

KBC Group in Bulgaria Report to Society

2025



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About the Report

For another consecutive year, KBC Group in Bulgaria is publishing its non-financial report to society. The report presents the key highlights of the activities of the companies within the country's largest banking and insurance group, through which we actively support the transition to a sustainable economy. In 2025, we further expanded our existing initiatives and launched new projects and partnerships in the field of sustainable development. By exercising leadership and sharing best practices, we continued to set the benchmark and to serve as a role model for a growing number of companies, organizations, and partners on their journey toward sustainability.

In this report, we present our 2025 results across all areas important to us, including our progress in reducing our own carbon footprint; our efforts to enhance our employees' knowledge and culture; our collaboration with universities, academic institutions and schools; our initiatives in the areas of environmental protection, financial literacy, philanthropy, volunteering, community engagement. As a market leader in Bulgaria, we strive to be a benchmark for sustainability within the financial sector.

As in previous years, the report has been prepared with contributions from business and sustainability experts across all departments. It is in accordance with the KBC Group's global approach, using the UN Sustainable Development Goals 2030. The organization of the data and materials is based on the KBC Group's business activities in Bulgaria.

The report has been approved by our internal Corporate Social Responsibility Committee and endorsed by the Group's senior management in Bulgaria. This Report has not been audited by an external party. The KBC Group in Bulgaria Sustainability development team remains available to respond to questions and feedback at ESG_team@ubb.bg

** We acknowledge that our parent company KBC Bank NV, Belgium participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals. We have consolidated our support for this initiative fully under the KBC Group commitment.*

**More on our Group commitments could be found in the [KBC Group Sustainability Report 2025](#)*

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We are pleased to present the latest KBC Group report to society. It reaffirms the consistent commitment we, as a group, have to all aspects of sustainability. We have promised that in 2025 we will continue our efforts and investments in the field of sustainable development and will continue to fulfill our group's commitment to the UN Global Compact and the UN Sustainable Development Goals.

Keeping our commitments is the most important element of trust, and trust is the foundation of every successful business and human relationship. As you will see throughout this report, we have not merely kept our promise; with our typical ambition, drive, and creativity, we have exceeded our set goals.

Transparently, consistently, and with a clear focus on the public good and the role we play as a market leader in this field, we stand before you, providing you with the information, data, projects, and results through which we address complex environmental and social challenges. We have very clear metrics that demonstrate our achievements, outline trends, and unequivocally show what we are striving for.

Guided by the conviction that every investment in sustainability will enhance the viability of our business and its successful operation in the medium and long term, we have continued to develop our projects, business lines, partnerships, and relationships with NGOs, suppliers, and businesses in support of sustainability and the transition to a more sustainable and carbon-neutral economy.

We placed special emphasis on protecting water from source to tap. This led to the launch of the "Vodim" program, in which we aim not only to draw public attention to water-related issues but also to propose practical solutions with significant public value. And as is our style, this is not a one-off program or a publicity stunt, but a long-term commitment that will continue to evolve and expand in scope and themes through 2026 and beyond.

We are proud to note that KBC Group employees in Bulgaria are our most shining ambassadors and an example to follow in the areas of sustainable behavior, philanthropy, and volunteer work. Whether it involves financial support for projects in our "Choose to Help" donation program, the activities of the "United for Charity" association, planting and expanding UBB's "Blue Forest," activities related to improving financial literacy and culture, or any form of human and professional empathy and individual philanthropy, they are on the front lines – responsive, competent, disciplined, and ready to help.

These are common corporate and personal values that we promote and encourage to evolve because we strongly believe that societies and companies that make a strategic commitment to developing their business models and practices – by focusing on people, environmental protection, reducing the carbon footprint, the efficient use of natural resources, recycling, and the transition to a circular economy – will become the leaders of the future.

Christof De Mil,
Country Manager of KBC Group in Bulgaria

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KBC Group at a glance

Who we are

Our area of operation

KBC is an integrated bank-insurance group, catering to the needs of our retail, private banking, small and medium-sized enterprises (SMEs) and mid-cap clients. We operate on our core markets in Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia.

We also have a limited range of operations in several other countries in support of corporate clients in our core markets.

Our goal and ambition

Through our activities, we seek to help our clients fulfil their dreams and projects. We aim to be the point of reference as a bank-insurer in all our core markets.

**Read more – [KBC Sustainability report 2025](#)*

Our clients, staff and network at KBC Group

Belgium

14 141
employees

4.1 million
clients

424
bank branches

Czech Republic

11 597
employees

4.3 million
clients

197
bank branches

Slovakia

3309
employees

0.8 million
clients

97
bank branches

Bulgaria

6400
employees

2.2 million
clients

170
bank branches

3952
employees

1.7 million
clients

191
bank branches

Hungary

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KBC Group in Bulgaria

KBC Group is the biggest investor in the Bulgarian financial sector. Over the last 16 years of being in Bulgaria, KBC has invested more than EUR 2.4 billion in the acquisition and development of some of the most significant local companies and projects, among which the consecutive acquisition of DZI, CIBANK, UBB, the Bulgarian operations of NN and of Raiffeisenbank International.

By means of a targeted policy for developing Bulgaria as their core market, both through acquisitions and in an organic way, the local entity of KBC has been constantly growing its market share, by rising from number 9 position in 2007 (CIBANK), going through number 3 position in 2017 (UBB and CIBANK) up to number 1 position, after the merger between UBB and KBC Bank Bulgaria (previously Raiffeisenbank Bulgaria). KBC Group's activities in Bulgaria now span a comprehensive range of financial services, contributing to social and economic resilience. The Group operates across banking, insurance, leasing, insurance intermediation, investment management, supplementary pension assurance, and factoring. The companies, part of KBC Group Bulgaria are United Bulgarian Bank, DZI, UBB Interlease, UBB Pension Insurance, UBB Asset Management, UBB Insurance Broker. Together, these entities support individuals, businesses, and communities across Bulgaria, advancing responsible finance and creating long-term value for society.

The international rating agency Fitch Ratings has increased the Long-Term Issuer Default Rating – IDR – of UBB from 'A-' to

'A'

with Outlook Stable.

Credit rating

The new rating is a result of the rating agency raising Bulgaria's long-term sovereign rating to 'BBB+' following the decision for the country to join the eurozone. The long-term rating of UBB is two notches above that of Bulgaria and is the highest such rating of a private institution in the country.



Bulgaria

6400 employees

2.2 million clients

170 bank branches

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Environment



Social



Governance



Own footprint

- Our emissions reduction reached 87%, compared to the base year 2015
- 99% of the purchased electricity comes from renewable sources
- 6 SPP installed in our offices for our own needs
- Replacement of own carfleet with electric vehicles - 100% replacement reached for DZI & UBB PIC
- 64 charging stations for own and clients use



Climate target setting

- We have set climate targets for the most carbon-intensive sectors in our lending portfolio for 2030 and 2050 and follow up on the emissions reductions annually



Sustainable business opportunities

- 92% of the financing provided in the energy power production sector is for renewable energy projects for 2025
- 185% increase in "towards-green" sales in 2025
- Circular waste plant (17 515 m²) financed: 15 000 tons/year processed waste capacity
- Investing with a social impact - financing the reconstruction of the largest state hospital in Southern Bulgaria
- Sustainability related guarantee programs
- Two new White Papers on water stress and pollution



Customer engagement dialog

- Regional SME sustainability conferences in Plovdiv, Varna, and Sofia under the "UBB for Sustainable Business" initiative with 24 Chasa, supporting companies in understanding ESG challenges and opportunities. Strong multi-stakeholder participation. Clear, practical guidance for SMEs
- Expanded national visibility and ecosystem impact - UBB as a leading partner in Bulgaria's sustainability transition for SMEs



Biodiversity and water

- Our Blue forest - 14 000+ trees planted since launch in 2019
- VODIM water program: 3 restored mountain fountains; 5 schools equipped with Hydrastations; 59 000 L water dispensed
- 118 000+ plastic bottles (0.5L) saved in 6 months and over 1170 kg plastics prevented from circulation



Entrepreneurship

- 500+ entrepreneurs reached through 4 projects and 8 events
- 1400+ SME financial instrument transactions, totalling EUR384 million, supporting green transition, competitiveness, and innovation
- NextGen Academy
- Best Youth Startup in Bulgaria - 400+ young innovators
- Sustainability Academy for SMEs attracted 3000+ users, offering 4 webinars with training sessions on Sustainable Finance for 47 SME representatives, significantly scaling sustainability-focused business education



Health

- Over 1 000+ people trained in First Aid (teachers, specialists, employees)
- Strong mental-health and stress-management programs
- Kaksi Digital Health Platform: New 'Partners for Health' ecosystem launched
- Road-safety initiatives with national impact
- Strong physical-wellbeing culture: 300 Vertical Run participants & major sports programs



Digital inclusion

- UBB Mobile reached 1 000 000 users' milestone



Financial literacy

- FinIQ program: 150+ students, 30-student Innovation Camp
- Financial literacy events reached 9 universities
- Children's financial literacy day: 100+ children participated
- Increasing the awareness on responsible investing



Employee engagement

- ESG Academy - 4 years, 8 editions, 220+ certified employees
- Employee Experience Life Cycle initiative
- 93 000 training hours in 2025 (+18.5% vs 2024)
- 844 employees recognized for outstanding results
- 130 interns joined in 2025
- 85% of new hires feel engaged
- United for Charity Association



KBC Group in BG sustainability governance

- Sustainability-related governance structure, focusing on the implementation and monitoring the progress of the Group sustainability policy



Rating

- Fitch upgraded UBB to A rating, the highest private-sector rating in Bulgaria



Governance culture and employee trust

- 2025 P1rvi Leadership Academy
- 90% of employees understand the Group's strategic direction
- 85% strongly believe in the strategy



Responsible Behavior

- GDPR & Human rights principles
- Strong whistleblowing systems & Code of Conduct implemented across all entities
- Strong cyber-risk mitigation backed by group-wide specialists and constant trainings
- Company-wide training on safe AI use and Microsoft generative AI guidelines



Regulatory alignment

- Full adherence to CSRD, SFDR, EU Taxonomy

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In a nutshell

We at KBC Group aim to strike a fair balance between the expectations of all our stakeholders.

Our strategy aims to create long-term value for customers, shareholders, employees and the entire society. We keep a close eye on the world around us to ensure that we are in touch with the changing demands and remain a resilient bank-insurer in all our core markets.

Our values creation

We continuously work to ensure our behavior reflects our corporate culture values imbedded in PEARL+: Performance, Empowerment, Accountability, Responsiveness, Local embeddedness and (+) adding value by working together and co-creating, locally and with other entities of the KBC Group across national borders.

Focused on People, Culture and Leadership

Our people are our greatest assets, and our ambition is to continuously make UBB a preferred place to work. We believe that investing in growth opportunities for our staff, by strengthening our organizational culture and building the 'Team Blue' spirit is the way to attract and retain talents and capture the full potential of our employees. Our highly engaged employees guarantee that we are progressing in the consistent delivery of our strategy.

Strategy deployment

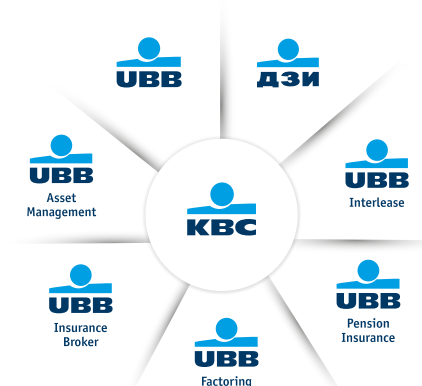
A structured and well-coordinated approach of strategy deployment is put in place to ensure our successful strategy implementation. The strategy is aligned, approved and monitored by the UBB Management Board & the Country Management team. Strategical dialogue cycles are regularly held with deep dives on the key strategic themes, direction and priorities.



The long time profitable market leader



Tailored to Private individuals & Corp/SME/Microbusiness



A unique bank-insurance model



Digital first with a human touch



Towards a sustainable economy & society

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We focus on jointly developing solutions, initiatives and ideas within the group

Performance

We aspire to top performance, and we sign up to that.

Empowerment

We offer every employee the chance to develop their creativity and talent.

Accountability

We meet our personal responsibility towards our clients, colleagues, shareholders and society.

Responsiveness

We anticipate and respond proactively to the questions, suggestions, contributions and efforts of our clients, colleagues and management.

Local embeddedness

We view the diversity of our teams and of our clients in the different core markets as a strength of ours and we stay close to our clients.

90%

clearly see the strategic direction KBC is taking

85%

of our employees strongly believe in the strategy of the Group

Results-driven

We do what we promise, we meet our objectives, we deliver quality, and we do so on time and in a cost-effective manner.

Responsive

We anticipate and respond to suggestions and questions spontaneously and positively.

Respectful

We treat people as our equals, we are transparent, we trust them and appreciate them for what they do and who they are.

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THANK YOU, FLAME



Pearl+ Thank you, Flame

Corporate Culture in action

The “Thank you, Flame” initiative is a flagship corporate culture campaign under the PEARL+ corporate culture values, designed to strengthen appreciation, collaboration, and shared values across KBC Group Bulgaria. Launched in 2025, the initiative transformed everyday “thank you” moments into a visible, measurable, and celebrated expression of organizational culture. The campaign was implemented throughout 2025, beginning with awareness-raising initiatives and leadership activation, followed by broad employee engagement and culminating in recognition and celebration at the annual strategic meeting of the bank. Employees were encouraged to post appreciation messages in a dedicated Viva Engage community, highlighting collaboration, creativity, and impact.

The results of the “Thank you, Flame” initiative demonstrate a significant cultural and engagement impact across the organization. The campaign content reached more than 2500 employees with participation of every department in KBC Group Bulgaria. By combining emotional storytelling, leadership engagement, and transparent measurement, “Thank you, Flame” successfully transformed appreciation into a living element of corporate culture, aligned with the values and spirit of PEARL+.

Създа Camelia Kostova

Искаме да изразим най-сърдечните си благодарности 🙌 за невероятната ти отдаденост, бързина 🚀 и професионализъм 🧑‍💻, които демонстрираш всеки ден. Ти си нашата “супергероиня” 🦸‍♀️ в света на отчетите 📊 — като фурия винаги на място, винаги със светкавична реакция и безпогрешни решения 🎯.

Благодарение на теб успяваме да преминаваме през всяко предизвикателство 📦 с увереност и спокойствие 😊. Твоята готовност да помагаш 🙏, още преди някой да е успял да попита 🗣️, е наистина впечатляваща и вдъхновяваща за целия екип 🙌.

Поздравя,
Репортерите от Финанси 📰 📊 📈

#ThankYouFlame
#thankyouflamebulgaria
#FinanceFlame
#ДирекцияФинанси
#Дирекция Управление на данни
#TeamBlue
#UnitedForSuccess
#TeamBluePower
Nevela Pavlova

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Благодарности към колегите от Отдел „Одобрение на кредити на корпоративни клиенти“

От името на целия екип „Корпоративно банкиране и финансови институции“ искаме да изразим огромната си благодарност към нашите колеги от Одобрение на кредити! 🙌

Винаги откликват бързо, работят оперативено и адекватно, дори когато сделките ни идеат с изключително кратки срокове. Да, понякога се налага да им изпращаме „в последния момент“ 📧, но те реагират с професионализъм и разбиране.

Не се задълбават в ненужни въпроси, а търсят решения, така че в крайна сметка да делим нещата напред. Работим като един екип, а това е безценно за успеха на всяка сделка.

Благодарим ви, колеги – за скоростта, гъвкавостта и добрия дух в съвместната ни работа! 🙌

#ThankYouFlame
#thankyouflamebulgaria
#ДирекцияКорпоративноБанкиране
#ДирекцияОдобрениеНаКредити
#TeamBlue
#UnitedForSuccess
#TeamBluePower

Lyubomir Dochev Paulina Dzhonova Albena Mladenova Albena Petrova Anton Chaushev Augusta Trendafilova Borislava Aneva-Dimitrova Daniel Valchev Georgi Georgiev Iva Kasarova Katya Eneva Lyuben Serafimov Milena Gergova Neli Atanasova Petar Parushev Ralitsa Batheva Svetozara Petrova Victor Todorov Vidica Hristeva-Tsvetkova Yordanka Minkova

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Our sustainability strategy

We want to meet societal needs and to create long-term value for society, local economies and all our stakeholders. That is why supporting the transition to a more sustainable and resilient economy and society is a crucial part of our overall corporate strategy and our day-to-day business. We want to collaborate with our clients and other stakeholders to achieve this.

As part of KBC Group NV, we have a dedicated sustainability strategy in place to guide us as to how to play our role in society, now and in the future.

At the heart of the sustainability strategy there is the responsibility to ensure financial resilience and run a strict risk management system.

Provided that this criterion is met, our sustainability strategy consists of three main cornerstones:

Maximize the positive impact of our products and services on society and the environment

Minimize or completely avoid any potential negative impacts

Ensure all our employees behave responsibly

Our ESG strategy is a differentiator for us

Our people's mindset is changing to support our leadership in ESG

Our Innovations and products integrate ESG considerations and are a pillar of success

The opportunities we unlock through Financial Instruments play a key role in supporting clients during their transition

Our clients are at the core of everything we do, especially in ESG, because they will ultimately make the difference between success and failure.

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SUSTAINABLE DEVELOPMENT GOALS

The United Nations (UN) Sustainable Development Goals* (SDGs) have an important role in informing our sustainability strategy and journey.

In this report we highlight the activities of KBC Group in Bulgaria through which we believe in our greatest positive impact.

Overall, at group level we have identified five high-impact areas, and these SDGs are more specifically linked to our activities as a bank-insurer.



In Bulgaria we add several more goals to broaden our focus and commitment, based on local market needs.

Through them we mirror our ESG strategy, we disclose our actions and progress, and we build awareness as no other institution.

We are convinced that KBC Group in Bulgaria must be a reference in the Bulgarian sustainability transition and it is leading through example.



* *The UN Sustainable Development Goals set the global agenda for governments, businesses and civil society on the best ways to address the major sustainable development challenges, such as how to end poverty, protect the planet and ensure prosperity for all. As a financial institution, we have a critical role to play in accomplishing these goals.*

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Corporate governance of KBC Group in Bulgaria

Country Team of KBC Group Bulgaria 2025



Christof De Mil

Chairman of the KBC Group Country Team in Bulgaria, UBB CEO and Management Board Chairman



Svetla Georgieva

Member of the KBC Group Country Team in Bulgaria, Country CRO, Member of the UBB Management Board, UBB CRO



Tatyana Ivanova

Member of the KBC Group Country Team in Bulgaria, Member of the UBB Management Board, Executive Director Digital Channels, Data and Operations at UBB, Innovation Leader of KBC Group in Bulgaria



Anna Atanasova - Dimitrova

Member of the KBC Group Country Team in Bulgaria, BoD Member and Executive Director Retail Banking at UBB



Teodor Marinov

Member of the KBC Group Country Team in Bulgaria, Member of the UBB Management Board, UBB CFO



Nedyalko Mihaylov

Member of the KBC Group Country Team in Bulgaria, MB Member, UBB CIO



Dobromir Dobrev

Member of the KBC Group Country Team in Bulgaria, MB Member, Executive Director Corporate Banking and Markets at UBB



Frank Jansen

Member of the KBC Group Country Team in Bulgaria, BoD Member and Executive Director SME Banking at UBB



Kosta Cholakov

Member of the KBC Group Country Team in Bulgaria, CEO and Chairman of the Management Board of DZI

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Sustainability governance

We have robust sustainability governance in place to ensure that our sustainability strategy is integrated throughout our Group and in all our core activities.

This includes top-level responsibility for our sustainability strategy for all environment, social and governance-related (ESG) themes. We make decisions about our sustainability strategy at the group level, which local teams in each of the core countries then implement. Local accountability is placed at top management level to ensure proper implementation.



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Sustainability governance within KBC Group in Bulgaria

The overall sustainability strategy for the KBC Group is set by the Group CSR committee. The Country manager of KBC Group for Bulgaria is a member of this committee.

Local teams in each of the Group core countries are responsible for implementing the strategy on their local markets. They do this under the supervision of the Country manager/CEO and the management board.

Our Country General Manager Sustainability also has a functional reporting line to the Senior General Manager Group Corporate Sustainability.

In Bulgaria numerous internal stakeholders are engaged in the sustainability development process – DZI (insurance), UBB Interlease, Finance, Compliance, Risk management & Credit risk, EPFI (European programs and financial instruments), Data Quality management, Corporate & SME banking, Assent Management, Retail

CSR committee
CEO lead

Sustainable Finance Steering committee
Executive Director lead

Sustainability development team

Country General Manager Sustainability

Sustainability development experts

Corporate Sustainability reporting manager

External Partners

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The world in which we operate

As a financial institution, we are an important driver of the economic system and have a significant impact on the environment in which we operate. At the same time, we are impacted by the world around us. In shaping our sustainability strategy and policies, we keep a close eye on the developments in our working environment. This section describes different elements that influence the focus of our sustainability strategy.

Regulatory and legislative agenda

Regulation has been shaping sustainability themes for some time now, both for us and our clients. At the European level, legislative initiatives – such as the European CSRD, the Sustainable Finance Disclosure Regulation (SFDR), and the EU Taxonomy Regulation – have historically guided our approach and continue to do so. We remain fully committed to adhering to existing regulations and are actively monitoring and preparing for future legal developments in this evolving landscape.

Voluntary commitments

KBC Group is also a signatory of various sustainability related commitments. An overview of the main commitments we have made in preceding years can be found on our KBC group corporate website.

Our stakeholder interactions

We engage with our stakeholders on a continuous basis to understand their expectations of us and their views on the environmental and social challenges that we face as a society. This guides us in shaping and steering our sustainability strategy. That is why we work jointly with our clients, other financial institutions and authorities..

Double materiality assessment

In 2024, KBC conducted a comprehensive double materiality assessment (DMA) in line with European CSRD reporting legislation. This assessment aimed to identify the information required for inclusion in the mandatory Sustainability Statement of the Annual Report from financial year 2024 onwards. Six sustainability topics were deemed to be material for KBC from an impact and/or financial perspective: our own workforce, consumers and end-users, business conduct, climate change, water and marine resources, and biodiversity and ecosystems. Besides forming the foundation for our disclosures and alignment with European Sustainability Reporting Standards (ESRS), they also help shape our strategic focus and sustainability reporting for the future. **In 2025, the DMA confirmed the continued relevance of the six topics, and no new material impacts, risks or opportunities were identified.**

More in our [KBC Sustainability report 2025](#)

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Risk management and risk culture

KBC Group in Bulgaria, active across banking, insurance, leasing, and asset management, operates in a rapidly evolving environment and faces a broad range of industry-specific risks. In this context of ongoing transformation in the financial sector, strong risk identification process is essential. Risk identification is the foundation of our risk management framework, enabling us to maintain a clear and forward-looking understanding of the risks we face, including climate-related and broader ESG risks. Each year, we further strengthen these processes by deepening our analyses and enhancing our monitoring of emerging and evolving risks.

Climate and other environmental, transitional & social risks

On an annual basis, UBB scans the most significant risks. As a result, climate change and the other ESG risks are marked as key themes by our stakeholders - employees, customers, businesses, academia, regulators, partners and peers. Transitioning towards a sustainable economy poses not only physical hazards but also financial risks that can impact both institutions and customers.

ESG risks are considered as key risk drivers of the external environment that manifest themselves through all traditional risk types. To ensure proactive risk identification, we have already taken several initiatives with a range of methodologies, procedures and tools (Climate Risk Dashboard, Environmental Risk Impact Map, Social Risk Impact Map). In addition, environmental Key Risk Indicators are being periodically monitored, and an analysis is conducted to not only help businesses overcome environmental challenges but also support our clients in their transition to a more sustainable business model and lifestyle. We take sustainability and climate-related risks (e.g., greenwashing) into account in our products or service processes.

To complement these tools, ESG risk alerts are regularly reported to the Local Risk Management Committee. In addition, we assess the risk impacts of relevant climate risk drivers within our White Paper sectors. This ensures that emerging ESG-related vulnerabilities are identified early and appropriately reflected in our overall risk profile.

As part of this broader effort, UBB addresses environmental and social risks, regulatory requirements, and knowledge gaps. Special attention is given to partnerships to collaborate and build Ecosystems with universities, chambers, advisors, consultancy companies UBB builds the necessary capacity, skill base, and tools to deliver on its sustainability ambitions. Through these efforts, UBB strengthens its long-term resilience and reinforces its commitment to sustainable growth.



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Stakeholders' engagement

In UBB we believe that active collaboration with all stakeholders is key to making a significant impact in addressing sustainability-related challenges. On continuous basis we are leading a proactive approach to understand their views on the environmental and social challenges that we face as a society - environmental protection, regional development and equal opportunities.

Impact on society

In line with our company goals, we have chosen to interact with our stakeholders through an open and constructive dialogue. This listening and interactive approach enables us to anticipate changes in our business lines, constantly improve the quality of our products and services, optimize the management of the risks faced by the Group and design innovative solutions with a positive impact on society.

Being a **Sustainability leader** means capturing opportunities at the crossroad of **regulations, academia, financial institutions, innovation and business**



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Membership and cooperation with domestic and international organizations



is a member of



We have partnership contracts with



is a member of



Pension Insurance

is a member of



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Community involvement highlights for 2025



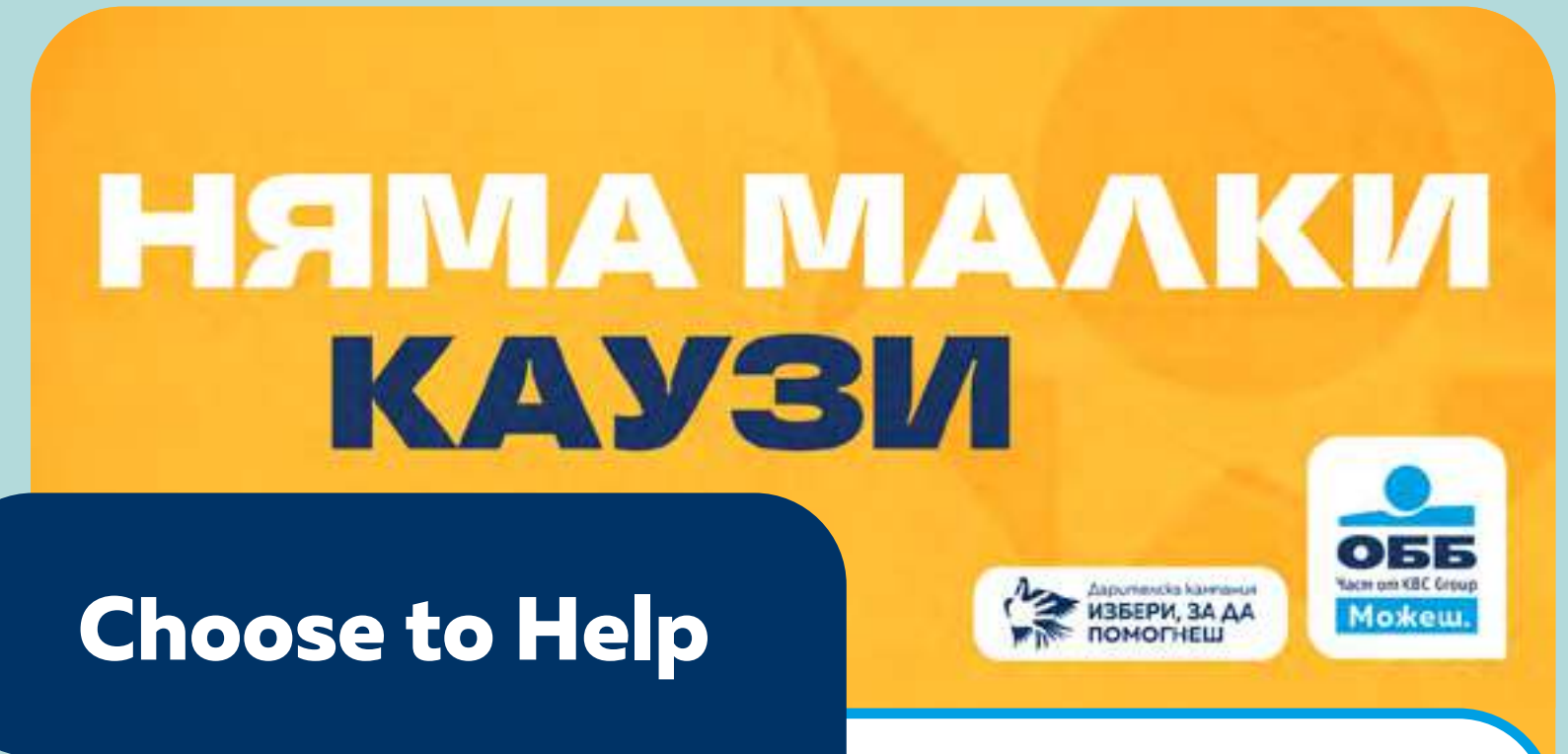
UBB and the euro adoption in Bulgaria

we have taken a good care for customers and stakeholders



VODIM

is a long-term program for clear water from spring to the tap. Its goal is to provide access of various groups to drinkable water at times when such access is getting more uncertain



Choose to Help

is a UBB donation program. In 2025 it being held for a 16-th consecutive year, as since 2009 up until now the Bank, its employees and the society have supported a total of over 320 projects with nearly BGN 4 million (over EUR 2 million)



Blue Forest

is a project launched by the companies of the KBC Group in Bulgaria to plant and maintain newly planted forests; such initiatives are part of the group's sustainable development strategy and aim to promote environmentally responsible behavior among its employees

More details about the impactful initiatives we're proud of you could find in the next chapters of the Report to Society 2025

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Choose to Help

Employee engagement is a key enabler of UBB's social impact agenda, ensuring that our values are embedded in the way we interact with communities and stakeholders. At UBB, we believe that positive social change begins with the commitment of our people; by empowering employees to take an active role in supporting community causes, we strengthen both our measurable impact and our long-term connection to society.

"Choose to Help" is UBB's long-standing employee-driven donation program supporting causes in healthcare, social services, culture, education, and environmental protection. **Since its launch in 2009, the initiative has raised over BGN 4 million (over EUR 2 million), funding more than 320 projects from 180+ organizations across Bulgaria.**

НЯМА МАЛКИ КАУЗИ

Raised over **2** million euro

more than **320** projects

180+ organizations across Bulgaria

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218 project

**1695 employees
contributed during
the 2025**

**Total charitable
contributions exceeded
70 700 euro**



In 2025, we finalized the donation phase of the 2024 edition and launched the **16th edition of the program**. Interest reached **record levels**, with **218 project** applications, from which 20 impactful projects were selected. **Employee engagement continued to grow: 1695 employees contributed during the 2025 cycle**, supported by an ambassador network across the bank. Combined employee, external, and corporate matching contributions totaled BGN 198 307 (**over EUR 70 700**). Donations are carried out entirely online through an internal platform, supported by UBB's matching scheme, which amplifies every donation and ensures equitable distribution of the dedicated budget.

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More than
200 donations
to environmental
causes

Over 150 employees
participated in
volunteering
activities



The program continues to strengthen UBB's culture of empathy, responsibility, and community engagement, demonstrating how collective action delivers meaningful societal impact year after year. "Choose to Help" was launched both to actively involve employees in the selection and management of the bank's sponsorship and donation initiatives and to encourage philanthropy in the community.

Throughout 2025, UBB and KBC Group employees reinforced the impact of "Choose to Help" by engaging in targeted volunteer and fundraising initiatives. **Over 150 employees supported project partners through activities ranging from environmental clean-ups and financial literacy trainings to specialized work with vulnerable groups and participation in health-awareness sessions.** The program's external fundraising was further strengthened through UBB's partnership with Mastercard at the "Christmas for the Little 5" event, generating **more than 200 donations for environmental causes.**

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We take care

До края на 2025 г.
Ела и внеси в лева без такса в клон или банкомат
на ОББ, а след това автоматично
01 януари 2026 г.
за физически лица
от ОББ до 31 декември 2025 г.
без такса за обслужване за първата година.



KBC Group in Bulgaria supported the national euro adoption process through transparent and accessible communication tailored to customers and the broader community

Helping customers navigate Bulgaria's Euro adoption

The adoption of the euro at the end of 2025 was a historic undertaking for all banks in Bulgaria. For UBB, it meant engaging all teams in the preparation of information systems, digital channels, changing fees and processes, the branch network, ATMs, exchanging levs for euros, dual display, and enhanced communication with all business and retail customers, institutions, stakeholders, partners, and the general public.

In 2025, KBC Group in Bulgaria **supported the national euro adoption process** through transparent and accessible communication tailored to customers and the broader community. UBB and DZI launched dedicated information pages providing clear guidance at every stage of the transition and its implications for individuals using financial services.

The KBC Bulgaria euro-adoption hub includes all information required under the Euro Adoption Act, complemented by practical examples of double pricing across products and channels. Through these measures, KBC Group in Bulgaria ensures customers remain well-informed, supported, and confident throughout the euro adoption process.



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UBB employees volunteer in the branch network

The professionalism and responsible attitude of the employees led to UBB being the first bank whose ATM network and digital channels were operational and accessible to customers on New Year's Eve. As the introduction of the euro in Bulgaria approached, UBB employees and those of other companies in the KBC Group demonstrated strong commitment and a desire to be part of the change.

In addition, as part of the internal initiative **"We Can Do It Together"**, nearly **170 colleagues from various departments** and subsidiaries signed up as volunteers to support the euro adoption process across the branch network. Each volunteer had the opportunity to choose a role to take on in the bank branch—meter-greeter or teller.

The role of a meter-greeter involved welcoming and guiding customers, directing them to the appropriate areas in the branch, assisting with the use of ATMs and digital services, as well as answering questions related to the euro adoption process. Volunteers who chose the role of teller assisted their colleagues in serving customers during the busy transition period. The initiative ran from mid November 2025 to the end of March 2026, with each volunteer taking on their new role for a minimum of two weeks.

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Strong engagement with the academic community

During the year, UBB took a leading role in advancing sustainability education in Bulgaria through its substantial contribution to the **Corporate Responsibility and Sustainability Learning Notebook**. Led by our top sustainability experts, UBB coordinated the preparation of five chapters, developed together with experts from UBB Asset Management and DZI. The publication presents practical case studies demonstrating real business applications of environmental, social, and governance (ESG) practices.

The Learning Notebook forms an integral part of the academic textbook Corporate Sustainability and Responsibility, used in the **Bachelor's and Master's programs in Economics and Business Management at Sofia University "St. Kliment Ohridski"**. The full teaching kit, which includes the textbook and a collection of corporate sustainability best practices, was presented during a dedicated event on the future of sustainable management education hosted by the University's Faculty of Economics.

In addition, in 2025 UBB complemented its contribution to academic content development through **six guest lectures** delivered by our leading ESG experts at the FEBA faculty. The sessions provided students with first-hand insights into ESG strategy, sustainable finance, and responsible business practices, bridging academic knowledge with real-world experience.

Through this initiative, UBB strengthens its engagement with the academic community, supports the development of financial and sustainability literacy, and contributes to shaping a new generation of informed and responsible leaders.



Empowering future generations

UBB engages Gen Z through social media content focused on sustainability, environmental protection, and climate topics. Together with a leading ESG influencer, we launched a new Instagram segment, **#ОББичаменприродата**, featuring educational posts and practical tips for sustainable living. Throughout the year, we highlighted themes such as celebrating World Environment Day, preventing forest wildfires, eco-friendly travel, and sustainable homes. This partnership helps inspire Gen Z to adopt greener choices and support environmental protection.



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Kate helps powering our sustainability strategy

In 2025, our **Digital Assistant Kate** again contributed to the bank's ESG goals by supporting our clients, the community, and sustainable causes.



During the lead-up to and transition to the Euro, Kate provided timely and accessible information, handling over **21 000 enquiries from customers and businesses** and supporting service continuity at a key public period.

Kate actively supported the Bank's socially significant initiatives. The **"Choose to Help"** campaign gave customers easy access to information and the opportunity to get involved in health, social, cultural, educational, and environmental causes.



During the **"Bulgarian Christmas"** initiative, the donation process was facilitated through the blink service by mobile number. As a result, over **3200 customers** made donations totaling BGN 90 000 (EUR 46 016) to support the treatment of children with serious illnesses.

In 2025, the digital assistant actively promoted the joint campaign of **UBB and WWF for the protection of ancient forests in Bulgaria**. Through easy access to participate, customers paid a household bill through Kate during the campaign period and indirectly participated in UBB's donation to WWF for the first **40 000 bills paid**. The initiative encouraged sustainable behavior and the use of **digital, paperless processes**.

Kate's systematic application of digital innovation in **support of ESG priorities** reinforces the Bank's sustainable development model and its commitment to transparency, efficiency, and social responsibility.

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ИнРесто

в ОББ Мобайл

ПЛАЩАШ С КАРТА. РЕСТОТО – ИНВЕСТИРАШ.



Turning daily spending into community-wide investment habits

UBB introduced **InResto**, an innovative feature in UBB Mobile that makes investing simple and accessible for anyone with a phone and a debit card.

The product rounds up everyday card payments to the nearest euro and sets the difference aside in a virtual “piggy bank.” Once the accumulated amount reaches 5.11 EUR, it is automatically invested in a fund managed by KBC Asset Management. Customers can track all round-ups directly in the app and use an optional “turbo” mode to multiply their round-ups for faster saving.

With card usage in Bulgaria exceeding the number of citizens and contactless payments representing around 80% of all POS transactions, InResto links everyday spending with long-term financial habits.

The tool encourages regular investing in an easy, intuitive way, supporting financial inclusion and literacy for a wider audience.

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UBB marked an important milestone by welcoming the one-millionth user of its mobile banking app, reflecting strong public trust and the bank's impactful role in increasing digital accessibility nationwide.

Over the past five years, UBB Mobile has facilitated substantial financial activity, including billions in transfers and widespread use of digital services such as utility bill payments, insurance purchases and local tax payments, making **everyday services more convenient for communities**.

The app has become a major channel for essential non-banking services, improving citizens' access to digital public services and supporting broader digital inclusion. With exceptionally high customer satisfaction and steady growth, UBB Mobile contributes to societal digital literacy by encouraging secure, user-friendly and personalised mobile engagement.

To celebrate the milestone, UBB hosted a community-oriented event that brought customers together, highlighting the bank's commitment to engaging and appreciating the people it serves.



“

“In today's world, both people and services exist largely online, which makes the ability to manage my finances digitally (directly from my phone), especially important to me. This is precisely what I value in UBB Mobile: it is time-efficient, flexible, and intuitive to use. As a young person just stepping into adulthood, the shift brings a range of new responsibilities: from paying rent and utility bills to beginning to invest. The app makes this transition not only seamless, but genuinely enjoyable.”

Stefani Stefanova
young digital communication expert

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In a nutshell



We put our people at the center – they are the driving force behind our success and strategy.

In 2025, we continued to build a workplace environment rooted in collaboration, personal growth, and overall well-being. By consistently investing in our employee journey, talent development, inclusion, engagement, as well as effective digital solutions for our employees, we further strengthen our culture and enable our people to unlock their full potential.

Throughout the year, we promoted continuous learning and meaningful connections with internal and external activities such as career fairs, Open Doors initiative, and our *Inspirational Onboarding Day*. Leadership development programs, digital learning opportunities, and recognition initiatives support ongoing professional growth at every level.

At the same time, our social benefits, well-being programs, and dedicated training sessions reinforced our commitment to diversity, inclusion, and open dialogue. By actively listening to our people and prioritizing what matters most to them, we are cultivating a positive and inclusive workplace.



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Employee Experience Life Cycle

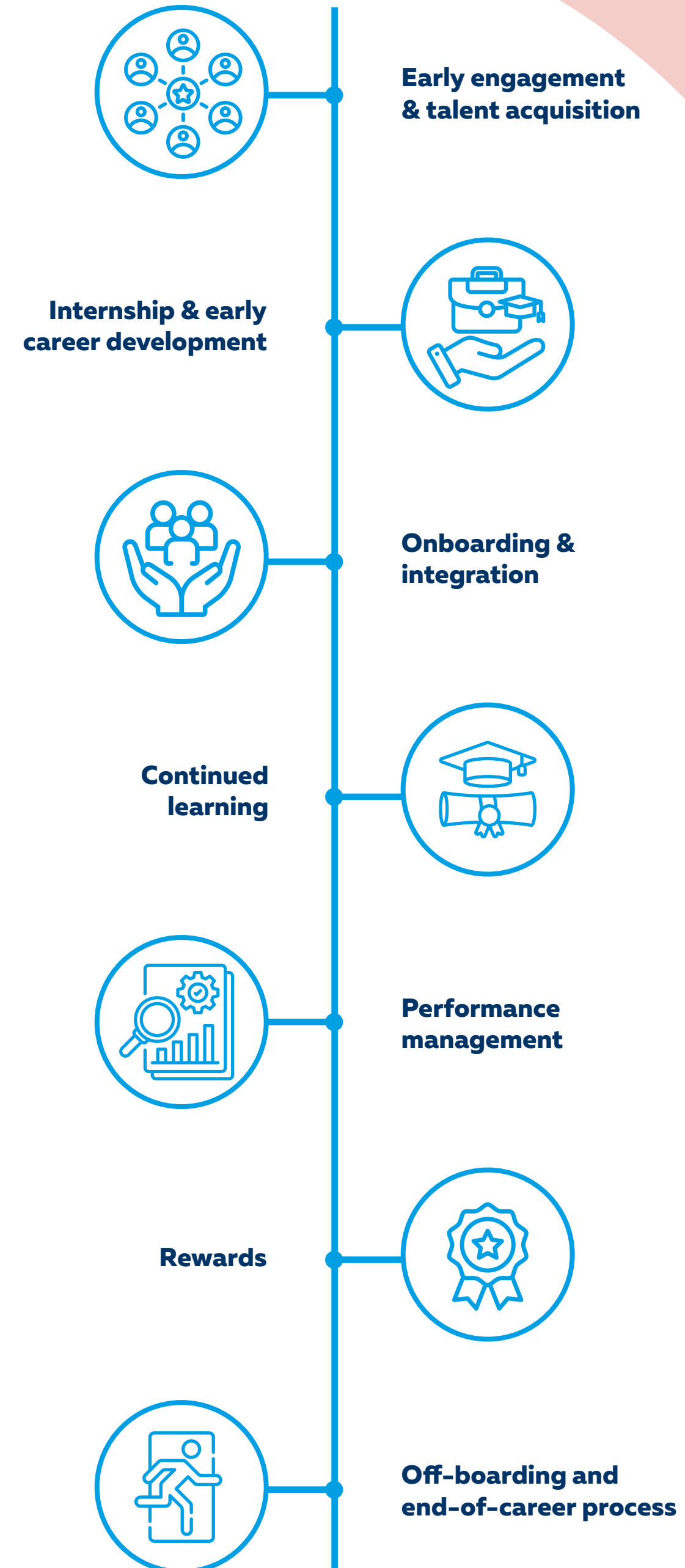
By continuously reinforcing every stage of the employees' journey, we foster an engaging, supportive and growth-oriented environment where our people can succeed from the very first day and throughout the entire Employee Experience Life Cycle. We are committed to ensuring that every employee feels valued and empowered to perform at their best.

Early Engagement & Talent Acquisition

At KBC Group in Bulgaria, we view talent engagement as a continuous journey that begins well before employment. By maintaining an active presence at career forums, university initiatives, and experiential events, we consistently invest in building authentic relationships with future professionals. Throughout the year, we strengthened our employer brand by participating in major career platforms such as Career Show Sofia, National Career Days, IT Career Days, Career & Business at UNWE, Talent Fest and Hive Career Forum.

Our collaboration with academia remained a strategic priority. We engaged directly with students from Sofia University St. Kliment Ohridski, University of National and World Economy, American University in Bulgaria, as well as the National Trade and Banking Gymnasium, fostering early awareness of career opportunities within our organization.

To further differentiate our presence, for the second year we incorporated a custom-designed VR experience, offering participants an innovative and immersive way to connect with our brand and culture.



85%

of new hires share they feel engaged at KBC Group in Bulgaria

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Internship & Early career development

Developing young talent remains central to our long-term workforce strategy. During the year, more than 130 interns joined our teams, gaining practical exposure, structured mentorship, and clearly mapped development opportunities.

Their experience reflects our commitment to creating a supportive environment where potential turns into performance.

Onboarding & Integration

In 2025 KBC Group Bulgaria launched an **enhanced onboarding program** designed to provide new employees with a smooth, engaging start while strengthening early integration, motivation, and long-term commitment.

Our structured **six-month journey** combines practical tools for both new employees and managers, proactive pre-boarding communication, role-specific training, and the support of a dedicated Buddy-Mentor to guide each new joiner along the way.

Key components include an Inspirational Onboarding Day bringing together new hires from across the Group, comprehensive online and professional training modules, and clear goal setting within the first month to support a successful probation period.

During 2025 we hosted in total four Inspirational Onboarding Days for our new colleagues to welcome them to the team, introduce them to our culture and strategy, while promoting cross-entities connections and collaboration.

Numbers we are proud of:



71%

of new hires answer favorably that the onboarding process matched their expectations



4.86

satisfaction rate (out of 5) from the Inspiration Onboarding Day



Continued learning

With nearly **400 trainings** conducted in 2025 and various engagement initiatives, we support continuous learning at every step. By improving our learning experience and offering tailored development opportunities, leadership programs, and digital training, we empower our employees and answer their needs.

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Performance management

Regular reflection is essential to performing at our best and contributing to our shared success. That is why performance appraisal is pivotal in driving individual development. Through our structured P&A process, we provide opportunities to talk over our achievements, identify development areas, align expectations and future priorities, as well as discuss our career aspirations. This process opens room for constructive dialogue and real collaboration, ensuring continuous growth.

Rewards

In 2025 we rewarded the outstanding individual impact of 844 employees. The P1RVI Recognition awards continued to display the real-life examples of P1RVI Strategy & PEARL+ behaviors and further strengthen our appreciation culture by motivating employees and providing leaders with an effective platform to recognize exceptional contribution. Our annual strategy event awarded the yearly winners of the program as well as the best seven Sales Champions across all entities.

Digital empowerment

Our strategic ambition is to be the recognized digital leader not just for our clients but also for our employees. That is why we aim to enhance their digital experience by making simple improvements that ease their everyday work life. In 2025 we introduced the Digi Signatures for HR – an opportunity to sign HR documents securely and fast electronically. 1500 employees are already using this opportunity and thus they also make their green contribution every day – by reducing paper usage and saving a total of 320 tons of CO2 emissions annually.



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118
realized visits

100%
satisfaction rate

Reinforcing cross-team connectivity & collaboration

To further enhance cross-team and cross-entity collaboration, communication, and broaden perspectives, in 2025 we introduced the **Open Doors** initiative, where employees could join another team for 1-2 days and exchange experiences. With 118 realized visits and 100% satisfaction rate, the activity marked high interest and will continue to grow.



Transition & Alumni Experience

At KBC Group in Bulgaria, we recognize that **the employee journey does not conclude with the final working day**. Our structured transition and off-boarding framework is designed to ensure a respectful, well-managed, and value-driven closure of each professional chapter.

We approach career transitions with appreciation and responsibility – acknowledging individual contributions, enabling effective knowledge transfer, and supporting a smooth handover process. By maintaining open communication and fostering lasting connections, we safeguard organizational continuity while reinforcing a culture built on respect and recognition.

From the very first interaction at a career event to long-term professional development and eventual transition, we remain dedicated to delivering a holistic employee experience. Our commitment is to create an environment where people feel engaged, supported, and valued at every stage of their journey – leaving a positive and lasting impression that extends beyond active employment.

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Health and wellbeing

In 2025, we remained committed to ensuring that our employees maintain a healthy and balanced lifestyle.

As part of our well-being initiatives, colleagues participated in a variety of activities organized by our benefits partners. These included online **Health Day** events featuring **expert-led lectures** on healthy living and physical activity. In addition, we offer weekly in-office massages to support physical well-being, as well as access to professional psychological support for those who need it.



Stress Disinfection Strategies

We've introduced trainings focusing on **stress management**, acknowledging the **importance of mental health** at the workplace and overall well-being. In 2025, we held 12 Stress Disinfection trainings with 153 participants, focusing on practical techniques for managing stress, improving concentration, and maintaining emotional balance. Participants also learned about the link between stress and overall health and received tools for handling fears and unresolved emotions. We also delivered the "Mastering Stress and Job Satisfaction" program, which helped colleagues reduce stress, boost motivation, and enhance workplace satisfaction. Through EFT techniques and meditation practices, participants strengthened their confidence, resilience, emotional stability, and collaboration skills.

Ensuring a **healthy and safe work environment is a core priority at KBC Group Bulgaria**. All employees complete mandatory workplace health and safety training. In addition, our digital portal offers practical resources on topics such as proper desk posture, eye care when working with screens, and general guidance to increase awareness of workplace health and safety risks.

In
2025,
we held

12
Stress
Disinfection
trainings

with
153
participants

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Training and education

During 2025, our focus on continuous learning and skills development remained consistent.

We've offered digitalized and tailor-made training opportunities to support the employees in achieving their personal and professional goals.

Numbers we are proud of:



93 000

hours spent on training
(18,5% increase compared to 2024)



4.7

out of 5 overall satisfaction rate for
trainings

Our **specialized training academies** continued to develop gradually, improve employee experience, and reinforce the professional competencies and talent of our employees.



P1RVI Leadership Academy 2.0

In 2025, the P1rvi Leadership Academy - our dedicated development program for managers - continued to evolve with the introduction of two new technical modules.

These additions were designed to strengthen leaders' digital capabilities, including enhancing their ability to leverage data insights for informed strategic decision-making, as well as further developing their proficiency in working with Microsoft products to drive productivity, collaboration, and digital efficiency.

By continuously upgrading the program's content, we reaffirm our commitment to equip our managers with the most up-to-date skills.

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ESG Academy

The successful partnership with FEBA faculty of Sofia University "St. Kliment Ohridski" continued for a **fourth year in a row** and **more than 220 employees** of KBC Group in Bulgaria in **8 editions** gained their certification. In 2025 we hosted **two new sessions** of the certification program for specialists in sustainable management - "KBC Bulgaria - ESG Academy". Together with we've introduced a **special Alumni Program called "Sustainability Update 2025"**, for all former graduates of the ESG Academy. The one-day intensive workshop aim to provide participants with the latest trends, requirements and news on the topic of Sustainability - an overview of the international and Bulgarian context, updated legal framework, stakeholder positions, banks' perspectives, recommendations for further reading. 44 employees from UBB, DZI, UBB Interlease, KBC Asset Management and UBB PIC participated. During all 4 years of the existence of the Academy, the main goal of the program is to educate a new generation of specialists and provide our stakeholders - employees, customers and society with high quality knowledge, services and tailored solutions, aiming to ensure sustainability and risk management. The ESG Academy, lasting three months, is to contribute to the goals of the Paris Climate Agreement, as well as to prepare the KBC Group companies in Bulgaria for the forthcoming EU regulations by integrating the principles of sustainable development financing. UBB invests long term in the concept of environmental, social and corporate governance and recognizes the added value of raising awareness on the matter. The training on the topics of sustainable business development is fully sponsored by KBC Group in Bulgaria.



4
years

8
editions

1
special
Alumni program

over
220
certified colleagues

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Strengthening our Agile culture

We delivered the **Agile Ways of Work training**, designed for a target group of employees working in the agile teams across the organization.

The training focused on the fundamentals of Scrum and Kanban, strengthening collaboration, transparency, and value-driven delivery. In addition to the group sessions, we also delivered dedicated individual Agile-related trainings tailored to specific roles and team needs, ensuring deeper understanding and practical application of agile principles. A total of **130 employees** successfully completed it and received certification, further embedding agility as a core principle in the way we work and drive transformation across the company.



IT Academy - Investing in Future-Ready Digital Skills

In 2025, KBC Group in Bulgaria marked a significant milestone in its learning and development journey by launching the **IT Academy** for the first time - a **six-month certification program** created to unlock digital potential across the organization. Designed for employees without a professional background in IT, the Academy provided structured access to essential knowledge and practical skills in the field. Delivered in partnership with Skillo, the program spanned 100 training hours over 25 weeks, combining core IT fundamentals with hands-on application in areas such as software development, programming, and software testing. Following its high interest rates, excellent feedback, and strong impact, the IT Academy will continue in 2026, reinforcing our commitment to digital upskills and internal development.

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Diversity and Inclusion

We recognize that diversity and inclusion are fundamental drivers of creativity, performance, and sustainable growth. By welcoming individuals from varied backgrounds and embracing different perspectives, we cultivate an environment where everyone feels respected, heard, and empowered to thrive. Our policies dedicated to fair labor are embedded in all internal rules and practices, which we follow thoroughly, ensuring equal opportunities, transparent processes, and respectful working conditions for all our employees.

Through dedicated initiatives, continuous training and education, and fair access to opportunities, we work towards creating a workplace that reflects the diversity of our community in the best way. We prioritize equal representation across all levels, promoting gender equality and generational diversity to ensure balanced perspectives and decision-making.

Gender diversity ratio female/male in KBC Group in Bulgaria in 2025: **73% female & 23% male**

Group Diversity Day 2025 brought together colleagues from across KBC Group to celebrate inclusion, exchange perspectives, and strengthen our shared culture. The program combined an inspiring group-wide session with a rich local agenda featuring senior leaders, panel discussions, and a motivational speaker. The strong participation and high engagement demonstrated our continued commitment to building an inclusive, people-focused workplace.



Listening to our people

We actively seek our employees' feedback at every stage of their journey, using surveys as a key tool to capture meaningful insights. During the year, we conducted two engagement surveys, along with an internal client satisfaction survey to evaluate the impact of our initiatives and internal connectivity, as well as onboarding surveys for newcomers.

The results guide our action plans towards priority areas, reinforcing a continuous feedback loop.

92%

of all our staff participated in the last engagement survey - a record-breaking response rate

85%

indicate their direct manager coaches them to be successful in their current position
(Sprig survey 2025)

93%

state they are equipped with the right skills to cope with the changes
(changing job content, new technologies, etc.)

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Voluntary work, charity and social investing

Our internal charitable association „**United for Charity**“ continues to play an important role in providing support to our colleagues and their families. It was founded in 2006 and stands as a symbol of our solidarity, kindness, and mutual support. In 2025, the **Association helped 127 employees** and supported the summer holiday of the children of deceased colleagues. In 2025, a total of **2300 colleagues contributed regularly** with donation. Throughout the year, the association organized a range of initiatives to encourage charitable engagement and raise funds for its causes. Among these activities were an Easter and Christmas bazaar, as well as a drawing competition. The organization successfully develops its online platform with charitable branded products.



Social Dialogue

All employees of KBC Group in Bulgaria could become members of the **Trade Union of Bank Employees and Workers**, an independent non-profit organization, established to promote fair labor and social relations between employees and the company as employer.

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What's happening within the group

In 2025 numerous initiatives across the entities in KBC Group Bulgaria were introduced and supported to contribute to a positive social and environmental impact.

UBB Vertical Run 2025

with a record number of participants. 4:22.3 minutes is the best time in this edition of the marathon – The 2025 UBB Vertical Run attracted a record **300 participants**, demonstrating strong internal engagement and growing public interest in health-focused initiatives. Held at the UBB Millennium Center, the event challenged **runners to climb and descend 1012 steps across 24 floors**, highlighting the organisation's commitment to promoting wellbeing. Participation slots filled rapidly, showcasing the event's increasing popularity. Individual runners, teams, and external participants joined across multiple categories, supported by senior leadership who reinforced the culture of active living.

The Vertical Run remains the only event of its kind within a KBC Group building in Europe and reflects UBB's dedication to fostering a healthy and engaged community.



Open Doors Days

In 2025, KBC Group Bulgaria launched the Open Doors Days initiative to strengthen cross-departmental understanding, transparency, and collaboration. Open to all employees, the program focuses on exchange visits between the Branch & Sales Network and Head Office units. A total of **165 colleagues** enrolled, choosing to visit teams they closely cooperate with. Hosting units prepared tailored programs, enabling participants to gain first-hand insights into daily operations over periods of half to two days. Post-visit feedback from both visitors and hosts identified opportunities for improved communication, smoother cooperation, and process optimization.

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Dragon boats

Six teams took part in one of the most contested races of the 2025 summer season – the dragon boat race which took place at a rowing base near Sofia. Christof De Mil, CEO of UBB and Country Manager of KBC Group in Bulgaria, kicked off the event in front of nearly **200 people** and under the scorching June sun. The high temperatures did not affect the good mood and the desire to win. The final of the race was very contested, the three teams that qualified for it – Blue Strikes, Blue Hearts, Blue Flame – raced side by side and the winner was determined by a photo finish. The winners had the opportunity to travel to Hungary and participate in the international dragon boat competition, organized by our colleagues from K&H.



First aid training

In 2025 we strengthened our commitment to employee wellbeing and community impact by launching a series of first aid trainings as part of the Group-wide "Team Blue" challenge. The sessions were met with highly positive feedback, and over **920 colleagues** across the country joining the trainings led by our partners from First Aid Academy. Through this initiative, we empower our people with essential life-saving skills and foster a culture of responsibility, solidarity, and care within KBC Group.

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“Let’s give 60 minutes to nature”

is the message with which UBB participates in the 2025 edition of the global initiative “Earth Hour”. Exactly at 20.30 on 22 March, the lights of the HQ building “Millennium Centre” have been turned-off for one hour. The initiator of the global campaign is WWF. It takes place in March and people from all over the world simultaneously switch off electric lights to draw public attention to climate change and the environmental problems facing the planet.



UBB Festival Moments 2025

After the success of 2024 edition “Wish for fun”, throughout 2025, UBB is once again partnering with some of the most exciting festivals in the country. Our organization is the general sponsor of **31 festivals**, including some of the most anticipated concerts by Robbie Williams, Guns and Roses, Nick Cave, Enrique Iglesias, Sofia Summer Fest, the popular Spice Music Festival, the electrifying Midalidare Rock Festival and the unique EXE Beach Fest. Together with the public, who are treated with amazing games and prizes, we’ve also got our Team Blue covered in 2025. Colleagues from across the country have the incredible opportunity to immerse themselves in the magic of these events and win double tickets by taking part in several LinkedIn challenges.

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Easter and Christmas charity bazaars

In 2025, our colleagues once again demonstrated **strong engagement and community spirit through our Easter and Christmas charity bazaars** at UBB Millennium Center. Together, we raised nearly **5000 Euro** during the Christmas initiative in support of the United for Charity Association, complemented by additional contributions from our Easter bazaar. These events highlight our people's generosity and commitment to creating positive social impact.

Our colleagues from UBB Interlease and UBB Insurance Broker regularly organize charitable campaigns and events with fundraising to support children and people in need – such as supporting Association "Rusalya", School of Arts & Crafts – which is offering a new, unique approach for children in disadvantaged positions.

DZI supports campaigns related to road and traffic safety, the human responsibility when driving, and reactions in critical situations on the road.



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Our role

We believe that corporate resilience and responsibility is the true way of doing business.




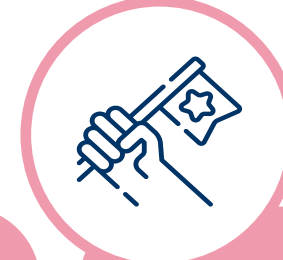
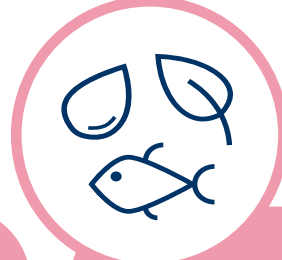

Sustainability for us is not just part of a standalone strategy, but it is interwoven in our corporate vision, embedded in its five pillars and in our daily commercial activities. It outlines the role we want to play in society, our focus points and our goals.

We develop our role in society in 5 domains:

- Entrepreneurship
- Financial literacy
- Health
- Responsible behavior
- Environmental responsibility

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Challenges and how we address them

	 ENTREPRENEURSHIP	 FINANCIAL LITERACY	 HEALTH	 RESPONSIBLE BEHAVIOR	 ENVIRONMENTAL RESPONSIBILITY	 PEOPLE, SKILLS & TRUST
Challenges	<ul style="list-style-type: none"> • Regulation pressure • Transition costs • Skills gaps • Access to finance 	<ul style="list-style-type: none"> • Low financial literacy • Youth vulnerability • Limited savings • Low investing culture 	<ul style="list-style-type: none"> • Prevention gaps • Mental health stress • Unequal access • Low first-aid readiness 	<ul style="list-style-type: none"> • Ethical expectations • Data protection • Cyber threats • AI risks 	<ul style="list-style-type: none"> • Climate change • Water stress • Biodiversity loss • Pollution 	<ul style="list-style-type: none"> • Skills shift • Rising expectations
Risks	<ul style="list-style-type: none"> • SME competitiveness • Innovation slowdown • Regional stagnation 	<ul style="list-style-type: none"> • Poor decisions • Financial exclusion • Low trust • Long-term instability 	<ul style="list-style-type: none"> • Lower productivity • Higher societal costs • Emergency vulnerability • Employee burnout 	<ul style="list-style-type: none"> • Trust loss • Regulatory breaches • Cyber incidents • Operational disruption 	<ul style="list-style-type: none"> • Physical climate risk • Transition risk • Portfolio exposure • Reputational risk 	<ul style="list-style-type: none"> • Capability gaps • Trust erosion
How we address them	<ul style="list-style-type: none"> • EU instruments • Advisory & education • Digital tools • Startup & NextGen programs 	<ul style="list-style-type: none"> • University education • Early-age learning • Digital tools • Responsible investing education 	<ul style="list-style-type: none"> • Wellbeing programs • First-aid training • Mental-health support • Digital health platforms 	<ul style="list-style-type: none"> • Code of Conduct • Whistleblowing Policy • Cyber security • GDPR compliance • Responsible AI rules 	<ul style="list-style-type: none"> • Climate targets • Renewable energy financing • Portfolio decarbonization • White Papers • Nature initiatives 	<ul style="list-style-type: none"> • Continuous learning • ESG Academy • Leadership programs • Transparency • Dialogue & partnerships • Accountability

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Entrepreneurship



KBC Group in Bulgaria companies promote entrepreneurship, through the different phases of the business life cycle, as we believe it is a true key driver of economic growth and general prosperity.

Schools

National Trade & Banking
High School Partnership

Universities

European Entrepreneur's
Day Forum;
ESG Agro Masterclass

Start-up phase

Best youth startup in
Bulgaria

Growth & development phase

Family-owned
business and
NextGEN Academy

Facilitating the access to EU subsidies

KATE for EU programs

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In a nutshell

In 2025, KBC Group in Bulgaria had an impact on the entrepreneurial ecosystem in Bulgaria with initiatives,

reaching over **500** entrepreneurs (within **4** projects and **8** events).

This is the result of the joint efforts of the companies of the KBC Group in Bulgaria, including our regional structures and head office.

Partnership with the National Trade & Banking High School

In 2025, UBB strengthened its contribution to youth entrepreneurship by deepening its collaboration with the National Trade and Banking High School (NTBG). As part of this partnership, UBB experts mentored three student groups, supporting their class initiatives and fostering early entrepreneurial thinking.

Our specialists worked primarily with 10th and 11th grade students, offering hands-on exposure to how financial products are developed, how digital banking solutions evolve, and how consumer behavior influences product design. Through practical workshops and real-life case insights, students gained a clearer understanding of innovation processes within the financial sector.

This collaboration aims to cultivate entrepreneurial skills among young people, empower future talent, and bridge the gap between education and the business environment. By investing in applied learning, KBC Group in Bulgaria continues to promote a culture of innovation and support the next generation of entrepreneurs.



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Best Youth Startup in Bulgaria 2025

In 2025, the fourth edition of the “Best Youth Startup in Bulgaria” competition—organized by the Fund of Funds and the Faculty of Economics and Business Administration at Sofia University—attracted **more than 400 participants**, both teams and individual innovators. All participants completed a 10-week training program supported by **mentors from over 60 organizations across the Bulgarian investment and startup ecosystem**, making the initiative the largest of its kind in the country.

UBB remained the only commercial bank partner, contributing expert knowledge on EU Funds, financial instruments, leasing, and insurance through a dedicated seminar held jointly with **UBB Interlease and DZI**.

Throughout the program, KBC Group provided strong promotional support, amplifying the competition and the participants’ ideas across its communication channels. KBC Group also hosted the semi-finals at its headquarters in Sofia, organized a networking event after the pitching sessions, and participated in the jury selecting the winners.

The participating projects showcased strong themes in sustainability, technological innovation, and community impact, reflecting the growing ambition of young entrepreneurs to develop eco-friendly, efficient, and socially beneficial solutions to real-world challenges.



The Faculty of Economics of Sofia University “St. Kliment Ohridski” is expanding and deepening its sectoral and geographical partnership with KBC Group in Bulgaria. We organized a master class in support of youth entrepreneurship in the Kardzhali region, UBB supported the holding of the third edition of the “National Youth Entrepreneurship Competition”. Sharing UBB’s experience as a responsible “learning organization” contributes to the development of the competencies of the human resources specialists we train.

Assoc. Prof. Todor Yalamov
Deputy Dean of The Faculty of Economics at Sofia University “St. Kliment Ohridski”

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Financial and investment support for SME - Sofia International Money Expo (SIM EXPO) Conference

The 6th International SIM EXPO Conference focused on strengthening financial and investment awareness among small and medium-sized enterprises (SMEs). Financial institutions, investment funds, and guarantee funds presented products and services specifically designed to support SMEs and entrepreneurs. **Key topics included investment activities, access to financial resources, and opportunities linked to the green transition.** UBB participated in a dedicated panel discussion on **sustainable and social investments**, highlighting the role of financial instruments in empowering young entrepreneurs and supporting the growth of small businesses. Through its contribution, UBB reinforced its commitment to enabling entrepreneurial development and improving **access to sustainable finance for SMEs.**



Business Academy for Starting Entrepreneurs (BASE)

In 2025, UBB continued its strong support for the Business Academy for Starting Entrepreneurs (BASE), contributing to both the spring and autumn editions of the program in Sofia.

In the **Autumn 2024** edition **32 participants** successfully completed the program. **Eighteen business plans** were presented evaluated by an expert jury from UBB. A total **prize** fund of BGN 10 000 (**EUR 5000**) was awarded to the most promising projects.

The Spring 2025 edition, guided participants through practical modules, mentoring sessions, and interactive workshops with business professionals. **Five cash prizes** were awarded, with the jury including experts from the “European Projects and Financial Instruments” Directorate at UBB.

In September 2025, the **11th edition** in Sofia – and the **59th nationwide** – officially opened, attracting **more than 50 participants**. UBB top expert attended as a special guest and speaker. The class graduated after final business pitches. Throughout the year, BASE also participated in the KBC Group Easter and Christmas Charity Bazaar in Bulgaria, giving young entrepreneurs the opportunity to showcase and promote their products to UBB employees at the Millennium Center.

Through these initiatives, UBB reinforces its commitment to developing entrepreneurial skills, expanding opportunities for early-stage founders, and supporting a vibrant SME ecosystem.



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ESG Agro Masterclass

The third edition of ESG Agro Masterclass exploring the theme “ESG in the agricultural sector – Innovations and opportunities for European financing” was held in UBB’s Headquarters for students from the Faculty of Economic and Business, Sofia University. Lecturers at the event were UBB top experts. The event **was attended by 40 participants**, who learned about the important aspects in the development of sustainability in agriculture, what are the latest innovation trends in the agro-sector and what are the opportunities for European funding.

European Entrepreneur’s Day Forum

Sofia University “St. Kliment Ohridski” held the **23rd edition of Entrepreneur’s Day**, hosted at the GATE Institute under the theme “**Entrepreneurship in the Conditions of AI**”. The event focused on the development of youth entrepreneurship in Bulgaria and the financing opportunities available to emerging innovators. UBB contributed to a dedicated panel discussion, sharing its experience in supporting entrepreneurial ecosystems and early-stage business development.



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Supporting SMEs Through Financial Instruments

In 2025, UBB continued to play a leading role in improving access to finance for Bulgarian SMEs through the effective deployment of European and national financial instruments. The bank offered financing under a wide range of programs, including: NGF-7RRF Competitiveness, RRF Sustainability, InvestEU Competitiveness, InvestEU Sustainability, InvestEU Innovation, European Investment Bank programs, Ministry of Education and Science instruments, Urban Development Funds for Sofia and South Bulgaria, as part of the Sustainable Cities Fund consortium. Through these mechanisms, UBB completed **more than 1,400 new transactions, reaching a total value of EUR 384 million in 2025**. This sustained engagement reinforces UBB's commitment to promoting economic resilience, innovation, and sustainable business growth across the country.

KATE for EU programs

In 2025, we continue to develop our digital assistant **Kate for EU programs**. In the **UBB Mobile app** business clients can take advantage of the "European programs" functionality in Kate, which allows them to find up-to-date information on the so-called "grant programs" in support of Bulgarian businesses from various donor organizations. The client can select one out of two options for financing: agricultural programs or other (non-agricultural programs). Each one has a summary attached in a language, understandable to clients with the main and most important elements, as well as a link to the official page, containing the full package of documents for the procedure.



I am grateful to UBB-BC-Ruse for the excellent work and the trust built between us. Through the guarantee program with FMFIB, we received easy and quick access to working capital financing, which helped us increase and diversify our inventory. Guaranteeing loans saved us significant costs for valuations, insurance and establishing collateral.

Ivelin Donchev,
Owner of Donchev Transavto Ltd.

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Family-owned business

In 2025, **UBB NextGEN Academy** held its **third edition**, welcoming **19 participants from 14 family-owned companies** across various industries. The program is designed for second- and third generation successors and aims to **support future leaders in developing and expanding their family businesses**.

This year's Academy featured a series of seminars focused on essential topics for modern family business governance and growth, including Development Strategies, Sustainable Business Models, Next-Generation Leadership, along with additional practical modules supporting long-term entrepreneurial success.

In November 2025, we also hosted a dedicated event for the **expanding NextGEN Alumni community**. The theme of the session was "Applying AI in Real Business Scenarios," featuring a **guest speaker from Amazon Web Services**, who presented practical examples and best practices for integrating artificial intelligence into business operations.

NextGEN Academy continues to build a strong network of young entrepreneurs and future leaders, offering a platform for knowledge sharing, experience exchange, and showcasing successful generational transitions.

UBB also invested in strengthening the capacity of the next generation of family business leaders. Through a **series of podcast interviews** and storytelling features released with 24 Chasa media group, we've **showcased young entrepreneurs** who are successfully integrating modern vision and innovation into long established Bulgarian companies. Highlighted examples included VALIYAN, INA Essentials, Global Brands Distribution and Medina Med – all demonstrating how second-generation managers build on family values while contributing to the long-term resilience of Bulgarian SMEs and corporates.

Through these initiatives, UBB reinforces its commitment to supporting sustainable business models, fostering dialogue with stakeholders and enabling SMEs to transition toward a more competitive, responsible and future proof economy.



My participation in the UBB NextGen Academy was a valuable experience. It gave me the opportunity to gain new knowledge and ideas and to make valuable contacts. The experience has enriched my professional path and given me inspiration for future projects.

Desislava Apostolova,
Expert New Projects and Financial Monitoring, Argogroup Exact Ltd.

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As part of our commitment to responsible banking, we actively share our expertise to strengthen the financial ecosystem. We work with industry organisations, professional associations, and regulatory working groups to support the development of modern legislation, standardised practices, and digital financial solutions.

We place a strong emphasis on helping customers build financial confidence. Through webinars, tutorials, digital tools, and personalised advisory services, we provide practical guidance that enables people to better understand their financial options and manage their long-term financial wellbeing.

We also support the financial literacy of our employees. Tailored benefit programs enhance their financial security, while volunteering opportunities in educational and mentoring initiatives allow colleagues to contribute directly to a more financially informed society.

Together, these efforts form the foundation of our Financial Literacy pillar and help promote an inclusive, informed, and resilient financial future.

We help specific population groups to be better equipped to make well informed financial decisions.

Financial literacy in Bulgaria remains among the lowest in the European Union. Only 22% of Bulgarian adults report saving money, with even lower rates among young people. This highlights the importance of enhancing financial literacy and habits, particularly for young people and vulnerable groups including low-income individuals, older adults, and residents of rural areas. Our objective is to increase the proportion of clients aged 18 to 25 who actively save or invest. To support this, we have launched a financial literacy platform, in collaboration with universities and creative communities.

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Lectures and Innovation Camp for students under the FinIQ program

At the end of 2025, in the framework of the project “**FinIQ - Enhancing Financial Literacy of University Students in Non-Financial Majors**”, lectures have taken place with students from two new universities – New Bulgarian University (NBU) and Technical University – Sofia (TU – Sofia) with **over 150 students participated this year**. The lectures were based on the teaching model developed by prof. Daniela Bobeva, and aimed to further expand the systematic introduction of personal finance topics to students outside finance-related fields.

To increase engagement, a practical component was added in the form of an **Innovation Camp**, where **30 students** applied their newly acquired knowledge to real case studies in personal finance management. Volunteers from UBB, UBB Asset Management, and UBB Pension Insurance supported the teams by offering guidance and expert insights throughout the event.

Since its launch, the FinIQ program has **reached nine partner universities**, strengthening its role as a meaningful contributor to financial literacy in higher education.



Financial Literacy for Children

Introducing financial education early in life lays an essential foundation for long-term financial wellbeing. Young children are particularly receptive to basic concepts such as saving, budgeting, and understanding the difference between needs and wants. In October 2025, KBC Group in Bulgaria welcomed more than **100 children** of colleagues to a dedicated **Financial Literacy for Children** event, held as part of the “Proud of My Parents’ Work” initiative. The children explored age-appropriate topics related to money and budgeting and took part in interactive games designed to make financial learning engaging and fun. The initiative was delivered in partnership with Junior Achievement Bulgaria, strengthening our commitment to building financial awareness from an early age.



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KBC Bulgaria partners the Practical Finance 2025 National Competition

In April 2025, the Commercial High School in Burgas hosted the final stage of the National Competition “Practical Finance,” organized by the Ministry of Education and Science. The event gives students from 8th to 12th grade a platform to demonstrate skills in personal finance, entrepreneurship, and teamwork. Eight KBC Bulgaria colleagues from the Burgas region supported the finalists as mentors. Over three days, students worked on a real-world case study and presented their solutions to a jury of experts from academia and business, in an atmosphere of constructive dialogue and creativity.



Practical Finance is a national competition in the Ministry of Education calendar, in which students are very interested. The reason is that young people understand that financial literacy is a cornerstone for personal and professional growth. Understanding how to manage money, make informed investment decisions, and plan for the future empowers individuals to take control of their financial destinies. The results of many studies strongly suggest that financial education should start early, giving people the tools to avoid common pitfalls and build lasting wealth. That’s why the Practical Finance National Competition is so important – it encourages everyone to seek knowledge, ask questions, and never stop learning about finance, as these habits lead to greater security and opportunities over time.

Krasimir Marinov, Ph.D.,
Marketing Manager
UBB Pension Insurance

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Responsible investing

Responsible investment is a growing trend, with more countries and companies paying attention to environmental and social aspects. KBC Asset Management has been a pioneer in the field of Responsible Investing (RI) for over 30 years, and the Responsible Investing funds are offered in all core KBC Group countries, including Bulgaria. UBB Asset Management in Bulgaria offers responsibly investing funds that follow the principles of sustainability and transparency, considering environmental, social and governance issues in their investment selection decisions.

These funds follow strict criteria to select financial instruments of different issuers (companies and countries) to include in their portfolios.

The Responsible Investment Funds exclude any investments that, according to the company's methodology, are not considered beneficial to society or nature, such as e.g. conventional and controversial (chemical and biological weapons, landmines, etc.) weapons, tobacco and its products, fossil fuels, leather, adult entertainment, etc.

The importance of certain responsible investment themes also encourages their delineation as a separate investment opportunity - for example, the importance of water as a key resource is the theme of a dedicated responsible investment fund focused on the water sector.

By 2030, we aim to have 55% of our clients' total assets invested in responsible investment funds, as well as 50% of gross sales in responsible funds for Bulgaria and 65% for all of KBC Asset Management.

In 2025, KBC Asset Management's active Responsible Investment funds in Bulgaria total 20: **6 Bulgarian funds-feeder** schemes and **14 Belgian funds**, of which **5 are included in the insurance-investment program**.

We actively promote and offering some of them in UBB Mobile.

More information about the KBC Asset Management and responsible investing is available in our Group Sustainability report: [KBC Group voluntary Sustainability report 2025](#)



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UBB Asset Management engages broad audiences with clear, practical financial-education content across its digital and social network channel "SpestiLi". Through the "OBBuchiSe" series and the "Money with a Future" podcast, experts explain key investment concepts in an accessible way, helping people better understand mutual funds, systematic investing, and responsible investment practices.

Social media and blog content, alongside online educational materials, helped reach a wide audience of clients and employees. These initiatives support a deeper understanding of the principles, benefits, and long-term value of responsible investing. Through consistent education and communication, UBB Asset Management strengthens internal capabilities and empowers clients to make informed investment choices aligned with sustainability objectives.

"OBBUCHI SE" ("EDUCATE YOURSELF") – A Series of Short Lessons on Financial Literacy

"Educate Yourself" is an initiative developed by UBB Asset Management to explain complex financial concepts in clear, accessible language. Designed for a broad audience—from individuals with basic investment knowledge to those seeking to deepen their understanding—the series offers concise video lessons enriched with infographics and practical examples.

The initiative is grounded in the belief that financially literate individuals are better prepared for the future: they plan with confidence, make informed decisions, and are ready to seize new opportunities. Topics featured so far include trend investing, risk metrics, investment horizon, and the difference between nominal and real returns.

The "Educate Yourself" content is also shared on social media under the title "Did You Save?", where a wide selection of tips and videos from the series reaches an even broader audience.



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Investing Responsibly in Education: Promoting Student Awareness and Engagement

UBB Asset Management actively supports financial literacy among young people by engaging students and schoolchildren through lectures, interactive discussions, workshops, and educational activities delivered in partnership with schools and universities. In 2025, top expert of UBB Asset Management, played a leading role in several financial education initiatives. He delivered a workshop at the University of National and World Economy (UNWE) Library and participated in discussions at the ACS Business Club, introducing students to core investment principles such as financial discipline, the power of compound interest, and the importance of long-term investing.

In addition, UBB Asset Management contributed expert insight to the final **session of the Bulgarian Stock Exchange's BeamUp Lab accelerator program**, where provided analysis and constructive feedback to participating companies, supporting the development of innovative and sustainable business models.



Raising internal awareness

UBB Asset Management actively promotes responsible investing among both clients and employees of KBC Group in Bulgaria, recognising education and awareness as key drivers of sustainable financial decision-making.

In 2025, responsible investing was the central theme of the annual kick-off meeting for branch network employees, organized by UBB Asset Management. Held each year for colleagues involved in offering investment solutions, the event placed sustainability at the core of its agenda.

The program explored responsible behavior across a broad range of environmental and social dimensions, including environmental footprint, resource consumption, waste generation, deforestation, biodiversity loss, hunger prevention, and food waste. These topics were complemented by practical sessions on marketing initiatives, sales performance analysis, and the characteristics and performance of responsible investment funds.



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We seek to build an ecosystem that supports customers and staff in their search for a healthy life-style

Health and mental wellbeing remain important societal challenges in Bulgaria, where access to preventive care, first-aid knowledge and structured mental-health support continues to be uneven across regions and population groups. Prevention and early intervention remain limited, while stress-related conditions and increasing work pressures place additional strain on individuals, families and public systems.

At KBC Group in Bulgaria, promoting a healthy lifestyle is an integral part of our corporate social responsibility and long-term sustainable commitment.

We actively support our employees and clients by providing accessible information, practical guidance, and targeted initiatives that encourage physical activity, promoting mental resilience, and building healthier daily habits. Our approach places a strong emphasis on prevention – helping people take proactive care of their health rather than focusing only on treatment.

For our employees, we develop dedicated well-being programs with a strong focus on mental health, including access to psychological support, awareness campaigns, and tools for managing stress and maintaining balance in a dynamic work-life environment.

Through these efforts, we aim to contribute not only to individual well-being, but also to a healthier, more resilient society.



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Strengthening First Aid awareness and prevention

In 2025 DZI continued its multi-year partnership with the First Aid Academy, the only organisation approved by the Bulgarian Ministry of Education to deliver first aid training for teachers and educational specialists. The program was first launched for DZI employees in 2024. Since then, the program has been expanded nationwide with the Ministry's support, offering lectures and practical workshops on first aid in schools, kindergartens and universities. Results show over 1000 trained participants in 15 training sessions across the country in the regions of Sofia, Plovdiv, Varna, Burgas, and Veliko Tarnovo. Over 90% of trainees reported increased confidence in providing first aid.

In addition to this, in 2025, 500 employees from across all KBC Group companies in Bulgaria completed certified First Aid training delivered by the licensed emergency medical instructors. Participants shared highly positive feedback, highlighting the relevance of the training and its practical benefits.



Promoting Road Safety and Responsible Mobility

In 2025, DZI deepened its strategic partnership with the Union of Bulgarian Motorists (SBA), focusing on responsible driving behaviors and the mental and physical wellbeing of drivers.

Key initiatives included:

Safety on the Road - participation in a national conference exploring risk behavior and the role of early psycho-profiling in safer driving.

Best Young Driver competition - a nationwide challenge educating young drivers through simulations and quizzes.

My Family and I for Safer Driving - interactive activities designed for children and parents, focused on emotional readiness and correct reactions in emergency situations.

Through this partnership, DZI contributed to improving Bulgaria's road safety culture in a way that resonates across generations. In addition to this, in 2025, 500 employees from across all KBC Group companies in Bulgaria completed certified First Aid training delivered by the licensed emergency medical instructors. Participants shared highly positive feedback, highlighting the relevance of the training and its practical benefits.



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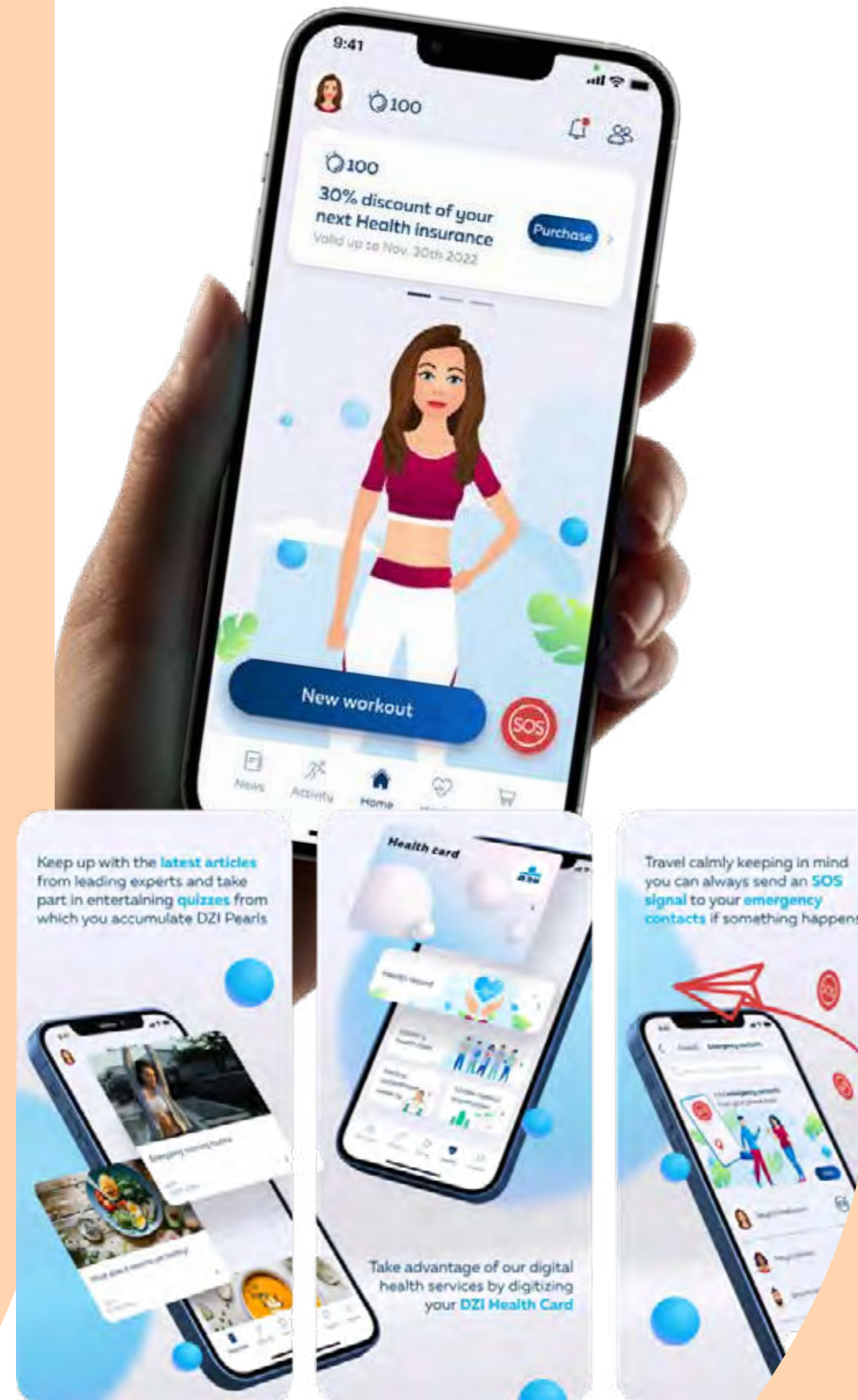
Digital Innovation for Health & Wellbeing: Kaksi “Partners for Health”

In 2025, DZI and kaksi launched a specialized “Partners for Health” section within the kaksi mobile app. This new feature allows users to access trusted partners offering science-based health and wellbeing support.

Womeno – a digital health app supporting women through menopause with personalized content and access to vetted health professionals. In March 2025, a curated **Women’s Month series** were presented featuring topics for hormonal health, skincare, and emotional wellbeing. Joint wellness campaigns promoted inclusive workplaces attuned to women’s health needs.

Momfident – an AI-powered assistant for **new mothers** focused on postpartum **mental health** and self-care. Articles and campaigns highlighted the emotional realities of early motherhood.

Analyse Yourself – a platform connecting **mental-health research with personal development** via evidence-based assessments and recommendations. Each partner has a dedicated “visit card” in the app with service details, links, exclusive offers, and quick access to published educational articles. In the second half of 2025, kaksi published four in-depth articles covering decision-making, burnout, perceived stress, and men’s loneliness, each linked to relevant psychological surveys. A special psychotherapy offer allowed users to book an initial session through the kaksi store using earned pearls.



Kaksi app users’ feedback:

“

“It is extremely easy for me to work with the application. I mainly use it to book appointments.”

Elena Georgieva

“

“The application is great, very convenient, especially for booking a doctor’s appointment. If needed, I would gladly use it again. I’m satisfied. It works easily.”

Ivo Dimitrov

“

“The application is convenient. I am satisfied. There is a section with discounts for various services, which I have used – for example, for optical shops.”

Greta Petrova

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In a nutshell



Trust is the foundation of our social license to operate. We grow responsibly by acting ethically, communicating openly, and upholding personal integrity. To earn and maintain stakeholder trust, we consistently demonstrate:

- Professional competence, ensuring high-quality and responsible service delivery;
- Transparency, by providing clear, fair, and non-misleading information;
- Integrity, by honoring commitments and acting consistently with our values;
- Customer focus, by seeking mutually beneficial, sustainable outcomes.

Responsible behavior is embedded in UBB's PEARL+ values and forms the foundation of our governance culture. Every employee is accountable for adhering to these principles, supported by the "My Responsible Behavior Compass" guidelines, which set expectations for ethical engagement with customers, colleagues, and society. Our internal standards aim to balance the interests of the bank, customers, employees, and broader stakeholders.

We develop and embed clear standards to strike the right balance between the interest of the company, the customer, employees and society as a whole

In the spotlight

Responsible Behavior Culture

We prioritize delivering sustainable, responsible results aligned with the ESG principles.

We integrate responsible behavior into everyday activities across the organization.

We strive to provide products and services that meet customer expectations in a responsible and sustainable manner.

We reinforce our culture through targeted trainings and awareness initiatives.

We respond promptly and respectfully to customer and colleague needs.

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Business ethics and Code of conduct

We adhere strictly to our corporate policies to ensure ethical conduct, openness, transparency, discretion, and privacy in all our activities.

Our Code of Conduct applies to all KBC Group companies in Bulgaria and sets the core principles that guide employees in maintaining the Group's ethical and professional standards.

KBC Bulgaria fosters a culture of honesty and openness, encouraging employees to report potential breaches at an early stage without fear of retaliation. All concerns are handled fairly and investigated properly.

We maintain a comprehensive whistleblowing policy and dedicated reporting channels. We encourage employees to 'speak up' and report potential breaches with high impact on the entities. All reports are assessed independently and impartially and may cover any form of misconduct, including discrimination, retaliation, or violations of national or EU legislation.

In 2025, KBC Group in Bulgaria continued to promote a strong culture of integrity and ethical decision-making. Employees across all entities took part in training and awareness activities focused on responsible behavior, ensuring that ethical principles remain central to our daily work. Updated guidance and improved internal resources were introduced to further support colleagues in navigating complex situations and making decisions that reflect our values. The topic also became more visible through our **new internal platforms, helping embed responsible behavior as a core element of our sustainability strategy.**

Raising awareness

Responsible behavior is an integral part of the culture across KBC Bulgaria entities. We raise awareness through various initiatives, including staff **risk culture trainings**, internal newsletters, value-based posters, and **communication campaigns**. The topic is also embedded in the **onboarding program for newcomers, with periodic follow-up sessions to deepen understanding.**

Dilemma training

Senior managers play a key role in guiding employees to make responsible decisions. All employees are encouraged to speak up and raise dilemmas they encounter. Dilemma training is included in the KBC Group leadership development program, enabling managers to discuss complex situations openly and support their teams in making the right choices.



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Data protection and privacy

Compliance with the General Data Protection Regulation (GDPR) and the protection of stakeholder privacy are fundamental to our role as a bank-insurer. To maintain trust, we process personal data lawfully, transparently, and in line with all applicable data protection requirements.

We follow key data protection principles:

Purpose limitation:

personal data is used only for its original, legitimate purpose.

Data minimisation:

we collect only the data necessary for providing our services.

Transparency:

we clearly inform individuals about the data we collect and how it is used.

Storage limitation:

we retain personal data only for the required periods and securely delete it afterwards.

Integrity and confidentiality (security):

we apply appropriate technical and organisational measures to protect personal data against unauthorised access, misuse, loss, or disclosure.

The EU AI Act is expected to enter into force,

introducing strict rules for the daily use of AI tools, which UBB will fully integrate into its internal governance and operational practices.

Human rights

KBC respects human rights across all operations and ensures that customers, employees, and suppliers are treated with dignity and fairness. We follow international standards such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Cooperation and Development (OECD), supported by dedicated policies and due diligence processes. KBC complies with the laws, rules and regulations of every country in which the KBC group operates. Our commitment is to prevent negative impacts and promote responsible conduct throughout our value chain.

We strictly refrain from any violation of human rights by:

Updating regularly our KBC Group Human Rights Policy.

Having set up specific policies and human rights due diligence processes.

Improving the implementation of the UN Global Compact Principles across our daily operations.

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Using AI (artificial intelligence)

KBC Group, including the entities in Bulgaria, are using Microsoft Generative AI to enhance daily work. Strict internal guidelines ensure productive, secure, and ethical usage.

Key practices include:

Data Security and Confidentiality:

Mandatory training covers risks allowed and not allowed uses, recognizing data breaches, and reporting.

Training and Onboarding:

Regular community meetings to share use cases and best practices.

Usage Monitoring:

Ensuring responsible and compliant application of AI tools.

Ethical Usage:

Adherence to ethical standards and verification of generated information.

Cyber-risk and information security

Cyber-risk and information security continue to be key to delivering safe and cyber-resilient services. The ever-increasing digitisation of the products and services we provide, coupled with the dynamic development of internet technologies, expands the challenges we face in cyber security. The biggest threats continue to be organised hacking groups combining significant knowledge and motivation. Most of them also rely on solid financial and state support. In situations like this, our information security team strive to have very flexible organization, motivated and knowledgeable members and full support from the Management Board and from all stakeholders. The main focus is on protecting our clients from malicious activities, using the combination of modern technologies and focus on awareness and continuous improvement. On the other hand, all assets and processes that support client services are being regularly evaluated, challenged, and improved against existing and new threats. Using a risk-based approach, we focus our efforts with maximum efficiency, while mitigating the risk. Security operations are also supported by group-wide Competence Centre for Information Risk Management. This approach guarantees the speed, flexibility, and resources for managing all types of crises related to cyber and security incidents.



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In a nutshell



KBC Group in Bulgaria is naturally in tune with the major economic, social and environmental challenges that mark our present and future.

In 2025 again we took an active role in raising the sustainability awareness and sense of climate urgency in Bulgaria, by taking specific steps to deliver change and showing **high level of transparency**.

Through transforming our lending and investment activities we help our customers support the transition to a sustainable economy.

We raise the awareness and engage society by provoking honest dialogs, build partnerships, feel the pulse of the employees, and openly declaring our stance to all our stakeholders.

At the heart of our sustainability journey there is the profound belief in the power of partnership and the connection with our clients. We transform our lending and investment activities and help our customers support the transition to a sustainable economy. It's not just about being a bank; it's about being a trusted companion along the road to a more sustainable world.

We are a part of respective financial industry associations in the country and by actively putting environmental and social issues on the agenda, we aim at agreeing on a joint action within the financial sector.

As part of KBC Group, we are members of the UN Global Compact Network, committed to the UNEP FI (United Nations Environment Programme Finance Initiative), UNEP FI Principles for Responsible Banking (PRB), UNEP FI Principles for Sustainable Insurance (PSI), UN Principles for Responsible Investment (PRI), TCFD (Task Force on Climate-related Financial Disclosures) and are a signatory of various sustainability-related commitments.

An overview of the main commitments our Group have made in preceding years can be found on the [Group corporate website](#)

We aim to evolve the financial system so that it incorporates the value of nature and contributes to preserving the ecosystems and society.



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Sustainable finance program

The Sustainable Finance Program was launched in 2019 as part of our group's role as a signatory of the Collective Commitment to Climate Action (CCCA). Its goal was to address climate-related challenges and opportunities. In March 2023, the CCCA was retired, after being superseded by the Net-Zero Banking Alliance (NZBA). This alliance also ceased operations in October 2025.

Despite this, KBC Group has a responsibility to ensure that its climate action remains in tune with its important role in continuing to support a just and equitable transition in its core markets. This means that, in addition to climate related aspects, we need to consider aspects such as the social impact of the transition, energy security and government support. Considering the above, we will continue to work on the commitments we have made under the CCCA initiative.

Under the Sustainable Finance Program, we focus on:

- Own environmental footprint
- Indirect environmental impact
- Measuring climate impact of our portfolios and climate targets
- Updating our sustainability policies on biodiversity, energy and defense

In 2025, UBB continued to work actively on the identified main pathways:

- setting targets, measuring, collecting and reporting on financed sectors' emissions data;
- preparing and updating the expert White Papers for assessing the development of carbon-intensive sectors in our portfolio;
- evolving banking products, services and sustainable business solutions, validating sustainable activities;
- monitoring and analyzing the impact of our own and client activities on biodiversity;
- supply chain research on specific sectors;
- analysis of the business impact of adverse weather events;
- development of innovative digital solutions;
- supporting our clients in their sustainability transitions through various core activities: lending, insurance, advisory services, and asset management.

By the end of the year, the goals under the program for 2025 were successfully completed with targets accomplishment reported.

We're committed and demonstrate solid support for our stakeholders when it comes to their sustainability journey in building resilient business models.

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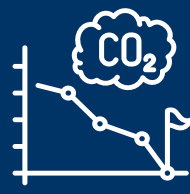
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Our own footprint



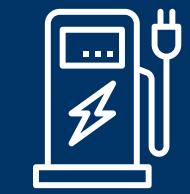
We have been measuring our direct, groupwide emissions since 2015. As of 2025 the total GHG emissions for KBC Group in Bulgaria are **3 670t CO₂, which is 87% reduction** vs the base year 2015. We managed to surpass our initial set target of 84% reduction by the end of 2030. To achieve this, we have implemented quality improvements and measures for reducing our direct environmental footprint.



Currently **99%** of the purchased electricity for KBC Group in Bulgaria comes from **renewable sources**.



Two more **Solar Power Plant** are in process of installation - at UBB Branch Stara Zagora and DZI Liquidation Center Varna. With this the build **our own needs are in total 6** throughout the country.



Our project for building a system of charging stations for electric vehicles continue successfully. Currently, **64 charging stations** have been built and installed all around the country - 43 at HQ and 21 at our branches.



In 2025 we start implementing more efficient water usage strategy in all our branches - installation of water dispensers which will reduce the usage of plastic bottles.



We have also installed VRV (Variable Refrigerant Volume) in part of the larger UBB Branches. VRV is an advanced inverter system for central air conditioning that regulates the cooling and heating according to the needs of each zone, ensuring high energy efficiency.

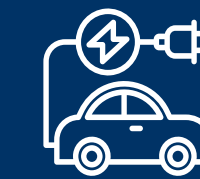
Car fleet renewal strategy

We continue to successfully implement our car fleet renewal strategy - currently the KBC Group in Bulgaria carfleet consists of

143 electric and 72 hybrid cars.

The car fleet replacement **for DZI and UBB PIC has been successfully done at 100%**

For UBB the replacement is at 60% as we expect the full replacement to be finished by the end of 2027.



Successful recertification audit against international standard ISO 14001 for UBB, DZI, UBB Interlease and KBC Global Services. In 2025 we managed to expand the scope of the environmental management system to also **include all Branch and Trade networks of UBB and DZI**. Throughout the audit process, the Environmental Management system demonstrated overall conformance with the requirements of the standard. This is a proof that our organizations have defined appropriate environmental policy, objectives and targets, considered the applicable legal and other requirements and significant environmental aspects and had programs for achievement of its objectives and targets. The benefits of the certification are related to the reduction of waste and pollution, as well as the efficient use of resources - electricity, water, gas, etc.



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Sustainability portfolio

Our commitment to sustainability goes beyond our direct operations. Our Sustainable Finance Program is also dedicated to addressing our indirect environmental impact, through our lending portfolio.

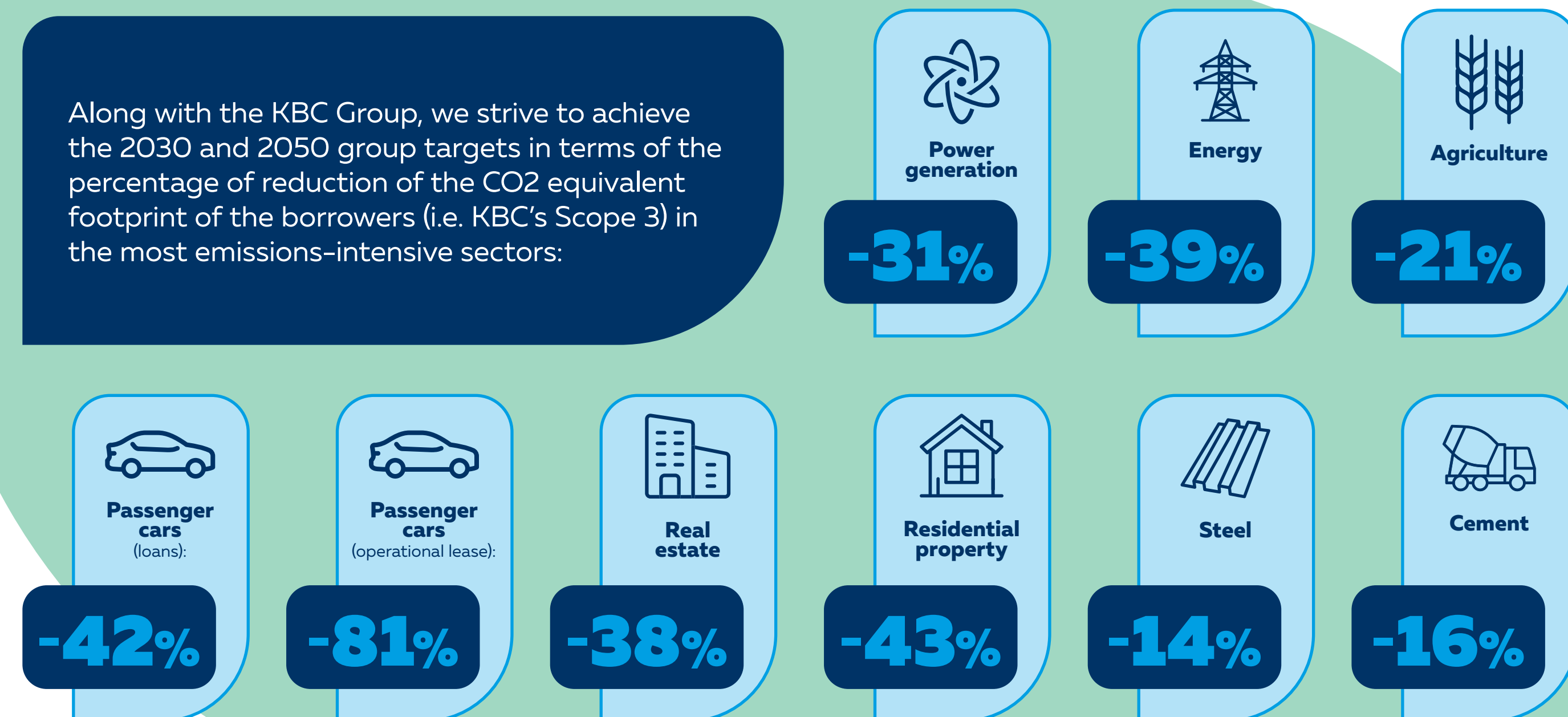
As part of our commitments, we have set decarbonization targets for the most carbon intensive sectors in our portfolio. The target-setting methodology uses only scientifically accepted decarbonization scenarios based on absolute emissions intensity (in tons of CO₂/ million euros) as well as sector-specific emission intensities (e.g. kgCO₂/sqm or MWh).

In order to ensure the fulfillment of our climate targets, in KBC Bulgaria each year we set ambitious targets for towards green sales that are strictly followed on quarterly basis. These include financing of renewables, towards green real estates, vehicles and insurances. **In 2025 we have managed to increase our towards green sales with 185%.**

Each year we report on these targets, and our progress is monitored in our Group Sustainability report ([Sustainability Reporting](#))

In this regard, in 2025, UBB continued the large-scale data collection to measure the carbon emissions levels of our credit portfolio.

Along with the KBC Group, we strive to achieve the 2030 and 2050 group targets in terms of the percentage of reduction of the CO₂ equivalent footprint of the borrowers (i.e. KBC's Scope 3) in the most emissions-intensive sectors:



For example, energy supply is the single largest global source of GHG emissions. In the EU, it accounts for around 26% of total emissions (source: EEA, January 2026). KBC Group contributes to the decarbonization of the **energy sector** by its strict policies. From 2021 we have zero **coal exposure in our loan portfolio and continue to** limit exposures to fossil fuels – we stopped financing the exploration and extraction of all new oil and gas fields. In addition, vertically integrated energy companies that operate in the oil and gas extraction are subjected to additional requirements.

For 2025, 92% of the financing provided in the energy power production sector is for renewable energy projects.

To support the transformation of the energy mix UBB provides also value-added services to our clients through the Advisory Hub with specialized energy experts.

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White Papers

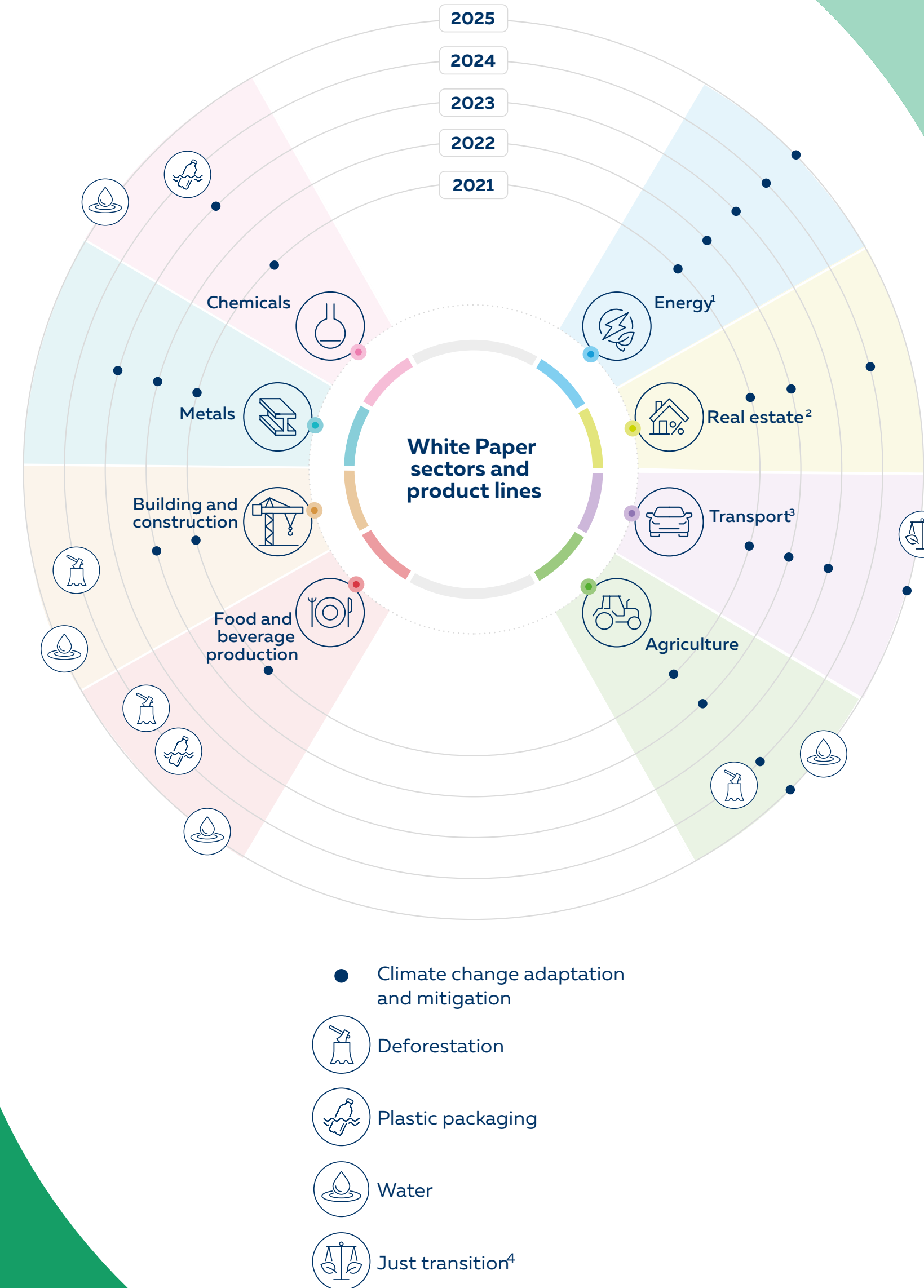
Within the framework of our Sustainable Finance Program, every year, we produce several sustainability-related expert analyses that we refer to as 'White Papers'. Again in 2025, we are performing assessment of the sectors from our portfolio with the largest climate impact, and the White Papers are written as response to relevant developments affecting those sectors. They include climate-relevant information for the specific industry or product line: observed market trends and dynamics, transitional and climate risks, innovations and technology advancement, EU and local regulations, social consideration, new opportunities. The White Paper analyses focus on our credit business, advisory services and insurance activities. Based on these analyses, the

White Papers potentially propose (new or changes to) policies, actions and targets.

The governing bodies of the KBC Group on local and group level closely monitor and approve actions and targets determined in the White Papers.

Since 2023 the scope has also included a focus on other environmental objectives: biodiversity, pollution, water and circularity. In 2024, we produced specific White Papers on the cross-sectoral environmental themes of deforestation and plastic packaging.

In 2025 we released two new cross-sectoral White Papers on Water Stress (accessibility and availability) and Water Pollution, as KBC's group double materiality assessment identified water as a material topic.



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As part of our White Paper approach, we have identified several opportunities to accelerate the transition.

White Paper sector	Opportunity
 Energy	<ul style="list-style-type: none">• Energy transition to alternative and affordable energy sources• Increased electricity storage capacity• Energy grid infrastructure investment
 Real estate	<ul style="list-style-type: none">• Retrofitting buildings and energy-efficiency advisory services• Integration of renewable energy such as energy-efficient heat pumps and photovoltaics
 Transport	<ul style="list-style-type: none">• Transition to electric vehicles (EV) and bicycles• Electrification for long-haul transport• Modal shift
 Agriculture	<ul style="list-style-type: none">• Bioenergy from agri-food waste resources• Energy efficiency and renewables• Precision farming• Regenerative farming
 Food & Beverages	<ul style="list-style-type: none">• Energy-efficient production• Bio-based water remediation techniques• Optimizing the resource use with circularity• Higher recycled content of plastic packaging
 Building and construction	<ul style="list-style-type: none">• Bio-based and carbon-negative building materials• Modular constructions• Electrification of machinery• Upcycling of demolition waste
 Metals	<ul style="list-style-type: none">• Electric arc furnaces for steel production• Upcycling of steel and aluminium in scrap waste• Recollection of EV batteries for recycling of precious metals (e.g. rare earths, lithium)
 Chemicals	<ul style="list-style-type: none">• Higher share of recycled plastics through effective recollection systems and the application of chemical recycling• Utilize circular molecules in the product portfolios• Safer alternative chemicals to PFAS

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Successful projects showcasing our positive impact on business

Renewable energy:

We recognize the pivotal role of clean and renewable energy in shaping the sustainable future. Our commitment is to finance the development of numerous energy projects and thus leveraging the potential of both solar and wind power in the country. **In 2025 we have embarked on investing in some of the large-scale renewable energy projects in Bulgaria:**

Financing for development of SPV project for managing the PV and BESS installations in Karlovo region, South Bulgaria.

UBB supported the construction and operation of a hybrid power plant in Oryahovo, combining a 40 MW solar installation with a 53.7 MWh battery energy storage system (BESS). The storage system captures excess renewable energy during low-consumption hours and releases it during peak demand, helping to balance the electricity grid, improve system stability, and support the reliable integration of renewable energy. BESS is increasingly becoming a standard component of photovoltaic projects in Bulgaria.

Financing for an onshore wind farm project, strategically located near the Black Sea in North-East Bulgaria will comprise 15 wind turbines with total power production capacity of 72 MWP.

UBB together with ČSOB, CZ and ČSOB, SK have signed a club deal to finance a portfolio of PV and battery projects for a big European renewable energy company.



At the end of 2025, the share of the renewable energy in total financed energy production is 92.2%.



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In the spotlight

Circular economy

Construction of a circular waste treatment plant - in 2025, UBB provided financing for the construction of a waste treatment facility in southeast Bulgaria. The project was developed by UBB client Antea sorting in partnership with Sozopol Municipality and is located on an area of 17 515 m². The plant is designed to sort, stabilise and compost around 15 000 tons of mixed non-hazardous waste and separately collected biowaste annually. The goal is to recycle at least 50% of all collected materials. By reducing landfill waste and producing recyclable materials and compost for agriculture and landscaping, the plant actively supports circularity in Bulgaria and has a regional impact for 3 seaside municipalities in the country.

Social impact financing

New financing secured in December 2025 for an investment project of the largest and most comprehensive state hospital in Southern Bulgaria, in the city of Plovdiv. The hospital is receiving international recognition for its leading role in robotassisted surgery working with the modern Versius robotic system, which has been implemented and successfully used.

Regional urban development

As part of its long-term **commitment to sustainable urban development in Bulgaria**, UBB continues to act as managing partner of the **Sustainable Cities Fund (SCF)**, operating as an Urban Development Fund under the JESSICA initiative. In 2025, the first project financed under the JESSICA II program was launched: the development of a **modern motorsport racing circuit, built using recyclable materials by one of the country's leading construction groups**. JESSICA II supports sustainable urban regeneration, improved quality of life, and balanced regional development. The new facility will meet FIA Grade 3 and FIM international standards, enabling the hosting of major motorsport events and contributing to regional economic and infrastructural growth.



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Key products and solutions

Under the Sustainable Finance Program, key products and solutions have been initiated and successfully launched to position UBB as a leading banking institution – trusted partner to customers in the transition to a sustainable economy.



Investment loan under preferential terms for the construction of photovoltaic installations for own needs of SMEs –326 projects for over 100M EUR – of which 103 new projects financed for 45M EUR in 2025.

Energy-efficient home mortgage loan – product for A and B-class energy-certified properties with primary energy consumption up to 150KWh per year. In 2025, the financing of green real estates is near 300M EUR, of which 133M EUR mortgage loans for energy efficient homes.

In 2025 we have increased the financing of home properties with certified A and B energy efficiency labels with more than 200% compared to 2024.



E-line – bestseller in the field of sustainable finance of cars, targeting exclusively battery electric vehicles (BEV). The product comes with the support of the Group by providing exclusive offer from DZI and overall price advantage to customers of both leasing and insurance entities. **In 2025 we achieved 11.6 % share of new business financed towards green vehicles and exceeding the volume targets with 31%.**

Plug & Go – innovative and unique product on the market. Electric vehicle buyers have a predefined option for using a hybrid vehicle from the UBB Interlease fleet, in cases of long travels. The product is a solution to one of the main disadvantages of owning an electric vehicle – the limited mileage and undeveloped charging infrastructure in Bulgaria. For example, clients can book for their vacation a hybrid vehicle from our dedicated Plug & Go fleet.



Clean energy – The implemented in 2025 simplified approach for Property insurance of solar installations is developing as expected: for households – up to BGN 25 000 (EUR 12 782) sum insured; for businesses – up to BGN 250 000 (EUR 127 800) sum insured.

Blue Casco – A joint offer from DZI and UBB Interlease with a discounted premium for electric cars. Additional benefits from DZI: a replacement car in case of an insured event and free roadside assistance in case of low battery on the road.

Responsible investment funds – All investment funds under the EuroFuture and EuroInvest insurance and investment programs now follow a responsible investing strategy: Horizon RI family funds and KBC Equity Fund Trends RI, promote environmental or social features according to Article 8 SFDR, and KBC Eco Fund Impact RI has a sustainable investment objective under Article 9 of FDR.

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UBB Agro CO₂ Calculator

UBB launched the Agro Carbon Footprint Calculator as part of the KBC Group Sustainable Finance Program, supporting the transition of agriculture—a priority and highly GHG-intensive sector—toward lower emissions. The free, fully digital tool helps farmers measure their carbon footprint, track improvements, and receive guidance through detailed reports. The calculator is based on a methodology developed by the Institute for Agricultural Economics, covering **30 agricultural sub-sectors**. Its intuitive design ensures easy and accurate use. It is complemented by the UBB Precision Farming Partner Program, which connects farmers with expert consultants for sustainable and efficient agricultural practices. To date, the tool has generated **over 5300 carbon footprints**, including 3,100 in 2025, and **more than 2000 detailed reports**, with 1,800 issued in 2025.

GreenOmeter ESG platform and advisory

As part of our sustainability advisory hub, we partner with the digital ESG platform GreenOmeter to offer clients integrated tools and expert-led services for sustainability and regulatory compliance. Through this collaboration, clients receive support in carbon footprint calculations, CSRD reporting, EU Taxonomy alignment, SFDR requirements, and energy audit advisory.

In 2025, the platform was **adapted and translated for the Bulgarian market**. UBB clients now have free access to a Scope 1 and Scope 2 CO₂ calculator, including practical recommendations for improving their environmental performance—an accessible first step toward structured emissions management.

Beyond the digital platform, **GreenOmeter also provides independent consultancy services, offering tailored ESG and sustainability support that reflects sector-specific needs and organizational maturity.**

Sustainability-related Advisory Hub

UBB has also launched a comprehensive partnership program for advisory services, in 5 main areas: Financial instruments and European funding programs; Solar and energy efficiency, Sustainable construction; Sustainable agriculture; overall strategy regarding ESG factors in specific business activities. This consultancy hub is constantly developed and in 2025 we have **30 expert** participants to support the businesses. Each year this consultancy hub is further developed as an expert support for businesses.



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Educating our clients along their transformation path to a sustainability business model

Creating awareness

UBB continues to play a vital role in stakeholder dialogue and remains strongly focused on supporting SMEs in Bulgaria through a series of regional sustainability business conferences, organized in partnership with the largest media group in the country – **24 Chasa Daily**. The initiative, branded **“UBB for Sustainable Business”**, was held across the Plovdiv, Varna and Sofia regions, uniting participants around the shared vision of a cleaner environment, higher efficiency and a better future.

The events brought together entrepreneurs, representatives of local and regional governments, institutions, auditors, consultants, and experts from the Bank.

Across all events, participants shared the common understanding that **sustainable development is not an abstract concept**, but a concrete and actionable strategy that businesses, municipalities, and financial institutions can adopt to achieve measurable progress toward environmental protection, resource efficiency, and long-term prosperity.

A key component of the project was the joint communication platform developed with **24 Chasa**, where regular sustainability-related materials and event coverage were published. Over the past year, these publications were read **more than 730,000 times**, demonstrating significant public interest in sustainable business practices and the Bank’s role in promoting them.



Recognizing the sustainable business leadership

In 2025, UBB once again reinforced its commitment to promoting sustainability by awarding three client companies for outstanding achievements in the national competition “The Greenest Companies”, organized by b2b Media.

VALIYAN received the distinction for Circular Economy for its innovative use of production waste and its commitment to achieving a zero-carbon footprint.

Orenda Group was recognized in the Sustainability and Social Responsibility category its achievement of the prestigious B Corp certification, held by only few companies in Bulgaria.

Medina Med was awarded for Sustainable Innovation thanks to a project that reduces waste, integrates bio-based resources, and improves the energy efficiency of its products.

The awards were presented by the General Manager Corporate and Social Responsibility at UBB, reaffirming the Bank’s long-standing support for responsible business practices and sustainable development across Bulgaria.



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Sustainability Academy for SME and TRANSFORMATOR

In 2025, UBB partnered with Social Innovation Solutions (SIS), the Coca-Cola Foundation and CleanTech Bulgaria to launch a **new online Sustainable Finance course** on the Sustainability Academy platform. Aimed at micro, small and medium-sized enterprises, the course provides practical, expert-led guidance to support the adoption of ESG practices and the transition to more sustainable business models. By the end of the year, **more than 3 000 users** had joined the platform.

UBB also delivered **four sustainability webinars** featuring experts from the Bank and Sofia University's Faculty of Economics and Business Administration. In addition, **47 SME** representatives took part in **four webinars with training sessions** focused on sustainable finance, EU funding opportunities and practical aspects of ESG integration.

Together with SIS, the Coca-Cola Foundation and CleanTech Bulgaria, in 2025 UBB also launched the **second Bulgarian edition of the Transformator program** - an initiative helping SMEs redesign their business models for sustainability. **Twenty Bulgarian organisations** participated in a **three-month** program that included **two bootcamps, over 45 hours of training** and a final **regional pitching event in Romania**. **Five UBB experts** contributed as lecturers and facilitators, and two Bulgarian teams advanced to the CEE regional final. Representatives from UBB's CSR Directorate also joined the event as panelists and jury members.



Our participation in the Sustainability Academy helped us gain a deeper understanding of the importance of sustainability principles. It also helped us to purposefully integrate these principles into our processes and decisions. Thanks to the new knowledge and tools, we were able to build our own sustainability strategy that combines innovation, responsibility toward nature, and a human-centred focus.

Maya Krasteva,
*Founder & Manager Innova Top Green,
SME Sustainability Academy participant*

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Our engagement to environment and biodiversity

VODIM program – clean water from spring to tap

UBB identified water as a material issue affecting community stability, public health, and long-term economic resilience. Thus, in 2025, **UBB in partnership with Mastercard** moved decisively beyond traditional CSR models and launched **VODIM** – a national water stewardship program to provide access to clean drinking water, conserving natural water sources, and fostering responsible water use behaviors among the public – from schoolchildren to hikers and local communities. The program’s name, “VODIM,” echoes the Bulgarian word for water (вода) and leadership (водя) (Vodim=We lead) and is example of collaboration of business, local authorities, educational institutions and NGOs.



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a third water fountain is due to be built in the spring of 2026 - around the "Beli berzi" hut. In the area of the Beli Brezi Children's Eco-resort, for example, the new micro-wetland will support the development of over 25 species of higher plants and many more fauna. An invaluable partner in this process are the experts from Vitosha Nature Park, who provided their knowledge about the terrain, location and condition of the fountains, as well as the species that inhabit the area. Their expertise ensures that any intervention is in line with the natural features and contributes to the preservation of the ecosystems in the park.

In 2025 the program had two directions:

Vitosha mountain natural park - restoration of **3 mountain fountains and micro-wetlands** in partnership with the **Bulgarian Biodiversity Foundation** and **Vitosha Nature Park**. Each mountain fountain has enormous significance and creates a micro-wetland. Dozens of animal and plant species live and breed there. They support food chains and become key points for biodiversity. The first three locations in the mountain have been carefully selected together by Vitosha Nature Park, the Bulgarian Biodiversity Foundation, UBB and experts in zoology and botany. The three sites were selected based on the analysis of valuable and rare species that are found around, attendance of the site by guests of the nature park and year-round access to water, the condition of the water source, as well as data on the drinking qualities of the water, the presence of pathogens or other pollution. The first newly constructed water oasis is located near the Beli Brezi Children's Eco-resort. Within the framework of the program, a water fountain near the "Planinets" hut, which already welcomes tourists on some of the most popular routes in the nature park, has been fully restored, and



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STATION

Напълни своята бутилка тук, за редовна хидратация и свят с по-малко пластмаса.



ТИ ВОДИШ!

Като пиеш 1 литър
от чешмата всеки ден,



спестяваш около 11 килограма
пластмаса за една година.

Научи повече тук:



ВОДИМ

The other direction of VODIM is **providing easy access to clean drinking water by installing filtered water dispensers in schools in Sofia**. On the first school day in Bulgaria, 5 schools in Sofia welcomed 4500 pupils with new, modern water systems – HYDRASTATIONS. The smart fountains offer 4-stage filtration functionality, contactless filling sensors, access for children with special needs, and information about the saved plastic bottles, thus promoting responsibility to nature among young users. **Each liter of water filled in a student's bottle saves one plastic bottle and about 11 kg of plastic on an annual basis. For the first 6 months of the Hydrastations there are over 59 000 l of water consumed and respectively over 118 000 plastic bottles of 0.5l saved.**

VODIM has extended its reach beyond infrastructure with cultural and educational engagement, including: The “Christmas at Small 5” city festival, themed around water and glacier preservation; Environmental exhibits, film screenings, and scientific meetups; Collaborative community events with local authorities, NGOs, schools, and citizens.

These efforts unify awareness and participation across demographic groups, reinforcing the intrinsic value of water in culture, health, and nature.

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Our Blue forest – over 14 000 trees planted since launch

Although Bulgaria is rich in natural resources and biodiversity, the country faces significant environmental challenges. Within KBC Group in Bulgaria, we aim to draw attention to these issues and highlight the importance of restoring and protecting Bulgaria's forests.

In 2025, **more than 250 employees** of KBC Group in Bulgaria and their families joined our annual Blue Forest reforestation initiative, planting **over 1000 black pine and winter oak saplings** in the Stara Planina mountain north of Sofia. A tree was planted for each of the **first 1000 customers who created digital bill-payment templates** – an action that permanently reduces their personal carbon footprint.

Team Blue across has a long-standing tradition of planting and maintaining new forests, and these initiatives remain an integral part of our sustainability strategy and our efforts to promote environmentally responsible behavior.

In 2025, UBB also partnered with WWF Bulgaria to support the protection and conservation of the country's ancient forests – some of the most valuable ecosystems in Bulgaria that protect biodiversity and natural processes.

To date, **over 14 000 trees have been** planted as part of the Blue Forest initiative.

KBC Group in Bulgaria's engagement began in 2019 with the planting of 3290 native saplings across seven regions. In 2023, efforts focused on a single location – the village of Golema Rakovitsa – where a collapsing slope threatened the main road. On a 17-acre site, 8721 acacia trees were planted to stabilise the terrain. In 2024, 1000 European spruce saplings were planted on Vitosha mountain.

All these initiative help connect fragmented forest areas and strengthen the local ecosystem and landscape resilience.

We remain committed to expanding the Blue Forest in the coming years and continuing to demonstrate the long-term environmental benefits of reforestation.



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Sustainable insurance

DZI is partner in SOTERIA project (SOlution and TEchnology for Regions through Insurance for climate Adaptation)

SOTERIA is an EU-funded Horizon project that develops an Insurance Intervention Solution (IIS) to help European regions manage climate risks through data-driven, socially inclusive, and financially sustainable mechanisms.

The SOTERIA project aims to:

- Advance innovative insurance solutions for climate change adaptation in eight European regions and communities.
- Develop affordable and accessible insurance schemes for all.
- Contribute to the EU's broader goal of increasing Europe's resilience and filling gaps in insurance coverage for climate adaptation.

DZI is an associated partner working with the **Municipality of Gabrovo** and the start-up company Behaviour Smart to pilot an innovative insurance design that aims to **reduce the wide insurance protection gap in Bulgaria**.

During the project, DZI participated in analyses of drivers and barriers for the losses related data sharing and Property insurance uptake. In particular:

- The public-private dialogue for sharing climate risk and loss data, also known as the Climate Resilience Dialogue.
- The case study piloting an innovative insurance product

The climate resilience dialogue, held in Gabrovo, gathered all stakeholders (District Administration - Gabrovo, municipality administration directorates, DZI-member KBC group, local insurance brokers, representatives of the regional and local business associations, academia, fire and safety office and others) around the table to discuss legal and behavioral barriers and/or drivers related to all parties' readiness to share data needed to support local and national authorities in building community resilience to climate changes.

In the case study DZI together with the partners designed an insurance product focused on risk-based pricing and risk reduction measures tailored to individual properties, combined with a behavioral selling approach. Low insurance uptake is driven not only by affordability or availability of the insurance product but also by optimism bias, reliance on post-disaster public aid, mistrust, and difficulty understanding personal risk. Case studies have shown that personalized risk visualization, clearer communication of benefits, and links between prevention measures and premiums can significantly reduce these barriers.



Our joint work during the project has shown that trust and cooperation lie at the foundation of all technical solutions, and that adapting to climate risks is impossible without open, honest, and active dialogue not only between different public institutions, but also with the private sector, represented by insurers. We are extremely pleased that the cooperation between Gabrovo Municipality and DZI has laid the groundwork and serves as a real example of such institutional dialogue and the pursuit of joint solutions. Multilevel and cross-sector collaboration between municipalities, regions, insurers, researchers, and communities is essential for aligning incentives, increasing insurance protection against natural disasters, and ensuring that resilience strategies are both effective and fair.

Tanya Hristova,
Mayor of Gabrovo Municipality

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Support from the EU

UBB manages the Sustainable Cities Fund (SCF) program, which supports sustainable urban development across Sofia and South Bulgaria. Through this instrument, the Bank finances public and private projects in areas such as energy efficiency, urban renewal, cultural heritage, and household energy-efficiency measures.

In 2025, UBB signed Guarantee Agreements for a new Green-capped Portfolio Guarantee for Circular Economy—the first instrument in Bulgaria that combines loan financing with non-repayable support in a single transaction. Within the SCF consortium, UBB partners with the Fund for Sustainable Urban Development (FSUD), the FLAG Fund and the Bulgarian Consultancy Organization. The expected combined loan portfolio under SCF exceeds 314.4M EUR.

UBB is also a key participant in the InvestEU program (2021–2027), supporting sustainable development, SMEs and innovation across Europe.

In 2025, the Bank continued the InvestEU Sustainability programs and signed a Guarantee Agreement with the Bulgarian Development Bank to build two portfolios with a total value of 335 MEUR:

SME Guarantee Product – a loss-capped guarantee enabling a loan portfolio of up to 300 MEUR, supporting sustainability, innovation, digitalization and cultural projects.

Sustainable Investments Guarantee Product – up to 35M EUR, financing municipal and corporate projects in waste management, recycling, and clean-air initiatives.

In 2025, UBB continued its participation in the InvestEU – Sustainability and RRF – Sustainability programs. As part of the internal preparation for their implementation, UBB organised a dedicated training on the RRF Sustainability financial instrument. A total of 122 employees took part, gaining a deeper understanding of the program’s parameters. The training covered UBB’s sustainability criteria for internal enterprise assessment, as well as the eligible measures supported under the program, including - renewable energy; zero- and low-emission mobility; industrial energy efficiency; certified green and energy-efficient buildings; sustainable use of materials; environmentally responsible agricultural practices.

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Banker of the Year Awards

Christof De Mil, Chief Executive Officer of UBB and Country Manager of KBC Group in Bulgaria, - the Banker of the Year award for preserving the leadership position of UBB as the biggest bank on the market in 2025 in terms of total assets.

Global Finance Awards

UBB named as the Most innovative and Best digital bank for customers in Bulgaria in 2025

Euromoney Awards for Excellence

- Best Bank in Bulgaria 2025
- Best Bank for ESG in Bulgaria 2025

Bank of the Year

- UBB was prized in the Market Share category
- Prize for Digital Transformation
- Best Active Digital Product regarding the voice-initiated fund transfers through the AI-based digital assistant Kate.

Responsible Company -Responsible Employees

- 2025 Gold Seal for philanthropy.
- Special Annual Award for "Continuity and Sustainability in Workplace Giving Programs"

Sustainability of business certificate by "YourBusiness" magazine

"Gold Corporate Partner" award, SOS Children's Villages Bulgaria



NEXTDiFiAWARDS 2025

First prize in the category "Most Innovative Insurance Company"

Insurer, Assurance and Insurance broker of the year awards. The Higher School of Insurance and Finance, the Association of Bulgarian Insurers, the Bulgarian Association of Supplementary Pension Assurance Companies, the Prof. Dr. Veleslav Gavriiski Foundation and the Bulgarian Association of Insurance Brokers.

"Insurer of the Year - Life Insurance"

Global Insurance Innovation Awards 2025

DZI was determined by the prestigious international ranking Global Insurance Innovation Awards 2025, organized by The Digital Banker

b2b Media Annual Awards

First place in the "Technology/AI Innovation of the Year" category

Digitalk

First place annual Transform IT Awards for digital and sustainable business transformation



Leading of Influence Awards, b2b Media

First place in the "Leading by Example" category

b2b Media Annual Awards

First place in the "Green Transformation" category

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Our next steps in shaping the sustainable future

Looking ahead in 2026, we will continue to build on our progress by deepening our role as a trusted partner in the transition towards a more sustainable economy.

Support the businesses

We are further developing practical financial and advisory solutions that support businesses in adapting to a changing environment. This includes expanding access to guarantee programs, advancing work on circular economy opportunities, and continuing to share knowledge through thematic insights and white papers. By combining expertise, financing, and insights, we help our clients manage risks, identify opportunities, and make informed decisions that create long-term value.

Build strong partnerships

Sustainability is a shared responsibility. We are expanding our network of partners across sectors, including through initiatives such as our ESG Advisory Hub and the continued development of programs like VODIM, which brings together expertise and collaboration to support businesses in their transition. We will also continue to grow platforms like the SME Sustainability Academy, enabling more businesses to access knowledge and practical guidance. Through these efforts, we aim to scale impact and drive meaningful change together.

Making ESG a core part of the conversation

We continue to integrate ESG into our everyday dialogue with customers. Through guidance, education, and tailored advisory, we support businesses and individuals in understanding sustainability topics and incorporating them into their activities. This includes supporting clients in voluntary ESG reporting and providing access to practical tools that help them navigate emerging requirements.

Strengthening data and integration

Reliable and meaningful data is essential to progress. We are enhancing how we collect, manage, and use ESG information, including introducing clear responsibilities for data quality and further integrating ESG considerations into core processes such as financing and risk assessment. This allows us to better track progress, improve transparency, and guide future actions.

Our ambition

our ambition is to play an active role in shaping a more sustainable and resilient economy. We contribute to this by addressing climate change, supporting our customers in their transition, and promoting the responsible use of natural resources, including through circularity, biodiversity, and water stewardship.

We bring our commitments to life through:

Data-driven decision-making

Strong partnerships and collaboration

Continuous engagement and learning

A consistent focus on responsible and sustainable growth

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Abreviation	Official term
BASE	Business Academy for Starting Entrepreneurs
CO ₂ e	Carbon Dioxide Equivalent
CSRD	Corporate Sustainability Reporting Directive - EU regulation defining mandatory sustainability reporting requirements for companies, ensuring transparency, comparability, and standardised ESG disclosures
DMA	Double Materiality Assessment - a structured process used to identify sustainability topics that are material both from an impact perspective (on society and the environment) and a financial risk opportunity perspective
ESG	Environmental, Social and Governance
EU Taxonomy	European Union Taxonomy for Sustainable Activities - classification system for environmentally sustainable economic activities, used to assess alignment with climate and environmental objectives
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
ISO 14001	Environmental Management System Standard
PEARL+	Performance, Empowerment, Accountability, Responsiveness, Local embeddedness (+) - KBC Group's corporate culture values framework
RI	Responsible Investing
Scope 1	Direct Greenhouse Gas Emissions
Scope 2	Indirect Greenhouse Gas Emissions from Energy Consumption
Scope 3	Other Indirect Greenhouse Gas Emissions
SDGs	United Nations Sustainable Development Goals - The 17 United Nations goals forming a global framework to address social, environmental, and economic challenges by 2030
SFDR	Sustainable Finance Disclosure Regulation
SPP	Solar Power Plant
TCFD	Task Force on Climate-related Financial Disclosures
UNGC	United Nations Global Compact

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Thank you!