 81,2 |
| Employer contribution to social security institutions | 8,2 | 4,2 | 7,0 | 3,6 |
| Medical, Retirement and other benefits | 2,2 | 1,1 | 1,9 | 0,9 |
| Contribution to Social Security Institutions (Employer and Employees) | (44,7) | (22,8) | (38,0) | (19,4) |
| Employees tax | 14,2 | 7,2 | 12,3 | 6,3 |
| II. Suppliers of Goods & Services | 130,2 | 66,6 | 160,4 | 82,0 |
| III. Donations and sponsorships | 0,2 | 0,1 | 0,5 | 0,2 |
| IV. State | 136,8 | 69,9 | 83,4 | 42,7 |
| Income Tax and various taxes | 71,3 | 36,5 | 34,8 | 17,8 |
| Value added taxes | 10,0 | 5,1 | 2,1 | 1,1 |
| Deposit Guarantee and Investors compensation schemes | 24,9 | 12,7 | 20,8 | 10,6 |
| Contribution to Social Security Institutions (Employer and Employees) | 44,7 | 22,8 | 38,0 | 19,4 |
| Employees tax | (14,2) | (7,2) | (12,3) | (6,3) |
| V. Company | 412,2 | 210,8 | 308,1 | 157,5 |
| Retained Earnings / Reserve | 412,2 | 210,8 | 308,1 | 157,5 |
| Social Product | 844,8 | 432,0 | 694,3 | 355,0 |

RESPONSIBLE CONDUCT AND PRODUCT LIABILITY

The Bank carefully ensures that its structure and processes meet both the external and internal requirements for responsible, accountable and sustainable activities.

Compliance with regulations and laws, as well as transparent reporting to the shareholders and other involved parties form the core of the Bank's responsibility.

COMPLIANCE WITH REGULATORY REQUIREMENTS

PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

The Bank is committed to the prevention of money laundering and the fight against terrorist financing. The AML/CFT policy is in line with the relevant legislation and applicable Group policy and incorporates the requirements of the EU AML Directives, the respective AML regulations and the Financial Action Task Force (FATF) recommendations.

In this respect, the Bank has developed and implemented a compliance programme, which utilizes a riskbased approach to the management of the Bank' money laundering risk and includes Customer Due Diligence, enhanced due diligence for high-risk clients, monitoring systems and processes, policies and procedures to combat tax evasion, etc.

FRAUD AND CORRUPTION PREVENTION

Eurobank Bulgaria AD has adopted a policy of zero tolerance against bribery. The internal policies and procedures in place aim to establish a robust internal system and controlling environment that minimize corruption risk and to set out a clear approach to action in certain risky situations.

The Bank's anti-bribery instruction expressly prohibits the direct or indirect participation in any corruptionrelated activities. The prohibition applies to all employees and persons acting in the name and on behalf of the Bank. It is the duty of all employees to be vigilant and to report any cases or attempts of such deeds, as well as suspicions of such.

CODE OF CONDUCT

The Code of Conduct and Ethics sets the standards and provides the framework for the principles, rules, conduct and decisions that the Bank's employees ought to follow during their professional engagement.

The Code is complemented by specific policies and internal rules that serve as a further point of reference and are related to the management of conflicts of interest, anti-bribery and corruption, reporting of unethical conduct, external engagements, prevention and detection of market abuse, etc. The Bank provides regular training and raises awareness in order to prevent behaviour that aim or lead to any misconduct.

AUDITS BY REGULATORS

The Bank's responsible conduct is also guaranteed to the maximum by the fact that it is subject to audits by a number of state authorities.

DEVELOPMENT OF THE HUMAN CAPITAL

HUMAN RESOURCES

Any organization's achievements could not be discussed apart from the role of its human capital. Postbank Management shares the conviction that taking care of employees, their development and motivation is essential for the organization, for the achievement of both its short-term and strategic goals.

Dynamic environment and intense competition on the banking market impose ambitious and multidimensional requirements on the human resources function. They are related to the capability of human resources staff to identify and put appropriate people in relevant positions, to ensure effective training to quickly develop necessary professional skills, as well as to develop and motivate internal talents.

The Human Resources (HR) Division contributes to the Bank's success, by creating and sustaining an environment which encourages employees' achievements and efforts in raising their level of professional qualification.

During the year 2024, several projects were realized in the direction of digitalization and automation of different processes, aiming to optimize and increase the effectiveness of the whole HR team.

EMPLOYER BRANDING

In 2024, the Human Resources Division continued fulfilling the mission – to take care of the good reputation and image of the bank as a preferred employer internally by the employees as well as externally.

The main goal of the Division is to enhance organizational performance in the key areas of employees' engagement, recruitment, retention and talent acquisition, as well as to maintain a supportive and trustful working environment, resulting in motivated and committed employees and loyal and satisfied customers.

In the direction of an employer brand in 2024, were realized some key projects:

1. "TOP EMPLOYER" 2024 – Postbank for the second consecutive year was awarded by the international independent Top Employers Institute, which certifies the best places to work in the world because of a 6-month certification process and based on in-depth monitoring and reported high standards in the company in the field of human resources.

2. FINANCIAL AND DIGITAL LITERACY – are a strategic focus of the entire bank, respectively of Human Resources management and a leading emphasis on the presentation of the company as an employer through personal commitment of employees and through partnerships - with schools, universities, non-governmental organizations and institutions.

3. NETINFO PROJECT FOR LEADING EMPLOYERS – Postbank was the first company in the new Netinfo project, which presents leading employers in a special section on the Nova.bg website. Within the framework of an employer branding campaign in Q3 and Q4 2024, we realized a series of articles, participated in a podcast and shot three video clips with a focus on successfully developed young talents in the bank, financial literacy and the synergy between technology and people in Postbank.

4. AWARDS – Postbank is the only winner in the country to win 4 gold awards in the international Employer Brand Stars 2024 competition in the categories – “Diversity, Equity, Inclusion”, “Use of Digital”, “Internship Program” and “Candidate Experience”. Postbank was also honored in the leading awards for top employers in our country – Career Show Awards 2024 with a total of 7 awards in the categories “Best Employer” in the sectors “Banking” and “Finance”, “Integration of new technologies”, “Innovations in employee training”, “Internship Program”, “Innovations in recruitment” and “Use of technologies in HR”. During the prestigious Forbes HR & Employer Branding Awards, Postbank received the grand prize in the categories “Employee Onboarding” and “Technological HR Innovation”.

RECRUITMENT

The successful recruitment process is highly important for having qualified and motivated human capital. Therefore, as it has been so far, this process complies with high professional standards of accuracy, transparency and objectivity. The flexible recruitment strategy has become our top priority.

In 2024, we continued to actively apply innovative selection methods, including the specially created channel on the Instagram social network - PostbankSuperstarter. It allows quick and easy application for an internship at the bank with just 3 photos or a story.

Job and internship application with video business card – a new functionality/selection tool was integrated into the career site.

AI асистенти: Story Builder, CV Assistant, Interview Trainer – we integrated the three innovative Artificial Intelligence technologies that build on Postbank’s gamified career site and our overall talent attraction and development strategy. The three AI assistants support talents in their professional path by developing their competencies at different stages of the job and internship application process, providing them with personalized feedback, alternative approaches in case of lack of experience, and enabling them to improve their overall presentation to employers.

AI assistants were the focus of the Internship Program, which involved over 267 young people, with 13% of the interns being reassigned.

The automated recruitment platform integrated into the career site in 2024 significantly optimizes the entire selection process.

Providing an inspiring personalized digital experience to applicants was solidified and developed as the main task of the HR team. Digital recruitment provides a few advantages, main of which is the speed with which contact is made with applicants and meetings are organized.

The recruitment process in 2024 also included several participations (both in person and online) in various career events and developing career profiles of the bank in partnership with: Career Show. Kosher, Job Tiger (National career days), Junior Achievement Bulgaria – “Manager for a day”; To The Top – “Lunch with the boss” and the competition “Talent of the year”; nPloy, Dev.bg etc.

We presented career opportunities in the bank in leading universities in the country.

In 2024 the proactive approach to contacting suitable candidates using various social networks.

Since the requirements for appointment at different positions at the Bank are related to both high level of professional knowledge and proven moral and ethical values, the Bank aims at developing its employees – people with high potential. This is why more than 1/2 of the Bank’s openings (42.1 %) are taken by personnel coming from the so-called internal market, i.e. by promoted and reappointed employees. As a

result, 57.9% of 2024 openings were occupied by candidates outside the organization, i.e. attracted from the so-called external market.

Requirements for professional training remained high also for the candidates from the external market. In the changed environment of a competitive recruitment market in 2024, it makes an impression that 34.35% of the newly appointed employees had less than two years of professional experience.

PROFESSIONAL TRAINING

The opportunity for professional development and providing professional training to employees is focus of the bank and is one of the most powerful means to achieve its strategic goals. The high expectations of the management and the employees in this direction are met through the organization of training initiatives in many directions.

What has remained unchanged is the emphasis on connecting theoretical training with real practice.

We continued upgrading the content of our learning portal, where in an easy and convenient way our employees can learn more about the products through short explanatory animated video lessons in the digital guide of the product universe of a successful banker iKnow, as well as to find out more about the opportunities for trainings and development in the bank, and more information about the knowledge and skills they will need for the different positions and careers paths.

In addition to all this, we continued the active use of the Learning Management System, LMS platform

Data for 2024 shows a total of 61 823 training completed on the platform.

We continued to support people's professional and personal development and provided an opportunity for all our employees to enroll in e-learning and attendance training and to develop their skills

During 2024, along with the various social and management skills that support the successful implementation of tasks in everyday work in two areas: Development of personal effectiveness and Development of management skills, we continued to have a focus on Measures against money laundering and Cybersecurity.

We continued to invest in our employees by giving each new employee at Postbank the opportunity to go through the training developed by ICA (International Compliance Association) related to anti-money laundering measures, the successful completion of which guarantees each employee extremely valuable and important expertise, as well as an internationally recognized certificate.

In 2024, we maintained the trend of increasing the number of hours in e-learning, which exceeded 270 000, with the total number of man-hours for 2023 increasing by over 16% to reach 399 065 hours.

We launched various new initiatives – online webinars, newsletter, thematic meetings with employees we upgraded our library and continued our partnership with one of the leading platforms for e-learning and micro-learning.

INDUCTION PROGRAMS

Induction programs continued being in the focus of the Training and Development Department as an essential tool which ensures continuity and high quality of business processes. They are subject to periodic review, change and upgrade, tailored to the needs of the staff.

The onboarding process included training through the VR and AR applications, that give the opportunity for a personalized gamified experience, through which the new bank employees get to know useful and interesting information about the bank as an employer.

In support of the business, as well as in connection with the bank's goal for employee retention, we have updated the training program for newly recruited employees in the Branch Network – a pilot for the mass positions "Postbank Compass". In addition, we have expanded the program with a program for women returning from maternity leave to support a smoother and more seamless entry into the work process.

FEEDBACK

The feedback from different levels is of particular importance to the entire HR team, and that's why at every stage of candidates' and employees' experiences, we seek their opinions. With the new technologies, this process becomes increasingly efficient since all forms of feedback are electronic. This allows for easier monitoring of the effectiveness of the selection, training, and employee development processes, as well as a quick assessment of the pros and cons of the respective training programs, with continuous efforts to improve based on this feedback.

Aiming to constantly improve the employee experience, in 2024 department "Strategic HR projects and digitalization" continued and built on its work with focus on the initiative Employee Journey Mapping – a process of proactively collecting feedback through the entire Employee Life Cycle.

The results are analyzed and used for identifying areas for improvements with the aim of offering POSITIVE EMPLOYEE EXPERIENCE.

MEASURING THE PROFESSIONAL PREPARATION

In 2024 the practice for regular and standardized measurement of employees' professional preparation in terms of systems, products and actual campaigns continued, by conducting regular quarterly trials for Branch Network employees. The tests have been organized online, and the results are received immediately. They were used to identify areas in need of knowledge improvement.

LONG-TERM QUALIFICATIONS

The Bank continued providing its high-flyers with opportunities to enroll in internationally recognized qualification and certification programs such as ACCA, CFA, CIA, CISA, CIMA, as well as to gain a degree in Bulgaria.

In addition, we have added Project Management Professional and Professional Coaching Qualification to the list of qualifications.

PERFORMANCE MANAGEMENT

The Bank's commitment to employees' personal and professional development is one of its major values. In this respect, every year each employee's personal performance is evaluated by the annual performance appraisal process, which supports their further purposeful skill development.

In 2023 we continued to work on the improvement of the PERFORMANCE MANAGEMENT PROCESS – WE GROW, which guarantees TRANSPARENCY for all employees, OBJECTIVITY through the same

evaluation parameters, focus on DEVELOPMENT using digital applications.

The Performance management procedures help to increase the efficiency and effectiveness of the whole process. The system enables employees to focus on the areas of business that are most suitable for the development of their potential, while motivating them to achieve their professional goals.

STAFF DEVELOPMENT

We launched new and we continued holding various development programs:

1. **Leadership Development Program** - long term focused on updating and upskilling the Middle management. In 2024 we continued upskilling our colleagues in level 3.
2. **MBA Essentials Programme** is a program focused on development of the key employees in managerial positions. The included topics in the Modules develop key knowledge and practical skills in more than one business field.
3. **NEXT Development Program** enables employees to develop their talents, build their knowledge and skills, and accelerate their growth as leaders.
4. Targeted employee development programs and academies in the Branch Network.
5. The first sign language academy for bankers in Bulgaria - "Beyond Sound" in support of the deaf community in our country.
6. **Women UNLOCK POTENTIAL of Women** – a new mentoring program entirely for women.

STAFF ENGAGEMENT AND RECOGNITION

Creating a more empathetic culture, an individualized approach, and personal and team recognition for employees is the path the bank is following to ensure better care for its people, to build stronger teams, and to promote high engagement.

Key employees were engaged in strategically important processes and projects for the Bank to show recognition and focus on the importance of individual professionals and the entire team of the Bank.

PB Stars – we launched a new employee recognition program that showcases the faces of the people behind the success. The program covers different areas, which are measured every three months, and each colleague can vote in different categories.

Grand sport day (Spartakiada) - a spectacular sports day gathered employees and interns from Postbank at the National Sports Academy, where they had fun with a variety of sports. The outstanding teams and players from individual sports received awards.

Large number of the employees were engaged with training and development programs for themselves, as well as engaged as trainers, lecturers and mentors in different initiatives and partnerships.

We showed personal and team recognition internally and externally to employees who showed commitment and dedication in participating in various projects and initiatives.

Huge interest and high level of commitment we achieved throughout the new HR initiatives in 2024.

TALENT ACQUISITION AND COLLABORATION WITH UNIVERSITIES

As part of the purposeful development of an active and fruitful partnership between business and education and in support of the Bank's socially responsible policy in the field of education, we upgraded the bank's cooperation with various partner organizations and educational institutions

Strategic partnerships:

1. **INSEAD** (one of the leading business schools in the world) Long-term.
 2. **American University in Bulgaria** – Postbank continued the strategic partnership as a founding member in the Corporate Advisory Board of the AUBG. Various initiatives, events, and opportunities for students, alumni, AUBG and Postbank employees; 2 Scholarships for students.
 3. **University of National and World Economy (UNWE)** – in 2024, we launched a large-scale strategic partnership with UNWE, which includes various initiatives and a Postbank week was held.
 4. **Sofia University "St. Kliment Ohridski"** – we continued our strategic partnership as the sole bank participating in the academic program with two modules created by our experts for the master's program in "Finance and Banking." The modern disciplines "Bank Management" and "Investment Banking" were part of the mandatory curriculum for the academic years 2023/2024 and 2024/2025, with the training conducted entirely by our experts.
 5. **SoftUni** – we continue the strategic partnership launched in 2018 aimed at linking education with IT and digital business in Bulgaria. We have upgraded the partnership as Postbank has become the exclusive partner of the new educational brand SoftUni AI with a focus on artificial intelligence and innovation.
 6. **MENTOR THE YOUNG** – we realized another general partnership. Our colleagues joined as mentors in the program, presenting themselves as business leaders and experts, and they motivated and supported the personal and professional growth of their mentees throughout the entire Season 3 of the program. We also organized a business simulation that challenged the program participants.
 7. **National Trade and Banks High School and Private Professional High School for Banking, Commerce, and Finance** - over the course of three months, in a series of lectures, leading professionals from the company provided practical training to high school students in grades 10th, 11th, and 12th in the details of banking and presented them with real examples from the everyday life of a banker.
 8. **Professional High School of Computer Modeling and Computer Systems "Acad. Blagovest Sendov"** – we conducted an internship program for students in grades 10th and 11th, who, with the help of experts from the bank, immersed themselves in the world of finance, AI, VR, and innovation.
 9. **"Telerik School Academy"** – we launched a new partnership to support free access for teachers and students to modern digital learning.
- We supported two free digital science schools in Sofia and free access for schools throughout Bulgaria to the platform with ready-made educational programs Buki.bg.
10. **JA Bulgaria (Junior Achievement Bulgaria)** – we launched a key partnership to increase financial literacy among young people in the country with a series of initiatives through the "Personal Finance" and "Practical Finance" programs.

11. "PMI Bulgaria Chapter" – including various forms of positioning.

COMPENSATION AND SOCIAL BENEFITS

Postbank is aware of the social impact of its position as a major employer and is determined to provide its staff with various benefits. In this context, the Bank has implemented and strives to extend a consistent policy of providing additional benefits to its workforce and of applying strict health and safety standards at the workplace. The Bank provides various forms of support for ad hoc cases. All employees of the Bank have additional health insurance in a private fund, the price of which is fully covered by the employer. The additional insurance covers also the cost of medical treatment if necessary. Employees can also conclude agreements for additional insurance of family members at preferential terms if they wish so.

The Bank provides its staff with additional life insurance, covering the expenses upon occurrence of an insurance event. Moreover, the opportunity to use the Bank's products and services at preferential terms is a significant benefit for Postbank's employees. These include home and consumer loans, credit cards, overdrafts, online banking. Staff members pay no fees for most banking operations such as cash transfers, withdrawals, etc.

The Additional voluntary pension insurance at the expense of the employer is a benefit that aims to motivate and encourage the loyalty of employees in the bank, as well as to show the concern of Eurobank Bulgaria AD, as an employer to employees and their future, providing them with better retirement opportunities.

It applies to all employees with continuous service in the bank for at least 5 years from the date of receipt.

In 2024, the benefits package was expanded.

HEALTH AND SAFETY AT WORK

The success and productivity of a business relieve the efficiency of its employees. This is why ensuring healthy and safe working environment for each employee is the basis for health management at the Bank. Postbank not only strictly adheres to all safety standards prescribed by the labor legislation but also undertakes additional actions to protect its employees' health for reasons of moral character and out of the conviction of the Bank's Management that the establishment of healthy and safe environment leads to better motivation of the staff and better competitiveness.

Postbank works in close cooperation with a labor medicine service to ensure the safety and health of its staff during work. A joint assessment is made of the risks for the staff's health and safety, including assessment upon changes of labor conditions at the workplace and upon introduction of new technologies. All Postbank's employees are represented on the Health and Safety Committee centralized committee covering all Bulgarian entities, part of the Bank. The Committee is based in Sofia and is responsible for the Bank's head office and branches.

SUSTAINABLE DEVELOPMENT AND ESG

In addition to its core business activities, Postbank continued to focus on the needs of the local community by supporting programs and initiatives in collaboration with established institutions and organizations. The bank strives to instill a responsible attitude among its employees, customers, and the public. Its goal is to create competitive advantages by incorporating ever-increasing added value into the products it offers, but in the same time to reduce its negative impact on the environment by

taking every opportunity to contribute to the preservation of nature.

In 2024, the Bank implemented a number of socially significant projects and initiatives in the areas of entrepreneurship, education, and the enhancement of financial literacy in our country, as well as in environmental protection, sports, and corporate philanthropy. Postbank is an active member and supports initiatives by KRIB, AmCham, NVSv, BBBA, ABB, Borika AD, the Endeavor Bulgaria Association, the Bulgarian Forum of Business Leaders, the Bulgarian Philanthropy Forum, the Atanas Burov Foundation, the Bulgarian Network of the UN Global Compact, the Bulgarian Association of Advertisers, and the Bulgarian Fintech Association.

In September 2024, Postbank and JA Bulgaria (Junior Achievement Bulgaria), a leading organization in delivering innovative and modern education, launched a large-scale strategic partnership aimed at improving financial literacy among young people in Bulgaria. The collaboration was implemented through JA Bulgaria's "Personal Finance" and "Practical Finance" programs, which aim to equip students with essential financial knowledge and skills to help them make informed decisions in both their personal and professional lives, and to manage their finances more effectively.

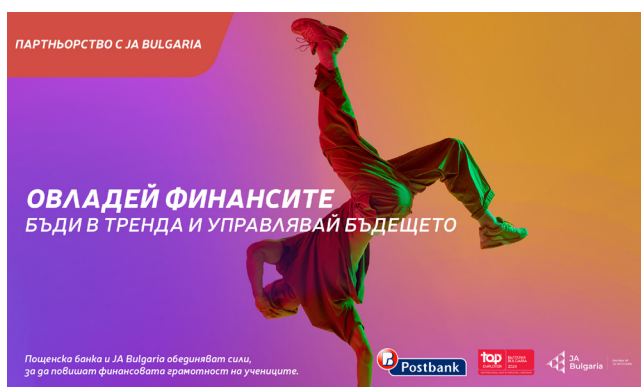
Postbank and Finance Academy continue their successful partnership to enhance financial and digital literacy in Bulgaria and to create a more sustainable future based on shared values. The strategic partnership between Postbank and Finance Academy began in 2021 with an educational project designed to provide valuable, practice-oriented knowledge to improve financial literacy in our country. Experienced and proven experts from the bank contribute to the development of educational materials and lectures in their areas of expertise, ensuring that the training is truly practice-oriented and based on real data and actual market conditions.

In October 2024, Postbank announced the start of a new strategic partnership with "School Telerik Academy." Through this collaboration, the Bank will support the organization of two free digital sciences schools in Sofia for students in grades 8 through 12. The Bank will also help provide free access during 2024–2025 academic year for schools across Bulgaria to the platform with ready-made educational programs, Buku.bg. This partnership is part of Postbank's commitment to investing in quality education and promoting the development of digital literacy among Bulgarian students. Buku.bg offers Bulgarian schools fully developed educational programs focusing on digital literacy, green technologies, programming, and key skills for students' success. The platform provides schools with all the necessary materials and methodological guidelines to meet the needs and interests of today's students. These programs can be integrated as a supplement to the general curriculum, whether as elective subjects or extracurricular activities based on students' interests.

Sharing a vision for the development of artificial intelligence and the promotion of digital skills in Bulgaria, Postbank is also an exclusive partner of SoftUni's newest educational brand – SoftUni AI. Created with a focus on the practical applications of artificial intelligence (AI), the program's mission

is to help more people acquire new skills and improve their qualifications by taking advantage of the opportunities offered by AI tools. Through its collaboration with SoftUni AI, Postbank not only plans to support education in this field but also to strengthen the connection between business and education.

SoftUni AI was developed in response to the increasing impact of artificial intelligence in both the professional and personal lives of people, driven by the need for a modern, practice-oriented



educational platform. The courses offered through SoftUni AI provide everyone with the opportunity to boost their productivity and efficiency, with the curriculum designed so that participants can acquire competitive skills and keep pace with rapid changes, regardless of their prior training or current field. Thanks to interactive lessons, practical tasks, and support from leading experts, the program is designed to help learners position themselves as key players in the technological transformation of society. Upon completing the SoftUni AI program, participants will have mastered the latest AI tools and received training from practitioner-lecturers with proven expertise. In addition to access to mentors and a community for sharing practices and ideas during the course, they will receive certificates upon graduation issued by SoftUni, as well as state-recognized “Certificates of Professional Training” and accreditations valid throughout the European Union.

Quality education and the direct connection between schools, universities, and business is a top priority in Postbank’s corporate social responsibility. That is why the financial institution participates in numerous initiatives focused on developing young people and invests in nurturing young talent in the labor market.



During the SoftUniada 2024 competition, in a fiercely contested race, 19-year-old student Miroslav Balev secured first place in the “Web Projects” category (senior age) and won Postbank’s award during the contest. He demonstrated knowledge, skills, and talent that impressed the jury by convincingly presenting his project “Caps for the Future,” earning him well-deserved recognition. SoftUniada, now organized for the ninth consecutive year, provides hundreds of young people like Miroslav with the opportunity to showcase their

programming potential. This year, the competition gathered over 200 students who competed in the “Web Projects,” “Software Projects,” and “Competitive Programming” categories.

IT specialists from Postbank once again participated in the online career seminar “IT Journey,” where they presented attractive job and career development opportunities at the company to young students from the Software University. The financial institution, which possesses strong international know-how, has over 3,500 employees and more than 200 offices nationwide, and offers innovative products and services to its clients thanks to the modern technological solutions it continuously implements. This is why the bank provides attractive internship and professional development opportunities for young IT specialists—a fact that was evident during the event. Postbank is a preferred top employer among young software specialists who are just beginning their professional careers.

In 2024, the financial institution—traditionally a leading partner for local businesses—supported, for the sixth consecutive year, the unique growth program Dare to Scale, the first of its kind in Bulgaria, which is aimed at businesses with the potential for large-scale expansion. During the final event of Dare2Scale – Demo Day, the main award of the evening—the “Jury Award”—was presented, along with two additional awards recognizing the overall performance of the participants in the program. The selected entrepreneurs underwent training and interactive sessions led by successful practitioners and leaders



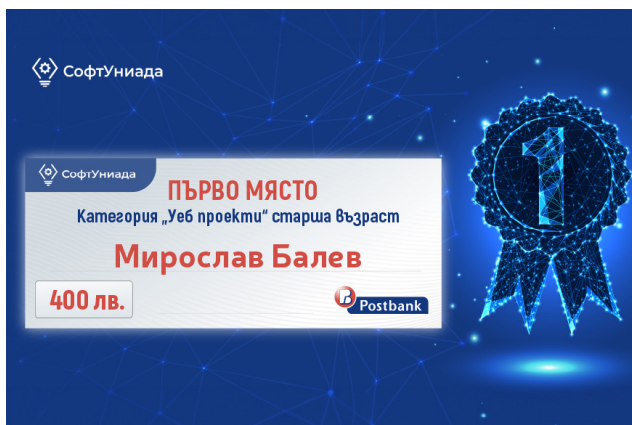


from the Endeavor network, with Postbank's experts also serving as mentors. By participating in Dare to Scale, Postbank actively contributes to the development of both promising scale-up companies and the broader business environment in our country.

For the tenth consecutive year, Postbank was a key partner in the "Big Smalls" contest for successful small business of the year, organized by "24 Hours." In this contest, every year small and innovative Bulgarian companies present their ideas, which they have successfully developed into a product or service in the market. Boyan Slavchev, Deputy Director of the Small Business Banking division at the financial institution, presented the award in the "Sustainable Development" category to the company "Deshka" EOOD. He congratulated the winner and noted that through its activities and products, the company celebrates not only the lifestyle and traditions of the Razlog region but also our country.

In Sofia, the 25th-anniversary fair of the educational companies of the National Trade and Banking High

School was held. The educational bank Postbank Next, created by 11th-grade students at NTBG under the mentorship of Postbank, won the annual educational companies fair at the school, competing against 20 educational banks and a total of 64 educational companies. The team of the educational commercial bank Postbank NEXT presented a wide range of banking products and services, including retail banking, corporate banking, and various card products with innovative design. Combined with their own website, these achievements rightfully earned them the trophy as the big winners of this year's contest. The support for Postbank Next is part of Postbank's sustainable strategy to build a close connection between business and education and forms an integral component of the institution's corporate social responsibility. For yet another year, highly qualified experts from Postbank have served as mentors to the students—part of the financial institution's large-scale initiative in support of the



education of students from the National Trade and Banking High School and the Private Vocational High School in Banking, Trade, and Finance.



Four second-grade classes from the 39th High School "Petar Dinekov" in Sofia, along with their

teachers, attentively followed the open lesson delivered by Postbank's experts as part of the international initiative "European Money Week." This event is part of the financial institution's sustainable corporate social responsibility policy with a focus on education and the development of young people, and its main goal is to introduce students to the basics of personal finance and help increase their financial literacy from an early age. Using attractive video materials, an interactive approach, interesting examples, and



intriguing facts, the bank's experts managed to tell the story of money in an engaging way and sparked numerous questions among the second graders, who were eager to share their knowledge and learn more.

Postbank is also a partner in the Bulgaria ON AIR project "The Future: Education," which is dedicated to the Bulgarian educational system, career development opportunities, business strategies

for attracting talent from universities, and addressing the needs of the labor market, held in June.



Postbank is the general partner of the Mentor the Young initiative for another season. Nineteen mentors from the financial institution participated in season 6 of the program and shared their experiences. Postbank believes in the power of mentorship and in the exchange of experience between experts and young people, as this is fundamental to the growth of every professional.

Postbank and Sofia University collaborate in training future financial experts in the master's program of the Faculty of Economics "Finance and Banking." The modern courses "Banking Management" and "Investment Banking" are part of the mandatory curriculum for 2024-2025, and instruction in these subjects is delivered by experts from the bank for the third consecutive academic year.



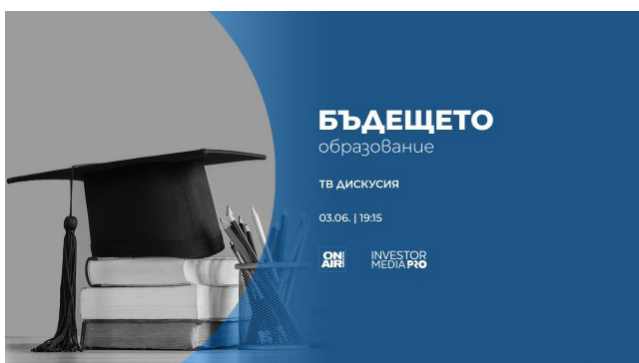
Postbank experts participated in key events at leading universities in our country – the graduation ceremony for master's students from the Faculty of Economics at Sofia University and the prestigious Youth Economic Forum at the University for National and World Economy (UNWE).

Postbank also visited NBU with an event focused on AI, financial, and digital literacy, during which students had the opportunity to learn more about innovative AI career development assistants—Story Builder, CV Assistant, and Interview Trainer. With their help, students can develop their skills, improve their performance before employers, and increase their chances of finding the job they desire.



In November and December 2024, Postbank participated for the ninth consecutive year in the socially responsible initiative “I Am Proud of My Parents’ Work,” organized by the Bulgarian Network of the UN Global Compact. Students from various grades visited the bank’s central building to learn more about their parents’ professions and work through specially designed educational programs.

For the ninth consecutive year, Postbank, as a member of the Association of Banks in Bulgaria (ABB), actively took part in the European campaign aimed at combating money laundering schemes and the use of “financial mules.”



In June 2024, once again, Postbank was a key partner in the charitable relay race, Postbank Business Run, organized annually by the sports club “Begach.” A total of 350 teams from 120 companies across various business sectors participated in the eleventh edition of this inter-company competition. This year’s sporting event was held on an entirely new venue, as the area in

front of the “Vasil Levski” National Stadium was transformed into a running arena for business. A record 1,400 participants and excellent timings set the stage for successful team building in the heart of Sofia. For the ninth consecutive year, over 100 children aged 4 to 16 also joined the runners in the Kids Run Business competition, conducted by certified coaches under the IAAF Kid’s Athletics program. In the well-established CEO Dash race among executive directors, six managers from different companies participated. The financial institution participated with a total of 20 teams and nearly 40 children of employees. The Postbank Business Run aims to draw people’s attention to a healthy lifestyle and to spark their desire to win through teamwork and cooperation for a noble cause.



In 2024, Postbank participated in the large-scale initiative “New Forest of Sofia – 2.” Over 1,300 new broadleaf seedlings of the “tser” tree (a representative of the oak family) were planted by more than 100 bank

volunteers on Lazarovden. The financial institution's team once again expressed its support, commitment, and responsibility toward this noble initiative, which aims to raise environmental awareness among the public and to support the development of the new gree.



For the third consecutive year, Postbank has participated in the project as part of its overall internal environmental protection program "Green Together with Postbank," in line with the company's long-standing sustainable policy, with a total of over 3,000 trees planted by the institution's volunteers during this period.

Postbank employees are also regular donors to the National Center for Transfusion Hematology and participate in blood donation drives organized and held at the Central Office.



The financial institution was the leading partner at the sixth edition of the "Neotapkana Pateka" festival, held in August in Gotse Delchev. The event was once again hosted in the Rhodope village of Kovachevitsa, which welcomed hundreds of guests from both within the country and abroad. As one of the leaders in the financial sector, setting trends and the direction of development, Postbank is a full participant in the processes shaping Bulgarian society and supports projects in key areas of public life such as education, culture, sports, and environmental care.

Throughout the year, the Bank continued its long-standing support and work with groups in disadvantaged social positions, encouraging their active role in society. Support was provided to underprivileged children in Kazanlak, elderly people in Ruse, and through the national campaign "Easter for Everyone" – "Give a Holiday to Grandma and Grandpa," as well as many other smaller initiatives.

AWARDS

- For the fourth consecutive year, Postbank won two prestigious international awards at the World Finance Digital Banking Awards, organized by the authoritative magazine World Finance. The awards were in the categories "Best Consumer Digital Banks, Bulgaria" and "Best Mobile Banking Apps, Bulgaria" for consumers in Bulgaria.



- Postbank was honored with the prestigious “Top Employer” distinction for 2024. The financial institution received the certificate from the international independent Top Employers Institute for the second consecutive year.
- Postbank won the gold award in the Excellence in Teamwork category at the b2b Media Employer Branding Award 2024.
- First place in the HR Excellence category at the b2b Media Employer Branding Award 2024 was awarded to Postbank in recognition of its innovative approach, which is based on various pioneering techniques and tools for attracting and managing talent.
- Gold award received in the Creative Thinking category at the b2b Media Employer Branding Award 2024, recognizing its internal campaign and multiple initiatives related to the unification of the teams of Postbank and PB Personal Finance.

- Postbank won first prize at the prestigious BAPRA Bright Awards 2024, organized by the Bulgarian Association of PR Agencies. The well-deserved distinction for the financial institution’s communications team was achieved in one of the most competitive categories, “Internal Communications.” An international jury awarded a prize for the innovative campaign titled “The Golden Team of Postbank,” which the bank’s team executed in successful cooperation with the agency Proximity Sofia, part of BBDO Group.



- Postbank was recognized for the overall interior design of its branch offices. The award was presented to the financial institution during the official ceremony of the annual “Designer of the Year”

competition, which honors the best projects in the fields of products, fashion, and architecture as evaluated by a professional jury of prominent Bulgarian companies and design figures.

- Postbank won the “Golden Heart” award for its comprehensive corporate social responsibility policy and the extensive CSR strategy it implements through numerous projects benefiting society.

- Postbank triumphed with three gold awards at the “Greenest Companies in Bulgaria” competition in the categories “Green Event,” “Green CSR Campaign,” and “Internal Green Communication Campaign.” In addition, for its sustainable green policy, the bank won an award in the “Green Investment” category, receiving the silver prize.



- Postbank was named the best custodian bank in Bulgaria by the prestigious international publication Global Custodian, which focuses on capital markets, asset management, and investment activities.
- Postbank won five awards at PR Prize 2024 – the oldest and most established competition for PR achievements in our country. The bank secured gold in the “B2B Communication Project” category, two silver awards in the “Corporate Communication Campaign” and “Internal Communications Project” categories, and bronze in the “Special Event” category. Additionally, the special KRIB award was presented to Postbank, cementing its undisputed victory in the competition.
- Postbank was honored with the “Deal of the Year” award at the annual “Company of the Year” awards, in recognition of its successful campaign for acquiring the Bulgarian branch of BNP Paribas Personal Finance.
- Postbank won 4 gold awards at the prestigious international Employer Brand Stars Awards 2024 in the categories “Diversity, Equity and Inclusion,” “Use of Digital Technologies,” “Internship Program,” and “Candidate Experience.”
- Postbank won the “Secret Client” award from the awards organized by the Association “Bank of the Year.”
- Postbank won the award for “Best Retail Bank in Bulgaria” (Best Retail Banks, Bulgaria) for the seventh consecutive year at the World Finance Banking Awards 2024. These prestigious awards are organized by the authoritative international publication World Finance, which monitors and analyzes the global financial industry, business, and economy.
- Two gold awards were presented to Postbank at the Annual b2b Media Awards in the categories “Business Deal of the Year” and “Investment for Sustainable Development.” The bank also won the silver prize in the “Green Transformation” category.
- Postbank achieved two first places at the prestigious Forbes HR & Employer Branding Awards, establishing itself as a leader not only in the banking market but also in talent management. The bank was the major winner in the categories “Employee Onboarding” and “Technological HR Innovation,” which further emphasize its innovative approach to its team and its commitment to creating the ideal workplace.
- Postbank received with three awards at the inaugural NEXT DiFi 2024 Financial Innovation Awards. The financial institution won the most coveted award in the “Most Innovative Bank” category. Its “Priority by Postbank” program was recognized with a gold award in the “Innovative Product/Service in the Financial Sector” category, while the “Innovative Partnership in Finance” category awarded silver for the partnership between Postbank and Grigor Dimitrov.
- Postbank was recognized with an award in the “Investments and Growth” category at the annual “Mr. and Mrs. Economy” awards 2024. The prize in this category was presented to Petia Dimitrova, CEO and Chairperson of the Management Board of the Bank, who is also the Chairperson of the Supervisory Board of the Association of Banks in Bulgaria.
- Postbank triumphed with three awards at the second edition of the Annual Leaders of Influence Awards 2024. The financial institution won two gold awards in the categories “Influencer in the Community” and “Leading by Innovation,” and it won silver in the “Influential Organization of the Year” category.
- Petia Dimitrova was honored with the “Banker of the Year” award 2024 during the thirty-first ceremony of the “Banker of the Year” awards hosted by the newspaper Banker. She received the award

for achieving record asset growth. The CEO and Chairperson of the Management Board of Postbank receives this prestigious distinction for the seventh time.

