

## **2022' FIRST QUARTER INTERIM FINANCIAL REPORT**

### **ON THE ACTIVITIES OF**

### **CENTRAL COOPERATIVE BANK /CCB/,**

### **ON A CONSOLIDATED BASIS**

Banking group on a consolidated basis include Central Cooperative Bank AD, Sofia and its controlled subsidiaries Central Cooperative Bank AD Skopje (Subsidiary) and AMC CCB Assets Management JSC (Subsidiary) as a reporting entity (the Group).

At the end of the first quarter of 2022, the parent Bank owns 87.35% of the capital of Central Cooperative Bank AD Skopje and investments of BGN 3,200 thousand in the subsidiary AMC "CCB Assets Management" JSC as well.

#### **ASSETS**

At the end of the first quarter of 2022, CCB's balance sheet total assets were BGN 7,790,244 thousand. Compared to a year ago, the assets grew by 8.82% or by BGN 631,506 thousand and from the end of the previous quarter they recorded an increase by 1.15% or by BGN 88,934 thousand in absolute terms.

Cash and cash balances with central banks formed 26.45% of the total assets of the Group, against 28.91% a year ago and 25.50% at the end of the previous quarter. Loans and receivables to banks are 1.94% of total assets, against 2.98% a year ago and 2.37% at the end of the previous quarter. Investments in financial assets held for trading, available-for-sale, held-to-maturity, measured at fair value through other comprehensive income and measured at amortized cost include government bonds of Republic of Bulgaria, bonds issued by Government of Republic of Macedonia and NBRM bonds, government bonds of countries in the EU and other European countries, corporate bonds, stocks and compensatory tools which are used to improve the profitability of the Group, and represented 22.69% of its assets against 20.23% a year ago and 23.90% at the end of the previous quarter.

At the end of 2022' first quarter the amount of granted loans and advances reached 41.33% share in the structure of balance sheet assets on consolidated basis, compared to a 39.57% a year ago and 40.52% at the end of the previous quarter.

The tangible assets of Group are 2.11% of total amount of the assets as of the end of the first quarter of 2022.



## LIABILITIES

At the end of 2022' first quarter, total liabilities of the Group on a consolidated basis were BGN 7,173,690 thousand. They increased by 9.30% compared to a year ago and increased by 1.13% compared to the end of previous quarter.

The majority of these liabilities - over 98% - are liabilities due to individuals, businesses and non-financial institutions. The increase, compared to a year ago is 9.50% and compared to the end of the previous quarter they increased by 1.31%. The Group maintains a stable structure of borrowings, which allows independence from external funding in the time of fluctuations on the global financial markets.

The equity of the Group totaled BGN 616,554 thousand and includes shareholders' equity of the parent Bank – BGN 611,100 thousand and minority interest amounted at BGN 5,454 thousand. Compared to a year ago, the equity increased by 3.56% and to the end of the previous quarter, the equity increased by 1.42%.

## FINANCIAL RESULTS

At the end of first quarter of 2022, the Group' net profit amounted to BGN 17,984 thousand. There is an increase by 43.92% compared to year ago.

The operating expenses of the Group in the first quarter of 2022 increased by 15.55%, compared to a year ago and reached absolute amount of BGN -34,434 thousand.

At the end of 2022' first quarter, the Bank was able to meet all regulatory compliance requirements and has complied with all applicable minimum regulatory requirements during the period. Historically, adequacy of the capital of CCB has been significantly above the minimal regulatory requirements, moreover the Own funds position was regularly strengthen by retaining the Earnings of the bank. In compliance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, minimal Total capital adequacy ratio for the banks is 8%.

The capital adequacy ratios of CCB on consolidated basis as of 31.03.2022 are:

- Common equity Tier 1 ratio 14.06%;
- Total equity ratio 14.70%;

The liquidity ratio of the Group on consolidated basis as of 31.03.2022 is:

- LCR 352.54%.

### **I. Information related to significant events that occurred during the reported period of financial year, accumulated and its impact on the financial result.**

There are no events that occurred during the first quarter of 2022, that would have a significant impact on the financial result.

### **II. Information about major risks and instability during the next quarter.**

Potential differences between observed and expected results are the major source of risks and uncertainties during the next quarter. Therefore, the most significant risks are detailed in the following list:



1. **Credit risk** - the possibility that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. Detailed policies are applied in process of lending, concerning the assessment of the creditworthiness of Bank's clients, and the control over the use of the advanced funds and the associated administration. In accordance with the credit risk mitigation policy, CCB accepts different types of collaterals and guarantees depending on the internal rules, the approach applied in the calculation of minimum required capital and the effective banking legislation. Evaluation of the risk exposures in the portfolio is done once per month, by classifying and making provisions for loans in the portfolio. The exposures treated as big exposures are subject to constant supervision and reporting. The Bank has adopted and keeps the credit exposure in the limits set by sector and by regional level. The above limits aim at avoidance of concentration, either geographically or by sector, in loan portfolios, which could lead to an increased credit risk.
2. **Liquidity risk** - the risk of having difficulties in meeting payment obligations due to a mismatch in maturity and amount between anticipated cash inflows and outflows. The Bank manages its assets and liabilities so as to address regularly and without any delay its daily liquidity obligations, under both normal and potentially adverse market conditions.
3. **Market risk** - the probability for the Bank to experience losses from fluctuations in stock prices, interest rates and foreign exchange rates.
4. **Operational risk** - the probability of direct or indirect losses resulting from inadequate or failed internal processes, people and systems.

The levels of CCB' risk ratios and indicators are similar to the average values of the Bulgarian bank system. The Bank's management does not expect any adverse negative movement in the above mentioned levels of risks in the next quarter of the year.

### **III. CCB's Governing Body opinion on the forecasts implementation for this year results, taking into account the results of the current quarter.**

CCB's results on a consolidated basis at the end of 2022' first quarter represent the Bank's performance in comparison with the last year corresponding period.

CCB's Management does not have non-public information that might have a significant adverse influence on the Group performance during the year.

### **IV. Information of the concluded significant transactions with related parties in the sense of the applicable accounting standards:**

1. **The transactions between related parties, concluded during the reporting period of the current financial year, which impacted significantly on the financial state, or the results of the company activity during this period;**

No such transactions



2. **The changes in the concluded transactions with related parties, announced in the annual report, which have a significant impact on the financial state, or the results of the company activity during the respective accounting period of the current financial year.**

No such transactions

**Georgi Kostov**  
**Executive Director**

**Tihomir Atanasov**  
**Procurator**







## CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 MARCH 2022

All amounts are in thousand Bulgarian Levs

	As at 31.03.2022	As at 31.12.2021
<b>ASSETS</b>		
Cash and balances with the Central Bank	2,060,722	1,963,552
Placements with and advances to banks	151,033	182,425
Receivables under repurchase agreements	355,812	356,982
Financial assets, recorded at fair value in the profit or loss	228,194	293,983
Loans and advances to customers, net	3,220,077	3,120,638
Other assets	54,652	52,327
Financial assets, recorded at fair value in other comprehensive income	659,928	859,106
Debt instrument, recorded at amortised value	879,272	687,185
Fixed assets and assets related to use right	164,316	168,723
Investment properties	10,583	10,759
Noncurrent assets, held for sale	25	-
Good will	5,630	5,630
<b>TOTAL ASSETS</b>	<b>7,790,244</b>	<b>7,701,310</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from banks	45,403	52,893
Amounts owed to other depositors	7,037,329	6,946,583
Issued bonds	25,623	25,450
Provisions for liabilities	702	713
Other liabilities	64,633	67,722
<b>TOTAL LIABILITIES</b>	<b>7,173,690</b>	<b>7,093,361</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued capital	127,130	127,130
Premium reserve	110,470	110,470
Reserves, including retained earnings	353,359	326,297
Revaluation reserve	2,324	11,765
Reserve from recalculation of foreign activity	(127)	(89)
Current year profit	17,944	26,965
Total shareholders' equity of the shareholders of the mother Bank	611,100	602,538
Non-control participation	5,454	5,411
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>616,554</b>	<b>607,949</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>7,790,244</b>	<b>7,701,310</b>

Georgi Kostov  
Executive Director

Yordan Hristov  
Chief accountant

Tihomir Atanasov  
Procurator





## CENTRAL COOPERATIVE BANK AD

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS OF 31 MARCH 2022

All amounts are in thousand Bulgarian Levs

	As at 31.03.2022	As at 31.03.2021
Interest income	34,455	31,501
Interest expenses	(3,246)	(3,520)
Net interest income	31,209	27,981
Fees and commissions income	17,724	15,775
Fees and commissions expenses	(4,395)	(3,692)
Net fees and commissions income	13,329	12,083
Gains from transactions with securities, net	12,174	2,732
Foreign exchange rate gains, net	(3,737)	242
Other operating income, net	1,318	1,112
Operating expenses	(34,434)	(29,799)
Impairment and uncollectability income (expenses), net	77	(486)
Net income/(expenses) for liabilities provisions	12	12
Profit for the period before taxes	19,948	13,877
Taxes	(1,964)	(1,381)
<b>PROFIT FOR THE PERIOD</b>	<b>17,984</b>	<b>12,496</b>
Other comprehensive income		
Components, which are reclassified in the profit or loss		
Debt instruments, evaluated at fair value in other comprehensive income after taxes	(9,196)	(2,538)
Foreign exchange differences from recalculation of foreign activities	(43)	31
Components, which are not reclassified in the profit or loss		
Capital instruments, evaluated at fair value in other comprehensive income after taxes	(244)	(499)
Other comprehensive income after taxes	(9,483)	(3,006)
<b>TOTAL COMPREHENSIVE INCOME AFTER TAXES</b>	<b>8,501</b>	<b>9,490</b>
Share of the profit for non-control participation	40	8
Share of the profit for the mother Bank	17,944	12,488
Share of the total comprehensive income for non-control participation	35	12
Share of the total comprehensive income for the mother Bank	8,466	9,478
Earnings per share for the shareholders of the mother Bank (in BGN)	0.14	0.10
Earnings per share for the shareholders of the mother Bank with decreased value (in BGN)	0.14	0.10

Georgi Kostov  
Executive Director

Yordan Hristov  
Chief accountant

Tihomir Atanasov  
Procurator





CENTRAL COOPERATIVE BANK AD  
CONSOLIDATED STATEMENT OF CASH FLOWS  
AS OF 31 MARCH 2022

All amounts are in thousand Bulgarian Levs

	As at 31.03.2022	As at 31.03.2021
Cash flows from operating activities:		
Profit before taxes	19,948	13,877
Change in operating assets:		
Decrease in placements with, and advances to, banks with maturities above 90 days	-	-
Decrease in receivables under repurchase agreements	1,229	390
Decrease /(Increase) in financial assets, recorded at fair value in the profit or loss	72,653	(4,537)
Sale of financial assets, recorded at fair value in other comprehensive income	190,802	25,709
Increase in loans and advances to customers	(99,685)	(48,483)
Increase in other assets	2,325	517
	<u>167,324</u>	<u>(26,404)</u>
Change in operating liabilities:		
Decrease in deposits from banks	(7,490)	(17,753)
Increase in liabilities to other depositors	90,746	236,107
Change in liabilities for provisions	(12)	(10)
Increase / (Decrease) in other liabilities	(6,640)	232
	<u>76,604</u>	<u>218,576</u>
Other noncash transactions, included in the profit before taxes:		
Net profit from investing activity	(6,864)	(2,165)
Decrease in the adjustment for the devaluation of resources and advances to banks	(2)	-
Decrease in the adjustment for devaluation of repo transactions	(59)	(21)
Increase in the adjustment for devaluation of loans and advances to clients	236	464
(Decrease)/increase in the adjustment for the devaluation of financial assets, recorded at amortised value	812	(2)
Increase/(decrease) in the adjustment for the devaluation of financial assets, recorded at fair value in other comprehensive income	(1,064)	45
Decrease in provisions for liabilities	(12)	(12)
Depreciation	5,981	6,553
Book value of written-off assets	-	(225)
Effects from the depreciation of a financial liability	173	172
	<u>(799)</u>	<u>4,809</u>
Paid profit tax	-	-
	<u>263,077</u>	<u>210,858</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Acquisition of financial assets, recorded at amortised value	(192,899)	(23,380)
Cash outflows for the purchase of fixed assets	(1,247)	(420)
Cash inflows from the sale of fixed assets	17	233
	<u>(194,129)</u>	<u>(23,567)</u>
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Cash flows from financing activity		
Paid leasing liabilities	(3,160)	(3,195)
<b>NET CASH FLOW FROM FINANCING ACTIVITY</b>	<u>(3,160)</u>	<u>(3,195)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS, NET</b>	<u>65,788</u>	<u>184,096</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<u>2,142,718</u>	<u>2,097,672</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>2,208,506</u>	<u>2,281,768</u>

Georgi Kostov  
Executive Director

Yordan Hristov  
Chief accountant



Tihomir Atanasov  
Procurator



**CENTRAL COOPERATIVE BANK AD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS OF 31 MARCH 2022**  
All amounts are in thousand Bulgarian Levs

	Issued paid in capital	Premium reserve	Reserves, including retained earnings	Revaluation reserve	Reserves from recalculation of foreign activity	Profit for the current year	Total shareholders' equity of the shareholders of the mother bank	Non-control participation	Total
BALANCE AS OF 1 JANUARY 2021	127,130	110,470	305,339	16,702	(133)	20,880	580,388	5,417	585,805
Net profit for the period ended 31 March 2021	-	-	-	-	-	12,488	12,488	8	12,496
Other comprehensive loss for the period ended 31 March 2021	-	-	-	(3,037)	27	-	(3,010)	4	(3,006)
<b>Total comprehensive income for the period ended 31 March 2021</b>	-	-	-	(3,037)	27	12,488	9,478	12	9,490
Transfer of net profit for the year ended 31 December 2020, to retained earnings	-	-	20,880	-	-	(20,880)	-	-	-
Other movements	-	-	71	(1)	-	-	70	12	82
BALANCE AS OF 31 MARCH 2021	127,130	110,470	326,290	13,664	(106)	12,488	589,936	5,441	595,377
BALANCE AS OF 1 JANUARY 2022	127,130	110,470	326,297	11,765	(89)	26,965	602,538	5,411	607,949
Net profit for the period ended 31 March 2022	-	-	-	-	-	17,944	17,944	40	17,984
Other comprehensive loss for the period ended 31 March 2022	-	-	-	(9,440)	(38)	-	(9,478)	(5)	(9,483)
<b>Total comprehensive income for the period ended 31 March 2022</b>	-	-	-	(9,440)	(38)	17,944	8,466	35	8,501
Transfer of net profit for the year ended 31 December 2021, to retained earnings	-	-	26,965	-	-	(26,965)	-	-	-
Other movements	-	-	97	(1)	-	-	96	8	104
BALANCE AS OF 31 MARCH 2022	127,130	110,470	353,359	2,324	(127)	17,944	611,100	5,454	616,554

**Georgi Kostov**  
Executive Director

**Yordan Hristov**  
Chief accountant

**Tihomir Atanasov**  
Procurement







**EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2022 OF  
CENTRAL COOPERATIVE BANK AD /THE BANK/**

The present explanatory notes to the interim consolidated financial statements of Central Cooperative Bank AD, Sofia (the mother bank) concern the activity of Central Cooperative Bank AD, Sofia and the subsidiaries, controlled by it: Central Cooperative Bank AD, Skopje, the Republic of North Macedonia (subsidiary) and CCB Assets Management EAD (subsidiary) as a single reporting unit (the Group).

1. Selected positions from the financial statements

1.1 Financial assets evaluated at fair value in the profit or loss

The group evaluates the financial assets at fair value through the profit or loss, if they are not held within a business model, the aim of which is the financial assets to be held for the collection of the negotiated cash flows, or within a business model, whose aim is achieved by collecting negotiated cash flows and selling financial assets. Also this category applies to instruments, which do not comply with the definitions of principal and interest. The profit or loss from a financial asset, which is evaluated at fair value through the profit or loss, is recognized by the Group in the profit or loss.

At the end of the first quarter of 2022 the financial assets, evaluated at fair value in the profit or loss, are equity investments, debt investments and derivatives. The equity investments include acquired shares in non-financial and financial companies and shares in contractual funds. The debt investments are acquired government securities and an issue of convertible privileged shares. The Group takes decisions for the management of these assets based on the fair values of the assets and manages the assets, in order to realize these fair values. The changes in the fair values of these assets are reflected in the profit or loss. The derivatives have been presented at fair value and include transactions for the purchase and sale of currency, forward contracts and currency swaps on the open market, and the changes in their fair value are reflected in the profit or loss.

The structure of these assets at the end of the quarter in thousand BGN is as follows:

<i>Derivatives</i>	302
<i>Equity investments</i>	214 954
<i>Debt investments</i>	12 938

1.2. Financial assets, recorded at fair value in other comprehensive income

The financial assets, recorded at fair value in other comprehensive income are acquired interest-bearing government and corporate securities, as well as acquired equity investments in financial and non-financial companies.

The Group evaluates a debt financial asset at fair value through other comprehensive income, if the following two conditions are present:

- a) the financial asset is held within a business model, the aim of which is to collect the contractual cash flows and sale of financial assets, and;
- b) according to the contractual conditions of the financial asset cash flows occur on specific dates and they are only payments of principal and interest on the unrepaid amount of the principal.

A profit or a loss from a debt financial asset, evaluated at fair value through other comprehensive income, is recognized by the Group in other comprehensive income, with the exception of the profits or losses from devaluation, profits and losses from FX operations, interest income, till the moment of writing off or reclassification of a financial asset. The Group applies the requirements for devaluation with respect to the financial assets, which are evaluated at fair value through other comprehensive income. The Group recognizes in the profit or loss – as a profit or a loss from devaluation, the amount of the expected credit losses (or recovery), making an adjustment for losses, and this adjustment is recognized in other comprehensive income and does not decrease the book value of the financial asset in the report of the financial statement.

With respect to the equity investments the Group took advantage of the possibility, upon the initial recognition to make an irrevocable choice of specific investments in capital instruments, which are not held for trading, which otherwise would be evaluated at fair value through the profit or loss, to present the subsequent changes in the fair value in other comprehensive income. This evaluation is made by the Group asset by asset (instrument by instrument). The equity instruments are not subject to review for devaluation.

The structure of these assets at the end of the quarter in BGN thousand is as follows:

<i>Equity instruments</i>	14 930
<i>Debt instruments</i>	644 998

### 1.3. Financial assets evaluated at amortised value

The Group evaluates a financial asset – debt instrument at amortised value, if the following two conditions are present:

- a) the financial asset is held within a business model, the value of which is the assets to be held in order to collect the negotiated cash flows;
- b) according to the contractual conditions of the financial asset cash flows occur on specific dates and they are only payments of principal and interest on the unrepaid amount of the principal.

The amortised value is the initial value of the asset, minus the repayments of the principal, plus or minus the accrued depreciation of the difference between this initial value and the value on maturity, calculated according to the effective interest method and adjusted for each adjustment for losses.

The effective interest method is the method, used upon calculating the depreciated value of the financial asset or financial liability and upon allocation and recognition of the interest periods or the interest expenses in the profit or loss during the respective period.

The financial assets, recorded at amortised value are:

- acquired debt interest-bearing government and corporate securities, the value of which at the end of the quarter is BGN 879 272 thousand.

-loans and advances to clients, created via the direct provision by the Group of funds or services to certain clients with a fixed maturity, the value of which at the end of the quarter is BGN 3 220 077 thousand.

The Group recognizes in the profit or loss – as a profit or as a loss from devaluation, the amount of the expected credit losses (or recovery), which occurred in the period, measured via the difference between the adjustment for credit losses as at the date of the review and the date of the previous review. The allocated adjustment for expected credit losses has been presented to decrease the book value of the financial asset in the report of the financial state.

#### 1.4 Receivables under securities repurchase agreements

The receivables under securities repurchase agreements are recorded as financial assets at acquisition price, which is equal to the fair value of the funds placed by the Group, secured by the value of the securities. The due interest related to the granted financing for the term of the agreement is accounted for and recognized as interest income in the period of its occurrence.

The securities, received as collateral under securities repurchase agreements, are not recorded in the financial statements of the Group in the cases, when the risks and the profits from their ownership have not been transferred.

The reflected receivables under securities repurchase agreements at the end of the first quarter of 2022 have been secured by a pledge of Bulgarian government securities and corporate securities.

#### 1.5. Fixed tangible and intangible assets

The fixed tangible and intangible assets are acquired and held by the Group discernible non-financial resource, which is used for the production and/or sale of services, for letting, for administrative or for other purposes. They are recorded at acquisition cost, decreased by the accrued depreciation and the accumulated losses of devaluation.

The depreciation of fixed tangible and intangible assets is calculated according to the linear method, so that the amortization corresponds to the term of use, intended for these assets. The annual depreciation rates are as follows:

Buildings	4%	(25 years)
Inventory	15%	(7 years)
Transport vehicles	15%	(7 years)
Other assets	15%	(7 years)
Specific equipment, cable networks and security systems	4%	(25 years)
Equipment, including hardware and software products	20%	(5 years)

Depreciation does not accrue for land, assets for resale, assets in the process of acquisition, assets in the process of liquidation and the fully amortized assets up to their residual value.

During the first quarter of 2022 a devaluation of inventories, a devaluation of the fixed tangible and intangible assets was not performed, due to the lack of indicators for a potential devaluation of these assets.

#### 1.6. Assets acquired from collateral

Real estates and movables, acquired by the Group as a creditor, associated with granted and non-performing loans are classified as assets acquired from collateral and are recorded initially at acquisition price. The acquisition price of the assets, acquired from collateral, is the amount of all direct expenses associated with the acquisition of the assets, as well as other expenses, incurred in relation to bringing the assets to their present location and state. After their initial recognition, these assets are recorded at the lower of their current book value or their net realisation value. The amount of each devaluation of these assets up to their net realization value is recognized as an expense for the period of devaluation. No depreciation accrues for these assets. In the statement of the financial position these assets are presented as part of the position Other assets.

#### 1.7. Investment properties

The investment properties are acquired and held by the Group real estates /land and buildings/, which the Group will not use in its activity and which the Group holds with the aim of receiving rent income and/or increasing the value of the capital. The investment property is evaluated initially at its acquisition cost. The transaction costs are included in the initial evaluation. As its accounting policy with regard to the investment properties reporting, the Group has adopted the model of acquisition cost in compliance with the requirements of IAS 16. In this regard the investment properties are recorded at acquisition cost, decreased by the accrued depreciation and the accumulated losses from devaluation. The depreciation accrues for the buildings, acquired as investment properties, whereas the linear method is applied. Their annual depreciation rate is 4% (25 years). Depreciation does not accrue for the land, acquired as investment properties.

### 2. Transactions with related parties

The Group concluded transactions with related parties. The Group regards as related parties the persons, where one person can control another or exercise considerable influence on the other person upon taking financial and operative decisions, as well as in the cases, when the two persons are under common control. The Group performed transactions with the following related parties: mother company, companies under common control, key management staff of the Group or of the main shareholder, whereas the performed transactions are related to the granting of loans, the issuance of guarantees, attracting funds, etc. All transactions have been concluded under ordinary commercial conditions in the course of the activity of the Group and do not differ from the market conditions, when the loans were granted, and the guarantees were issued only against sufficient collateral.

At the end of the first quarter of 2022 the receivables of the Group from companies under common control are to the amount of BGN 115 491 thousand, whereas the predominant part stems from granted loans. At the end of the first quarter of 2022 the liabilities of the Group to companies under common control are to the amount of BGN 50 637 thousand,

and the major part thereof comes mainly from obtained deposits. At the end of the first quarter of 2022 the Group does not have receivables from the mother company. At the end of the first quarter of 2022 the Group has liabilities to the mother company to the amount of BGN 26 thousand. At the end of the first quarter of 2022 the receivables of the Group from key management staff of the Group or of the main shareholder are in the amount of BGN 1 016 thousand, and stem mainly from granted loans. At the end of the first quarter of 2022 the liabilities of the Group to key management staff of the Group or of the main shareholder are in the amount of BGN 5 942 thousand and stem from received deposits.

### 3. Accounting policy

During the first quarter of 2022 compared to 31 December 2021 the Group did not make changes to its accounting policy.

### 4. Information about seasonality or cyclic nature of the interim operations

During the first quarter of 2022 no interim operations were performed, stemming from the specific seasonality or cycles. All interim operations during this period stem from the ordinary activity of the Group.

### 5. Information of unusual in amount and character assets, liabilities, shareholders' equity, income and expenses.

During the first quarter of 2022 there are no new positions with respect to the assets, liabilities, shareholders' equity, income and expenses. The total amount of the assets in the financial statements of the Group as at 31.3.2022 increased compared to the total amount of the assets in the financial statements of the Group as at 31.12.2021 by 1.15 % and reached BGN 7 790 244 thousand. The increase in the assets of the Group is related to the increase in the funds, attracted from other depositors. Within this quarter no operations of extraordinary character were recorded in the income and other comprehensive income statement, as a result of which the accumulated financial result as at 31.3.2022 stems only from income and expenditure related to the ordinary activity of the Group.

### 6. Information of issued, repurchased and repaid debt and equity securities.

During the first quarter of 2022 the Group does not have issued, repurchased or repaid debt securities, as well as issued and repurchased equity securities.

### 7. Information of accrued /paid/ dividend.

During the first quarter of 2022 the Group did not accrue or pay dividend to its shareholders.

### 8. Events after the date of the financial statements

After the end of the first quarter of 2022 no events occurred, which have a significant influence on the future development of the Group.

### 9. Information of changes in the conditional assets and liabilities

At the end of the first quarter of 2022 compared to 31.12.2021 there are changes in the amount in the direction of an increase in the conditional assets of the Group concerning the assets, provided by clients as loan collateral. With respect to the conditional liabilities during the period there are changes in the direction of a decrease in their amount compared to 31.12.2021, whereas the predominant part of the decrease concerns mainly the unutilized portion of the loans, provided by the Group. As at 31.3.2022 the value of the conditional liabilities of the Group is in the amount of BGN 243 872 thousand.

**Georgi Kostov**  
**Executive Director**

**Tihomir Atanasov**  
**Procurator**

**Yordan Hristov**  
**Chief accountant**

