ANNUAL DISCLOSURE
YEAR 2025
ON CONSOLIDATED BASIS

Pursuant to Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Part Eight - Disclosure by Institutions)

Contents

UNITED BULGARIAN BANK AD ("UBB" or the "Bank") is a joint stock company registered in Bulgaria in September 1992, through the merger of 22 commercial banks. In June 2017 KBC Bank NV ("KBC") acquired 99.91% of the Bank's capital. On 05.02.2018 the Commercial Register of the Registry Agency has officially entered the reorganization of CIBANK JSC through merger into UNITED BULGARIAN BANK AD, and in April 2023 the merger with the former Raiffeisenbank Bulgaria EAD (now wholly owned by KBC Bank NV) with UBB was registered.

KBC Bank N.V. holds 99.96 % of the shares in the capital of the bank (193,937,998 shares out of totally 194,008,837 shares in the capital of United Bulgarian Bank AD).

1. Scope and Consolidation Methods

This disclosure report has been prepared in thousands of BGN (Bulgarian leva) on a consolidated basis with data as of December 31, 2025, as per Article 70 par. 3 of the Law on Credit Institutions. UBB discloses information on semi-annual basis under part VIII, Title II of Regulation 575/2013.

1.1. Subsidiaries in the Consolidated Report

The subsidiaries and affiliated companies in the corporate structure of UBB as of December 2025 are the following:

Template EU LI3: Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
East Golf properties EOOD	*Full consolidation*	*X*					*Non-financial corporations*
UBB Centre Management EOOD	*Full consolidation*	*X*					*Non-financial corporations*
Druzhestvo za Kasovi uslugi AD	*Full consolidation*	*X*					*Other financial corporations*

On 31 December 2025 the Bank is the sole owner of UBB Centre Management EOOD and East Golf Properties EOOD. UBB also has its associated company named Druzhestvo za Kasovi Uslugi AD consolidated using the equity method.

Both companies East Golf Properties EOOD and UBB Centre Management EOOD are SPV (Special purpose vehicles) established by the bank for the real estate management.

1.2. Other qualitative information on the scope of application

The investments in the companies are not deducted from the own funds in compliance with Art. 48 and 89 of the Regulation 575/2013 and are included in the RWA at 100% and 250% where applicable.

As of 31.12.2025 no practical or legal impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries exist. There are no items to report under Art. 436 d) CRR.

2. Risk Management Policies and Rules

2.1. Disclosure of concise risk statement approved by the management body

The Capital Adequacy Statement (CAS) is a core element of UBB´s Internal Capital Adequacy Assessment Process (ICAAP) under the SSM's Supervisory Review and Evaluation Process (SREP). The CAS is defined as: 'A concise and meaningful statement, approved and signed by the management body, outlining the thinking of the management body on the institution´s capital adequacy'.

UBB Management Board's and Supervisory Board's assessment, which is made according to relevant guidelines and regulations, is based on careful review of the quality and outcome of the key building blocks supporting UBB's continuous ICAAP process. These considerations are summarized in this Capital Adequacy Statement, are further substantiated in the background materials of the ICAAP submission and reflect reporting to the MB and SB during 2025 and early 2026.

MB and SB conclude that UBB's capitalization is solid both from a regulatory (normative) as well as from a more comprehensive internal (economic) capital perspective. This statement is based on UBB's current and future risk profile, both in the base case and under adverse conditions, the quality of its risk management, control environment and governance.

2.2. Information on the risk governance structure

The Bank aims to adopt the best practices regarding risk governance, considering all relevant guidelines and regulatory requirements. The Bank's risk governance framework is organized at three levels:

- *Strategic* – Risk management is first and foremost the responsibility of the Management Board (MB). Management Board make all decisions regarding the risk management framework of the Bank, the risk limits and appetite and the risk management policies, assisted by the MB Local Risk Management Committee (LRMC). Supervisory Board (SB) approves and controls the proposed by Management Board risk management framework and risk appetite, assisted by the Risk and Compliance Committee (RCC).
- *Tactical* – UBB Senior Management has the responsibility to implement the Risk Management Framework and Risk Appetite, defined by the Management Board and approved by the Supervisory Board, across the organization.

  UBB Chief Risk Officer (CRO) translates the Vision, Mission and Strategy of the Group Risk to the UBB level and presents it to the Management Board for decision.

  The role of the CRO is to ensure that business entities operate within the defined risk appetite, as well as to help and enable business entities to fully and effectively incorporate a risk perspective in their decisions and to effect cultural change. The CRO's scope of the responsibilities covers all risk types and all businesses entities.

Risk Management Directorate supports the CRO and is responsible for the development, maintenance, reporting and general oversight of risk management, as well as the verification that the risks undertaken by the Bank in the course of its business activities remain within the limits approved by the MB/LRMC.

The CRO leads the LRMC and administratively reports to the Bank's CEO but at the same time is directly supervised by the Group Chief Risk Officer and is part of the Group Risk Management at KBC and whenever he considers necessary, has direct access to the Group Risk Management of KBC, as well as to Risk and Compliance committee (RCC) of the Supervisory Board and Audit Committee. The Risk Management Directorate is actively involved in senior management risk-related committees.

- *Operational* – it encompasses the different lines of Business and business units and refers to the management of risks at the point of their inception. The risk framework for this type of risks provides for the creation and maintenance of appropriate control systems, detailed in specific procedures and instructions.

The risk management model in UBB consists of three lines of defense:

1) The first line includes the business units that are responsible for the risk management of the risks inherent in their activities;

2) The second line of defense includes the regulatory defined control functions (risk function and compliance function) and also the tax, legal and finance function, as well as Data Quality Management:

- The risk function sets the standards for risk management via the UBB Risk Management Framework and creates oversight over the control environment and risk exposure;
- The compliance function manages compliance risk based on the Compliance Charter, the Integrity Policy and the Compliance Rules.

3) The third line of defense is the UBB Internal Audit, which gives reasonable assurance to the Supervisory Board that the overall internal control environment is effective, and that policies and processes are in place, effective, and consistently applied throughout UBB.

The risk function and compliance function, as part of the second line of defense, have been set up as an independent, group-wide functions with presence both at group and local entity level. The CRO of UBB is part of the management committees, to make sure the voice of Risk function and Compliance is heard and to ensure that the decision-making bodies are appropriately challenged on matters of risk management and are given expert advice. The CRO has a veto right which can be used in the different committees where material decisions are taken. The direct reporting line of the UBB CRO to the Group CRO further ensures its independence.

The roles and responsibilities of the risk function, the compliance function and the audit function within the three lines of defence are further detailed in the UBB Risk Governance Charter, Compliance Charter of UBB and Internal UBB Audit Charter of United Bulgarian Bank.

2.3. Declaration approved by the management body on the adequacy of the risk management arrangements

The Supervisory Board (SB) of UBB is required by regulation to set up, approve and oversee the implementation of an adequate and effective internal governance and internal control framework that includes a clear organizational structure and well-functioning independent internal risk management, compliance and audit functions that have sufficient authority, stature and resources to perform their responsibilities.

For this purpose, the RCC (under delegated authority of the SB) on annual basis needs to assess the risk function to verify whether risk governance, risk management and resources remain adequate for and commensurate with UBB's risk profile, business model, nature, size and complexity and whether UBB continues to be compliant with the applicable requirements regarding sound internal governance arrangements.

The following opinion on the adequacy of the risk function is proposed to the RCC:

The risk function:

- is functioning independently, adequately and effectively;
- has sufficient capacity to perform sound risk management;
- has a sufficient mix of experience and maturity.

The Internal Control Statement 2025 confirmed that the integrated and risk-type specific frameworks are overall well implemented in UBB.

2.4. Disclose information on the main features of risk disclosure and measurement systems

UBB publishes Disclosures on semi-annual basis.

2.5. Strategies and processes to manage risks

Risk Management Directorate manages and coordinates the overall process on the implementation of the Basel Accord standards at UBB, in full coordination with the respective program at KBC Group level. All strategies, policies and procedures for management and analysis of the main risk types, including that of capital adequacy, have been reconciled with KBC Group. The Bank has successfully implemented Basel IV regulatory requirements. .

Risk Management policies handle the identification and analysis of risks which the Bank undertakes and determine appropriate limits and control procedures. The policies and the procedures are regularly reviewed in order to incorporate the latest changes in the regulatory frameworks, market conditions and the products and services offered by the bank.

Risk measurement and assessment is performed through utilization of methods based on the best banking practices; the accepted methodologies and procedures are regularly reviewed and updated from the involved units/bodies.
There is ongoing and effective monitoring of the risks undertaken by the Bank. Risk Management Directorate informs the Executive Management for these risks through regular and ad hoc reports to the Local Risk Management Committee (LRMC) and other relevant committees.

The Internal Audit Directorate performs regular audits of the adequacy and quality of the adopted mechanisms of internal controls.

UBB has developed and implemented key policies and rules for risk management including:

- UBB Risk Governance Charter;
- UBB Risk Appetite Statement;
- UBB Enterprise risk management framework;
- KBC Risk Standards for Changes and Local implementation to KBC Risk Standards for Changes
- UBB Non-Trading Market Risk Management Framework;
- UBB Liquidity Risk Management Framework;
- ALM Rule and Measurement Book
- UBB Liquidity Risk Rule Book;
- Operational Risk Management Framework;
- Credit Risk Management Framework;
- UBB Counterparty Credit Risk Framework;
- UBB Trading Market Risk Management Framework;
- UBB Reputational Risk Management Framework;
- UBB Standard on Risk Responses
- Operational Risk Standard on Risk & Control measurements
- UBB Business Continuity Management (BCM) Framework;
- UBB Instruction for Crisis Management by Crisis Committee
- UBB ICAAP Policy;
- UBB ILAAP Policy;
- UBB Stress testing Standards for Financial Risk;
- UBB standard for collection of operational event data;
- Charter of the Local Risk Management Committee of UBB AD;
- Risk and Compliance Committee Charter of United Bulgarian Bank AD;
- UBB New and Active Products Process (NAPP) Committee Charter;
- UBB Data Management Framework (DQM);
- UBB Asset Encumbrance Policy.
- Responsible Behavior Framework of UBB AD
- Rules and procedures for capital adequacy assessment
- Operational Risk Standard on the setup and maintenance of Risk and Control Inventories

Key ratios and risk limits are included in the Risk Appetite defining Bank's risk tolerance (appetite) to the different risk types.

In order to minimize the consequences from possible extreme situations, calamities and failures and in order to ensure business continuity, the Bank is covered by Group and locally developed plans as follows:

- Liquidity Contingency Plan;
- Business Continuity Plan;
- Recovery Plan – Group level

These plans are developed in accordance with the principles and requirements incorporated in the regulatory framework and are consistent with the organizational structure and business strategy of KBC Group.

3. Governance

3.1. Governing Bodies

The corporate bodies of UBB are the General Meeting of Shareholders, the Supervisory Board and the Management Board.

The Supervisory Board is the corporate body of the Bank which is empowered to carry out preliminary, current and subsequent control over the compliance of the activities of the Bank with the applicable laws, Articles of Association and the decisions of the General Meeting of Shareholders in the interests of the Bank's clients and its shareholders. The activity of the Supervisory Board is supported by Remuneration Committee, Nomination Committee and Risk and Compliance Committee.

The Management Board makes decisions on all issues which are not of the exclusive competence of the General Meeting of Shareholders or the Supervisory Board, while observing the provisions of the law and the Articles of Association in compliance with the resolutions of the General Meeting of Shareholders and under the Supervisory Board's control.

The Audit Committee is established as a standalone independent body directly reporting to the General Meeting of Shareholders, in compliance with the Independent Financial Audit Act.

The Supervisory Board of the Bank consists of 6 (six) members elected by the General Meeting of Shareholders, including 1/3 external and independent members, in compliance with the requirements of the Credit Institutions Act.

The Bank is managed and represented by Management Board which consists of 8 (eight) persons elected by the Supervisory Board for a term of up to 4 (four) years. The members of the Management Board could be re-elected with no limitations.

3.2. Election of Members of the Management Board

The Management Board comprises from 3 (three) up to 9 (nine) persons elected by the Supervisory Board for a mandate of up to 4 (four) years. The Management Board members may be re-elected without limitations. The Supervisory Board upon a decision of its elects the members of the Management Board. Each board member may be dismissed by decision of the Supervisory Board prior to the expiration of his/her mandate. The Management Board upon the Supervisory Board's approval elects a Chief Executive Officer among its members. The Chief Executive Officer performs the overall management organization and the day-to-day managerial control on UBB's activity. The management Board adopts its Operational Rules which is approved by the Supervisory Board.
Detailed information on the knowledge, skills and expertise of the members of the Management Board is disclosed in the Annual Financial Report.

3.3. Information on the diversity policy with regard of the members of the management body

While the diversity of the Management is not a criterion for the assessment of the member's individual suitability and institutions are primarily responsible for ensuring that members of the management bodies fulfil the suitability criteria, diversity should also be taken into account when selecting and assessing members of the management bodies. Diversity within the Management leads to a broader range of experience, knowledge, skills and values, and is one of the factors that enhance the functioning of the management body and address the phenomenon of "group-think". A diverse pool of members allows a broad set of qualities and competences to be put together, and variety of view and experiences, facilitating different independent opinions and sound decision-making.

3.4. Risk Management Bodies

3.4.1. Supervisory Board (SB)

- The SB decides and supervises the current and future risk appetite and risk strategy. SB is responsible for putting robust governance arrangements in place, to ensure that all material risks are appropriately managed and that capitalization and liquidity are adequate.
- In order to do so, the SB decides on the UBB Risk Governance Charter and the UBB Enterprise Risk Management Framework, UBB ICAAP/ILAAP policies, and supervises the implementation, efficiency and effectiveness of the RMF's general concept, which is to be in all underlying frameworks and standards including the implementation of NAPP (New active product and process) Standard. UBB Risk function is responsible for implementing the general concept and the strategy related building blocks of the UBB Risk Management Framework aligned with KBC Risk Management Framework.
- To make sure that risks are properly managed according to the specified governance arrangements, the SB is also responsible for the development of a sound and consistent risk culture, based on a full understanding of the risks UBB faces and how they are managed, and taking into account the Group Risk Appetite.

3.4.2. Risk and Compliance committee (RCC)

The Risk and Compliance Committee of UBB advises the Supervisory Board of UBB on issues within the latter's responsibility before they are submitted for decision:

- The current and future risk appetite and risk strategy, and the supervision of risk exposure compared to the risk appetite.
- The general concept and the strategy related building blocks of the KBC Risk Management Framework, including the implementation of NAPP Standard
- The general concept and strategy related building blocks of the KBC RMF, including the implementation of NAPP Standard.
- The supervision of the implementation, efficiency, and effectiveness of the KBC RMF., including the implementation of NAPP Standard.
- Under authority delegated to them by the Supervisory board of UBB, the RCC of UBB issue periodic opinions on the quality, capacity, and skills of the Risk function. It supervises the implementation of the "KBC Standards for Assessment of the Risk Function".

The RCC of UBB reviews whether prices of liabilities and assets and categories of off-balance sheet products offered to clients take fully into account the institution's business model and risk strategy. Where prices do not properly reflect risks in accordance with the business model and risk strategy, the RCC of UBB shall present a remedy plan to the SB of UBB.

To assist in the establishment of sound remuneration policies and practices, the RCC of UBB examines, without prejudice to the tasks of the remuneration committee, whether incentives provided by the remuneration system take into consideration risk, capital, liquidity and the likelihood and timing of earnings.

Upon delegation of the Supervisory Board of UBB, the RCC of UBB issues periodic (annual) opinions on the quality of the Risk function.

3.4.3. Management Board of UBB (MB)

The Management Board of UBB is the single integrating management committee on risk management. The Management Board of UBB issues within the latter are responsibility:

- Define the Risk Appetite, including the strategic objectives with regard to risk, capital and return, and propose it to the Supervisory Board for decision.
- Propose for decision to the Supervisory board the UBB Risk Governance Charter and the UBB Enterprise Risk Management Framework, UBB ICAAP/ILAAP policies.
- Monitor the risk exposure compared to the Risk Appetite and periodically reports on its status and evolution to the Risk and Compliance Committee and the Supervisory Board.
- Decides the Vision, Mission and Strategy of the UBB Risk Function - aligned with the Vision, Mission and Strategy of KBC Group Risk - and supervises the implementation.
- Monitor the implementation, efficiency and effectiveness of the KBC Risk Management Framework including the implementation of the NAPP Standard and the KBC Standards for Assessment of the Risk Function of as well as its compliance with legal and regulatory requirements.
- Include the risk and capital dimension in all their decision-making acting as role model for a sound and consistent bank-wide risk culture.

3.4.4. Local Risk Management Committee (LRMC)

The Local Risk Management Committee (LRMC) was established in accordance with the requirements of KBC Group. The chairperson of the LRMC is the CRO of UBB. LRMC is a collective body of the Bank, which supports the MB in assessing the adequacy of, and compliance with the KBC Risk Management Framework, risk and capital monitoring and balance sheet management. In this capacity, the LRMC has the following key responsibilities:

- To propose the UBB Enterprise Risk Management Framework, the Risk Governance Charter and the ICAAP/ILAAP policies to the MB for advice, before these documents are submitted for approval to the SB;
- To propose updates to the risk type specific frameworks to the MB for approval. To approve updates to the risk type specific frameworks if the changes are immaterial;

- To periodically review the effectiveness of and compliance with the KBC Risk Management including the implementation of the NAPP Standard and the KBC Standards for Assessment of the Risk function and propose improvement actions to the MB;
- To implement the Group CRO Services' strategy on the local level by setting up the core processes reflecting the strategic value propositions, defining the key performance indicators for these processes and assigning related roles, responsibilities and resources;
- To follow up on the efficiency and effectiveness of the core processes and decide on improvement actions;
- To actively promote (via communication and education) the risk and capital agenda;
- To propose a framework of limits and policies;
- To monitor exposure against these limits;
- To decide on or recommend to the MB limit reviews and changes, or mitigating action when exposure is in excess of limits, in line with the governance rules for limits;
- To manage coordination issues across business units;
- To share knowledge and best practices and promote/request alignment;
- To act as a sounding board for risk concepts, (to be) decided on at the UBB RCC or CRO Services MC;
- To act as a second level of escalation in the NAPP;
- To monitor the local risk profile (integrated and by risk type), including results of stress-tests, to ensure consistency with the Risk Appetite;
- LRMC takes the role of ALCO to monitor market context, solvency, liquidity, earnings at risk, risk/return profile, balance sheet profile, maturity transformation and structural interest rate exposure;
- To monitor capital adequacy and usage of regulatory and economic capital;
- To approve risk acceptances in accordance with the Group requirements;

The Committee shall consist of the Bank's MB members, the heads of Risk Management Directorate, Retail Credit Management Directorate, SME & Corporate Credit Management Directorate, Treasury Directorate, Finance Directorate, Markets and Investment Banking. Heads of Internal Audit and Compliance Directorates take part as observers.
LRMC has a generic agenda covering all substantial financial risks (credit risk, ALM, liquidity, macroeconomic environment) as well as non-financial risks (operational risk, reputational risk, business risk, data quality, information risk management).

3.4.5. New and Active Products Process (NAPP)

Following the implementation of the Strategic Risk Management Framework, the Bank has established a specialized body for the management of new and active products and their applicable processes – New and Active Products Process (NAPP).

The mission of NAPP is to facilitate and support the process of approving new products and the regular review of existing products, the main objective being the commercial aspects of a product to be balanced from a risk and operational perspective.

NAPP takes the final decisions on approving a new product or review of an existing product before being offered to customers of UBB through various distribution channels.

NAPP ensures that products offered comply with the requirements and capability of the clients.

3.4.6. Corporate and Social Responsibility Steering Committee Bulgaria

The CSRSC shall assist the Country Team with the implementation and proper functioning of the approved KBC Group's corporate sustainability and responsibility framework in Bulgaria. The CSRSC has overall responsibility locally for CSR, provides leadership and demonstrates commitment to CSR across the country's activities. Communication and raising internal awareness on CSR is an important part of their role. They identify issues that are relevant locally and implement the Group CSR framework in a way that suits their CSR needs and priorities. As a CSR Steering Committee, it provides strategic guidance and approves the CSR policies and approach. They will follow up on performance and progress within their country.

3.4.7. Sustainable Finance Steering Committee (Green Committee)

The role of Sustainable Finance Steering Committee (Green Committee) is to assist with the operational mission and actions towards ESG Strategy and Program. The mission of the Committee is to:

- Overview and steer the process of preparation of Sustainable Financing Strategy (SFS) with regards to specific sectors and segments of the Bulgarian lending market. Ultimate goal of such strategy is to set targets and achieve portfolio composition, which would minimize risks associated with environmental changes and their impact, while benefitting from the opportunities arising as a result of the shift towards sustainable financing.
- Promote and support investment projects in alternative energy supply, energy savings, etc.

3.4.8. Local Provisioning Committee

The Local Provisioning Committee has been established and has received its authority by the Management Board. It is a collective body of the Bank that makes decisions and recommendations on all topics related to impairments of financial assets of the Bank.

The mission of the Local Provisioning Committee is to assist the Management Board in:

- Approval (changes to) the Bank's Impairment Policy for financial assets under IFRS 9; Challenging and approval of the monthly impairment results/loss allowances on financial assets not at Fair value through profit or loss (FVPL) on a Bank level under IFRS 9;
- Challenging Expected Credit Loss (ECL) model - in case of unusual/ unexpected model output, inform the Local Risk Management Committee and potentially trigger a model review.

3.4.9. Crisis Committee

The Crisis Committee is the committee in charge for handling crises, including recovery and resolution situations. The main tasks of the Crisis Committee are decision making, leadership, welfare needs of staff, information management and engaging and communicating with stakeholders.

Specific responsibilities include:

- monitoring the overall progress of recovery;
- ensuring the recovery is in line with the long-term interests of the organization and meets the organization’s legal obligations and (personal) liability;
- approving significant expenditure;
- ensuring the financial health of the organization;
- managing communications with stakeholders, in particular with the media and the regulator, and approving media statements, monitoring and adjusting the media strategy as and when necessary;
- identifying and maximizing opportunities or advantages arising from the incident;
- deciding on the termination of the crisis situation, demobilizing of the teams involved and follow-up actions.
- The Crisis Committee takes decisions taking into account:
- the advice of the relevant expert colleagues, and an impact analysis;
- whether the current situation brings KBC Group/UBB in the recovery/ resolution context (as described in the official recovery/ resolution plans requested by the regulators) or not. If the Crisis Committee decides that the bank is in recovery mode or in resolution, it will immediately inform the Group Crisis Committee, LRMC, Bulgarian National Bank, other regulators, other authorities depending on the type of crisis. If the situation develops positively, the Crisis Committee may decide that the bank is no longer in recovery mode.

3.4.10. Local Credit Committee Bad Loans

Local Credit Committee Bad Loans is authorised to make decisions for all (group) exposures, managed by Recovery Directorate. The competences of Credit Committee Bad Loans are described in Credit Committees’ Delegation Rights table in the SME and Corporate Credit Committees Rules. Chairperson of the committee is the CRO.

4. Differences between Accounting and Regulatory Exposure Amounts

4.1. Accounting Scope and Mapping of Financial Statement Categories with Regulatory Risk Categories

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as adopted by EU. UBB discloses the following two forms:

Template EU LI1- Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	Breakdown by asset clases according to the balance sheet in the published financial statements							
1	Cash and cash balances with the Central Bank	5 068 156	5 068 156	5 068 156				
2	Due from banks	1 789 076	1 789 076	1 789 076				
3	Reverse repos with banks	5 537 933	5 537 933	0	5 537 933			

4	Derivative financial instruments	6 565	6 565	6 565	6 565		6 565	
5	Financial assets at fair value through profit or loss	14 911	14 911	0			14 911	
6	Financial assets at fair value through OCI*	1 287 285	1 287 285	1 287 285				
7	Securities at amortized cost	6 488 232	6 488 232	6 488 232				
8	Loans and advances to customers	23 958 439	23 958 439	23 958 439				
9	Investments in subsidiaries and associated companies	5 836	5 836	5 836				
10	Intangible assets	45 197	45 197	45 197				45 197
11	Property and equipment	145 223	145 223	145 223				
12	Investment properties	43 601	43 601	43 601				
13	Right-of-use assets	43 278	43 278	43 278				
14	Deferred tax assets	5 795	5 795	5 795				
15	Corporate income tax receivables	44 795	44 795	44 795				
16	Other assets	15 639	15 639	15 639				
xxx	**Total assets**	**44 499 961**	**44 499 961**	**38 947 117**	**5 544 498**		**21 476**	**45 197**
	Breakdown by liability classes according to the balance sheet in the published financial statements							
1	Deposits from banks	6 737 637	6 737 637					
2	Derivative financial instruments	10 068	10 068		10 068		10 068	

3	Deposits from customers	30 670 916	30 670 916					
4	Other borrowed funds	2 564 707	2 564 707					
5	Current income tax liabilities	86	86					
6	Provisions	33 067	33 067					
7	Lease liabilities	43 987	43 987					
8	Other liabilities	100 551	100 551					
xxx	**Total liabilities**	**40 161 019**	**40 161 019**		**10 068**		**10 068**	

Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
			Items subject to			
		Total	Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	**44 474 392**	**38 947 117**		**5 544 498**	**21 476**
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)**	**40 161 019**				**10 068**
3	**Total net amount under the scope of prudential consolidation**	**4 313 373**				**11 408**
4	**Off-balance-sheet amounts**	**5 904 984**	**5 904 984**			
5	*Differences in valuations*					
6	*Differences due to different netting rules, other than those already included in row 2*				70 955	
7	*Differences due to consideration of provisions*		-21 520			
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*		-324 841			
9	*Differences due to credit conversion factors*		-4 418 033		-8 502 801	
10	*Differences due to Securitisation with risk transfer*					
11	*Other differences*					
12	**Exposure amounts considered for regulatory purposes**	**41 465 735**	**41 359 648**		**106 087**	

4.2. Prudent valuation adjustments (PVA)

UBB discloses the information referred to in point (e) of Article 436 CRR in the following template:
Template EU PV1 Prudent valuation adjustments (PVA)

		a	b	c	d	e	EU e1	EU e2	f	g	h
		Risk category					Category level AVA - Valuation uncertainty				
	Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA	**Total category level post-diversification**	Of which: **Total core approach** in the trading book	Of which: **Total core approach** in the banking book
1	Market price uncertainty		0	0			175	10	93	93	0
2	Not applicable						-	-			
3	Close-out cost		1	8			0	0	4	0	4
4	Concentrated positions		0	0			0	0	0	0	0
5	Early termination		0	0			0	0	0	0	0
6	Model risk		0	0			154	0	77	76	1
7	Operational risk		0	1			0	0	1	0	1
8	Not applicable										
9	Not applicable										

10	Future administrative costs		0	0			0	0	0	0	0
11	Not applicable										
12	**Total Additional Valuation Adjustments (AVAs)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**175**	**169**	**6**

5. Regulatory Capital and Capital Adequacy

5.1. Structure and Elements of Own Funds

The table below provides reconciliation of regulatory own funds to balance sheet items in the audited financial statements of United Bulgarian Bank AD.

Table EU CC2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference**
		As at period end	**As at period end**	
Assets - *Breakdown by asset clases according to the balance sheet in the published financial statements*				
1	Cash and cash balances with the Central Bank	5 068 156	5 068 156	
2	Due from banks	1 789 076	1 789 076	
3	Reverse repos with banks	5 537 933	5 537 933	
4	Derivative financial instruments	6 565	6 565	
5	Financial assets at fair value through profit or loss	14 911	14 911	
6	Financial assets at fair value through OCI	1 287 285	1 287 285	
7	Securities at amortized cost	6 488 232	6 488 232	
8	Loans and advances to customers	23 958 439	23 958 439	
9	Investments in subsidiaries and associated companies	5 836	5 836	
10	Intangible assets	45 197	45 197	
11	Property and equipment	145 223	145 223	
12	Investment properties	43 601	43 601	
13	Right-of-use assets	43 278	43 278	

14	Deferred tax assets	5 795	5 795	EU CC1, row 75
15	Overpaid corporate tax	44 795	44 795	
16	Other assets	15 639	15 639	
xxx	**Total assets**	**44 499 961**	**44 499 961**	
Liabilities - *Breakdown by liability clases according to the balance sheet in the published financial statements*				
1	Deposits from banks	3 998 106	3 998 106	
2	Repos with banks	2 739 531	2 739 531	
3	Derivative financial instruments	10 068	10 068	
4	Deposits from customers	30 670 916	30 670 916	
5	Other borrowed funds	2 564 707	2 564 707	
6	Current income tax liabilities	86	86	
7	Provisions	33 067	33 067	
8	Lease liabilities	43 987	43 987	
9	Other liabilities	100 551	100 551	
xxx	**Total liabilities**	**40 161 019**	**40 161 019**	
Shareholders' Equity				
1	Share capital	194 009	194 009	
2	Share premium and Statutory reservs	1 211 691	1 211 691	
3	Retained earnings	2 902 610	2 902 610	
4	Revaluation and other reserves	30 632	30 632	
	TOTAL EQUITY ATTRIBUTABLE TO UBB SHAREHOLDERS	**4 338 942**	**4 338 942**	
5	Additional tier-1 instrument included in equity	0	0	
xxx	**Total shareholders' equity**	**4 338 942**	**4 338 942**	

5.2. Disclosure of information about the main features of capital instruments

Below information about main characteristics of main features of capital instruments of United Bulgarian Bank AD is presented in accordance with template EU CCA:

Table EU CCA Main features of regulatory own funds instruments and eligible liabilities instruments

		a
		Qualitative or quantitative information - Free format
1	Issuer	United Bulgarian Bank AD
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	BG1100085056 (Central Depository)
2a	Public or private placement	0
3	Governing law(s) of the instrument	Bulgarian Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
	Regulatory treatment	Common Equity Tier 1 (CET1)
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 1 capital
5	Post-transitional CRR rules	Common Equity Tier 1 (CET1)
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Eligible at solo and consolidated basis
7	Instrument type (types to be specified by each jurisdiction)	Ordinary, registered, dematerialised, freely transferable shares with voting rights
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	BGN 194,008,837
9	Nominal amount of instrument	BGN 194,008,837
EU-9a	Issue price	100%
EU-9b	Redemption price	100%
10	Accounting classification	Share capital
11	Original date of issuance	1992 - 2005
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	N/A N/A
16	Subsequent call dates, if applicable	
	Coupons / dividends	
17	Fixed or floating dividend/coupon	N/A

		N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
EU-20 a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
EU-20 b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-comulative
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34 a	Type of subordination (only for eligible liabilities)	
EU-34 b	Ranking of the instrument in normal insolvency proceedings	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All senior creditors
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37 a	Link to the full term and conditions of the instrument (signposting)	
(1) Insert ‘N/A’ if the question is not applicable		

5.3. Information about own funds

The Bank presents details of own funds in line with Regulation (EU) 575/2013 as per guideline in Template EU CC1:

Table EU CC1 Composition of regulatory own funds

		(a)	(b)
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	1 216 366	Article 26, Paragraph 1, Articles 27-29
	of which: Instrument type 1	194 009	EBA List, Article 26, Paragraph 3
	of which: Instrument type 2	1 022 357	EBA List, Article 26, Paragraph 3
	of which: Instrument type 3		EBA List, Article 26, Paragraph 3
2	Retained earnings	1 840 945	Article 26, Paragraph 1, c/
3	Accumulated other comprehensive income (and other reserves)	789 607	Article 26, Paragraph 1
EU-3a	Funds for general banking risk	0	Article 26, Paragraph 1, f/
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	0	Article 486, Paragraph 2
5	Minority interests (amount allowed in consolidated CET1)	0	Article 84

EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	Article 26, Paragraph 2
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**3 846 918**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-175	Articles 34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-25 569	Article 36, Paragraph 1,b/, Article 37
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	Article 36, Paragraph 1, c/, Article 38
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	0	Article 33, Paragraph 1, a/
12	Negative amounts resulting from the calculation of expected loss amounts	0	Article 36, Paragraph 1,d/, Article 40, Article 159
13	Any increase in equity that results from securitised assets (negative amount)	0	Article 32, Paragraph 1
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	Article 33, Paragraph 1, b/
15	Defined-benefit pension fund assets (negative amount)	0	Article 36, Paragraph 1, e/, Article 41
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	0	Article 36, Paragraph 1,f/, Article 42
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	Article 36, Paragraph 1, g/, Article 44

18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	Article 36, Paragraph 1, h/, Article 43, 45 and 46, and Article 49, Paragraphs 2 and 3, Article 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	Article 36, Paragraph 1,i/, Article 43, 45 and 47, and Article 48, Paragraph 1, b/ and Article 49, Paragraphs 1-3, Articles 79
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	Article 36, Paragraph 1, k/
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	0	Article 36, Paragraph 1,k/, i), Articles 89-91
EU-20c	of which: securitisation positions (negative amount)	0	Article 36, Paragraph 1,k/, ii), Article 243, Paragraph 1, b/, Article 244, Paragraph 1, b/ and Article 258
EU-20d	of which: free deliveries (negative amount)	0	Article 36, Paragraph 1,k/, iii) Article 379, Paragraph 3
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	Article 36, Paragraph 1,c/, Article 38,Article 48, Paragraph 1, a/
22	Amount exceeding the 17,65% threshold (negative amount)	0	Article 48, Paragraph 1
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	Article 36, Paragraph 1,i/, Article 48, Paragraph 1, b/
24	Not applicable		

25	of which: deferred tax assets arising from temporary differences	0	Article 36, Paragraph 1,c/,Article 38, Article 48, Paragraph 1, a/
EU-25a	Losses for the current financial year (negative amount)	0	Article 36, Paragraph 1,a/, and Article 472, Paragraph 3
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	0	Article 36, Paragraph 1,l/
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0	Article 36, Paragraph 1, j/
27a	Other regulatory adjustments	-34 052	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-59 796	
29	**Common Equity Tier 1 (CET1) capital**	**3 787 122**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	0	Articles 51-52
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	0	Article 486, Paragraph 3
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	0	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	0	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	Articles 85-86

35	of which: instruments issued by subsidiaries subject to phase out	0	Article 486, Paragraph 3
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**0**	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	0	Article 52, Paragraph 1,b/, Article 56, a/, Article 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	Article 56, b/, Article 58
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	Article 56, c/, Articles 59, 60 and 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	Article 56,d/, Articles 59 and 79
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	0	Article 56, d/
42a	Other regulatory adjustments to AT1 capital	0	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**0**	
44	**Additional Tier 1 (AT1) capital**	**0**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**3 787 122**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	179 101	Articles 62-63
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	0	Article 486, Paragraph 4

EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	0	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	0	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	Articles 87-88
49	of which: instruments issued by subsidiaries subject to phase out	0	Article 486, Paragraph 4
50	Credit risk adjustments	0	Article 62, C/ and d/
51	**Tier 2 (T2) capital before regulatory adjustments**	**179 101**	
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	Article 63, ,b/, i), Article 66, a/, Article 67
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	Article 66, ,b/, Article 68
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	Article 66, c/, Articles 69, 70, 79
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	Article 66, d/, Articles 69, and 79
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	**0**	

EU-56b	Other regulatory adjustments to T2 capital	**0**	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**0**	
58	**Tier 2 (T2) capital**	**179 101**	
59	**Total capital (TC = T1 + T2)**	**3 966 223**	
60	**Total Risk exposure amount**	**19 536 904**	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	19.38%	Article 92, Paragraph 2, a/
62	Tier 1 capital	19.38%	Article 92, Paragraph 2, b/
63	Total capital	20.30%	Article 92, Paragraph 2, c/
64	Institution CET1 overall capital requirements	13.84%	CRD, Articles 128-131 and 133
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	2.00%	
67	of which: systemic risk buffer requirement	3.00%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.00%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.84%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	10.80%	CRD, Article 128
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			

72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	0	article 36, paragraph 1, h/), article 45-46, article 56, c/, article 59-60, article 66, c/, article 69-70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	5 836	Article 36, Paragraph 1,i/, Articles 45 and 48
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	5 795	Article 36, Paragraph 1, c/, Articles 38 and 48
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	Article 62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	0	Article 62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0	Article 62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0	Article 62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0	Article 484, Paragraph 3, Article 486, Paragraphs 2 and 5
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	Article 484, Paragraph 3, Article 486, Paragraphs 2 and 5
82	Current cap on AT1 instruments subject to phase out arrangements	0	Article 484, Paragraph 4, Article 486, Paragraphs 3 and 5

83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	Article 484, Paragraph 4, Article 486, Paragraphs 3 and 5
84	Current cap on T2 instruments subject to phase out arrangements	0	Article 484, Paragraph 5, Article 486, Paragraphs 4 and 5
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	Article 484, Paragraph 5, Article 486, Paragraphs 4 and 5

Intangible assets other than software assets are subtracted directly from own funds under Article 36(1) b. Tax assets fall below the threshold set in Article 38 (3) and are risk weighted at 250% in Other Items asset class.

5.4. Capital Requirements

The Bank fully complies with the Regulation (EU) 575/2013, Directive 2013/36/EU and supervisory requirements of BNB, according to which Tier-I capital and of the Total capital adequacy ratios (OCR and P2G) should be no less than 17.13 % and 19.50 % respectively.

The structure of the required capital by types of risk is the following:

Table EU OV1 Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31.12.2025	31.12.2024	31.12.2025
1	Credit risk (excluding CCR)	17 665 830	15 924 881	1 413 266
2	Of which the standardised approach	17 665 830	15 924 881	1 413 266
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple risk weighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	Counterparty credit risk - CCR	41 823	44 681	3 346
7	Of which the standardised approach	41 823	44 681	3 346
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
9	Of which other CCR			
10	Credit valuation adjustments risk - CVA risk			
EU 10a	Of which the standardised approach (SA)			
EU 10b	Of which the basic approach (F-BA and R-BA)			
EU 10c	Of which the simplified approach			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			

5.5. Capital Adequacy and Capital Buffers

UBB applies Standardized approach for its capital adequacy report for credit, market and operational risk. The capital requirements, capital buffers imposed by the Regulator and Available Capital are as follows:

Table EU KM1 Key metrics template

		a	b	c	d	e
		31.12.2025	30.06.2025	31.12.2024	30.06.2024	31.12.2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	3 787 122	3 810 566	3 552 827	3 523 277	2 756 568
2	Tier 1 capital	3 787 122	3 810 566	3 552 827	3 523 277	2 870 006
3	Total capital	3 966 223	3 989 703	3 732 231	3 701 258	3 047 987
	Risk-weighted exposure amounts					
4	Total risk exposure amount	19 536 904	18 866 649	17 463 100	17 108 153	15 703 816
4a	Total risk exposure pre-floor	19 536 904	18 866 649	17 463 100	17 108 153	15 703 816
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	19.38%	20.20%	20.34%	20.59%	17.55%
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	19.38%	20.20%	20.34%	20.59%	17.55%
6	Tier 1 ratio (%)	19.38%	20.20%	20.34%	20.59%	18.28%
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)	19.38%	20.20%	20.34%	20.59%	18.28%
7	Total capital ratio (%)	20.30%	21.15%	21.37%	21.63%	19.41%
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)	20.30%	21.15%	21.37%	21.63%	19.41%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.50%	1.50%	1.50%	1.50%	1.50%

EU 7e	of which: to be made up of CET1 capital (percentage points)	0.84%	0.84%	0.84%	0.84%	0.84%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.13%	1.13%	1.13%	1.13%	1.13%
EU 7g	Total SREP own funds requirements (%)	9.50%	9.50%	9.50%	9.50%	9.50%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	2.00%	2.00%	2.00%	2.00%	2.00%
EU 9a	Systemic risk buffer (%)	3.00%	3.00%	3.00%	3.00%	3.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	8.50%	8.50%	8.50%	8.50%	8.50%
EU 11a	Overall capital requirements (%)	18.00%	18.00%	18.00%	18.00%	18.00%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.80%	11.65%	11.87%	12.13%	9.91%
	Leverage ratio					
13	Total exposure measure	47 166 838	43 490 233	40 150 711	36 812 606	35 960 930
14	Leverage ratio (%)	8.03%	8.76%	8.85%	9.57%	7.98%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%

	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	14 163 169	14 794 565	12 113 778	14 231 030	14 414 031
EU 16a	Cash outflows - Total weighted value	8 474 817	16 231 792	12 758 464	12 895 823	14 372 479
EU 16b	Cash inflows - Total weighted value	4 084 836	9 189 290	8 162 253	6 362 168	7 491 727
16	Total net cash outflows (adjusted value)	4 389 981	7 042 502	4 596 211	6 533 655	6 880 752
17	Liquidity coverage ratio (%)	323%	210%	264%	218%	209%
	Net Stable Funding Ratio					
18	Total available stable funding	32 579 432	30 811 063	29 493 622	28 813 252	28 274 110
19	Total required stable funding	20 186 948	18 821 104	18 263 886	17 427 825	16 850 851
20	NSFR ratio (%)	161%	164%	161%	165%	168%

6. Countercyclical Buffer Requirements

In accordance with Commission delegated regulation (EU) 1152/2014, when calculating the Countercyclical Buffer Requirements (CBR), UBB allocates all foreign credit exposures to the country of registration (i.e. Bulgaria), as none of the foreign exposures represent more than the 2% threshold of its aggregate risk weighted exposures:

Template EU CcyB1 Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures; Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	**Breakdown by country:**													
011	BULGARIA	26 170 978	0	0	0	0	26 170 978	1 312 501	0	0	1 312 501	16 406 263	1	0
020	Total	26 170 978	0	0	0	0	26 170 978	1 312 501	0	0	1 312 501	16 406 263	1	

As of 31.12.2025 UBB has foreign exposures (for the purpose of calculating CCR) towards Belgium, Austria, Switzerland, Czech Republic, Denmark, Germany, Spain, Finland, France, UK, Greece, Croatia, Hungary, Ireland, Israel, Italy, South Korea, Liechtenstein, Luxembourg, Malaysia, Netherlands, Poland, Portugal, Romania, Serbia, Sweden, Slovakia, Turkey, South Africa, USA.

Template EU CCyB2: Amount of institution-specific countercyclical capital buffer

		a
1	Total risk exposure amount	19 536 904
2	Institution specific countercyclical capital buffer rate	2.00%
3	Institution specific countercyclical capital buffer requirement	390 738

7. Disclosure of own funds and eligible liabilities

The resolution plan for UBB is based on a Single Point of Entry (SPE) approach at KBC Group level, with ‘bail-in’ as the primary resolution tool. Bail-in implies a recapitalization and stabilization of the bank by writing down certain unsecured liabilities and issuing new shares to former creditors as compensation.

The internal MREL requirements of UBB are met with the downstream of MREL instruments in a senior non-preferred debt from KBC Bank, based upon the Intercompany Loan Framework Agreement. The higher MREL regulatory requirement (implementation of Market confidence charge from June 2025) was considered in the annual planning cycle (APC) and the downstream in 1Q2025 and 4Q2025 of new SNP debt from KBC Bank was executed. MREL is integrated into the existing group wide processes & policies, such as Risk Appetite, Capital Management Policies, strategic planning (APC), ICAAP/ILAAP/Recovery Plan and an appropriate MREL reporting framework is in place.

Template EU iLAC: Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

		a	b	c
		Minimum requirement for own funds and eligible liabilities (internal MREL)	**Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)**	**Qualitative information**
Applicable requirement and level of application				
EU-1	Is the entity subject to a non-EU G-SII requirement for own funds and eligible liabilities? (Y/N)			N
EU-2	If EU-1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			
EU-2a	Is the entity subject to an internal MREL? (Y/N)			Y
EU-2b	If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			I
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)	3 785 319		
EU-4	Eligible Additional Tier 1 capital	-		
EU-5	Eligible Tier 2 capital	179 101		
EU-6	Eligible own funds	3 964 420		
EU-7	Eligible liabilities	2 376 333		
EU-8	of which permitted guarantees	-		
EU-9a	(Adjustments)	-		-

EU-9b	Own funds and eligible liabilities items after adjustments	6 340 753	-	-
			Total risk exposure amount and total exposure measure	
EU-10	Total risk exposure amount (TREA)	19 524 300		
EU-11	Total exposure measure (TEM)	47 167 939		
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities as a percentage of the TREA	**32.48%**		
EU-13	of which permitted guarantees	**0**		
EU-14	Own funds and eligible liabilities as a percentage of the TEM	**13.44%**		
EU-15	of which permitted guarantees	**0**		
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements	**9.50%**		
EU-17	Institution-specific combined buffer requirement			
Requirements				
EU-18	Requirement expressed as a percentage of the TREA	**22.98%**		
EU-19	of which part of the requirement that may be met with a guarantee			
EU-20	Requirement expressed as percentage of the TEM	**5.90%**		
EU-21	of which part of the requirement that may be met with a guarantee			
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013			

Template EU TLAC2: Creditor ranking - Entity that is not a resolution entity

		Insolvency ranking			**Sum of 1 to 5**
		1	**3**	**5**	
		(most junior)	(most senior)	(most senior)	
		Resolution entity	**Resolution entity**	**Resolution entity**	
1	Empty set in the EU				
2	Description of insolvency rank (free text)	Common Equity Tier 1 capital (CET1)	Eligible Tier 2 capital	Senior non-preferred debt	
3	Empty set in the EU				
4	Empty set in the EU				
5	Empty set in the EU				
6	Own funds and eligible liabilities for the purpose of internal MREL	3 785 319	179 101	2 376 333	6 340 753
7	of which residual maturity ≥ 1 year < 2 years	0	0	322 712	322 712
8	of which residual maturity ≥ 2 year < 5 years	0	0	1 183 277	1 183 277
9	of which residual maturity ≥ 5 years < 10 years	0	0	870 344	870 344
10	of which residual maturity ≥ 10 years, but excluding perpetual securities	0	179 101	0	179 101
11	of which perpetual securities	3 785 319	0	0	3 785 319

8. Leverage

The Bank calculates its leverage ratio in accordance with Article 429 of Regulation 575/2013. It gets the measure capital divided the measure of total exposure of the Bank and expressed as a percentage. The total exposure measure is the sum of the exposure values of all assets and off-balance sheet items not deducted when determining the capital measure.
Leverage management targets are set in the Risk Appetite Statement (RAS). The Supervisory Board (SB), supported by the Risk and Compliance Committee (RCC) and the Management Board (MB), approves the Risk Appetite Statement and through it the acceptable levels of risk and the targets the bank should always comply with.
The risk function measures the leverage ratio and reports it quarterly to the Local Risk Management Committee (LRMC).

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

		a
		Applicable amount
1	Total assets as per published financial statements	44 499 961
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	0
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustment for eligible cash pooling transactions	0
8	Adjustment for derivative financial instruments	70 305
9	Adjustment for securities financing transactions (SFTs)	5 531 368
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2 652 895
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	0
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0
12	Other adjustments	-5 587 691
13	**Total exposure measure**	47 166 838

As of the end of the year 2025, the Bank has sustained a leverage ratio of 8.03% (fully phased-in definition) against a preliminary EBA target level of 3.0%.

Template EU LR2 LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		31.12.2025	31.12.2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	38 924 709	36 447 297
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0	
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	
5	(General credit risk adjustments to on-balance sheet items)	0	
6	(Asset amounts deducted in determining Tier 1 capital)	-25 569	-22 343
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	38 899 140	36 424 954
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	7 299	11 188
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0	

9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	69 571	75 199
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	
EU-9b	Exposure determined under Original Exposure Method	0	
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0	
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0	
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	0	
11	Adjusted effective notional amount of written credit derivatives	0	
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	
13	**Total derivatives exposures**	76 870	86 387
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	5 537 933	977 994
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	
16	Counterparty credit risk exposure for SFT assets	0	0
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0	
17	Agent transaction exposures	0	
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	0	
18	**Total securities financing transaction exposures**	5 537 933	977 994
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	7 209 079	5 945 613
20	(Adjustments for conversion to credit equivalent amounts)	-4 556 184	-3 273 668
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		-10 569
22	**Off-balance sheet exposures**	2 652 895	2 661 376
Excluded exposures			

EU-22a	(Exposures excluded from the ~~leverage ratio~~ total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off-balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)		
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)		
EU-22m	(Total exempted exposures)		
Capital and total exposure measure			
23	**Tier 1 capital**	3 787 122	3 552 827
24	**Total exposure measure**	**47 166 838**	**40 150 711**
Leverage ratio			
25	Leverage ratio (%)	8.03%	8.85%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	8.03%	8.85%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.03%	8.85%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%

EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	464 753	834 160
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	5 537 933	0
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	42 093 658	40 006 877
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	42 093 658	39 172 717
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.00%	8.88%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.00%	9.07%

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

		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	38 928 718
EU-2	Trading book exposures	13 756
EU-3	Banking book exposures, of which:	38 914 962
EU-4	Covered bonds	0
EU-5	Exposures treated as sovereigns	11 694 794
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	288 327
EU-7	Institutions	1 808 474
EU-8	Secured by mortgages of immovable properties	11 332 144
EU-9	Retail exposures	5 639 781
EU-10	Corporates	6 351 081
EU-11	Exposures in default	309 536
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1 490 825

9. Liquidity Risk Disclosure

9.1. Liquidity Management Basics

Liquidity risk is the risk that an organization will be unable to meet its liabilities/obligations as they come due, without incurring higher than expected costs. This problem increases when an institution is faced with, for instance, a sudden increased withdrawal of funds or when funding lines are cut.

Three subtypes of liquidity risk are distinguished:

- Day-to-day liquidity Risk: The risk that no sufficient buffer is always available to deal with exceptional liquidity events when wholesale funding cannot be rolled over.
- Structural liquidity risk (commonly referred to as funding risk): The risk that the company's long-term assets and commitments cannot be (re-)financed timely or can only be refinanced at a higher-than-expected cost.
- Contingency liquidity risk: The risk that a company is unable to attract additional funds or replace maturing liabilities under stressed market conditions.

UBB's liquidity and funding management approach and the assessment of its adequacy are detailed in UBB's ILAAP Policy.

A prerequisite for UBB's ILAAP Policy is the UBB's Corporate Strategy and the Risk Appetite Statement. The two documents are the reference for an iterative and continuous ILAAP process, based on (1) thorough risk identification, (2) risk measurement, (3) risk appetite setting, (4) forward looking assessments, (5) monitoring and (6) response. These process steps are not strictly sequential but interact with one another.

To allow well founded and proactive liquidity and funding decisions, UBB assesses liquidity adequacy from both a regulatory (normative) and an internal (economic) perspective. This is in line with the UBB Liquidity Risk Management Framework (LRMF) and the KBC Group Funding Framework, which defines the regulatory and internal measures and dimensions for liquidity management, funding strategy and risk appetite related to liquidity.

UBB's Liquidity Risk Management Framework (LRMF) shows how liquidity risk management is performed on a continuous basis. The LRMF defines the playing field, and the risk management rules as well as the processes in the business-as-usual (BAU) and in stress situations. A robust and regularly tested Liquidity Contingency and Recovery Plans are put in place. None of the mentioned crisis plans came close to being activated in 2025.

Risk management is a key component of the strategic management of UBB. It aims to simultaneously improve both UBB's risk resiliency and agility in a volatile, uncertain, complex and ambiguous environment. In doing so, it helps to safeguard the interests of UBB and its stakeholders. The UBB's Enterprise Risk Management Framework defines the standards for risk management, making sure that the risk management process is uniformly and qualitatively implemented throughout the whole of KBC Group.

The UBB Liquidity Risk Management Framework elaborates on the specific measures, methods, processes, and tools used for liquidity risk management. Risk tolerance is expressed, among others, through a set of liquidity risk limits that serve as solid footing for the liquidity risk management process. They are complemented with internal liquidity risk assessments and a set of processes and reports in order to allow adequate and independent monitoring of the business.

A structure of management bodies and committees are in place and performs the governance function. These management bodies and committees are engaged with liquidity risk management in the Bank. The Supervisory Board (SB), supported by the Risk and Compliance Committee (RCC) and the Management Board (MB), establishes the risk parameters by expressing the Risk Appetite. A set of liquidity risk limits complemented with internal liquidity risk assessments and a set of monitoring processes and reports are present in order to allow an adequate and independent steering of the liquidity position. For all risk related activities and topics Management Board (MB) is supported and advised by the Local Risk Management Committee (LRMC).

To promote clear accountability for risk taking, oversight and independent assurance, a “three lines of defense” concept is implemented in UBB, which is the foundation of UBB’s risk governance.

Liquidity management itself is organized within the **Treasury Directorate**, which acts as a **first line of defense** and is responsible for the overall liquidity and funding management of the UBB. The Treasury directorate monitors and steers the liquidity profile on a daily basis and sets the policies and steering mechanisms for funding management. These policies ensure that local management has an incentive to work towards a sound funding profile. It also performs stress tests, actively monitors its collateral on a group-wide basis and is responsible for ensuring the Liquidity Contingency Plan (LCP) that sets out the strategies for addressing liquidity shortfalls in emergency situations.

The **Market and Liquidity Risk Management Department within Risk Management Directorate** acts as **a second line of defense** and is responsible for identifying, measuring, monitoring, reporting and stress testing liquidity risk, independently from the first line of defense. The Risk function also sets standards via the LRMF, supports the business with its implementation and challenges the business on their risk identification, measurement and response.

The third line of defense is performed by **Internal Audit**, assuring an independent review and challenge of the UBB’s first- and second-line liquidity (risk) management processes.

The Liquidity Risk Appetite and Profile are expressed as a combination of four measures, which are defined via a set of Early Warning Level (EWL) signals and hard limits, in the yearly Risk Appetite Statement of the Bank:

- Minimum Liquidity Coverage Ratio (LCR)
- Minimum Net Stable Funding Ratio (NSFR)
- Potential Liquidity Coverage Ratio (Recovery Plan Indicator)
- Max. Sustainable Non-Maturity Deposits Outflow (Recovery Plan Indicator)

Setting the risk appetite for short and medium-term liquidity risk (LCR, NSFR, Potential LCR, Max. Sustainable NMDs Outflow) is based on an internal assessment of the liquidity buffers to sustain a major stress. Risk Appetite setting is embedded in UBB’s Aligned Planning Cycle (APC), a concrete three-year forward view in which the strategy, finance, treasury, and risk perspectives (including liquidity risk) are taken into account.

The structural funding position is managed as part of the integrated annual planning process (APC). Funding and liquidity are one of the key elements of the planning process, in addition to other important elements such as capital, profit and risks. UBB's funding strategy is to build up sufficient buffer in terms of LCR and NSFR via the guidance of the KBC Group Funding Framework. The KBC Group Intraday Liquidity Management Framework has also been implemented by local treasury to provide compliance with local intraday liquidity reporting requirements set out by the group policy.

Intraday liquidity in UBB is managed by a combination of limits (operational limits towards payments systems; counterparty settlement limits, counterparty limits on individual payments), delegation authority granted to the Treasury Directorate, and a set of procedures governing the interaction between the Payments Department and Treasury Directorate.

UBB intraday liquidity management procedures allow Treasury directorate to make sure that sufficient liquidity is in place for central bank reserve requirements and positive end of day balance.

Specifically, as regards the liquidity position of UBB, a reporting system is in place that caters for adequate monitoring with different frequencies:

- On a monthly basis, Liquidity and Funding Report is produced by Treasury and presented to LRMC. In this report Treasury presents its assessment of the liquidity and funding situation.
- Market and Liquidity Risk Management Department within Risk Management Directorate calculates the LCR, NSFR and other additional liquidity ratios/measures to monitor the liquidity profile and to assess possible breaches of UBB's internal limits. The liquidity measures and the results of the performed stress tests are part of the Integrated Risk Report, presented to the LRMC, the RCC and the supervisor.
- On a quarterly basis, the reports are complemented with additional metrics such as the intraday liquidity stress tests performed in all banking entities within the KBC Group by the Treasury functions.

Stress testing plays an important role in the UBB's liquidity management. It aims at giving insight into the liquidity risk profile as input for risk management strategies and positions. As such it is a valuable tool in the risk identification process to create risk awareness and evoke discussions. Stress test results are a key input for:

- defining the target liquidity risk position (Treasury Strategy exercise);
- defining and underpinning the risk appetite and its corresponding limits (reverse stress tests);
- targets for operational risk measures and providing a view on the size of the most liquid part of UBB's asset buffer.

Finally, liquidity stress testing provides a basis for UBB's Liquidity Contingency Plan and Recovery Plan.

UBB manages and monitors its liquidity position and funding strategies on an ongoing basis, but recognizes that unexpected events, economic or market conditions, or other situations beyond its control could cause a liquidity crisis. Therefore, UBB evaluates this risk continuously and has supplemented its Liquidity Contingency Plan (LCP) with an LCP Playbook containing operational guidelines, allowing it to be maximally prepared if such a crisis would emerge. Both are fully aligned with the Recovery Plan of the Bank. In stress situations the LCP early warning levels are monitored and reported on a daily basis.

The Bank's LCP addresses the strategy for managing a liquidity crisis, establishes an action plan for covering cash shortfalls in emergency situations and defines the respective allocation of tasks and responsibilities. It helps the Bank to buy time to think through the range of possible measures for remedying the situation and to restore confidence. The LCP is tested twice a year. The LCP testing is performed at a group level as local treasury function is responsible to update and submit the UBB's LCP.

Since insufficient liquidity is one of the key threats to business continuity/viability, there is a natural connection between the ILAAP, which supports the continuity of operations from the liquidity perspective, and the Recovery Plan (RP). UBB is part of KBC Group Recovery plan. The objective of the RP is to identify the options that might be available to counter a crisis, to assess whether these options are sufficiently robust and whether their nature is sufficiently varied to cope with a wide range of diverse shocks.

According to the regulatory requirements an **internal liquidity adequacy assessment process (ILAAP)** is performed on a yearly basis and assesses the bank's identification, measurement, management and monitoring processes for liquidity, containing all qualitative and quantitative information necessary for underpinning the risk profile.

As an outcome of the process, the bank has to make a clear and formal Liquidity Adequacy Statement (LAS) supported by an analysis of the outcomes, approved and signed by the Management Board and the Supervisory Board. The LAS is submitted to the relevant authority. The **Liquidity Adequacy Statement (LAS) 2025 and Risks to Liquidity and Funding 2025** presents the view of the UBB Management Board (MB) and the Supervisory Board (SB) on the current and forward-looking liquidity adequacy of UBB. It outlines MB's and the SB's thinking on its ability to maintain an adequate liquidity and funding position going forward in view of the Corporate Strategy, business model, and current and expected evolution of risk profile under different scenarios, next to the effectiveness of risk management, control environment and governance.

MB and SB conclude that UBB's liquidity and funding position is solid in view of its current and future risk profile, both in the baseline scenario and under adverse conditions, the quality of its risk management, internal control environment and governance and taking both a regulatory (normative) and a more comprehensive internal (economic) liquidity and funding perspective into account.

This conclusion is supported by:
- A solid and well-embedded ILAAP, which is comprehensive and proportionate to the nature, scale and complexity of UBB activities in all its building blocks, both qualitative and quantitative. It is further confirmed by the ECB SREP 2025 Joint Decision for UBB that assesses the liquidity risk for UBB as medium-low risk;
- A sustainable business model supports a sound liquidity position.
- A sound risk and control environment, with continued progress made in liquidity and funding risk management throughout 2025.
- A low-risk appetite with regard to liquidity;

- Regulatory ratios that stand well above both the regulatory and internal floors. At the end of 2025 the Net Stable Funding Ratio (NSFR) stood at 161% and the Liquidity Coverage Ratio (LCR) stood at 323%.
- A solid liquid asset buffer that comprises 7 242 MEUR unencumbered central bank eligible assets.
- Liquidity ratios that remain solid under a wide range of stress scenarios performed.
- A robust and regularly tested Liquidity Contingency Plans (LCP) for early identification and effective management of potential liquidity crisis situations next to Recovery Plans (RP) designed to provide an orderly return to a normal situation in case measures would not prevent UBB from slipping into recovery mode.

9.2.Liquidity Coverage Ratio (LCR)

Regulatory LCR ratio stood at a comfortable level and maintained a stable liquidity position: LCR was 323% as of end-of-2025, which is well above the minimum regulatory requirement and also UBB's internal limit. In addition to the regulatory requirements the Bank has an early warning level of 120%. This is according to group practices and policies. In this respect, the Bank disposes of enough high-liquidity resources, in order to handle powerful stress scenario, which continues for 30 days.

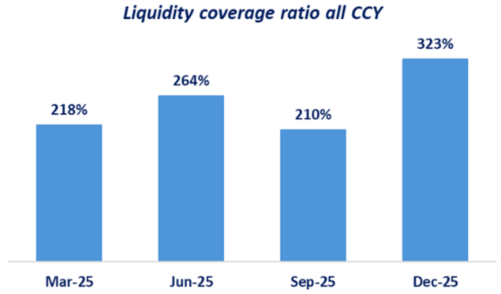
Template EU LIQ1 Quantitative information of LCR

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
EU 1b	Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					12 190 779	12 613 495	11 944 616	12 307 469
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	24 051 765	22 776 715	22 074 448	21 855 395	1 591 282	1 503 911	1 454 285	1 450 791
3	*Stable deposits*	18 976 376	18 025 774	17 510 246	17 241 249	948 819	901 289	875 513	862 063
4	*Less stable deposits*	2 497 983	2 346 181	2 240 590	4 614 146	384 722	362 146	346 411	588 728
5	Unsecured wholesale funding	0	0	0	0	0	0	0	0
6	*Operational deposits (all counterparties) and deposits in*	1 781 478	1 793 785	1 848 862	1 992 162	444 057	446 435	459 173	493 020

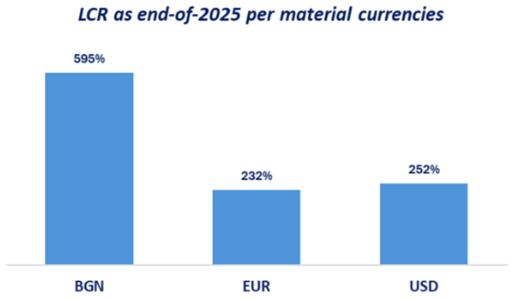
	networks of cooperative banks								
7	*Non-operational deposits (all counterparties)*	2 712 568	3 463 181	3 366 521	3 359 447	1 713 603	2 537 521	2 475 238	2 534 396
8	*Unsecured debt*	0	0	0	0	0	0	0	0
9	*Secured wholesale funding*	-				0	0	0	0
10	Additional requirements	0	0	0	0	0	0	0	0
11	*Outflows related to derivative exposures and other collateral requirements*	6 204 347	6 789 866	5 068 479	5 521 713	6 204 347	6 789 866	5 068 479	5 521 713
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	5 624 487	5 610 240	5 309 724	4 753 243	723 972	743 264	667 556	603 971
14	Other contractual funding obligations	1 277 921	1 328 935	1 285 810	1 256 100	63 896	66 447	64 291	62 805
15	Other contingent funding obligations	253 866	269 323	293 267	403 621	253 866	269 323	293 267	403 621
16	TOTAL CASH OUTFLOWS					11 808 083	13 216 327	11 397 408	11 811 369
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	1 845 266	404 206	912 721	919 241	-	-	-	-
18	Inflows from fully performing exposures	7 310 432	7 830 226	6 920 192	6 634 171	7 071 326	7 593 948	6 667 151	6 409 949
19	Other cash inflows	-	-	-	-	-	-	-	-

EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	TOTAL CASH INFLOWS	9 155 697	8 234 432	7 832 913	7 553 412	7 071 326	7 593 948	6 667 151	6 409 949
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	0	0	-	-	0	0	-	-
EU-20c	*Inflows subject to 75% cap*	9 155 697	8 234 432	7 832 913	7 553 412	7 071 326	7 593 948	6 667 151	6 409 949
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					12 190 779	12 613 495	11 944 616	12 307 469
22	TOTAL NET CASH OUTFLOWS					4 736 756	5 622 379	4 730 258	5 401 420
23	LIQUIDITY COVERAGE RATIO					**260%**	**229%**	**254%**	**231%**

The changes in the ratio during the year are related to the normal business activities of the bank (predominantly to the volumes and maturity of the intragroup transactions).



LCR also monitors the monthly reports per material currency.
As of end-of-2025, the respective figures in BGN, EUR and USD are well above regulatory required level (min 100%):



At the end of 2025, UBB has a substantial amount of unencumbered liquid assets: 7 242 MEUR of unencumbered central bank eligible assets, 4 650 MEUR of which are in the form of liquid government bonds. The rest are cash and central bank exposures in the form of central bank receivables and minimum required reserves 2 591 MEUR and other securities. Most of the unencumbered liquid assets are denominated in Euro and Bulgarian lev. The composition of UBB's bond portfolios is decided as part of the APC process and Treasury strategies. The wholesale funding is limited mainly to intragroup funding, while funding from non-wholesale markets was accounted for by stable funding from core customer segments in our core markets.

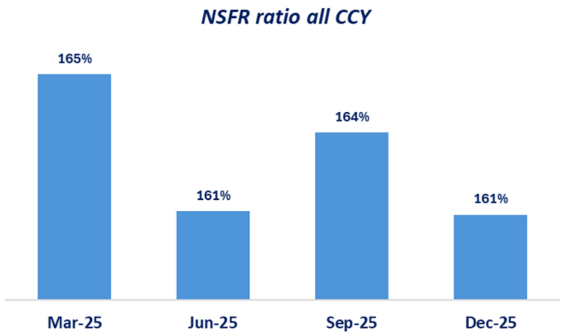
There are no other elements in the calculation of the LCR that the bank considers important, and which are not included in the calculations of this indicator.

9.3.Net Stable Funding Ratio (NSFR)

As well as the liquidity coverage ratio, the net stable funding ratio remained stable in the previous year and above the regulatory requirements. No breaches of the limit were observed through the entire year. Net Stable Funding Ratio as of end of 2025 is 161%.

The volume of the ratio exceeds minimum regulatory requirement of 100%, which discloses the ability of the Bank to maintain its action, while at the same time ensures stable assets and liabilities maturity structure.

On the funding side, UBB has a solid customer deposit base in our core markets, resulting in a stable funding mix. A significant portion of the funding is attracted from core customer segments – Retail and SME.



UBB finances 69% of its assets by means of customer funding. The long-term wholesale funding is also tolerated for the bail-in purposes and funding diversification as well.

The stable customer funding position of UBB is also proved by the lack of concentration of large depositors. The share of top 15 non-financial depositors is less than 5% of the total liabilities of the Bank as of end-of-2025.

Template EU LIQ2 - Net Stable Funding Ratio

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments		**-**	**-**	**3 964 420**	**3 964 420**
2	*Own funds*		-	-	3 785 319	3 785 319
3	*Other capital instruments*		-	-	179 101	179 101
4	Retail deposits		**23 969 997**	**1 141 164**	**58 142**	**23 641 806**
5	*Stable deposits*		19 111 137	561 241	49 421	18 738 180
6	*Less stable deposits*		4 858 860	579 923	8 721	4 903 626
7	Wholesale funding:		**4 851 293**	**81 132**	**-**	**2 466 213**
8	*Operational deposits*		1 429 818	-	-	-
9	*Other wholesale funding*		4 851 293	81 132	-	2 466 213
10	Interdependent liabilities		**-**	**-**	**-**	**-**
11	Other liabilities:		**239 155**	**-**	**43 987**	**43 987**
12	*NSFR derivative liabilities*	0				
13	*All other liabilities and capital instruments not included in the above categories*		4 078 652	-	2 376 333	2 376 333
14	**Total available stable funding (ASF)**					**32 579 432**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**670 550.0**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		**0**	**0**	**0**	**0**
16	Deposits held at other financial institutions for operational purposes					

17	Performing loans and securities:		**5 967 053**	**2 399 791**	**19 852 080**	**18 693 593**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		2 796 868	-	-	139 843
20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		2 676 864	2 272 142	18 005 036	16 593 549
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		145 378	144 819	5 926 174	3 997 112
22	*Performing residential mortgages, of which:*		145 378	144 819	5 926 174	3 997 112
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		145 378	144 819	5 926 174	3 997 112
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		493 321	127 649	1 847 044	1 960 201
25	Interdependent assets		**-**	**-**	**-**	**-**
26	Other assets:		**181 548**	**27 901**	**239 421**	**448 870**

27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-			-
29	*NSFR derivative assets*		12 652			12 652
30	*NSFR derivative liabilities before deduction of variation margin posted*		10 068			503
31	*All other assets not included in the above categories*		-	-	-	-
32	Off-balance sheet items		**7 215 598**	**-**	**-**	**360 780**
33	**Total RSF**					**20 186 948**
34	**Net Stable Funding Ratio (%)**					**161%**

10. Interest Rate Risk in the Banking Book (IRRBB) Disclosure

UBB defines Interest Rate Risk in the Banking Book (IRRBB) as the risk that changes in market interest rates may affect the Bank's earnings and the economic value of its banking book positions. IRRBB is monitored through two key measures: the impact on the long-term economic value of the Bank (ΔEVE) and the impact on net interest income over a forward looking horizon (ΔNII). These measures are calculated under the supervisory interest rate shock scenarios and form the basis for UBB's internal monitoring and risk control framework.

UBB manages IRRBB through a structured risk management framework that includes regular measurement of ΔEVE and ΔNII, internal limits approved within the Bank's risk appetite, and continuous monitoring by the Treasury and Risk functions. IRRBB exposures are evaluated under the supervisory interest rate shock scenarios, and any material sensitivities are addressed through balance sheet steering, repricing actions, or hedging strategies when appropriate. Overall responsibility for IRRBB oversight lies with the Local Risk Management Committee (LRMC), which reviews risk levels, mitigation actions, and compliance with internal limits on a regular basis.

UBB calculates its IRRBB measures on a quarterly basis as part of its regular ALM and risk monitoring cycle. The Bank assesses its sensitivity to interest rate risk using two key quantitative measures: (i) the change in Economic Value of Equity (ΔEVE), capturing the long term impact of interest rate shocks on the present value of banking book cash flows, and (ii) the change in Net Interest Income (ΔNII) over a one year horizon, reflecting the earnings impact of rate movements. Both measures are evaluated under the EBA supervisory interest rate shock scenarios and support the Bank's limit monitoring and internal risk management processes.

UBB assesses its sensitivity to interest rate risk using the six EBA prescribed supervisory shock scenarios applied to ΔEVE and two EBA prescribed supervisory shock scenarios applied to ΔNII. These scenarios include: Parallel Up, Parallel Down, Steepener, Flattener, Short Rates Up and Short Rates Down. The shocks represent sudden and sustained changes in the level or shape of the interest rate curve and are used to quantify the impact of rate movements on the economic value of the Bank's banking book positions and, where applicable, on expected net interest income.

The supervisory results shown in Template EU IRRBB1 are based solely on the standard EBA interest rate shock scenarios.

UBB manages its exposure to IRRBB primarily through active balance sheet steering, product repricing and management of the structural interest rate profile. Where appropriate, the Bank may use derivative instruments, such as interest rate swaps, to mitigate sensitivities in earnings or economic value.

The IRRBB results presented in Template EU IRRBB1 are based on the standard EBA supervisory interest rate shock scenarios and the corresponding prescribed methodology for calculating ΔEVE and ΔNII. The measurements rely on contractual cash flows, regulatory discounting approaches and scenario specific yield curve transformations, without incorporating additional internal behavioural assumptions such as prepayment rates. The disclosed figures therefore reflect the Bank's sensitivity under the uniform supervisory framework required by the EBA.

The ΔEVE and ΔNII results illustrate the Bank's sensitivity to changes in interest rates across the supervisory shock scenarios. ΔEVE reflects the impact on the economic value of the banking book positions, while ΔNII captures the effect on expected earnings over the next 12 months. In the current period, the most adverse ΔEVE outcome arises under the Parallel Down scenario (–219m BGN), broadly consistent with the previous year (–211m BGN). ΔNII also shows its highest sensitivity in the Parallel Down scenario, improving from –155m BGN in the prior period to –85m BGN in the current period. These movements reflect the Bank's evolving balance sheet structure and the underlying rate environment, with overall IRRBB exposures remaining within internal risk appetite limits. In line with the applied validation framework, the EVE outcome under the Parallel Up shock scenario is capped at zero as of 31 December 2025, ensuring a conservative and supervisory aligned treatment of positive valuation effects.

All outcomes remain within UBB's internal risk appetite limits

For internal IRRBB management, UBB assigns behavioural repricing maturities to non maturity deposits (NMDs) based on observed customer behaviour, product characteristics, and the Bank's approved modelling framework following KBC group approaches. The average and longest behavioural maturities applied to retail and corporate NMDs reflect stability analyses, pass through behaviour and sensitivity to market interest rates. These parameters are reviewed periodically.

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

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	0	211 715	84 423	87 409
2	Parallel down	-218 910	-211 355	-85 360	-154 664
3	Steepener	-62 715	-36 554		
4	Flattener	52 514	91 647		
5	Short rates up	54 963	164 180		
6	Short rates down	-185 966	-175 839		

11. Credit Risk and Risk Weighted Assets

The Bank is exposed to credit risk, which represents the risk that a particular counterparty may not be able to pay in full its obligations when they become due.

All financial assets classified as “loans and advances”, “held to maturity”, and “available for sale” are subject to review for impairment. The Bank performs the assessment on each balance sheet reporting date whether there is objective evidence justifying the impairment of a financial asset or a group of financial assets.

In accordance with the International Financial Reporting Standards (“IFRS”), a financial asset (or a group of financial assets) is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (“loss event”) and that a loss event (or events) has an impact on the estimated future cash flows of the financial asset (or group of financial assets), which impact can be reliably estimated. It is not mandatory to identify a single, discrete event that caused the impairment. Rather, the combined effect of several events may have caused the impairment. Losses expected as a result of future events, no matter how likely, do not result in impairment of financial assets. Objective evidence that a financial asset or group of assets is impaired includes observable data about the following loss events (reference: International Accounting Standard 39, Paragraph 59):

(a) Significant financial difficulty of the issuer or obligor;
(b) A breach of contract, such as a default or delinquency in interest or principal payments;
(c) The Bank, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the Bank would not otherwise consider;
(d) It is becoming probable that the borrower will be declared insolvent or resort to other financial reorganization;
(e) The disappearance of an active market for that financial asset because of financial difficulties;
(f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
    - Adverse changes in the payment status of borrowers in the group, or
    - National or local economic conditions that correlate with defaults on the assets in the group.

The Bank supervises the concentration of credit risk on aggregate basis (i.e. with regards to all balance sheet and off-balance sheet exposures). More specifically, the Bank monitors the concentrations of credit risk by industries and by groups of connected borrowers. Regarding the connected parties, the Bank monitors the ratio of the groups’ credit exposures to the Bank’s regulatory capital, in accordance with the Credit Institutions Act, Regulation 575/2013 and Ordinance №7 of BNB.

UBB applies the Standardized Approach for calculation of Risk Weighted Assets. The distribution of exposures into Asset Classes is in the table below:

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

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEAs	RWEAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	11 275 053	0	11 492 840	222 755	636 571	5.43%
2	Non-central government public sector entities	288 327	103 158	219 066	40 719	97 355	37.48%
EU 2a	Regional governments or local authorities	188 062	35 770	188 427	14 573	40 570	19.99%
EU 2b	Public sector entities	100 265	67 388	30 639	26 146	56 785	100.00%
3	Multilateral development banks	0	0	925 344	0	0	0.00%
EU 3a	International organisations	419 741	0	419 741	0	0	0.00%
4	Institutions	1 808 474	241 660	1 846 680	46 346	547 362	28.91%
5	Covered bonds	0	0	0	0	0	0.00%
6	Corporates	6 351 081	3 749 542	5 479 676	1 202 410	6 156 776	92.14%
6.1	Of which: Specialised Lending	461 069	255 844	438 955	94 717	476 109	89.21%

7	Subordinated debt exposures and equity	28 383	0	28 383	0	37 137	130.84%
EU 7a	Subordinated debt exposures	0	0	0	0	0	0.00%
EU 7b	Equity	28 383	0	28 383	0	37 137	130.84%
8	Retail	5 639 781	2 040 035	5 317 808	655 896	4 193 793	70.20%
9	Secured by mortgages on immovable property and ADC exposures	11 332 144	1 042 220	11 320 308	399 608	5 291 403	45.15%
9.1	Secured by mortgages on residential immovable property - non IPRE	7 717 473	116 420	7 717 273	48 022	2 337 639	30.10%
9.2	Secured by mortgages on residential immovable property - IPRE	144 762	2 694	144 762	1 077	49 363	33.85%
9.3	Secured by mortgages on commercial immovable property - non IPRE	2 788 918	467 962	2 788 598	178 071	1 901 901	64.11%
9.4	Secured by mortgages on commercial	258 946	6 715	255 553	2 686	204 477	79.18%

	immovable property - IPRE						
9.5	Acquisition, Development and Construction (ADC)	422 045	448 429	414 122	169 752	798 023	136.68%
10	Exposures in default	309 536	10 944	274 041	5 585	326 718	116.84%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0.00%
EU 10b	Collective investment undertakings (CIU)	0	0	0	0	0	0.00%
EU 10c	Other items	1 462 442	0	1 462 442	0	378 715	25.90%
11	not applicable						
12	**TOTAL**	38 914 962	7 187 559	38 786 329	2 573 319	17 665 830	42.71%

The distribution of exposures by applicable Risk Weights is shown on the following table: *Template EU CR5 Standardised approach*

	Exposure classes	Risk weight																									Total	Of which unrated
		0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%	105%	110%	130%	150%	250%	370%	400%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa
1	Central governments or central banks	5 539 225	0	198 172	5 913 153	34 645	0	0	0	0	0	0	0	0	0	0	30 400	0	0	0	0	0	0	0	0	0	11 715 595	
2	Non-central government public sector entities	0	0	0	0	203 000	0	0	0	0	0	0	0	0	0	0	56 785	0	0	0	0	0	0	0	0	0	259 785	
EU 2a	Regional governments or local authorities	0	0	0	0	203 000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	203 000	
EU 2b	Public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56 785	0	0	0	0	0	0	0	0	0	56 785	
3	Multilateral development banks	925 344	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	925 344	
EU 3a	International organisations	419 741	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	419 741	
4	Institutions	0	0	0	0	317 728	1 546 429	0	0	0	13 570	0	0	0	0	0	15 205	0	0	0	94	0	0	0	0	0	1 893 026	
5	Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Corporates	0	0	0	0	0	0	0	0	0	10 534	0	0	396 500	0	0	5 903 012	0	0	236 996	135 044	0	0	0	0	0	6 682 086	
6.1	Of which: Specialised Lending	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	296 676	0	0	236 996	0	0	0	0	0	0	533 672	
7	Subordinated debt exposures and equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22 547	0	0	0	0	5 836	0	0	0	0	28 383	
EU 7a	Subordinated debt exposures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EU 7b	Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22 547	0	0	0	0	5 836	0	0	0	0	28 383	
8	Retail exposures	0	0	0	0	0	0	0	0	0	0	0	0	5 970 892	0	0	2 812	0	0	0	0	0	0	0	0	0	5 973 704	
9	Secured by mortgages on immovable property and ADC exposures	0	0	0	0	6 421 920	7 390	11 906	0	8 827	130	1 901 775	0	1 559 511	0	86 192	1 107 901	121	40 483	0	479 780	0	0	0	0	93 980	11 719 916	
9.1	Secured by mortgages on residential immovable property - non IPRE	0	0	0	0	6 322 380	0	0	0	0	0	0	0	1 345 639	0	0	95 434	0	0	0	1 842	0	0	0	0	0	7 765 295	
9.1.1	no loan splitting applied	0	0	0	0	0	0	0	0	0	0	0	0	1 345 639	0	0	95 434	0	0	0	1 842	0	0	0	0	0	1 442 915	
9.1.2	loan splitting applied (secured)	0	0	0	0	6 322 380	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6 322 380	
9.1.3	loan splitting applied (unsecured)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9.2	Secured by mortgages on residential immovable property - IPRE	0	0	0	0	99 540	7 390	11 906	0	8 827	0	4 135	0	1 864	0	0	0	121	0	0	12 056	0	0	0	0	0	145 839	
9.3	Secured by mortgages on commercial immovable property - non IPRE	0	0	0	0	0	0	0	0	0	130	1 897 640	0	212 008	0	0	856 891	0	0	0	0	0	0	0	0	0	2 966 669	
9.3.1	no loan splitting applied	0	0	0	0	0	0	0	0	0	130	0	0	211 540	0	0	856 891	0	0	0	0	0	0	0	0	0	1 068 561	
9.3.2	loan splitting applied (secured)	0	0	0	0	0	0	0	0	0	0	1 897 640	0	468	0	0	0	0	0	0	0	0	0	0	0	0	1 898 108	
9.3.3	loan splitting applied (unsecured)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9.4	Secured by mortgages on commercial immovable property - IPRE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	86 192	0	0	40 483	0	37 584	0	0	0	0	93 980	258 239	
9.5	Acquisition, Development and Construction (ADC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	155 576	0	0	0	428 298	0	0	0	0	0	583 874	
10	Exposures in default	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	185 443	0	0	0	94 183	0	0	0	0	0	279 626	
EU 10a	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EU 10b	Collective investment undertakings (CIU)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EU 10c	Other items	1 092 420	0	0	0	0	0	0	0	0	0	0	0	0	0	0	364 227	0	0	0	0	5 795	0	0	0	0	1 462 442	
11	not applicable																											
EU 11c	**TOTAL**	7 976 730	0	198 172	5 913 153	6 977 293	1 553 819	11 906	0	8 827	24 234	1 901 775	0	7 926 903	0	86 192	7 688 332	121	40 483	236 996	709 101	11 631	0	0	0	93 980	41 359 648	

12. Information about recognized External Credit Assessment Institutions ("ECAIs") and Export Insurance Agencies ("EIA")

In accordance with Art. 135 & 138 of Regulation (EU) 575/2013of BNB, UBB utilizes ratings assigned by the rating agencies Standard & Poor's, Moody's, Fitch Ratings and CRIF

The credit ratings by recognized ECAIs are equalized to the EU levels of credit quality approved by BNB and the supervisory bodies of the EU member states and are used for risk weights determination in the process of capital adequacy calculation. Where two or more than two credit assessments are available from ECAIs and they correspond to different risk weights, the Bank applies the rules described in Art. 138 of the Regulation (EU) 575/2013.

Ratings of nominated ECAIs are used mainly for exposures to central governments & central banks, bonds issued by Regional Governments (US State Governments) and exposures to institutions.

When determining the applicable Risk Weight of counterparties, UBB strictly follows EBA's ECAI Master Scale.

13. Asset Quality and Non-Performing Loans

The IFRS 9 impairment model is an Expected Credit Loss (ECL) model which means that it is not necessary for a loss event to occur before an impairment loss is recognized. All financial assets except the ones measured at fair value through profit or loss will generally carry a loss allowance including:

- Financial assets that are measured at amortized cost;
- Debt instruments that are measured at fair value through other comprehensive income;
- Loan commitments that have been issued and are not measured at fair value through profit or loss;
- Financial guarantees given that are not measured at fair value through profit or loss;
- Lease receivables recognized by the lessors (in scope of IFRS 16); and
- Contract assets (in scope of IFRS 15)

The impairment model is an expected credit loss model where the impairment amount is measured at an amount equal to 12 month expected credit losses (the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the next 12 months after the reporting date) or lifetime expected credit losses (resulting from all possible default events over the expected life of a financial instrument). The measurement basis for impairment depends on the approach that is applied for the financial instruments in scope.

Measurement of Expected Credit Losses (ECL)

ECL is calculated as the product of probability of default (PD), estimated exposure at default (EAD) and loss given default (LGD).

13.1. Non-Performing Loans

Strategy for Non-performing loans management

To manage adequately the NPL levels , UBB will continue to follow the current strategy with its two main directions:

- focus on avoidance of new NPL's through maintaining the current underwriting criteria, step-by-step automation of the monitoring procedures, including fast actions on first signals and constant expansion of the risk awareness of Business.
- fast recovery through very active collection with early involvement both for companies and for retail, using a specialized call center and dedicated restructuring units. Expanding the communication channels with clients and taking first steps in digitalizing the end-to-end process of restructuring.

A regular write-off schedule is also applied, which further contributes to a reduction in the volume of old problem loans, as well as an annual reduction in the NPL portfolio.

One of the sub-portfolios with the highest NPL ratio continues to be the SME portfolio. Therefore, the national/international guarantee funds will continue to be actively used as an instrument to decrease the risk in this portfolio and speed up its recovery. Some of the new guarantee schemes cover even for medium and large corporate clients.

Definition of default

UBB defines defaulted financial assets in the same way as the definition for internal risk management purposes and in line with the guidance and standards of financial industry regulators. A financial asset is considered in default if any of the following conditions is fulfilled:

- there is a significant deterioration in creditworthiness;
- the asset is flagged as non-accrual;
- an asset that is already flagged as forborne and reaches DPD of more than 30 days;
- an exposure that was already forborne and classified as non-default, is granted an additional forbearance measure during the probation period
- UBB has filed for the borrower's bankruptcy;
- the counterparty has filed for bankruptcy or sought similar protection measures;
- the credit facility granted to the client has been terminated.
- default or bankruptcy of a connected client, where this delays or avoids repayment sale of a credit obligation with economic loss > 5%

UBB applies a backstop for facilities whose status is '90 days or more past due'. In this context, a backstop is used as a final control to ensure that all the assets that should have been designated as defaulted are properly identified.

The ECL is calculated in a way that reflects:

- an unbiased probability weighted amount;
- the time value of money; and
- information about the past events current conditions and forecast economic conditions.

Lifetime ECL represents the sum of ECL over the lifetime of the financial asset discounted at the original effective interest rate. The 12-month ECL represents the portion of lifetime ECL resulting from a default in the 12-month period after the reporting date.

UBB uses specific IFRS 9 models for PD EAD and LGD in order to calculate ECL. As much as possible and to promote efficiency, UBB uses modelling techniques similar to those developed for prudential purposes (i.e. Basel models). That said UBB ensures that the Basel models are adapted so they comply with IFRS 9. For example:

- UBB removes the conservatism that is required by the regulator for Basel models;
- UBB adjusts how macroeconomic parameters affect the outcome to ensure that the IFRS 9 models reflect a 'point-in-time' estimate rather than one that is 'through the cycle' (as required by the regulator).
- UBB applies forward-looking macroeconomic information in the models.

Significant increase in credit risk

The measurement basis (12-month PD or Lifetime PD) depends on whether there has been a significant increase in credit risk since initial recognition. Different tiers are used in the assessment for significant increase in credit risk, followed by the two multi-tier approaches (one for loans and advances and another for debt securities) used for staging such as:

- Lifetime PD at the reporting date versus the one at the initial recognition
- Forbearance flag on client level
- Days past due
- Watch lists
- Collective assessment
- Forward looking information

UBB also considers three different forward-looking macroeconomic scenarios with different weightings when calculating ECL. The base case macroeconomic scenario represents its estimates for the most probable outcome and also serves as primary input for other internal and external purposes. The maximum period for measurement of ECL is the maximum contractual period (including extensions) except for specific financial assets that include a drawn and an undrawn amount available on demand and UBB's contractual ability to request repayment of the drawn amount and cancel the undrawn commitment does not limit the exposure to credit risk to the contractual period. Only for such assets can a measurement period extend beyond the contractual period.

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

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	**4 292 728**	**4 292 728**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**	**0**
010	Loans and advances	**30 760 338**	**29 274 059**	**1 486 279**	**603 238**	**0**	**603 238**	**-101 426**	**-36 801**	**-64 625**	**-293 695**	**0**	**-293 695**	**-4 965**	**22 080 916**	**255 058**
020	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
030	General governments	258 862	258 327	535	270	0	270	-181	-180	-1	-270	0	-270	0	74 934	0
040	Credit institutions	7 010 457	7 010 457	0	0	0	0	-320	-320	0	0	0	0	0	5 463 213	0
050	Other financial corporations	681 663	681 633	30	0	0	0	-431	-431	0	0	0	0	0	200 710	0
060	Non-financial corporations	10 919 917	9 683 208	1 236 709	384 959	0	384 959	-59 195	-22 645	-36 550	-131 688	0	-131 688	-4 144	8 443 117	223 006
070	Of which SMEs	5 879 167	5 296 388	582 779	221 839	0	221 839	-27 679	-10 185	-17 494	-53 131	0	-53 131	-3 349	4 470 276	152 273
080	Households	11 889 439	11 640 434	249 005	218 009	0	218 009	-41 299	-13 225	-28 074	-161 737	0	-161 737	-821	7 898 942	32 052
090	Debt securities	**7 753 862**	**7 753 862**	**0**	**0**	**0**	**0**	**-892**	**-892**	**0**	**0**	**0**	**0**	**0**	**19 608**	**0**
100	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	General governments	7 717 960	7 717 960	0	0	0	0	-822	-822	0	0	0	0	0	0	0
120	Credit institutions	19 612	19 612	0	0	0	0	-4	-4	0	0	0	0	0	19 608	0
130	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
140	Non-financial corporations	16 290	16 290	0	0	0	0	-66	-66	0	0	0	0	0	0	0
150	Off-balance-sheet exposures	**7 203 945**	**6 278 144**	**925 801**	**11 652**	**0**	**11 652**	**21 630**	**17 210**	**4 420**	**0**	**0**	**0**		**3 207 139**	**4 795**
160	Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
170	General governments	83 923	83 923	0	0	0	0	89	89	0	0	0	0		26 598	0
180	Credit institutions	243 347	243 080	267	0	0	0	8	8	0	0	0	0		0	0
190	Other financial corporations	225 402	225 209	193	0	0	0	76	76	0	0	0	0		113 560	0
200	Non-financial corporations	5 959 645	5 053 732	905 913	9 287	0	9 287	21 310	16 957	4 353	0	0	0		2 903 364	4 693
210	Households	691 628	672 200	19 428	2 365	0	2 365	147	80	67	0	0	0		163 617	102
220	**Total**	**50 010 873**	**47 598 793**	**2 412 080**	**614 890**	**0**	**614 890**	**-80 688**	**-20 483**	**-60 205**	**-293 695**	**0**	**-293 695**	**-4 965**	**25 307 663**	**259 853**

Template EU CR1-A: Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	2 354	10 762 977	11 738 464	15 639 523	40 734	38 184 052
2	Debt securities	22 886	723 057	3 379 697	3 627 330		7 752 970
3	***Total***	**25 240**	**11 486 034**	**15 118 161**	**19 266 853**	**40 734**	**45 937 022**

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

		a
		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**430 661**
020	Inflows to non-performing portfolios	321 438
030	Outflows from non-performing portfolios	-148 861
040	Outflows due to write-offs	-15 760
050	Outflow due to other situations	-133 101
060	**Final stock of non-performing loans and advances**	**603 238**

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

		a	b
		Gross carrying amount	Related net accumulated recoveries
010	**Initial stock of non-performing loans and advances**	**430 661**	
020	Inflows to non-performing portfolios	321 438	
030	Outflows from non-performing portfolios	-148 861	

040	Outflow to performing portfolio	0	
050	Outflow due to loan repayment, partial or total	-131 447	
060	Outflow due to collateral liquidations	0	0
070	Outflow due to taking possession of collateral	0	0
080	Outflow due to sale of instruments	-1 654	0
090	Outflow due to risk transfers	0	0
100	Outflows due to write-offs	-15 760	
110	Outflow due to other situations	0	
120	Outflow due to reclassification as held for sale	0	-
130	**Final stock of non-performing loans and advances**	**603 238**	

13.2. Credit Quality

The disclosure of credit quality as of December 2025 is included in the following templates:

Template EU CQ1 Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	Loans and advances	**242 128**	**199 365**	**196 282**	**196 282**	**-7 805**	**-64 400**	**320 483**	**117 466**
020	*Central banks*	0	0	0	0	0	0	0	0
030	*General governments*	0	0	0	0	0	0	0	0
040	*Credit institutions*	0	0	0	0	0	0	0	0
050	*Other financial corporations*	0	0	0	0	0	0	0	0

060	*Non-financial corporations*	229 972	171 561	168 927	168 927	-6 757	-47 255	306 957	110 205
070	*Households*	12 156	27 804	27 355	27 355	-1 048	-17 145	13 526	7 261
080	Debt Securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
090	Loan commitments given	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
100	***Total***	**242 128**	**199 365**	**196 282**	**196 282**	**-7 805**	**-64 400**	**320 483**	**117 466**

Template EU CQ2 Quality of forbearance

		a
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	23 523
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	44 175

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

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	**4 292 728**	**4 292 728**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	Loans and advances	**30 760 338**	**30 736 783**	**23 555**	**603 238**	**329 143**	**36 091**	**43 472**	**70 560**	**116 541**	**5 429**	**2 002**	**603 238**
020	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
030	*General governments*	258 862	258 861	1	270	0	0	0	270	0	0	0	270
040	*Credit institutions*	7 010 457	7 010 457	0	0	0	0	0	0	0	0	0	0
050	*Other financial corporations*	681 663	681 663	0	0	0	0	0	0	0	0	0	0

060	*Non-financial corporations*	10 919 917	10 911 925	7 992	384 959	273 229	17 953	18 114	24 632	49 833	941	257	384 959
070	*Of which SMEs*	5 879 167	5 871 235	7 932	221 839	139 962	17 953	9 317	24 631	28 778	941	257	221 839
080	*Households*	11 889 439	11 873 877	15 562	218 009	55 914	18 138	25 358	45 658	66 708	4 488	1 745	218 009
090	Debt securities	**7 753 862**	**7 753 862**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
100	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
110	*General governments*	7 717 960	7 717 960	0	0	0	0	0	0	0	0	0	0
120	*Credit institutions*	19 612	19 612	0	0	0	0	0	0	0	0	0	0
130	*Other financial corporations*	0	0	0	0	0	0	0	0	0	0	0	0
140	*Non-financial corporations*	16 290	16 290	0	0	0	0	0	0	0	0	0	0
150	Off-balance-sheet exposures	**7 203 945**			**11 652**								**0**
160	*Central banks*	0			0								0
170	*General governments*	83 923			0								0
180	*Credit institutions*	243 347			0								0
190	*Other financial corporations*	225 402			0								0

200	Non-financial corporations	5 959 645			9 287								0
210	Households	691 628			2 365								0
220	**Total**	**50 010 873**	**42 783 373**	**23 555**	**614 890**	**329 143**	**36 091**	**43 472**	**70 560**	**116 541**	**5 429**	**2 002**	**603 238**

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

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	***On-balance-sheet exposures***	***43 410 181***	***603 238***	***603 238***	***43 410 181***	***-396 008***		***0***
020	*Country 1 - BG*	33 860 966	596 765	596 765	33 860 966	-391 275		0
030	*Country 2 - BE*	7 131 240	35	35	7 131 240	-358		0
040	*Country 3 - US*	456 955	0	0	456 955	-77		0
050	*Country 4 - SK*	312 586	0	0	312 586	-13		0
060	*Country 5 - PL*	215 190	1 036	1 036	215 190	-38		0
070	*Country 6 - FR*	161 490	154	154	161 490	-16		0
080	*Country 7 - AT*	209 949	0	0	209 949	-714		0
090	*Country 8 - DE*	108 499	25	25	108 499	-397		0

100	*Other countries*	953 306	5 223	5 223	953 306	-3 120		0
110	***Off-balance-sheet exposures***	***7 215 597***	***11 652***	***0***			***21 630***	
120	*Country 1 - BG*	6 975 653	11 652	0			21 084	
130	*Country 2 - AT*	91 239	0	0			252	
140	*Country 3 - DE*	69 484	0	0			279	
150	*Country 4 - CN*	42 524	0	0			0	
160	*Country 5 - NL*	23 882	0	0			11	
160	*Country 6 - BE*	8 244	0	0			0	
170	*Other countries*	4 571	0	0			4	
180	***Total***	**50 625 778**	**614 890**	**603 238**	**43 410 181**	**-396 008**	**21 630**	**0**

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

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	882 874	29 056	29 056	882 874	-6 096	0

020	Mining and quarrying	14 905	0	0	14 905	-57	0
030	Manufacturing	3 340 013	140 899	140 899	3 340 013	-52 613	0
040	Electricity, gas, steam and air conditioning supply	891 757	2 818	2 818	891 757	-11 973	0
050	Water supply	84 538	169	169	84 538	-233	0
060	Construction	755 226	7 842	7 842	755 226	-8 562	0
070	Wholesale and retail trade	3 644 655	149 988	149 988	3 644 655	-95 154	0
080	Transport and storage	529 461	21 794	21 794	529 461	-6 151	0
090	Accommodation and food service activities	152 957	7 355	7 355	152 957	-5 515	0
100	Information and communication	193 089	216	216	193 089	-819	0
110	Financial and insurance actvities	10 282	55	55	10 282	-11	0
120	Real estate activities	371 172	20 199	20 199	371 172	-1 277	0
130	Professional, scientific and technical activities	103 794	1 839	1 839	103 794	-579	0
140	Administrative and support service activities	116 427	964	964	116 427	-377	0

150	Public administration and defense, compulsory social security	0	0	0	0	0	0
160	Education	20 422	14	14	20 422	-39	0
170	Human health services and social work activities	82 285	473	473	82 285	-196	0
180	Arts, entertainment and recreation	48 791	21	21	48 791	-187	0
190	Other services	62 228	1 257	1 257	62 228	-1 044	0
200	***Total***	***11 304 876***	***384 959***	***384 959***	***11 304 876***	***-190 883***	***0***

Template EU CQ6: Collateral valuation - loans and advances

		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non-performing								
						Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days						
				Of which past due > 30 days ≤ 90 days				Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
010	Gross carrying amount	31 363 591	30 760 353	23 555	603 238	329 143	274 095	36 091	43 472	70 560	116 541	5 429	2 002
020	*Of which secured*	27 188 844	26 775 257	12 356	413 587	239 242	174 345	22 123	23 162	44 895	77 925	4 260	1 980
030	*Of which secured with immovable property*	14 031 147	13 732 853	23 555	603 238	237 877	274 095	9 718	43 472	70 560	18 671	911	1 236
040	*Of which instruments with LTV higher than 60% and lower or equal to 80%*	961 427	953 033		298 294	7 204	1 190						
050	*Of which instruments with LTV higher than 80% and lower or equal to 100%*	597 929	579 151		18 778	8 231	10 547						
060	*Of which instruments with LTV higher than 100%*	2 391 168	2 244 702		146 466	129 426	17 040						
070	Accumulated impairment for secured assets	-205 651	-70 044	-650	-135 607	-30 069	-105 603	-4 717	-10 639	-25 713	-59 774	-3 630	-1 130
080	Collateral												
090	*Of which value capped at the value of exposure*	*20 953 066*	20 732 003	7 624	221 063	178 730	42 333	10 399	19 289	13 618	8 487	389	669
100	*Of which immovable property*	*12 801 386*	12 640 728	6 718	160 658	123 352	37 306	8 372	7 353	12 574	7 976	383	648
110	*Of which value above the cap*	*0*	0	0	0	0	0	-10 399	-8 771	-13 618	-8 487	-389	-669
120	*Of which immovable property*	*-60 743*	-60 743	0	0	-60 743	0	-8 372	-18 689	-12 574	-7 976	-383	-648
130	Financial guarantees received	*1 382 908*	1 348 913	971	33 995	20 070	13 925	4 445	856	2 456	5 205	204	181
140	Accumulated partial write-off	*-4 965*	0	0	-4 965	0	-4 170	0	-128	-4	-2 918	-304	-944

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

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	**0**	**0**
020	Other than PP&E	**28 515**	**-7 398**
030	*Residential immovable property*	9 989	-1 071
040	*Commercial Immovable property*	18 363	-6 240
050	*Movable property (auto, shipping, etc.)*	163	-87
060	*Equity and debt instruments*	0	0
070	*Other collateral*	0	0
080	***Total***	**28 515**	**-7 398**

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

		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
		Gross carrying amount	Accumulated negative	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E	0	0	0	0								
020	Collateral obtained by taking possession other than that classified as PP&E	0	0	28 515	-7 398	197	-15	8 350	-838	19 968	-6 545	0	0
030	*Residential immovable property*	0	0	0	-1 071	181	-14	3 013	-158	6 795	-899	0	0
040	*Commercial immovable property*	0	0	18 363	-6 240	16	-1	5 337	-680	13 010	-5 559	0	0
050	*Movable property (auto, shipping, etc.)*	0	0	163	-87	0	0	0	0	163	-87	0	0
060	*Equity and debt instruments*	0	0	0	0	0	0	0	0	0	0	0	0
070	*Other collateral*	0	0	0	0	0	0	0	0	0	0	0	0
080	***Total***	**0**	**0**	**28 515**	**-7 398**	**197**	**-15**	**8 350**	**-838**	**19 968**	**-6 545**	**0**	**0**

14. Techniques for Credit Risk Mitigation

The Bank expects repayment of its loan claims primarily from the operational cash flows of the obligors. The collateral is considered as a secondary source for repayment of credit exposures, in case the Bank initiates legal actions against the Obligors.

As a matter of principle, the Bank accepts only 1st rank mortgages or pledges. Inferior rank liens can be accepted on an exceptional basis. The first exception is when all superior ones have been registered in favor of the Bank. The second exception is when any superior lien in favor of a third party has been verified as not corresponding to any outstanding claim or such claim, even if existing, will be cancelled or become void soon (max two months) after the registration of the one in favor of the Bank.

The collaterals must fulfill the following conditions in order to be accepted by the Bank:

1. Legal substance – existence of the proper legal and other documentation, proving the ownership right and the fulfilment of the special requirements of the law;
2. Clear identification – the collateral, as supported by its documentation, to be clearly identifiable;
3. Exclusivity of collateral rights – the Bank to be the undisputable holder/bearer of the specific collateral rights;
4. Sufficiency – Sufficient in terms of amounts, ideally exceeding the respective credit exposure in order to cover possible reduction in their realization price, the expenses and time needed for their realization;
5. Liquidity – the collaterals must be possible to be liquidated within a reasonable time in the current market conditions.

The Bank accepts all collaterals that can be used as an alternative source for the repayment of the Bank's lending claims. However, the Bank has a higher appetite for and accepts that only some of them have the qualitative characteristics (secondary market, short liquidation horizon, easily assessed market price, legal processes allowing the creditor to possess and liquidate them, slow amortization, etc.) permitting to the Bank to assume and calculate a securing value for them. These are:

1. Pledge of deposits ("born receivables under deposit" as per the legal term) with UBB and other banks;
2. Transfer agreement of born receivables (special deposits kept in the Bank's name provided as collateral by the collateral provider) under the Law on Financial Collateral Arrangements;
3. Pledge of receivables under direct, unconditional, irrevocable and full guarantee, issued by first-class local or foreign financial institutions, government and municipalities;
4. Pledge of Multinational bank bonds - investment grade only;
5. Pledge of local government bonds and other local governmental debt titles;
6. Pledge of municipalities bonds;
7. Mortgage on real estate properties and real estate related rights with a recognized market value;
8. Pledge of movable tangible assets – machines, vehicles, equipment, aircrafts, etc.;
9. Pledge of living stock that is fully insured against all risks, the insurance policy is assigned in favor of the Bank and the Bank is referred as loss payee;

10. Marine mortgage;
11. Pledge of non-sensitive goods based on public licensed warehouses titles;
12. Pledge of shares of companies /investment grade only/ and traded in SE /stock exchanges/;
13. Pledge of corporate bonds /investment grade only/ and traded in stock exchanges;
14. Pledge of shipping documents /only sea and railway transport/;
15. Pledge of trade receivables under a contract, from counterparties/payers;
16. Pledge of subsidies and grants by governmental or EU entities, provided that the Bank is able to check and has verified in advance that all preconditions set by the same entities for the disbursement of the subsidy or grant have been fully met.

The Bank, as a matter of principle, encourages the undertaking of fully collateralized credit risks. A credit risk is considered as fully collateralized when the securing value of the collaterals is at least equal to the corresponding risk. Securing value is defined as the outcome of the multiplication of the market value of collateral with the corresponding to every collateral co-efficient. The securing value calculated in this way cannot however exceed the liquidation value and the legal right of the Bank over the asset.

UBB supports the development of entrepreneurship in Bulgaria, thanks to successful partnerships with guarantors like the European Investment Bank, European Investment Fund, Bulgarian Development Bank, National Guarantee Fund, Fund Manager of Financial Instruments in Bulgaria, European Bank for Reconstruction and Development, Council of Europe Development Bank, International Finance Corporation and Bulgarian Export Insurance Agency.

Credits under programs like COSME, COSME COVID-19, COSME Digitalization Pilot, InnovFin, JEREMIE and others form the majority of the portfolio secured by financial guarantees.

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

		Unsecured carrying amount	**Secured carrying amount**			
				Of which **secured by collateral**	Of which **secured by financial guarantees**	
						Of which **secured by credit derivatives**
		a	b	c	d	e
1	Loans and advances	12 925 209	22 335 974	7 536 420	8 048 491	0
2	Debt securities	7 733 362	19 608	0	19 608	
3	Total	20 658 571	22 355 582	7 536 420	8 068 099	0

4	*Of which non-performing exposures*	54 485	255 058	221 063	33 995	0
EU-5	*Of which defaulted*					

UBB does not use netting as means of Credit Risk Mitigation, therefore it has nothing to disclose under Article 453 (a) CRR.

15. Counterparty Credit Risk

The Counterparty credit risk (CCR) originates from deals with derivatives, repo deals, deals of lending/borrowing of securities or commodities, transactions with extended settlement and represents the risk that the counterparty under a particular deal may default prior to the final settlement of the cash flows under the deal.

The Bank has adopted rules and procedures for assessment, management and control of counterparty risk by countries and banks. All counterparties receive a risk rating category according to their official internal ratings. Based on this and according to the accepted groupwide methodology, risk limits are set by counterparties, both for total exposure and by products.

The Market and Liquidity Risk Management Department within the Risk Management Directorate monitors limit utilization daily and escalates limit violations towards internal management bodies.

The scope of transactions that bear Counterparty Credit Risk in UBB is limited. Derivative deals are conducted predominantly with KBC Bank Belgium with the purpose of managing the currency and interest rate risk positions. Likewise, repo deals are also conducted predominantly within KBC group or done for managing primary dealership of the bank on the local market.

15.1. Analysis of CCR exposure by approach

The Bank allocates capital for counterparty credit risk purposes originated by derivatives and repo deals by applying Standardized Approach for Counterparty Credit risk (SA-CCR) calculation, pursuant to Section 3, Art. 274 – Art. 281 of Regulation (EU) 575/2013.

SA-CCR is the most appropriate methodology for UBB, which can be used for regulatory capital calculation taking into consideration the volume and the complexity of the derivatives business case. To have comparability between exposure (EAD) and limit consumption the same approach is used for limit monitoring.

Under SA-CCR the exposure required for the regulatory capital calculation and the limit usage (monitoring) is calculated as the sum of the replacement cost (Art. 275) and the potential future exposure (Art. 278), which is subsequently multiplied by a supervisory alpha factor.

Template EU CCR1 - Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	0	0		1.4	0	0	0	0
EU-2	EU - Simplified SA-CCR (for derivatives)	0	0		1.4	0	0	0	0
1	SA-CCR (for derivatives)	5 213	46 499		1.4	72 397	72 397	70 955	34 795
2	IMM (for derivatives and SFTs)			0	0	0	0	0	0
2a	*Of which securities financing transactions netting sets*			0		0	0	0	0
2b	*Of which derivatives and long settlement transactions netting sets*			0		0	0	0	0
2c	*Of which from contractual cross-product netting sets*			0		0	0	0	0
3	Financial collateral simple method (for SFTs)					0	0	0	0
4	Financial collateral comprehensive method (for SFTs)					8 320 395	35 132	35 132	7 026
5	VaR for SFTs					0	0	0	0
6	**Total**					8 392 792	107 529	106 087	41 821

15.2. CCR exposures by regulatory exposure class and risk weights

The receivables from local and foreign banks, the receivables or liabilities for repurchase of securities, and the FX deals are assigned a risk weight in accordance with Regulation (EU) 575/2013, Chapter 6 of Title II of Part Three.

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

	Exposure classes	Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	0	0	0	0	0	0	0	0	0	0	0	0
2	Regional government or local authorities	0	0	0	0	0	0	0	0	0	0	0	0
3	Public sector entities	0	0	0	0	0	0	0	0	0	0	0	0
4	Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0
5	International organisations	0	0	0	0	0	0	0	0	0	0	0	0
6	Institutions	0	0	0	0	71 304	0	0	0	4 083	0	5 877	81 264
7	Corporates	0	0	0	0	0	0	0	854	19 257	0	3 942	24 053
8	Retail	0	0	0	0	0	0	0	739	0	0	0	739
9	Institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0
10	Other items	0	0	0	0	0	0	0	0	0	31	0	31
11	**Total exposure value**	0	0	0	0	71 304	0	0	1 593	23 340	31	9 819	106 087

15.3. Available Collateral on CCR Transactions

The composition and volume of available collateral are in the table below:

Template EU CCR5 - Composition of collateral for CCR exposures

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
	Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	0	0	0	4 009	0	0	0	0
2	Cash – other currencies	0	0	0	0	0	0	0	0
3	Domestic sovereign debt	0	0	0	0	0	0	0	0
4	Other sovereign debt	0	0	0	0	0	0	0	0
5	Government agency debt	0	0	0	0	0	0	0	0
6	Corporate bonds	0	0	0	0	0	0	0	0
7	Equity securities	0	0	0	0	0	0	0	0
8	Other collateral	0	0	0	0	0	5 545 732	0	5 501 999
9	**Total**	**0**	**0**	**0**	**4 009**	**0**	**5 545 732**	**0**	**5 501 999**

16. Credit Valuation Adjustment risk (CVA)

Credit Valuation Adjustment (CVA) risk reflects potential mark-to-market losses arising from deterioration in the creditworthiness of counterparties to derivative transactions. The scope of CVA risk is limited to exposures from derivatives with financial counterparties, primarily banks and other financial institutions.

16.1. Processes to manage CVA risk.

UBB applies a conservative approach to CVA risk, reflecting its limited derivatives activity. CVA risk is managed within the overall CCR Framework through identification, measurement, monitoring and control processes.
Exposure is limited primarily to standard FX and IRS deals with financial counterparties. Risk mitigation is achieved through counterparty limits, collateralisation and netting agreements (ISDA Master Agreement for derivatives).
Regular monitoring ensures effective risk oversight.

16.2. Approach to CVA own funds requirements.

UBB applies the reduced version of the Basic Approach for CVA (BA-CVA) in accordance with Article 384 CRR. Given its limited derivatives activity and low-complexity risk profile, CVA exposure and the related own funds requirements remain low.

Template EU CVA1 - Credit valuation adjustment risk under the Reduced Basic Approach (R-BA)

		Components of Own Funds Requirements	Own funds requirements
1	Aggregation of systematic components of CVA risk	801	
2	Aggregation of idiosyncratic components of CVA risk	464	
3	Total		369

Template EU CVA4 – RWEA flow statements of credit valuation adjustment risk under the Standardised Approach (SA)

		a
		Risk weighted exposure amount
1	Risk weighted exposure amount as at the end of the previous reporting period	0
2	Risk weighted exposure amount as at the end of the current reporting period	4 613

17. Market Risk

Market risk is the risk of experiencing losses due to adverse changes in market prices. This includes changes in the value of traded assets (e.g. stock and commodity prices), movements in directly or indirectly observable prices (such as market indices, spreads, and correlations), and effects of changes in the volatility and liquidity of these factors. Market risk, therefore, arises from present value changes of on- and off-balance sheet positions in the bank's trading and banking book.

Regarding the Banking Portfolio, the strategy of UBB is to acquire liquid assets in accordance with the requirements of the Group and the local regulator. In general, the volumes are adjusted in line with the Annual Planning Cycle (APC) and defined in line with Risk Appetite Statement (RAS). Potential investments are carefully selected and in accordance with internal rules, procedures and approved limits.

Risks in scope of the non-trading market risk domain (i.e. on- and off-balance sheet positions in the banking book) can be aggregated into two basic pillars: *Interest Rate Risk* (ALM risk, including CSRBB) and *Risk arising from Asset Mix* (Asset Mix risk, excluding credit risk).

With respect to the trading book volume the market risk profile of UBB is very low as well as the risk appetite.

The main trading market risk measurements in UBB are Stop Loss Limits and FX open position Limits.

17.1. Position (Interest rate) Risk on Exposures in the Trading Book Portfolio

Position risk refers to the risk of change in the prices of debt and equity instruments in the trading book. It contains two components: specific risk and general position risk. The specific risk represents a risk of a change in the price of a financial instrument as a result of factors related to its issuer or the issuer of the underlying instrument. General position risk is the risk of a change in the price of a financial instrument because of factors that are not contingent on the specific characteristics of the instruments, e.g. equity markets or interest rates movements.

With regards to the net positions in debt instruments, capital requirements for specific risk are calculated by currency and in accordance with the position's category based on the issuer's credit rating and the residual maturity in compliance with Art. 336 of Regulation (EU) 575/2013.

The Bank applies a maturity-based approach to calculating the general position risk in accordance with Art. 339 of Regulation (EU) 575/2013, by distributing the debt instruments with fixed interest rate according to their residual maturity, and those with floating interest rate, to the next repricing date.

17.2. Capital requirements for Foreign Exchange Risk

The Bank calculates capital requirements for foreign exchange risk resulting from both, the banking and the trading book, according to the standardized approach, described in Chapter 3 (Art. 351-354) of Regulation (EU) 575/2013. As the sum of the overall net foreign exchange open position does not exceed 2% of the total own funds, there are no local requirements for the Bank to allocate capital for foreign exchange risk.

The own funds requirement for foreign exchange risk is the sum of the overall net foreign exchange position in the reporting currency, multiplied by 8 % and the own funds requirement on the matched position of closely correlated currencies which is 4 %.

Since Bulgaria participates in ERM II, according to Article 354 (4), the capital requirement on the matched position in currency pair BGN-EUR is calculated as 1.6 % of the value of such matched position.

The Bank has no equity instruments and commodity risk exposures in the Trading Book.

UBB uses the Simplified Standardized Approach for Market Risk Calculations.

Template EU MR3 - Market risk under the simplified standardised approach (SSA).

		a	b	c	d
		Own Funds Requirements			
		Outright products	Options		
			Simplified approach	Delta-plus approach	Scenario approach
1	Interest rate risk (general and specific)	608			
2	Equity risk (general and specific)	0			
3	**Commodity risk**	0			
4	**Foreign exchange risk**	0			
5	**Securitisation (specific risk)**	0			
6	**Total OFR SSA**	608			

18. Operational Risk

Operational Risk is the risk of a loss resulting from inadequate or failed internal processes, people (human) error, IT systems or external events (including natural phenomena). Operational risk management is described in Operational Risk Management Framework (ORMF) and relevant standards. In 2025, the Program for Redesign of Operational & Information Risk (PRIOR) successfully shifted to a new overarching NFR program MOVE (Make Operational Resilience more Verifiable and Embedded), focusing on a more practical daily risk management approach, namely:

- A complete transfer from assessing Group Key Controls (GKC) to building and maintaining up-to-date Risk and Control Inventories (R&CIs) of all applicable business lines for the bank;
- Implementation of improved 1st and 2nd line monitoring as well as testing the effectiveness of controls;

Upgrade of the new group operational risk assessment tool - GRACE.
The aim is to have more correct oversight and better assurance to stakeholders on operational risk exposures as well as on the quality of internal control environment.

Sufficient operational risk management within UBB is supported by:

- The existence of a robust management framework
- A practical approach to daily risk management based on updated Risk and Control Inventories (R&CIs), Key Risk Indicators (KRIs) etc.

Another key element of the Operational Risk Management Framework is the identification, analysis and reporting of operational events. UBB Loss Data Collection Standard was implemented in the bank to set out the arrangements, procedures and responsibilities for identifying incidents. All operational events are registered in KBC's centralized system GLORY, which ensures traceability and consistency in the data. The Non-Financial Risk Management department monitors the quality, completeness and timeliness of the information. Identified events are analyzed in the context of the control environment and reported to the Local Risk Management Committee (LRMC), while corrective measures are proposed and implemented to reduce the likelihood of recurrence and improve the effectiveness of controls.
There are 2 tools used by Operational risk management – Grace for risk and control assessments (R&CIs) and Glory – for the registration of losses and near misses.
Local Operational Risk Managers (LORMs), who are part of the 1LoD business units of the Bank, are appointed for all business lines in UBB and trained regularly by the 2LoD (Non-financial Risks Department).

Business Continuity Management (BCM) is performed in accordance with the KBC Group standards and guidelines via the local BCM Framework. BCM is defined as strategic and tactical ability of an entity to plan and react accordingly in the event of serious disruptions incidents or disasters. The goal is to ensure the performance of the organization's critical functions and activities (provision of services and/or products) at a predefined acceptable level to customers in the event of force majeure circumstances and crises.
In UBB BCM is coordinated by Non-financial risks management team (Operational and Information risk) as the business units are responsible for BCM framework implementation. Business Impact Analyses (BIAs) are prepared for all business lines in UBB identifying critical

and non-critical activities, and for each activity a recovery time objective (RTO) is defined. Assessment is also done for the systems in which relevant activities are performed, based on the criteria of confidentiality, integrity and availability. For each business line there is a BC coordinator assigned who has the task to perform BIA defining the critical activities, pointing out the (critical) systems and vital people in the business line, to prepare Business Continuity Plan (BCP) for incidents and crisis situations as well as to coordinate the BCP and the phone tree testing. The BC coordinator also reviews and updates the respective BIAs, BCPs and phone trees at least once a year.

The Bank applies the Standardized Approach for calculating the capital requirements for operational risk.

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

		a	b	c	d	e	f	g	h	i	j	k
		T	T–1	T–2	T–3	T–4	T–5	T–6	T–7	T–8	T–9	Ten-year average
Using €20,000 threshold												
1	Total amount of operational risk losses net of recoveries (no exclusions)	2 564 004	3 037 458	899 097	1 010 292	1 490 143	295 698	901 933	340 681	40 509	0	1 057 981
2	Total number of operational risk losses	16	13	11	5	6	3	8	5	1	0	7
3	Total amount of excluded operational risk losses	0	0	0	0	0	0	0	0	0	0	0
4	Total number of excluded operational risk events	0	0	0	0	0	0	0	0	0	0	0
5	Total amount of operational risk losses net of recoveries and net of excluded losses	2 564 004	3 037 458	899 097	1 010 292	1 490 143	295 698	901 933	340 681	40 509	0	1 057 981
Using €100,000 threshold												
6	Total amount of operational risk losses net of recoveries (no exclusions)	1 954 510	2 577 783	520 428	852 447	1 371 778	0	644 664	0	0	0	792 161
7	Total number of operational risk losses	5	6	3	2	2	0	2	0	0	0	2

8	Total amount of excluded operational risk losses	0	0	0	0	0	0	0	0	0	0	0
9	Total number of excluded operational risk events	0	0	0	0	0	0	0	0	0	0	0
10	Total amount of operational risk losses net of recoveries and net of excluded losses	1 954 510	2 577 783	520 428	852 447	1 371 778	0	644 664	0	0	0	792 161
Details of operational risk capital calculation												
11	not applicable											
12	not applicable											

19. Disclosure of Encumbered and Unencumbered assets

The encumbered and unencumbered assets of UBB to 31.12.2025 are as follows:

UBB's encumbered assets include:

- blocked government securities in connection with attracted funds from budget organizations
- blocked government securities for pre-supply of euro banknotes and coins by the Bulgarian national bank. The pre-supply is taken to secure sufficient cash availability to Bulgarian banks and their customers on 01.01.2026, marking the official date of Bulgaria's entry into the Euro zone, and ensures readiness for the transition to the new currency, supporting uninterrupted access to cash
- blocked government securities for repurchase agreements.
- blocked cash at the Central bank in relation to the participation in a guarantee mechanism for local cards settlement
- blocked cash on account with banks, representing margin account for derivative deals

None of the collateral received by the Bank is available for encumbrance.

Blocking of assets for securing funds of budget organizations is carried out on the basis of Art. 152 of the Public Finance Act

Template EU AE1 Encumbered and Unencumbered Assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	4 031 475	4 014 216			40 468 486	8 775 197		
030	Equity instruments					22 547		22 547	
040	Debt securities	3 963 176	3 963 176	3 962 983	3 962 983	3 804 705	3 758 081	3 743 338	3 697 060
050	of which: covered bonds					0			
060	of which: securitisations					0			
070	of which: issued by general governments	3 963 176	3 963 176	3 962 983	3 962 983	3 768 873	3 738 473	3 706 902	3 677 694
080	of which: issued by financial corporations					19 608	19 608	19 366	19 366
090	of which: issued by non-financial corporations					16 224		17 070	
120	Other assets	68 299	51 040	-	-	36 641 234	5 017 116	-	-

Template EU AE2 - - Collateral received and own debt securities issued

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**			5 463 213	5 463 213
140	Loans on demand				
150	Equity instruments				
160	Debt securities			5 463 213	5 463 213
170	of which: covered bonds				
180	of which: securitisations				
190	of which: issued by general governments			5 463 213	5 463 213
200	of which: issued by financial corporations				
210	of which: issued by non-financial corporations				
220	Loans and advances other than loans on demand				
230	Other collateral received				
240	**Own debt securities issued other than own covered bonds or securitisations**				

241	**Own covered bonds and securitisations issued and not yet pledged**				
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	4 031 475	4 014 216		

Template EU AE3 - Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	**Carrying amount of selected financial liabilities**	**3 042 325**	**3 967 185**

20. Securitization

There has been no securitization of the Bank's assets in 2025.

21. Specialized lending and equity exposures

UBB has nothing to disclose as specialized lending in 2025.

The equity exposures of UBB to 31.12.2025 are as follows:

Template EU CR10.5 - Equity exposures under Articles 133 (3) to (6) and 495a(3) CRR

Equity exposures under Articles 133 (3) to (6) and 495a(3) CRR						
	On-balance sheet exposure	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**Risk weighted exposure amount**	**Expected loss amount**
Categories	a	b	c	d	e	f
Non-financial companies	22 547	0	100%	22 547	22 547	0
Financial companies	5 836	0	250%	5 836	14 590	0
Total	**28 383**	**0**		**28 383**	**37 137**	**0**

22. Remuneration Policies and Practices

The governance of the UBB Remuneration Policy involves implementation and the continuing review of the remuneration practices. The main bodies involved in these roles are the UBB Supervisory Board and the UBB Remuneration committee. The Supervisory Board, on the basis of a recommendation from UBB Remuneration committee, discusses and finally approves all decisions, prepared and proposed by the Remuneration Committee.

The Remuneration Committee is a subcommittee of the Supervisory Board, composed of Chairperson and two independent members, who are also members of the supervisory board and are not executive members of the Management Board of Directors. The members of the SB are appointed by the General Meeting of Shareholders for a period of 4 (four) years. The Remuneration Committee exercises competent and independent judgment on remuneration policies and practices, and the incentives created for managing risk, capital and liquidity. It is responsible for the preparation of decisions regarding remunerations, considering the implications for the risk and risk management of the bank, the long-term interests of shareholders, investors and other stakeholders in the bank.

In 2025 the UBB Remuneration Committee gathered twice - on regular Committee Meeting, held on 26.03.2025 and on 25.06.2025.
The UBB Remuneration Policy was amended in March 2025, in order to be in compliance with the KBC Group Remuneration Policy. The list of Key Identified staff (KIS) was also reviewed and updated.

The Remuneration Policy of UBB is based on the KBC Remuneration Policy of KBC Group complies with BNB Ordinance No. 4 on the requirements for remuneration in banks. The Remuneration Policy of UBB is fully compatible with the Bank stakeholders' interests, KBC Corporate Social Responsibility Policy, KBC Corporate Sustainability strategy and KBC Compliance Rules.

The Remuneration Policy covers all forms of remuneration, including salaries and other financial and material benefits for all the staff members and defines some specific remuneration guidelines for Key Identified Staff (KIS).

A mandatory component in the remuneration schemes for all UBB employees is individual performance-based compensation, based on a yearly performance appraisal instrument and taking non-financial/qualitative criteria into account, such as personal development, compliance with the institution's systems and controls, sound risk behavior, commitment to the business strategies and its major policies and contribution to the performance of the team. Remuneration schemes used within UBB are based on competences, job weightings, skills, contribution and performance, and are aligned with long-term shareholder interests and profitability, considering overall risk and the cost of capital.
The variable remuneration shall not exceed 100% of the total annual fixed remuneration. A minimum proportion of 10% of the variable compensation is based upon the KBC Group reported results, mandatory parameter only for KBC senior managers.

Variable remuneration is a set of monetary bonuses, and performance incentives, and other equivalent non-cash instruments. The variable remuneration should not induce risk-taking in excess of the risk profile of the Bank and should be based on risk- and liquidity-adjusted profit, not on gross revenues. Performance bonuses shall be paid only in case of Bank's net profit plan fulfilment at above 80%.

Capital and liquidity parameters are set as a risk gateway for paying out variable remuneration for all categories of the staff including the Key Identified staff.

If one of the parameters is not met – no variable remuneration will be paid for the performance year and "non-vested" deferred amounts will not vest in the respective year and will be lost.

If the risk gateway is passed, the level of the variable remuneration paid still could depend on other variable remuneration guidelines and processes in force. Quantitative risk adjustment measures such as the Risk Adjusted Profit (RAP) are additionally introduced for positions considered as KBC top 300 and impact the level of variable remuneration directly by risk adjusting the size of bonus pools and individual awards.

An integral part of the Remuneration Policy is the List of Key Identified staff members with a material impact on the risk profile of the Bank, identified by qualitative and quantitative criteria as per the Regulatory Technical Standards (RTS) on Key Identified staff, for which are subject to specific requirements regarding non-cash instruments and deferrals, related to their variable remuneration.
Key Identified staff are differentiated in the following groups:

- First group KBC Group KIS – Members of the Supervisory and the Management Board of UBB;

- Second group KBC Group KIS – Senior Management and other managers specifically defined by KBC Group;
- Third group KIS (local KIS) – Employees responsible for the management of the independent risk management, regulatory compliance and internal audit services and heading material business units of the Bank;
- Fourth group KIS – employees whose remuneration exceeds certain quantitative thresholds.

For the Key Identified staff members from First and Second Group, considered to be Material KIS, 50% of the variable remuneration consists of share-linked instruments, i.e. phantom stock based upon the KBC Group share, or an alternative equity-linked instrument imposed by a local regulator. This principle is applied to both the variable remuneration component paid upfront and the deferred variable remuneration component.

For all other employees identified as KIS from Third and Fourth Group with less significant influence on the company risk profile, the variable monetary remuneration shall be based on the results of the core business of the Bank, the results of the structural unit, and their individual performance. 50% of the variable monetary remuneration of these employees, for which the amount of the variable exceeds EUR 40 000 and up to EUR 50 000 shall be deferred, to promote the achievement of sustainable and long-term results and discourage risk-taking beyond the acceptable level for the given position.
In case of unsatisfactory financial result of the Bank, the Management Board can take a decision to limit the deferred variable remuneration of employees identified as non-material KIS, to suspend or reduce their payment.

Variable compensation is subject to ex-post risk adjustment measures. Ex post risk adjustment operates either by reducing deferred but not yet vested amounts in case of significant downturn in the financial performance (malus), either by reclaiming ownership of deferred amounts already vested or paid in the past, until maximum five years after payment (claw back) at the discretion of the Supervisory Board of KBC Group and to the extent permitted by law.

Template REM1 Remuneration awarded for the financial year

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	6	8		22
2		Total fixed remuneration	45	2 787		2 988
3		Of which: cash-based	45	2 787		2 988
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff		8		22
10		Total variable remuneration		858		982
11		Of which: cash-based		429		982
12		Of which: deferred		257		
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments		429		
EU-14b		Of which: deferred		429		
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17	Total remuneration (2 + 10)		45	3 645	0	3 970

Template REM3 Deferred remuneration

		-							
		a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function						-		
2	Cash-based						-		
3	Shares or equivalent ownership interests						-		
4	Share-linked instruments or equivalent non-cash instruments						-		
5	Other instruments						-		
6	Other forms						-		
7	MB Management function	2 489	747	1742			1 205	602	420
8	Cash-based	913	327	586				182	

9	Shares or equivalent ownership interests	1 576	420	1 156			1 205	420	420
10	Share-linked instruments or equivalent non-cash instruments						-		
11	Other instruments						-		
12	Other forms						-		
13	Other senior management						-		
14	Cash-based						-		
15	Shares or equivalent ownership interests						-		
16	Share-linked instruments or equivalent non-cash instruments						-		
17	Other instruments						-		
18	Other forms						-		
19	Other identified staff						-		
20	Cash-based						-		
21	Shares or equivalent ownership interests						-		
22	Share-linked instruments or equivalent non-cash instruments						-		
23	Other instruments						-		
24	Other forms						-		
25	Total amount	2 489	747	1 742			1 205	602	420

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

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						-
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	**Total number of identified staff**										**36**
2	**Of which: members of the MB**	6	8	14							
3	**Of which: other senior management**										
4	**Of which: other identified staff**				2	7	0	5	3	5	
5	**Total remuneration of identified staff**	45	3 645	3 690	357	1 273	0	926	493	921	
6	**Of which: variable remuneration**	0	858	858	93	268	0	267	125	229	
7	**Of which: fixed remuneration**	45	2 787	2 832	264	1 005	0	659	368	692	

23. Disclosure of environmental, social and governance risks (ESG risks)

UBB is exempted from the obligation to publish a sustainability statement and a consolidated sustainability statement as the information is included in the consolidated sustainability statement of its parent undertaking, KBC Group, with registered office at Havenlaan 2, 1080 Brussels, Belgium. KBC Group's consolidated sustainability statement and the assurance opinion relating to it are included in the KBC Group annual report for 2025 available on Annual reports.

In accordance with the EBA decision on environmental, social and governance (ESG) data collection and for the reasons set out in that decision, the EBA requires competent authorities, including the ECB, to collect on an ad-hoc basis data on ESG risks from a set of credit institutions as specified in that decision. This collection provides competent authorities with data to monitor ESG risks and support the EBA in fulfilling its ESG mandates, including setting up a risk monitoring framework and contributing to the European Commission's Strategy for financing the transition to a sustainable economy.

The ECB submits to the EBA the quantitative data disclosed by the institutions which are subject to the disclosure requirements as provided for in Article 449a of Regulation (EU) No 575/2013 and according to Article 18a of Commission Implementing Regulation (EU) 2021/6375.

In the light of the above, UBB as 'targeted' subsidiary submits to the relevant national competent authority (BNB) the following subset of templates included in the dedicated module in the applicable EBA reporting framework:

Template D 01.00 Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

		Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<=5 years	>5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
		0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130	0140	0150	0160
Exposures towards sectors that highly contribute to climate change	0010	10 683 995	281 725		1 207 409	380 120	-187 042	-36 059	-130 136	4 267 458	3 459 150	0.04	7 631 381	2 480 805	529 444	42 365	4
A - Agriculture, forestry and fishing	0020	882 874	-		67 359	29 056	-6 096	-1 426	-2 749	638 960	476 640	0.00	621 770	246 574	14 530	-	4
B - Mining and quarrying	0030	14 905	3		248	-	-57	-	-	5 334	1 871	0.00	13 637	1 268	-	-	2
B.05 - Mining of coal and lignite	0040	-	-		-	-	-	-	-	-	-	0.00	-	-	-	-	0
B.06 - Extraction of crude petroleum and natural gas	0050	-	-		-	-	-	-	-	-	-	0.00	-	-	-	-	0
B.07 - Mining of metal ores	0060	8 045	-		224	-	-55	-	-	2 861	920	0.00	8 045	-	-	-	2
B.08 - Other mining and quarrying	0070	6 857	-		24	-	-2	-	-	2 471	951	0.00	5 589	1 268	-	-	3
B.09 - Mining support service activities	0080	3	3		-	-	-	-	-	2	-	0.00	3	-	-	-	1
C - Manufacturing	0090	3 340 013	11 811		323 217	140 899	-52 267	-7 474	-39 049	1 374 700	1 130 160	0.01	2 663 687	631 129	45 197	-	3
C.10 - Manufacture of food products	0100	732 724	-		73 078	22 671	-10 004	-5 290	-3 344	294 700	250 553	0.00	629 099	96 639	6 986	-	3
C.11 - Manufacture of beverages	0110	177 621	-		8 776	1 865	-1 151	-44	-927	51 259	43 131	0.00	126 108	51 468	45	-	3
C.12 - Manufacture of tobacco products	0120	-	-		-	-	-	-	-	-	-	0.00	-	-	-	-	0
C.13 - Manufacture of textiles	0130	26 630	-		1 504	9 158	-4 997	-16	-4 961	7 291	6 308	0.00	16 428	1 212	8 990	-	5
C.14 - Manufacture of wearing apparel	0140	46 010	-		5 179	333	-263	-53	-162	7 079	6 099	0.00	35 300	9 351	1 359	-	4
C.15 - Manufacture of leather and related products	0150	2 851	-		589	1	-7	-5	-1	575	474	0.00	2 069	782	-	-	3
C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0160	98 850	-		10 336	1 338	-705	-64	-408	23 783	16 971	0.00	86 607	11 074	1 169	-	2
C.17 - Manufacture of paper and paper products	0170	78 183	-		6 641	44 098	-5 847	-50	-5 776	49 835	35 962	0.00	74 429	3 562	192	-	3
C.18 - Printing and reproduction of recorded media	0180	49 231	-		331	-	-28	-1	-	8 840	8 407	0.00	22 144	26 933	154	-	5
C.19 - Manufacture of coke and refined petroleum products	0190	11 811	11 811		1 699	-	-23	-7	-	570	465	0.00	9 845	1 966	-	-	3
C.20 - Manufacture of chemicals and chemical products	0200	69 973	-		1 581	1 531	-130	-4	-	17 936	12 024	0.00	61 257	8 177	539	-	3
C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	0210	171 245	-		72 413	-	-861	-759	-	4 370	3 105	0.00	171 245	-	-	-	2
C.22 - Manufacture of rubber products	0220	247 590	-		17 686	1 085	-705	-48	-142	205 629	180 958	0.00	159 396	87 390	804	-	4
C.23 - Manufacture of other non-metallic mineral products	0230	71 637	-		6 635	2 398	-239	-12	-167	41 944	26 744	0.00	42 161	25 080	4 396	-	4
C.24 - Manufacture of basic metals	0240	346 488	-		19 148	12 747	-1 745	-67	-646	334 743	268 493	0.00	320 490	25 706	292	-	2
C.25 - Manufacture of fabricated metal products, except machinery and equipment	0250	316 498	-		3 693	3 292	-671	-33	-334	73 303	57 530	0.00	260 146	47 986	8 366	-	3
C.26 - Manufacture of computer, electronic and optical products	0260	103 295	-		3 572	4 070	-984	-2	-843	25 511	22 744	0.00	84 332	18 963	-	-	3
C.27 - Manufacture of electrical equipment	0270	314 747	-		9 650	342	-1 371	-257	-78	77 006	67 784	0.00	235 737	78 729	281	-	3
C.28 - Manufacture of machinery and equipment n.e.c.	0280	148 384	-		44 696	3 931	-277	-252	-28	56 779	46 258	0.00	108 358	40 026	-	-	3
C.29 - Manufacture of motor vehicles, trailers and semi-trailers	0290	89 780	-		894	-	-281	-2	-	11 621	10 174	0.00	39 904	49 876	-	-	5
C.30 - Manufacture of other transport equipment	0300	70 158	-		26 746	20 772	-20 578	-388	-20 140	14 650	11 374	0.00	66 258	3 900	-	-	2
C.31 - Manufacture of furniture	0310	87 827	-		2 634	2 832	-243	-29	-115	39 857	33 046	0.00	52 863	26 906	8 058	-	5
C.32 - Other manufacturing	0320	46 845	-		1 552	7 775	-867	-11	-792	14 197	11 247	0.00	41 103	5 058	684	-	3
C.33 - Repair and installation of machinery and equipment	0330	31 635	-		4 184	660	-290	-80	-185	13 222	10 309	0.00	18 408	10 345	2 882	-	5
D - Electricity, gas, steam and air conditioning supply	0340	908 047	52 500		130 449	2 818	-11 972	-7 419	-598	116 362	96 662	0.04	331 617	226 958	307 256	42 216	9
D35.1 - Electric power generation, transmission and distribution	0350	862 523	7 073		130 424	863	-11 372	-7 417	-110	110 572	91 708	0.03	287 595	225 456	307 256	42 216	9
D35.11 - Production of electricity	0360	715 245	7 003		129 659	685	-10 899	-7 404	-91	105 256	86 934	0.02	141 590	224 183	307 256	42 216	10
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	0370	45 429	45 428		25	1 955	-600	-2	-488	5 699	4 938	0.00	43 927	1 502	-	-	1
D35.3 - Steam and air conditioning supply	0380	95	-		-	-	-	-	-	91	16	0.00	95	-	-	-	3
E - Water supply; sewerage, waste management and remediation activities	0390	84 538	-		708	169	-232	-24	-19	40 943	30 143	0.00	42 644	38 518	3 376	-	5
F - Construction	0400	755 226	-		37 586	7 842	-8 561	-532	-4 729	110 109	95 399	0.00	654 763	76 800	23 663	-	3
F.41 - Construction of buildings	0410	378 499	-		23 532	3 462	-5 048	-351	-1 958	16 348	14 770	0.00	328 053	35 445	15 001	-	3
F.42 - Civil engineering	0420	245 723	-		6 789	2 535	-2 245	-47	-1 768	66 346	56 788	0.00	223 835	19 617	2 271	-	2
F.43 - Specialised construction activities	0430	131 004	-		7 265	1 845	-1 268	-134	-1 003	27 415	23 841	0.00	102 875	21 738	6 391	-	3
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0440	3 644 655	52 413		535 177	149 988	-94 917	-18 220	-72 030	1 789 873	1 476 799	0.00	2 737 182	835 896	71 577	-	3
H - Transportation and storage	0450	529 459	164 998		71 311	21 794	-6 148	-642	-5 172	175 201	139 082	0.00	321 679	198 225	9 555	-	4
H.49 - Land transport and transport via pipelines	0460	432 245	164 998		64 651	10 235	-4 168	-610	-3 319	157 725	125 489	0.00	259 323	169 194	3 728	-	4
H.50 - Water transport	0470	23 463	-		298	-	-4	-2	-	1 631	1 296	0.00	15 483	7 980	-	-	4
H.51 - Air transport	0480	15 821	-		4 784	1 979	-1 150	-10	-1 105	11 600	8 795	0.00	13 842	1 979	-	-	2
H.52 - Warehousing and support activities for transportation	0490	54 458	-		1 247	9 554	-798	-16	-725	4 039	3 348	0.00	31 348	17 622	5 488	-	4
H.53 - Postal and courier activities	0500	3 472	-		331	26	-28	-4	-23	206	154	0.00	1 683	1 450	339	-	6
I - Accommodation and food service activities	0510	152 957	-		14 970	7 355	-5 515	-225	-5 233	6 540	4 351	0.00	82 447	59 712	10 798	-	6
L - Real estate activities	0520	371 321	-		26 384	20 199	-1 277	-97	-557	9 436	8 043	0.00	161 955	165 725	43 492	149	6
Exposures towards sectors other than those that highly contribute to climate change*	0530	637 319	-		29 300	4 839	-3 247	-485	-1 551				402 039	160 778	74 502	-	5
K - Financial and insurance activities	0540	10 282	-		103	55	-11	-1	-9				5 841	3 605	836	-	0
Exposures to other sectors (NACE codes J, M - U)	0550	627 037	-		29 197	4 784	-3 236	-484	-1 542				396 198	157 173	73 666	-	5
TOTAL	0560	11 321 314	281 725		1 236 709	384 959	-190 289	-36 544	-131 687	4 267 458	3 459 150	0.04	8 033 420	2 641 583	603 946	42 365	4

Template D 02.00.a Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (I)

D_02.00.a - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (I)		Columns														
		Total gross carrying amount	Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G	
		0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130	0140	0150
Total EU area	0010	14 057 446	182 961	3 270 990	3 325 317	1 755 934	106 217	1 211 081	184 355	973 212	7 185	6 424	1 825	102		12 884 343
Of which Loans collateralised by commercial immovable property	0020	5 945 970	34 798	118 624	334 317	112 814	14 373	1 210 726	36 909	201 498			-			5 707 563
Of which Loans collateralised by residential immovable property	0030	8 083 124	148 163	3 152 366	2 991 000	1 643 120	91 844	355	147 446	771 714	7 185	6 424	1 825	102		7 148 428
Of which Collateral obtained by taking possession: residential and commercial immovable properties	0040	28 352														28 352
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	0050	8 679 398		2 449 975	3 168 038	1 752 382	103 519	1 205 484								8 679 398
Total non-EU area	0060	2 055														2 055
Of which Loans collateralised by commercial immovable property	0070															
Of which Loans collateralised by residential immovable property	0080	2 055														2 055
Of which Collateral obtained by taking possession: residential and commercial immovable properties	0090															
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	0100															

24. Crypto Assets

There have been no crypto assets in 2025.