

GENERAL PENSION FUND
DOVERIE

ANNUAL ACTIVITY REPORT

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED

31 DECEMBER 2022

INDEPENDENT AUDITORS' REPORT

GENERAL PENSION FUND DOVERIE
ANNUAL ACTIVITY REPORT (CONTINUED)
31 DECEMBER 2022

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GENERAL PENSION FUND DOVERIE
ANNUAL ACTIVITY REPORT
31 DECEMBER 2022

1. The organization, business, and performance of General Pension Fund Doverie

1.1. Organization

General Pension Fund Doverie (the Fund, Doverie GPF, GPF) was registered on February 13, 2001, by Decision No 610/2001 of Sofia City Court. The registered office and address of management of the Fund is Sofia, Izgrev Municipality, 13B Tintyava Str., PC 1113.

The Fund is an independent legal Fund, represented and managed by Pension Assurance Company Doverie (PAC Doverie, the Company), represented jointly by its Executive Officers or by an Executive Officer and the Chairman of the Management Board of the Company.

The General Assembly of the Shareholders of PAC Doverie AD held on June 24, 2002, resolved on the merger of the Bulgarian Pension Insurance Company and the pension funds managed by it with Pension Assurance Company Doverie and the respective pension funds under its management. After finalization of the necessary procedures, on May 28, 2003, the Bulgarian General Pension Fund merged with General Pension Fund Doverie.

The first insurance contributions to the fund were received on April 1, 2002, and refer to the year 2002, in accordance with the Social Security Code allowing the contributions to a general pension fund to start from January 1, 2002.

1.2. Investment Return

Index	01.01.2018	01.01.2019	01.01.2020	01.01.2021	01.01.2022	Geometric mean nominal return 2018 – 2022
	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	
Nominal yield	-3.94%	4.95%	1.44%	4.55%	-12.10%	-1.23%
Standard deviation	2.85%	1.50%	5.08%	3.50%	7.34%	-
Sharpe ratio	-	3.56	0.37	1.44	-	-

*For the calculations is used data of the values per unit of General Pension Fund Doverie published by the Financial Supervision Commission.

*Standard deviation is a statistical measure of the dispersion of value around the mean or the expected value.

* Sharpe ratio is an index measuring the correlation between the rate of return for a portfolio and the risk taken to achieve that return. The Sharpe ratio is disclosed only in a case that the achieved nominal yield for the period is higher than the risk-free yield for the particular year.

*The past performance does not necessarily correlate with future results. Past performance does not guarantee future positive returns, preservation of the full investment amount or increase of the unit value.

1. The organization, business, and performance of General Pension Fund Doverie (continued)

Members are all individuals registered with the fund for which the fund has received at least one contribution.

1.3. Members

As at 31 December 2022 the number of members in GPF Doverie are 1,029,181, representing 26.06% (per preliminary data) of all members of general pension funds in Bulgaria.

The number of members is increased by 3.68% compared to 31.12.2021 (992,693).

1.3.1. New members

New members are the registered participants in the pension fund for which the first contribution was received during the particular year.

In 2022 there are 112,182 new members which are 40.57% increase compared to 2021 (79,805).

93,710 of the new members were transferred from other funds, 3,423 made their initial choice, and 14,645 were allocated on a non-discretionary basis to the fund, for which at least one contribution was received from the National Revenue Agency (NRA) and 404 persons - with resumed insurance based on art. 124a of SSC.

1.3.2. Initial choice

All individuals that are born after 31.12.1959 and are insured in „Pensions” Fund of the State Social Security (SSS) can choose general pension fund in a three-month term since the beginning of employment. The National Revenue Agency approves the applications for participation in a general pension fund according to the procedures determined by Regulation № 33 of 19 September 2006 of the Financial Supervision Commission.

In 2022 the initial choice applications of 2,796 individuals were approved by NRA, and those individuals were registered as participants in General Pension Fund Doverie, this represents an increase of 143% compared to 2021 (1,150).

1.3.3. Non-discretionary member allocation

Individuals, who have not chosen a general pension fund according to the established procedure or who have made more than one choice are allocated on a non-discretionary basis to one of the registered general funds. The procedure is established by Instruction № 1 of 21 June 2006 of the Financial Supervision Commission and the Management Board of the National Revenue Agency.

In 2022 four allocations were made of a total of 85,926 individuals between the ten funds which are 26.66% more than the allocated in 2021 (67,840).

The total number of individuals allocated on a non-discretionary basis to General Pension Fund Doverie in 2022 is 15,072, which is 33.76 % more than 2021 (11,268), representing 17.54% of all allocated individuals.

Contributions were received for 97.17% of those individuals in 2022.

1. The organization, business, and performance of General Pension Fund Doverie (continued)

1.3. Members (continued)

1.3.4. Transferred members

Transferred members are all insured individuals that have transferred their pension account or have switched participation from other pension funds during the calendar year.

In 2022 the number of individuals that switched participation from other general pension funds was 93,710 representing 42.19 % more compared to the year 2021 (65,904).

1.3.5. Individuals who have resumed their insurance in a universal pension fund

Persons who had previously chosen to be fully insured for the „Pensions” Fund of the SSS, respectively Fund "Pensions for the persons under Art. 69" may change their decision and resume their insurance in a general pension fund.

In 2022, the right to resumption of insurance was granted to insured persons who have not been granted a pension for insurance period and age and who reach their required age under Art. 68, para. 1 of SSC after more than 1 year.

The right to renew under Art. 124a of the SSC may be exercised until the expiration after one year from the date under Art. 4b, para. 1 of SSC. The election is made with an application to the pension insurance company, managing the general fund in which the person wishes to participate, in the manner specified in Ordinance №33 of 19.09.2006 of the FSC.

In 2022, 404 persons recovered their insurance with GPF Doverie, this indicator increased by 128.25% in comparison with 2021 (177).

1.4 Revenue

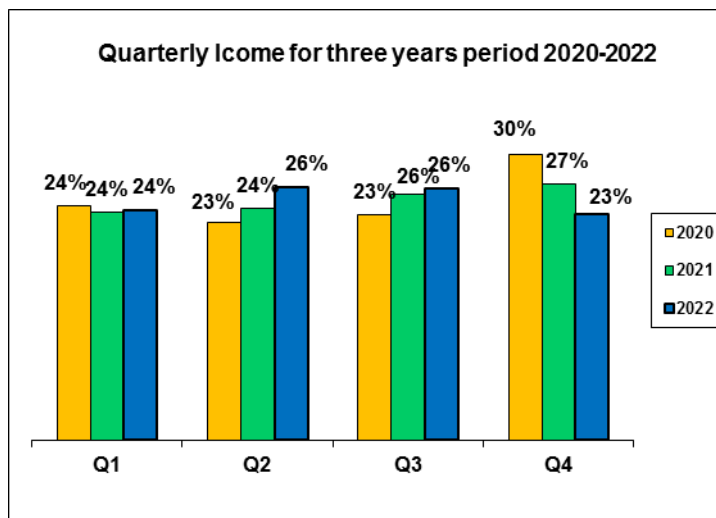
In 2022 contributions for 796,277 members were received in GPF Doverie, which is 77.37% of all fund members. Compared to the year 2021 (750,066) the number of members with contributions increased by 6.16%.

The total received amount in 2022 is equal to BGN 883,328,100, representing an increase of 26.49%, compared to the year 2021 (BGN 698,358,112). 56.34% of the contributions are received from NRA, including interest, and 43,35% were transferred from other general pension funds and 0.30% - transferred by NRA to persons who have re-established their insurance in GPF Doverie based on Art. 124a of SSC.

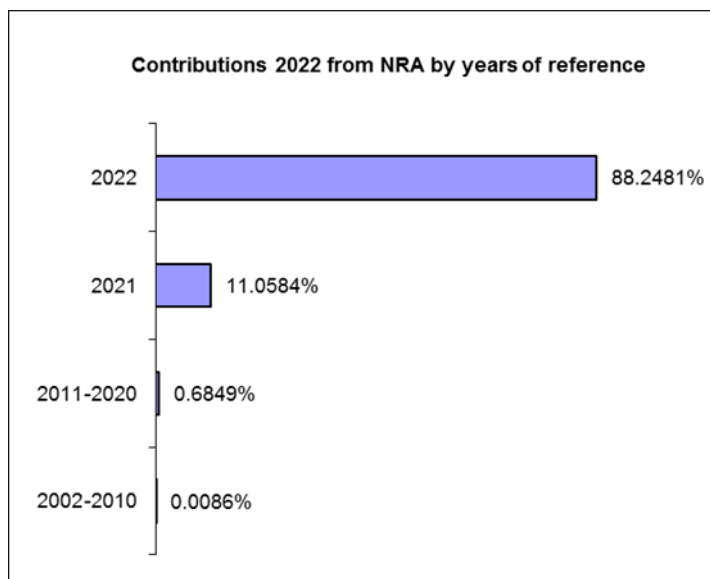
Contributions over the previous three years, presented on quarterly basis, are shown below:

1. The organization, business, and performance of General Pension Fund Doverie (continued)

1.4 Revenue (continued)



From the total receipts transferred by NRA in 2022, about 88.25% consist of contributions for the current year and 11.75% to past years



The average annual contribution per member for 2022 is BGN 1,109.32 which is an increase with 19.15%, compared to 2021 (BGN 931.06).

The average monthly assurance contribution from the NRA for 2022 is BGN 67.24, an increase of 9.92% compared to 2021 (BGN 61.17).

The average transferred amount per member for the year 2022 is BGN 4,086.35, an increase of 2.18% compared to 2021 (BGN 3,999.11).

The average amount transferred to one person in 2022 by the NRA in GPF Doverie for persons who resumed their insurance is BGN 6,647.74, compared to 2021 (BGN 6,781.89) which is a decrease of 1.98%.

1. The organization, business, and performance of General Pension Fund Doverie (continued)

1.5. Insured persons who left the fund

The insured persons who left the General Pension Fund Doverie in 2022 are 78,865 and compared to 2021 (71,702 persons) have increased by 9.99%. Depending on the reason for leaving the fund, they are divided into the following groups:

1.5.1. Persons wished to transfer to another general pension fund

The members that switched participation to other general pension funds in 2021 are 69,198, an increase of 21.71% compared to 2021 (56,852 persons). Of these, 68,933 persons were transferred in accordance with Ordinance No. 3 of 24.09.2003 to the Financial Supervisory Commission, and the remaining 265 persons - with duplicate lots accounts to a change in their identification number.

1.5.2. Deceased persons with funds paid to their heirs

In 2022, inheritance rights were used from the individual accounts of 2,847 insured persons. Compared to 2021 (2,996 persons) there is a decrease of 4.97%.

1.5.3. Persons who have chosen to be fully insured in the fund "Pensions" of State social security (SSS) and transferred the accumulated funds from GPF Doverie to the State Fund for Guaranteeing Sustainability of the State Pension System (DFGUDPS).

In 2022, insured persons who have not been granted a pension for insurance period and age and reach the age required for them under Art. 68, para. 1:

- from January 1, 2022 to December 31, 2025 - not later than one year before their age under Art. 68, para. 1;
- from January 1, 2026 to December 31, 2030 - not later than two years before their age under Art. 68, para. 1;
- from January 1, 2031 to December 31, 2035 - not later than three years before their age under Art. 68, para. 1;
- from January 1, 2036 to December 31, 2037 - not later than four years before their age under Art. 68, para. 1;
- after January 1, 2038 - not later than five years before their age under Art. 68, para. 1.

The right to choose under Art. 4b, para. 1 of the SSC may be exercised until the expiration after one year from the election under Art. 124a, para. 1 of SSC.

As of 31.12.2022, 2,018 persons have chosen to ensure fully in fund "Pensions" of SSS, respectively Fund "Pensions for the persons under Art. 69", and transferred the accumulated funds from GPF Doverie to State Fund to ensure the sustainability of the public pension system (SFESPPS). Compared to 2021 (10,860 persons), their number decreased by 81.42%.

1.5.4. Persons who have exercised their pension rights

According to Art. 167, paragraph 1 of the SSC, the right to pension rights have persons who have reached their retirement age under Art. 68, para. 1 of SSC.

1. The organization, business, and performance of General Pension Fund Doverie (continued)

1.5. Insured persons who left the fund (continued)

1.5.4. Persons who have exercised their pension rights (continued)

Depending on the amount accumulated as of the date of exercising the pension right, the persons are divided into three subgroups:

- with transferred funds to the Fund for Life-long Pension Payments Doverie (FLPP Doverie), if the amount of the accumulated funds, allowing an additional life-long pension in the amount of not less than 15 per cent of the amount of the minimum pension for insurance period and age under Art.68, para 1;
- with funds transferred to the Fund for Deferred Payments Doverie (FDP Doverie), if the amount of the accumulated funds not less than three times the amount of the minimum pension for insurance period and age under Article 68, para 1, but insufficient to grant an additional life-long pension in the amount of not less than 15 per cent of the amount of the minimum pension for insurance period and age under Art. 68, para 1;
- with a one-time payment upon retirement, if the amount of the accumulated funds are less than three times the amount of the minimum pension for insurance period and age under Art. 68, para 1.

As of 31.12.2022, the persons who have exercised pension rights are as follows:

- 216 persons were transferred to FLPP Doverie for payment of life-long pensions;
- 4,124 persons were transferred to FDP Doverie to receive deferred payments;
- 461 persons with one-time payment of funds.

1.5.5. Persons wishing to transfer pension rights to European Union (EU) pension schemes - the European Central Bank (ECB) or the European Investment Bank (EIB).

In 2022, only one insured person in GPF Doverie have transferred their pension rights to pension schemes in the European Union (EU).

1.6. Risk management

The risks faced by the Fund are managed by the management company PAC Doverie, whose Activity Report to the Financial Statements for the year ended 31 December 2022 provides information on risk management.

2. Financial activity

2.1. Interest income

The total interest income in 2022 amounts to TBGN 35,395 compared to TBGN 35,146 in the year 2021.

2.2. Income and expenses on operations with financial assets and instruments

As a result of the transactions made in 2022 with securities held for trading and their daily revaluation at fair value the Fund has realized an income of TBGN 3,378,434 and respectively has incurred expenses of TBGN 4,022,203 (in 2021 TBGN 2,458,318 and 2,305,810, respectively).

2. Financial activity (continued)

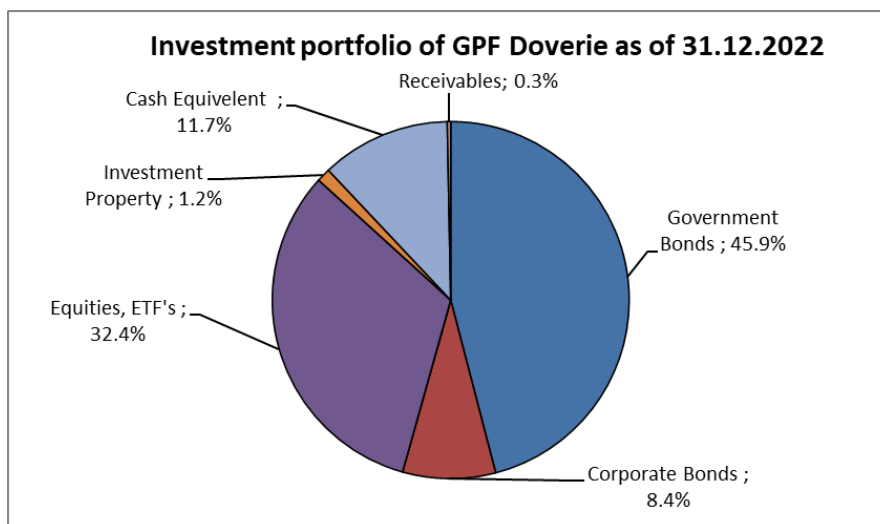
2.3 Foreign currency operations

The income and respectively the expenses from foreign currency operations are formed from the securities in the portfolio held during the year, denominated in USD.

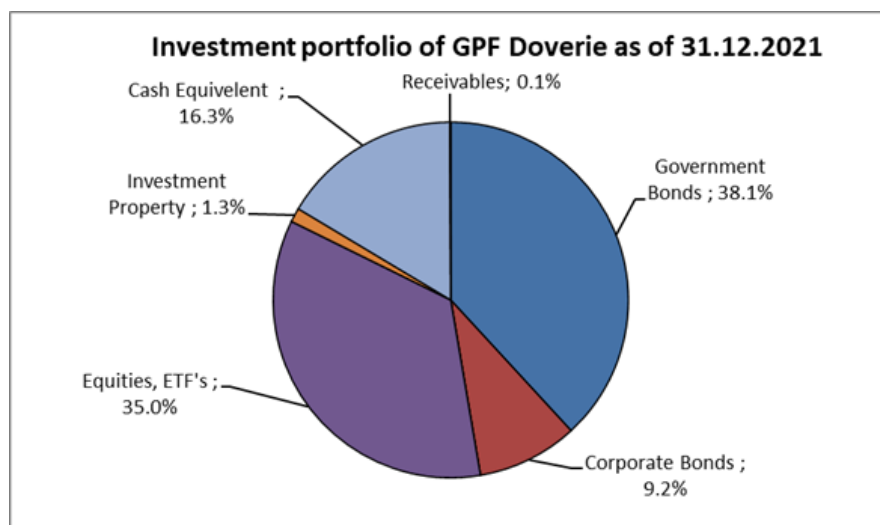
These positions are securities and cash, denominated in USD including - foreign corporate bonds, foreign government securities, shares, and collective investment schemes shares with a fair value of TBGN 984,123 as of 31 December 2022 (2020: TBGN 975,353). In the statement of net assets attributed to insured individuals of the Fund as of 31 December 2022, the forward currency contract operations resulted in a receivable at the amount of TBGN 1,058 (2021: receivable TBGN 2,168).

3. Portfolio structure analysis

Portfolio structure as at 31 December 2022



Portfolio structure as at 31 December 2021



3. Portfolio structure analysis (Continued)

3.1. Current accounts

Cash and cash equivalents decreased compared with the previous year. All current accounts are managed by the Group according to a cash-management contract signed with the custodian bank.

3.2. Receivables

Receivables related to investments, (receivables due for the period, related to outstanding interests, dividends, etc.) increase slightly towards the end of the period compared to the previous year.

3.3. Investment property

In 2022 the Fund achieved an effective realization of 85% of the owned rentable office premises in the building on Tintyava Str., Sofia.

In 2022 the fund continued to rent its holiday complex in the Nessebar city and Razlog. The signed contracts are long-term.

In 2022 the revaluation of the investment properties held by the Fund has led to negative financial result at the amount of TBGN 1,863 (2021: negative financial result TBGN 2,084).

3.4. Government securities

Their relative share is 45.94% of the total assets (2021: 38,10%). Foreign government securities form 33.34% (2021: 31.55%) of the total assets, due to the active restructuring and management of the portfolio.

3.5. Bank deposits

As of the end of 2022, the fund has no exposure to bank deposits.

3.6. Corporate bonds

The absolute value of corporate bonds decreases, compared to 2021, a minimum decrease was observed in the proportion in the portfolio as well. The portfolio of corporate bonds is well diversified, both geographically and by industries.

3.7. Equities and mutual funds

2022 has been extremely tough for equity investors. Almost all indexes ended the year in negative territory, thus ending the upward trend that started a few years ago. Overall, the Fund's exposure to ETF's decreased both in absolute value and as a share of the portfolio.

In 2022, the Fund continued to follow the adopted active strategy for the management of the portfolio of shares and units of collective investment schemes. The investments were made after detailed analyses of the financial indicators of the individual companies.

4. Regulatory requirements

According to the requirements of the Code and Ordinance No 9, enacted November 19, 2003, defining the terms and procedures for valuation of assets and liabilities of supplementary pension funds and pension insurance companies, the value of the fund's net assets, calculation and announcement of the value of an unit and the requirements for maintaining individual accounts (Ordinance No 9) issued by the Chairman of the Financial Supervision Commission (the Commission), since July 1, 2004 the assets of the members have been accounted both in BGN and in number of units. Companies should calculate the number of units in each fund as well as the value of their net assets, and also the value of one unit. The unit values are calculated every day and disclosed till 6.00 pm in every office of the Company and on its web page.

The unit value on the last working day of 2022 was 1.64172.

5. Events after the reporting period

The management of PAC Doverie continues to monitor non-adjusting macroeconomic movements after the reporting date (such as interest rates, market values of financial assets and the impact on inflation of fluctuating fuel prices and/or unstable supplies chain). In general, these movements had a positive effect on the valuation of the Fund's assets in the period between the reporting date and the date of approval for issuing the annual financial statements.

With the collapse of Silicon Valley Bank and Signature Bank, the forced marriage of UBS and Credit Suisse, and persistent questions around the viability of small regional US banks, central banks across the world are once again confronted with the need to ensure financial system stability.

As central banks continue to hike interest rates to confront ongoing inflationary threats, market volatility increases and the risk of broader economic contraction rises. PAC Doverie AD and the funds under management have no exposure to collapsed banks but remain cautious about the further market developments and focused on robust risk management.

There are no other significant post balance sheet events with effect on the financial statements as of 31 December 2022.

6. Responsibilities of the management

Under Bulgarian law, management should prepare a financial report for each financial year that gives a true and fair view of the Company's status as of the end of the reporting period and its financial results. The management has prepared this financial statement in accordance with International Financial Reporting Standards (IFRS) adopted in the European Union. The management confirms that it has consistently applied an adequate accounting policy and that the preparation of the financial statements as at 31 December 2022 complies with the precautionary principle.

The management also confirms that it has adhered to the current IFRSs and the financial statements are prepared on a going concern basis.

The management is responsible for the correct keeping of the accounting registers, for the proper management of the assets and for taking the necessary measures to avoid and detect possible abuses and other irregularities.

6. Responsibilities of the management (continued)

These financial statements were approved for issue by the Management Board dated March 23, 2023.

The financial statements are approved by the Management Board and signed on behalf of the management by:

Miroslav Krumov Marinov

Executive Director

Daniela Panova Petkova

Chairman of the Management Board

23 March 2023

GENERAL PENSION FUND DOVERIE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

		<u>2022</u>	<u>2021</u>
		BGN'000	BGN'000
	Note		
Interest income	12	35,395	35,146
Dividend income (net)	11	32,204	19,475
Net gain/(loss) from transactions with foreign securities at FVTPL	14	(395,746)	222,495
Net gain/(loss) from transactions with Bulgarian securities at FVTPL	13	(187,817)	(69,987)
Net result from investment property	15	(1,863)	(2,084)
Total revenue		<u>(517,827)</u>	<u>205,045</u>
Investment fee	10	(31,416)	(30,296)
Total operating expenses		<u>(31,416)</u>	<u>(30,296)</u>
Increase/decrease of net assets attributable to insured individuals		<u>(549,243)</u>	<u>174,749</u>

Notes on pages 4 to 46 are an integral part of the financial statements.

Prepared by:	Executive Director:	Chairman of the Management Board:
Ivanka Stoyanova Lazarova	Miroslav Krumov Marinov	Daniela Panova Petkova

In accordance with an Independent Auditors' Report:

For PricewaterhouseCoopers Audit OOD

For Crowe Bulgaria Audit Ltd.

Boryana Dimova
Managing Director and registered auditor, responsible for the audit
27.3.2023

Gyulyay Rahman
Manager
27.3.2023

Georgi Kaloyanov
Registered auditor, responsible for the audit
27.3.2023

GENERAL PENSION FUND DOVERIE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO INSURED INDIVIDUALS
FOR THE YEAR ENDED 31 DECEMBER

		<u>2022</u>	<u>2021</u>
		BGN'000	BGN'000
NET ASSETS OF THE FUND AT 1 JANUARY	Note	4,313,486	3,784,786
Change in net assets attributable to insured individuals		(549,243)	174,749
Increases			
Net received contributions	10	482,135	418,929
Transferred from other funds		<u>382,935</u>	<u>263,558</u>
		865,070	682,487
Decreases			
Payments to members		(32,862)	(15,256)
Payments to FDP and FLLP		(25,823)	(5,132)
Transferred to other funds		<u>(293,196)</u>	<u>(308,148)</u>
		<u>(351,881)</u>	<u>(328,536)</u>
NET ASSETS OF THE FUND AT 31 DECEMBER		<u><u>4,277,432</u></u>	<u><u>4,313,486</u></u>

Notes on pages 4 to 46 are an integral part of the financial statements.

Prepared by:	Executive Director:	Chairman of the Management Board:
Ivanka Stoyanova Lazarova	Miroslav Krumov Marinov	Daniela Panova Petkova

In accordance with an Independent Auditors' Report:

For PricewaterhouseCoopers Audit OOD

For Crowe Bulgaria Audit Ltd.

Boryana Dimova
*Managing Director and registered
auditor, responsible for the audit*
27.3.2023

Gyulyay Rahman
Manager
27.3.2023

Georgi Kaloyanov
*Registered auditor,
responsible for the audit*
27.3.2023

GENERAL PENSION FUND DOVERIE
STATEMENT OF NET ASSETS ATTRIBUTABLE TO INSURED INDIVIDUALS
31 DECEMBER

		<u>31.12.2022</u>	<u>31.12.2021</u>
		BGN'000	BGN'000
ASSETS	Note		
Cash and cash equivalents	17	502,866	706,600
Securities issued or guaranteed by the government	8.1	540,654	284,936
Securities issued by Bulgarian issuers (bonds, shares, collective investment schemes)	8.3, 8.6	113,762	147,679
Foreign investments	8.4	3,065,774	3,123,816
Derivative assets held for risk management purposes		1,058	2,168
Investment receivables	8.5	12,293	1,393
Investment property	8.2	53,140	55,501
TOTAL ASSETS		<u>4,289,547</u>	<u>4,322,093</u>
LIABILITIES			
Payables to PAC	8.7	2,734	2,718
Investment payables	8.7	233	211
Payables to NSSI	8.7	9,148	5,678
TOTAL LIABILITIES		<u>12,115</u>	<u>8,607</u>
NET ASSETS ATTRIBUTABLE TO INSURED INDIVIDUALS		<u>4,277,432</u>	<u>4,313,486</u>

Notes on pages 4 to 46 are an integral part of the financial statements.

Prepared by:	Executive Director:	Chairman of the Management Board:
Ivanka Stoyanova Lazarova	Miroslav Krumov Marinov	Daniela Panova Petkova

In accordance with an Independent Auditors' Report:

For PricewaterhouseCoopers Audit OOD

For Crowe Bulgaria Audit Ltd.

Boryana Dimova
*Managing Director and registered
auditor, responsible for the audit*
27.3.2023

Gyulyay Rahman
Manager
27.3.2023

Georgi Kaloyanov
*Registered auditor,
responsible for the audit*
27.3.2023

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER

Notes to the financial statements

1. Organization and business of the Fund

1.1. Organization

General Pension Fund Doverie (the Fund, GPF Doverie, and GPF) was registered on February 13, 2001, by Resolution No 610/2001 of Sofia City Court. The registered office and address of management of the Fund is Sofia, Izgrev Municipality, 13B Tintyava Str., PC 1113.

The Fund is an independent legal entity, represented and managed by Pension Assurance Company Doverie (PAC Doverie, the Company), represented jointly by two of its Executive Officers or by an Executive Officer and the Chairman of the Management Board of the Company.

1.2. Business and results

The first insurance contributions to the fund were received on April 1, 2002, and refer to the year 2002, in accordance with the Social Security Code (SSC) allowing the contributions to a general pension fund to start from January 1, 2002. As of 31 December 2022, the total number of members of GPF Doverie according to data of the Financial Supervision Commission (FSC) is 1,029,181.

The return on investments of the assets of GPF Doverie in 2022 is -12.10% on an annual basis (according to calculations based on data published by the Financial Supervision Commission).

2. Basis of accounting

This financial report has been prepared in accordance with International Financial Reporting Standards (IFRS) and clarifications issued by the Clarification Committee (CCIFRS) applicable to companies reporting under IFRS adopted in the European Union (EU). IFRS, as adopted by the EU, the common name for a general purpose framework for fair presentation, equivalent to the definition of the framework introduced in paragraph 1, item 8 of the Additional Provisions of the Accounting Act "International Accounting Standards" (IAS).

The preparation of financial statements in accordance with IFRS requires the application of specific accounting estimates. The Company's management is required to make its own judgments and assumptions when applying the accounting policies. The items in the financial statements, the presentation of which requires a higher degree of subjective judgment, as well as those items for which estimates have a significant effect on the financial statements, are separately disclosed in Appendix 6.

When preparing the financial statements, the special standard IAS 26 "Accounting and Reporting of Pension Insurance Plans" has been applied, insofar as it contains specific requirements for the financial reporting of pension funds. All other standards are applied in the preparation of these financial statements to the extent that they are not superseded by the requirements of IAS 26.

The financial statements have been approved by the Management Board of PAC Doverie on 23 March 2023.

Going Concern Principle

In 2022, income from insurance contributions, incl. of transfers is relatively stable compared to 2021. The main contribution to the stability of the operating income is the preservation of the number of insured persons and the achievement of a positive return on investments (see below) as internal factors for the Fund, which can be influenced relatively independently by making strategic management decisions.

2. Basis of accounting (continued)

Going Concern Principle (continued)

During the year SPIF maintained of a small exposure to the low liquid capital market of Bulgaria and continued to invest more in the international capital markets. The investment portfolio has successfully diversified looking at several factors – instruments, sectors, industries, and geographical locations.

A significant part of the funds was invested in highly liquid foreign government bonds and corporate bonds with a high credit rating, which significantly improved the quality of the portfolio and significantly reduced the credit risk. The duration of the portfolio was kept relatively stable so as not to increase the exposure to interest rate risk. During the year the Fund maintains sufficient cash resources to cover its immediate payments. The Fund took advantage of the market volatility during the year by implementing an active investment management strategy for both equity and debt instruments.

The management is focused on continuing to follow the Fund's strategy and set goals.

Based on the above, the going concern principle has been applied in the preparation of these financial statements.

3. New accounting standards

3.1. Changes in significant accounting policies

(a) New and amended standards adopted by the Fund

The Fund has applied the following standards and amendments for the first time for their annual reporting period commencing on 1 January 2022:

Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022)

All changes of the adopted standards listed above have no impact on the amounts recognized in previous periods and are not expected to have a significant impact on the Fund during the current or future reporting periods as well as in the foreseeable future transactions.

(b) New standards and interpretations not yet adopted by the Fund

Certain new accounting standards and interpretations that are not mandatory for the reporting period at 31 December 2022 and have not been previously adopted by the Fund have been published. The Fund's assessment of the impact of these new standards and interpretations is set out below

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice

Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)

3. New accounting standards

3.1. Changes in significant accounting policies

(b). New standards and interpretations not yet adopted by the Fund (continued)

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023)

IFRS 17 Insurance Contracts (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023); **including Amendments to IFRS 17** (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023)

Amendment to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023)

There are no other standards that are not yet adopted, and which are expected to have a significant impact on the Company during the current or future reporting period as well as in the foreseeable future transactions.

(c) New standards, interpretations and amendments not yet adopted by the EU

Amendments to IAS 1 Presentation of Financial Statements:

- **Classification of Liabilities as Current or Non-current** (issued on 23 January 2020);
- **Classification of Liabilities as Current or Non-current - Deferral of Effective Date** (issued on 15 July 2020); and
- **Non-current Liabilities with Covenants** (issued on 31 October 2022 and ultimately effective for annual periods beginning on or after 1 January 2024)

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024)

4. Basis of measurement

These financial statements have been prepared on the historical cost basis, except for the Fund's investments, which are reported at fair value.

5. Functional and presentation currency

These financial statements are presented in BGN, which is the Fund's functional currency. All amounts have been rounded to the nearest thousand unless otherwise indicated.

6. Use of estimates and assumptions

In preparing these financial statements management has made judgments, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements unless otherwise stated.

Significant accounting estimates and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Their authenticity is checked regularly.

6. Use of estimates and assumptions (continued)

Estimates that could lead to a significant adjustment to the carrying amount of assets and liabilities in the next financial year could be seen below.

Items in the financial statements whose presentation requires a higher degree of subjective judgment, as well as those items for which estimates have a significant effect on the financial statements as a whole, are disclosed separately in Note 16.

Assumption and estimation uncertainties

Measurement of fair values

Fund's investments in real estate and financial instruments are reported based on fair value valuation (see note 16). Fair values are categorized into a different level in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The classification of a certain position in accordance with the above levels is based on the use of primary data that has a significant effect on the determination of fair value. The Fund recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Significant accounting policies

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements unless otherwise stated.

7.1. Investment property

Initial recognition

Investment property is recognized as an asset only when:

- the future economic benefits attributable to the investment property are likely to be received by the Fund;
- and
- the acquisition price of the investment property can be estimated reliably.

The Fund evaluates this recognition principle all expenses for investment property at the time they are made. These costs include costs incurred initially to acquire an investment property and then committed costs to complete, replacement of parts or maintenance of the property. The costs of daily operation and maintenance of investment property are recognized in profit or loss as incurred.

Investment property is initially recorded at cost, which includes the amount paid in cash or cash equivalents or the fair value of other consideration given for the acquisition of an asset at the time of its acquisition or construction, or, if applicable, the amount attributed to that asset, an asset when initially recognized in accordance with the specific requirements of another IAS. Transaction costs are included in the initial estimate.

If the payment is deferred outside the usual credit terms, the difference between the cash price equivalent and the total payment is recognized as interest during the credit period.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER

7. Significant accounting policies (continued)

7.1. Investment property (continued)

Subsequent evaluation after initial recognition

For each investment property, the Fund applies the fair value model. Fair value is the price obtained to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

The gain or loss arising from a change in the fair value of an investment property is included in profit or loss for the period in which it arises.

Where applicable when measuring the fair value of an investment property in accordance with IFRS 13, the Fund shall ensure that the fair value reflects, inter alia, rental income from current leases and other assumptions of market participants in determining the price of the investment property under current market conditions.

Derecognition

Investment property is derecognised upon disposal or when the investment property is permanently decommissioned and no future economic benefits are expected from its disposal.

Gains or losses arising from decommissioning or disposal of investment property are determined as the difference between the net proceeds of the disposal and the carrying amount of the asset and are recognized in profit or loss during the period of decommissioning or disposal. Profits are not classified as income.

7.2. Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Fund at exchange rates at the dates of the transactions.

Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency at the exchange rate of Bulgarian National Bank (BNB) at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary items that are measured based on the historical cost in foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss in the statement of comprehensive income.

In accordance with Ordinance No 9 of FSC, effective from 1 July 2004 cash and cash equivalents, receivables, and payables denominated in foreign currency are subject to a daily revaluation, according to the central rate of the BNB.

7.3. Investments of the Fund in financial instruments

i) Measurement

The Fund's investments in financial instruments are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the valuation date. Fair value measurement is based on the assumption that a transaction for the sale of an asset or the transfer of a liability takes place:

- On the main market for the respective asset or liability, or
- In the absence of a main market, the most profitable market for the respective asset or liability.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER

7. Significant accounting policies (continued)

7.3. Investments of the Fund in financial instruments (continued)

(ii) Recognition and initial measurement

All financial assets and liabilities are initially recognized when the Fund becomes a party to the contractual terms of the instrument.

A financial asset is initially measured at fair value, which is assumed to be their acquisition cost, net of transaction costs. Expenses directly related to the transaction are recognized in the statement of changes in net assets attributable to insured individuals. From that moment, the Fund reports all income and expenses related to changes in fair value in the statement of changes in net assets attributable to insured individuals.

(iii) Classification and subsequent measurement

All financial instruments are subsequently measured at fair value. Securities that have a fixed maturity and are acquired in order to comply with the Fund's obligations to pensioners or a specific part of them may be reported on the basis of their final redemption price, adopting a fixed rate of return to maturity.

Net gains and losses, including interest and dividend income, are recognized in the statement of changes in net assets attributable to insured individuals.

(iv) Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

(iv) Derecognition

The Fund writes off certain investment securities when they are determined to be uncollectible or when there is information that the debtor is in severe financial difficulty and has no realistic prospect of recovery. Derecognized financial assets may still be subject to enforcement activities in accordance with the Fund's recovery procedures, taking into account legal advice where appropriate. All amounts recovered are recognized in the statement of changes in net assets attributable to insured individuals.

7.4. Interest income

The fund generates income from interest on deposits, current accounts and debt securities. Interest income is accrued on a daily basis. Negative interest accrued on financial assets is presented as interest payable.

7.5. Dividend income

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established.

7.6. Net gain/(loss) from financial instruments at fair value through profit or loss

Net gain/(loss) from financial instruments at fair value includes all realized and unrealized fair value changes and foreign exchange differences, but excludes interest and dividend income.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER

7. Significant accounting policies (continued)

7.7. Derivatives

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

In compliance with the adopted investment policy the derivative financial instruments are held for risk management of foreign currency positions. In 2022 such operations were made by foreign currency forward contracts with several banks.

7.8. Fees and charges

PAC Doverie AD collects mandatory fees and charges in connection with its management of the Fund, defined in the Social Security Code.

All fees and charges are charged at the time of their occurrence in accordance with the circumstances provided for in the Social Security Code, specified below and in the amounts as follows:

- deduction from each insurance contribution of up to 3.75% (2021 - up to 3.75%) and
- annual investment fee, calculated on the value of the net assets of the Fund depending on the period during which they were managed by PAC Doverie AD, amounting to 0.75% (2021 - up to 0.75%).

The investment fee is presented as an expense in the income statement of the Fund, while the proceeds from social security contributions are presented in the statement of changes in the net assets available to the insured persons of the Fund net of the respective deductions.

PAC Doverie AD may also collect an additional fee of up to BGN 10 when transferring the funds on the individual account to a pension scheme according to art. 343a, para. 1, p. 2 or art. 343e, para. 1 of SSC, the fee being paid by the insured person.

The specific amount of fees and deductions for the respective period are published on the external website of PAC Doverie AD (<https://www.poc-doverie.bg>).

7.9. Tax

Under the current system of taxation in the Republic of Bulgaria, the Fund is exempt from paying income taxes.

However, some dividend and interest income received by the Fund is subject to withholding tax imposed in certain countries of origin.

7.10. Liabilities

The liabilities of the Fund, according to Ordinance №9 -19.11.2003 on the manner and procedure for valuation of the assets and liabilities of the supplementary pension insurance funds and of the pension insurance company, of the value of the net assets of the fund, for calculation and declaration of the value of one unit and for the requirements for keeping individual accounts, consist of accrued liabilities to the Company for payment of mandatory fees and deductions (see above), accrued amounts for payment of insured persons, their heirs and pensioners of the Fund, as well as liabilities related to investments in assets.

The obligations for payment of insured persons, their heirs and pensioners of the Fund are accrued upon occurrence of the respective insurance event.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER

8. Net assets of the pension fund

The net assets of GPF as at December 31, 2022, and 2021 are as follows:

	Notes	31.12.2022 BGN'000	31.12.2021 BGN'000
ASSETS			
Bulgarian Government securities	8.1	540,654	284,936
Investment property	8.2	53,140	55,501
Corporate bonds	8.3	33,405	35,559
Foreign securities	8.4	3,065,774	3,123,816
Derivative assets held for risk management		1,058	2,168
Investment receivables	8.5	12,293	1,393
Shares and stocks of local issuers	8.6	80,357	112,120
Current accounts in BGN	17	257,323	273,709
Current accounts in foreign currency	17	245,543	432,891
TOTAL ASSETS		<u>4,289,548</u>	<u>4,322,093</u>
Less: Liabilities	8.7	(12,115)	(8,607)
TOTAL NET ASSETS		<u>4,277,433</u>	<u>4,313,486</u>

8.1. Government securities issued by Republic of Bulgaria

In 2022 the Fund increased its exposure in government securities. BGN denominated government securities increased, government securities denominated in foreign currency also increased.

	31.12.2022 BGN'000	31.12.2021 BGN'000
Government securities denominated in BGN	380,609	141,165
Government securities denominated in a foreign currency	160,045	143,771
Total	<u>540,654</u>	<u>284,936</u>

The position of the Fund in Government securities as of 31 December 2022 is as follows:

Issuer	ISIN	Coupon rate	Currency	Par value /'000/	Maturity	Fair value /BGN'000/
Republic of Bulgaria	BG2030121110	0.000%	BGN	310,348	17.05.2025	281,424
Republic of Bulgaria	BG2040019213	1.500%	BGN	66,130	21.06.2039	35,055
Republic of Bulgaria	BG2030021112	0.000%	BGN	21,800	24.02.2026	19,391
Republic of Bulgaria	BG2040121217	0.250%	BGN	59,562	24.05.2029	44,739
Republic of Bulgaria	XS1083844503	2.950%	EUR	13,686	03.09.2024	26,910
Republic of Bulgaria	XS2536817484	4.625%	EUR	9,000	23.09.2034	17,713
Republic of Bulgaria	XS2536817211	4.125%	EUR	26,750	23.09.2029	51,859
Republic of Bulgaria	BG2040210218	5.750%	EUR	5,790	29.09.2025	12,160
Republic of Bulgaria	XS1208855889	2.625%	EUR	26,640	26.03.2027	51,403
Total						<u>540,654</u>

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER

8. Net assets of the pension fund (continued)

8.1. Government securities issued by Republic of Bulgaria (continued)

The investments in government securities are evaluated at their fair value.

The position of the Fund in Government securities as of 31 December 2021 is as follows:

Issuer	ISIN	Coupon rate	Currency	Par value /'000/	Maturity	Fair value /BGN'000/
Republic of Bulgaria	BG2030121110	0.000%	BGN	6,948	17.05.2025	6,929
Republic of Bulgaria	BG2040019213	1.500%	BGN	66,130	21.06.2039	71,271
Republic of Bulgaria	BG2030021112	0.000%	BGN	12,000	24.02.2026	11,931
Republic of Bulgaria	BG2040121217	0.250%	BGN	52,000	24.05.2029	51,034
Republic of Bulgaria	XS1083844503	2.950%	EUR	31,035	03.09.2024	66,198
Republic of Bulgaria	XS1208855889	2.625%	EUR	34,640	26.03.2027	77,573
Total						284,936

The investments in government securities are evaluated at their fair value.

8.2. Investment property

As of 31 December 2022, General Pension Fund Doverie owns investments in the following real estates:

Description	Date of acquisition	Place	Acquisition price /BGN'000/	Fair value /BGN'000/
Regulated land plot	23.11.2007	Svety Vlas	1,938	1,899
Plot Nessebar - right of construction	30.11.2010	Svety Vlas	3,389	2,223
Regulated land plot	21.12.2011	Svety Vlas	10,392	7,432
Plot Nessebar - right of construction	21.12.2011	Svety Vlas	11,520	5,307
Land plot Nessebar	29.01.2009	Nessebar	3,077	9,129
Regulated land plot	30.04.2009	Razlog	1,682	150
Residential complex	30.04.2009	Razlog	3,066	9,602
Land and office building	01.06.2010	Sofia	15,372	17,398
Total				53,140

As of 31 December 2021, General Pension Fund Doverie owns investments in the following real estates:

Description	Date of acquisition	Place	Acquisition price /BGN'000/	Fair value /BGN'000/
Regulated land plot	23.11.2007	Svety Vlas	1,938	1,935
Plot Nessebar - right of construction	30.11.2010	Svety Vlas	3,389	2,676
Regulated land plot	21.12.2011	Svety Vlas	10,392	7,573
Plot Nessebar - right of construction	21.12.2011	Svety Vlas	11,520	7,141
Land plot Nessebar	29.01.2009	Nessebar	3,077	9,095
Regulated land plot	30.04.2009	Razlog	1,682	150
Residential complex	30.04.2009	Razlog	3,066	9,618
Land and office building	01.06.2010	Sofia	15,372	17,313
Total				55,501

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER

8. Net assets of the pension fund (continued)

8.2. Investment property (continued)

Reconciliation of changes in book value

<i>TBGN</i>	Note	<u>2022</u>	<u>2021</u>
Balance on 01 January		55,501	57,833
Change in fair value		<u>(2,361)</u>	<u>(2,332)</u>
Balance at 31 December		<u>53,140</u>	<u>55,501</u>

Valuation of investment properties at fair value at 31 December 2022, and 31 December 31 2021, was carried out by independent external evaluators.

The investment property in town Nessebar with book value at the end of 2022 amounting to TBGN 9,129 (2021: TBGN 9,095) was evaluated by an independent evaluator who used two valuation methods: Discounted cash flow method and market analogue method. The correlation between the two methods, which was used in determining the final market price, is 50/50.

Independent evaluator evaluated the investment property in town Razlog with book value at the end of 2022 amounting to TBGN 9,752 (2021: TBGN 9,768) by using the market analogue method.

For the land located in Sv. Vlas with book value at the end of 2022 amounting to TBGN 7,432 (2021: TBGN 7,573) (property 25) and TBGN 1,899 (2021: TBGN 1,935) (property 24) independent evaluator used the market analogue method.

Building permits for. Sv. Vlas book values at the end of 2022 amounting to TBGN 5,307 (2021: TBGN 7,141) (property 25) and TBGN 2,223 (TBGN 2,676) (property 24) the independent valuer used a valuation method to initially estimate the aggregate of land and the right to build under the Residual Value method. The deduction of the value of the right of the building is obtained by the difference between the Residual Value method and the value of the Land valued by the market analogue method.

For land and building located in Sofia, Tintiava 13b str. with book value at the end of 2022 amounting of TBGN 17,398 (2021: TBGN 17,313), the independent evaluator used the method of capitalization of income.

The fair value of investment property is classified as recurring fair value measurements in Level 2. The relationship between assessment methods and significant unobservable inputs and between key unobservable inputs and fair value is set out in note 16.

8.3. Corporate bonds

The carrying amount of corporate bonds immaterially decreases compared to 2021. All bonds are listed for trading on the bond segment of BSE – Sofia and some are secured.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.3. Corporate bonds (continued)

The table below shows detailed information for the secured corporate bonds as of 31 December 2022

Issuer	ISIN	Interest coupon	Currency	Nominal /’000/	Maturity	Fair value /BGN’000/
Bravo Property	BG2100008197	3.25% 6 m. EURIBOR + 3.00%, not less than	BGN	2 025	11.04.2024	1,807
Monbat AD	BG2100023170	3.00%	EUR	4 395	20.01.2025	8,471
BEH	XS1839682116	3.50%	EUR	10 500	28.06.2025	18,965
TBI Bank	BG2100007215	5.25%	EUR	1 000	30.07.2031	1,940
Hypocredit AD	BG2100018089	1.90%	EUR	1 320	30.06.2023	1141
Hypocredit AD	BG2100038079	1.90%	EUR	1 174	30.06.2031	1081
Total						<u><u>33,405</u></u>

The table below shows detailed information for the secured corporate bonds as of 31 December 2021

Issuer	ISIN	Interest coupon	Currency	Nominal /’000/	Maturity	Fair value /BGN’000/
Bravo Property	BG2100008197	3.25% 6 m. EURIBOR + 3.00%, not less than	BGN	2,010	11.04.2024	1,872
Monbat AD	BG2100023170	3.00%	EUR	4,395	20.01.2025	8,282
BEH	XS1839682116	3.50%	EUR	10,500	28.06.2025	22,081
TBI Bank	BG2100007215	5.25%	EUR	800	30.07.2031	1,599
Hypocredit AD	BG2100018089	1.90%	EUR	1,320	30.06.2021	886
Hypocredit AD	BG2100038079	1.90%	EUR	1,174	30.06.2021	839
Total						<u><u>35,559</u></u>

8.4. Foreign securities

The main share of the foreign securities is of the government bonds of EU member countries. The individual investments (bonds) decreased compared to 2021, the investment in Index and Mutual Funds also decreased compared to 2021. Not a significant decrease is observed in investments in stocks, compared to 2021.

The table below presents the investments of General Pension Fund Doverie in foreign securities as of 31 December 2022 and 31 December 2021.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

	Note	31.12.2022 BGN'000	31.12.2021 BGN'000
Government securities of EU countries	8.4.1	929,859	932,085
Government securities of non-EU countries	8.4.2	500,316	431,594
Individual investments (Bonds)	8.4.3	327,320	361,205
Index and Mutual Funds	8.4.4	728,054	790,802
Shares	8.4.5	580,225	608,130
Total		3,065,774	3,123,816

8.4.1. Government or government guaranteed securities of EU countries

Government or government guaranteed securities of EU countries as of 31 December 2022

Issuer	ISIN	Interest coupon	Currency	Nominal /'000/	Maturity	Fair value /BGN'000/
Republic of Romania	XS1060842975	3.63%	EUR	27,100	24.04.2024	54,237
Republic of Romania	XS1129788524	2.88%	EUR	14,500	28.10.2024	27,980
Republic of Romania	XS1312891549	2.75%	EUR	39,700	29.10.2025	75,052
Republic of Romania	XS1934867547	2.00%	EUR	10,900	08.12.2026	19,118
Republic of Romania	XS1892141620	2.88%	EUR	4,700	11.03.2029	7,798
Republic of Romania	XS1420357318	2.88%	EUR	7,450	26.05.2028	12,818
Republic of Romania	XS2434895558	2.13%	EUR	18,300	07.03.2028	30,402
Republic of Romania	XS2538440780	5.00%	EUR	26,000	27.09.2026	51,738
Republic of Romania	ROE3GCPAFCP6	1.00%	EUR	32,500	13.12.2023	62,229
Republic of Romania	RO0OTTP19A72	4.40%	EUR	7,000	28.11.2025	13,659
Republic of Romania	RO3SQY3RSKX5	0.00%	EUR	4,500	27.11.2023	8,560
Hungary	XS2161992198	1.13%	EUR	18,000	28.04.2026	31,556
Hungary	XS1696445516	1.75%	EUR	4,400	10.10.2027	7,545
Hungary	XS2386583145	0.13%	EUR	16,100	21.09.2028	23,205
Hungary	XS2259191273	0.50%	EUR	10,600	18.11.2030	14,172
German Bund	DE0001102606	1.70%	EUR	19,400	15.08.2032	35,467
France	FR001400BKZ3	0.00%	EUR	37,700	25.11.2032	66,967
Republic of Croatia	XS1117298916	3.00%	EUR	10,450	11.03.2025	20,828
Republic of Croatia	XS1843434876	1.13%	EUR	10,200	19.06.2029	17,044
Spain	ES00000127A2	1.95%	EUR	12,600	30.07.2030	22,510
Spain	ES0000012K61	2.55%	EUR	19,600	31.10.2032	35,023
Italy	IT0005445306	0.50%	EUR	21,650	15.07.2028	34,931
Italy	IT0005452989	0.00%	EUR	10,000	15.08.2024	18,556
Italy	IT0005439275	0.00%	EUR	28,000	15.04.2024	52,577
Italy	IT0005474330	0.00%	EUR	9,400	15.12.2024	17,256
Italy	IT0005494239	2.50%	EUR	32,400	01.12.2032	52,729

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

8.4.1. Government or government guaranteed securities of EU countries (continued)

Issuer	ISIN	Interest coupon	Currency	Nominal /'000/	Maturity	Fair value /BGN'000/
Republic of Poland	XS1508566392	1.00%	EUR	3,600	25.10.2028	6,127
Republic of Poland	XS1015428821	3.00%	EUR	23,300	15.01.2024	46,820
Republic of Poland	XS0841073793	3.38%	EUR	4,500	09.07.2024	8,961
Portugal	PTOTELOE0028	0.48%	EUR	10,850	18.10.2030	17,084
Portugal	PTOTEYOE0031	1.65%	EUR	14,600	16.07.2032	24,491
BANK GOSPODARSTWA KRAJOW	XS2397082939	0.38%	EUR	8,100	13.10.2028	12,419
Total						929,859

Government or government guaranteed securities of EU countries as of 31 December 2021

Issuer	ISIN	Interest coupon	Currency	Nominal /'000/	Maturity	Fair value /BGN'000/
Republic of Romania	XS1060842975	3.63%	EUR	27,100	24.04.2024	58,292
Republic of Romania	XS1129788524	2.88%	EUR	14,500	28.10.2024	30,341
Republic of Romania	XS1312891549	2.75%	EUR	39,700	29.10.2025	84,107
Republic of Romania	XS1934867547	2.00%	EUR	10,900	08.12.2026	22,383
Republic of Romania	XS1892141620	2.88%	EUR	4,700	11.03.2029	9,988
Republic of Romania	XS1420357318	2.88%	EUR	7,450	26.05.2028	15,956
Hungary	XS2161992198	1.13%	EUR	18,000	28.04.2026	36,759
Hungary	XS1696445516	1.75%	EUR	4,400	10.10.2027	9,390
Hungary	XS2386583145	0.13%	EUR	16,100	21.09.2028	30,620
German Bund	DE0001102531	0.00%	EUR	25,500	15.02.2031	50,862
German Bund	DE0001102507	0.00%	EUR	72,100	15.08.2030	144,194
France	FR0013516549	0.00%	EUR	60,200	25.11.2030	116,592
Republic of Croatia	XS1028953989	3.88%	EUR	32,835	30.05.2022	66,732
Republic of Croatia	XS1117298916	3.00%	EUR	10,450	11.03.2025	22,822
Republic of Croatia	XS1843434876	1.13%	EUR	10,200	19.06.2029	20,407
Spain	ES00000127A2	1.95%	EUR	12,600	30.07.2030	28,130
Italy	IT0005445306	0.50%	EUR	21,650	15.07.2028	41,886
Italy	IT0005449969	0.95%	EUR	16,200	01.12.2031	31,063
Republic of Poland	XS1508566392	1.00%	EUR	3,600	25.10.2028	7,449
Republic of Poland	XS1015428821	3.00%	EUR	23,300	15.01.2024	49,906
Portugal	PTOTELOE0028	0.48%	EUR	10,850	18.10.2030	21,577
BANK GOSPODARSTWA KRAJOW	XS2397082939	0.38%	EUR	8,100	13.10.2028	15,595
EUROPEAN INVESTMENT BANK	XS2283340060	0.00%	EUR	6,800	14.01.2031	13,177
Council of Europe	XS2286422071	0.00%	EUR	2,000	20.01.2031	3,856
Total						932,084

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

8.4.2. Government securities of non-EU countries

Government securities of non-EU countries as of 31 December 2022

Issuer	ISIN	Interest coupon	Currency	Nominal /'000/	Maturity	Fair value /BGN'000/
USA	US91282CFX48	4.50%	USD	5 000	30.11.2024	9 204
United Mexican States	XS1751001139	1.75%	EUR	22 806	17.04.2028	40 319
United Mexican States	XS1974394675	1.63%	EUR	22 900	08.04.2026	42 614
Chile	XS1346652891	1.75%	EUR	4 500	20.01.2026	8 410
Chile	XS1236685613	1.88%	EUR	6 200	27.05.2030	10 605
Chile	XS2369244087	0.10%	EUR	26 400	26.01.2027	44 176
Chile	XS2388560604	0.55%	EUR	16 500	21.01.2029	26 471
Chile	XS1151586945	1.63%	EUR	19 000	30.01.2025	35 980
Israel	XS1023541847	2.88%	EUR	30 800	29.01.2024	61 397
Israel	XS1936100483	1.50%	EUR	8 400	16.01.2029	14 949
Republic of Indonesia	XS2366690332	1.00%	EUR	10 800	28.07.2029	17 061
Republic of Indonesia	XS1647481206	2.15%	EUR	12 100	18.07.2024	23 368
Republic of Indonesia	XS1432493879	2.63%	EUR	13 000	14.06.2023	25 708
Republic of Indonesia	XS1268430201	3.38%	EUR	13 746	30.07.2025	27 031
Republic of Indonesia	XS2100404396	0.90%	EUR	13 500	14.02.2027	23 384
Republic of Indonesia	XS2069959398	1.40%	EUR	6 200	30.10.2031	9 458
China	XS2078532913	0.13%	EUR	18 900	12.11.2026	32 667
China	XS2078533218	0.50%	EUR	8 900	12.11.2031	13 205
China	XS2259626856	0.25%	EUR	2 000	25.11.2030	3 107
Saudi Arabi	XS2024540622	0.75%	EUR	5 500	09.07.2027	9 609
Columbia	XS1385239006	3.88%	EUR	11 400	22.03.2026	21 593
Total						<u>500,316</u>

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (Continued)

8.4.2. Government securities of non-EU countries (continued)

Government securities of non-EU countries as of 31 December 2021

Issuer	ISIN	Interest coupon	Currency	Nominal /'000/	Maturity	Fair value /BGN'000/
United Mexican States	XS1751001139	1.75%	EUR	12,850	17.04.2028	26,315
United Mexican States	XS1511779305	1.38%	EUR	9,080	15.01.2025	18,546
United Mexican States	XS1974394675	1.63%	EUR	22,900	08.04.2026	47,126
Chile	XS1346652891	1.75%	EUR	4,500	20.01.2026	9,478
Chile	XS1236685613	1.88%	EUR	6,200	27.05.2030	13,357
Chile	XS2369244087	0.10%	EUR	17,300	26.01.2027	33,155
Chile	XS2388560604	0.55%	EUR	16,500	21.01.2029	32,020
Israel	XS1023541847	2.88%	EUR	30,800	29.01.2024	65,664
Republic of Indonesia	XS2366690332	1.00%	EUR	10,800	28.07.2029	20,834
Republic of Indonesia	XS1647481206	2.15%	EUR	2,500	18.07.2024	5,159
Republic of Indonesia	XS1432493879	2.63%	EUR	13,000	14.06.2023	26,685
Republic of Indonesia	XS1268430201	3.38%	EUR	13,746	30.07.2025	29,922
Republic of Indonesia	XS2100404396	0.90%	EUR	4,400	14.02.2027	8,673
Republic of Indonesia	XS2069959398	1.40%	EUR	6,200	30.10.2031	12,173
China	XS2078532913	0.13%	EUR	18,900	12.11.2026	36,929
China	XS2078533218	0.50%	EUR	8,900	12.11.2031	17,021
China	XS2259626856	0.25%	EUR	2,000	25.11.2030	3,784
Columbia	XS1385239006	3.88%	EUR	11,400	22.03.2026	24,753
Total						431,594

8.4.3. Individual investments (Bonds)

Individual investments (Bonds) as of 31 December 2022

Issuer	ISIN	Credit Rating	Rating Agency	Currency	Nominal /'000/	Fair value /BGN'000/
SoftBank Group Corp	XS1811213781	BB+	S&P	EUR	8 429	16 474
Ford	XS1959498160	Ba2	Moody's	EUR	4 500	8 811
Deutsche Pfandbriefbank AG	DE000A3T0X97	BBB+	S&P	EUR	3 100	5 492
VOLKSWAGEN Fin Serv AG	XS2438615606	BBB+	S&P	EUR	3 000	5 445
Credit Agricole	FR00140098S7	A+	S&P	EUR	5 200	9 574
Vonovia SE	DE000A3MQS56	BBB+	S&P	EUR	3 000	5 370
Bank of China Luxemburg	XS2099704731	A	Fitch	EUR	5 400	10 564
WELLS FARGO & COMPANY	XS0925599556	BBB+	S&P	EUR	1 890	3 749
VERIZON COMMUNICATIONS	XS1146282634	Baa1	Moody's	EUR	3 600	6 996
AMERICA MOVIL SAB DE CV	XS1379122101	BBB+	S&P	EUR	2 500	4 826
RENAULT SA	FR0013329315	Ba2	Moody's	EUR	8 500	15 989
Softbank Group Corp	XS2361253862	BB+	S&P	EUR	4 400	8 147
NE Property Cooperatief	XS1722898431	BBB	Fitch	EUR	7 900	14 425
SAP AG	DE000A2TSTE8	A	S&P	EUR	2 000	3 748
VOLVO CAR AB	XS1724626699	Ba1	Moody's	EUR	4 000	7 483
THYSSENKRUPP AG	DE000A14J587	B1	Moody's	EUR	6 190	12 036

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

8.4.3. Individual investments (Bonds) (continued)

Issuer	ISIN	Credit Rating	Rating Agency	Currency	Nominal	Fair value
				/’000/	/BGN’000/	
TEVA PHARM FNC NL II	XS1813724603	BB-	Fitch	EUR	6 000	11 389
Peugeot S.A.	FR0013323326	Baa3	Moody’s	EUR	5 000	9 557
GENERAL ELECTRIC CO	XS1612542826	BBB	Fitch	EUR	3 000	5 536
Valeo SA	FR0013342334	BB+	S&P	EUR	2 200	4 000
DXC TECHNOLOGY CO	XS1883245331	BBB-	Moody’s	EUR	8 100	14 846
Deutsche Bank AG	DE000DL19US6	BBB-	S&P	EUR	4 000	7 540
Nissan Motor Co	XS2228683277	Baa3	Moody’s	EUR	4 000	7 416
Pepsico Inc	XS1061714165	A+	S&P	EUR	2 500	4 871
GOLDMAN SACHS GROUP INC	XS1458408561	BBB+	S&P	EUR	4 000	7 322
Daimler AG	DE000A289XJ2	A-	Fitch	EUR	2 000	3 761
LeasePlan Corporation	XS2384269101	BBB-	S&P	EUR	6 250	10 455
VERIZON COMMUNICATIONS	XS1708161291	BBB+	S&P	EUR	3 000	5 383
Swedbank AB	XS2404027935	A+	S&P	EUR	4 600	7 866
Apple Inc	XS1135337498	AA+	S&P	EUR	2 000	3 714
DEUTSCHE BANK AG	DE000DL19U23	BBB-	S&P	EUR	4 000	6 997
Banco Santander SA	XS2113889351	Baa1	Moody’s	EUR	4 000	6 787
RENAULT SA	FR0014006W65	Ba2	Moody’s	EUR	5 300	9 125
Pfizer Inc	XS1574158082	A	Fitch	EUR	2 700	4 880
Berkshire Hathaway Inc	XS1200679071	A+	Fitch	EUR	2 700	4 789
DXC Capital Funding LTD	XS2384715244	BBB-	S&P	EUR	5 200	8 372
Fresenius SE & Co KGAA	XS2152329053	Baa3	Moody’s	EUR	4 000	6 867
GOLDMAN SACHS GROUP INC	XS1796209010	BBB+	S&P	EUR	2 000	3 556
CK HUTCHISON FINANCE 16	XS1391086987	A-	Fitch	EUR	2 570	4 483
BAT Netherlands Finance	XS2153597518	Baa2	Moody’s	EUR	4 000	7 346
Valeo SA	FR0014004UE6	BB+	S&P	EUR	1 200	1 806
UBS Group AG	CH0576402181	A-	S&P	EUR	2 600	4 140
ALIBABA GROUP HOLDING	US01609WAQ50	A1	Moody’s	USD	3 000	5 329
Qualicomm INC	US747525AF05	A	S&P	USD	2 400	4 295
AMAZON.COM INC	US023135BC96	A1	Moody’s	USD	3 300	5 763
Total						327,320

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

8.4.3. Individual investments (Bonds) (continued)

Individual investments (Bonds) as of 31 December 2021

Issuer	ISIN	Credit Rating	Agency rating	Currency/'000/	Nominal	Fair value /BGN'000/
KONINKLIJKE KPN NV	XS0752092311	Baa3	Moody's	EUR	2,400	4,894
WALMART INC	XS1054528457	Aa3	Moody's	EUR	3,300	6,579
GENERAL ELECTRIC CO	XS1612542669	BBB	Fitch	EUR	2,500	4,910
VEOLIA ENVIRONNEMENT	FR0010474239	BBB	Fitch	EUR	3,900	8,026
Aspen Energy - Barclays	XS0363980607	A	S&P	EUR	4,850	2,493
AT&T INC	XS1144086110	BBB	S&P	EUR	2,770	5,478
PROCTER & GAMBLE CO	XS0816704125	Aa3	Moody's	EUR	3,300	6,601
GDF SUEZ	FR0010952770	BBB+	S&P	EUR	1,800	3,654
IBERDROLA INTL BV	XS1057055060	Baa1	Moody's	EUR	2,100	4,223
Bayer AG	XS1840614900	BBB	S&P	EUR	2,600	5,118
Bank of China Luxemburg	XS2099704731	A	Fitch	EUR	5,400	10,583
WELLS FARGO & COMPANY	XS0925599556	BBB+	S&P	EUR	1,890	3,869
VERIZON COMMUNICATIONS	XS1146282634	Baa1	Moody's	EUR	3,600	7,406
AMERICA MOVIL SAB DE CV	XS1379122101	BBB+	S&P	EUR	2,500	5,098
RENAULT SA	FR0013329315	Ba2	Moody's	EUR	4,000	7,859
Softbank Group Corp	XS2361253862	BB+	S&P	EUR	4,400	8,579
NE Property Cooperatief	XS1722898431	BBB	Fitch	EUR	7,900	15,882
SAP AG	DE000A2TSTE8	A	S&P	EUR	2,000	4,007
VOLVO CAR AB	XS1724626699	Ba1	Moody's	EUR	4,000	8,266
THYSSENKRUPP AG	DE000A14J587	B1	Moody's	EUR	6,190	12,814
TEVA PHARM FNC NL II	XS1813724603	BB-	Fitch	EUR	6,000	12,331
Peugeot S.A.	FR0013323326	Baa3	Moody's	EUR	5,000	10,424
GENERAL ELECTRIC CO	XS1612542826	BBB	Fitch	EUR	3,000	6,027
Valeo SA	FR0013342334	BB+	S&P	EUR	2,200	4,477
DXC TECHNOLOGY CO	XS1883245331	BBB-	S&P	EUR	8,100	16,674
Deutsche Bank AG	DE000DL19US6	BBB-	S&P	EUR	4,000	8,636
Nissan Motor Co	XS2228683277	Baa3	Moody's	EUR	4,000	8,552
Pepsico Inc	XS1061714165	A+	S&P	EUR	2,500	5,485
GOLDMAN SACHS GROUP INC	XS1458408561	BBB+	S&P	EUR	4,000	8,308
Daimler AG	DE000A289XJ2	A-	Fitch	EUR	2,000	4,277
LeasePlan Corporation	XS2384269101	BBB-	S&P	EUR	6,250	12,059
VERIZON COMMUNICATIONS	XS1708161291	BBB+	S&P	EUR	3,000	6,186
Swedbank AB	XS2404027935	A+	S&P	EUR	4,600	8,978
Apple Inc	XS1135337498	AA+	S&P	EUR	2,000	4,210
DEUTSCHE BANK AG	DE000DL19U23	BBB-	S&P	EUR	4,000	8,261
Banco Santander SA	XS2113889351	Baa1	Moody's	EUR	4,000	7,814
RENAULT SA	FR0014006W65	Ba2	Moody's	EUR	5,300	10,410
Pfizer Inc	XS1574158082	A	Fitch	EUR	2,700	5,526
Berkshire Hathaway Inc	XS1200679071	A+	Fitch	EUR	2,700	5,565
DXC Capital Funding LTD	XS2384715244	BBB-	S&P	EUR	5,200	9,866
Fresenius SE & Co KGAA	XS2152329053	Baa3	Moody's	EUR	4,000	8,328
GOLDMAN SACHS GROUP INC	XS1796209010	BBB+	S&P	EUR	2,000	4,281
CK HUTCHISON FINANCE 16	XS1391086987	A-	Fitch	EUR	2,570	5,520
BAT Netherlands Finance	XS2153597518	Baa2	Moody's	EUR	4,000	8,870
Valeo SA	FR0014004UE6	BB+	S&P	EUR	1,200	2,298
UBS Group AG	CH0576402181	A-	S&P	EUR	2,600	4,993
PKO Finance AB	XS0783934085	A3	Moody's	USD	5,800	10,399
ALIBABA GROUP HOLDING	US01609WAQ50	A1	Moody's	USD	3,000	5,467
Qualicomm INC	US747525AF05	A-	S&P	USD	2,400	4,426
AMAZON.COM INC	US023135BC96	A1	Moody's	USD	3,300	6,217
Total						361,204

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

8.4.4. Mutual Funds

The table below provides detail on the Index and Mutual Funds as of 31 December 2022

Issuer	ISIN	Amount	Currency	Fair value /BGN'000/
Invesco Dynamic Pharmaceutic	US46137V6627	73 559	USD	10,602
ISHARES MSCI USA Minimum Volatility	US46429B6974	228 030	USD	30,164
IVV iShares S&P 500 Index Fund	US4642872000	25 276	USD	17,807
SPDR Dow Jones Industrial Average	US78467X1090	265 592	USD	161,386
SCHRODER China Opportunities Class A	LU1713307699	205 926	USD	51,759
SCHRODER Indian Equity Class C	LU0264410993	19 632	USD	9,839
Vanguard S&P 500 ETF	US9229083632	275 215	USD	177,344
Invesco QQQ Trust Series 1	US46090E1038	96 971	USD	47,357
Invesco Solar ETF	US46138G7060	100 106	USD	13,428
iShares Global Clean Energy ETF	US4642882249	378 266	USD	13,793
Invesco Aerospace & Defense ETF	US46137V1008	78 131	USD	11,232
S&P Depositary Receipts	US78462F1030	26 106	USD	18,308
Amundi MSCI Nordic	LU1681044647	17 635	EUR	18,376
Amundi MSCI EM Asia UCITS ETF	LU1681044480	537 622	EUR	32,852
Lyxor STOXX Europe 600 Basic Resources	LU1834983550	55 239	EUR	10,078
DAXEX	DE0005933931	69 927	EUR	16,044
ISHR EUR 600 HEALTH CARE(DE)	DE000A0Q4R36	46 609	EUR	9,052
DB X-TRACKERS DAX	LU0274211480	39 806	EUR	10,309
iShares STOXX Europe 600 Basic Resources	DE000A0F5UK5	78 498	EUR	9,542
Xtrackers MSCI Nordic ETF	IE00B9MRHC27	219 607	EUR	18,862
iShares MSCI Japan EUR Hedged UCITS	IE00B42Z5J44	354 856	EUR	39,920
Total				728,054

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

8.4.4. Mutual Funds (continued)

The table below provides detail on the Index and Mutual Funds as of 31 December 2021

Issuer	ISIN	Amount	Currency	Fair value /BGN'000/
Invesco Dynamic Pharmaceutic	US46137V6627	73,559	USD	10,293
ISHARES MSCI USA Minimum Volatility	US46429B6974	228,030	USD	31,848
IVV iShares S&P 500 Index Fund	US4642872000	25,276	USD	20,813
SPDR Dow Jones Industrial Average	US78467X1090	214,727	USD	134,695
SCHRODER China Opportunities Class A	LU1713307699	205,926	USD	69,780
SCHRODER Indian Equity Class C	LU0264410993	19,632	USD	10,713
Vanguard S&P 500 ETF	US9229083632	215,664	USD	162,550
Invesco QQQ Trust Series 1	US46090E1038	98,541	USD	67,626
Invesco Solar ETF	US46138G7060	100,106	USD	13,337
iShares Global Clean Energy ETF	US4642882249	378,266	USD	13,838
Amundi MSCI Nordic	LU1681044647	17,635	EUR	20,894
Amundi Msci EM Asia UCITS ETF	LU1681044480	537,622	EUR	39,147
CAC	FR0007052782	171,328	EUR	23,550
DAXEX	DE0005933931	69,927	EUR	18,415
ISHR EUR 600 HEALTH CARE(DE)	DE000A0Q4R36	46,609	EUR	9,839
Dow Jones Eurostoxx 50	DE0005933956	155,221	EUR	13,100
DB X-TRACKERS DAX	LU0274211480	187,827	EUR	55,810
LYXOR IBEX 35	FR0010251744	60,392	EUR	10,107
Xtrackers MSCI Nordic ETF	IE00B9MRHC27	219,607	EUR	22,408
iShares MSCI Japan EUR Hedged UCITS	IE00B42Z5J44	354,856	EUR	42,039
Total				790,802

8.4.5. Shares

Shares as of 31 December 2022

Geographic distribution	Currency	Number of issues	Index	Fair value /BGN'000/	Biggest single exposure
Europe	EUR	16	Stoxx Europe 600	183,712	24,536
USA	USD	33	S&P 500	396,513	21,779
Total				580,225	

The investments in foreign securities are fully oriented to Europe and USA.

Shares as of 31 December 2021

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

8.4.5. Shares (continued)

Geographic distribution	Currency	Number of issues	Index	Fair value /BGN'000/	Biggest single exposure
Europe	EUR	16	Stoxx Europe 600	194,781	23,246
USA	USD	33	S&P 500	413,349	22,849
Total				608,130	

The investments in foreign securities are fully oriented to Europe and USA.

8.4.6. Table of maturity of the securities

The table below presents the contractual maturity structure of the securities by fair value as at 31 December 2022, including coupon payments.

Maturity	Fair value /BGN'000/ 31.12.2022	Up to 1 month	from 1 to 6 months	from 6 months to 1 year	from 1 to 5 years	More than 5 years	Total
	/BGN'000/	/BGN'000/	/BGN'000/	/BGN'000/	/BGN'000/	/BGN'000/	/BGN'000/
Government securities in BGN	380 609		568	571	336 711	137 322	475 172
Government securities in EUR	160 045		1 691	4 090	109 647	79 936	195 364
Corporate bonds in BGN	1 807	30	30	59	1 780		1 899
Corporate bonds in EUR	31 598	1 869	747	3 194	29 529	2 367	37 706
Foreign bonds in USD	24 592		477	477	26 723		27 677
Foreign bonds in EUR	1 732 902	32 415	41 032	88 870	1 174 863	698 456	2 035 636
Total	2 331 553	34 314	44 545	97 261	1 679 253	918 081	2 773 453

The table below presents the contractual maturity structure of the securities by fair value as at 31 December 2021.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.4. Foreign securities (continued)

8.4.6. Table of maturity of the securities (continued)

Total agreed cash flows of securities:

Maturity	Fair value	Up to 1	from 1 to	from 6	from 1 to	More	Total
	/BGN'000/ 31.12.2021	month	6 months	months to 1 year	5 years	than 5 years	
	/BGN'000/	/BGN'000/	/BGN'000/	/BGN'000/	/BGN'000/	/BGN'000/	/BGN'000/
Government securities in BGN	141,165	-	559	563	23,436	130,852	155,410
Government securities in EUR	143,771	-	1,778	1,791	71,394	69,528	144,491
Corporate bonds in BGN	1,872	30	30	60	1,885	-	2,005
Corporate bonds in EUR	33,687	130	747	238	35,085	1,975	38,175
Foreign bonds in USD	26,509	-	486	10,502	10,691	5,833	27,512
Foreign bonds in EUR	1,698,375	10,900	101,961	26,885	786,336	810,722	1736,804
Total	2,045,379	11,060	105,561	40,039	928,827	1,018,910	2,104,397

8.5. Investment receivables

As at 31 December 2022 the Fund has accounts receivable related to investments in the amount of TBGN 12,293 (in 2021 TBGN 1,393).

	31.12.2022	31.12.2021
	BGN'000	BGN'000
Receivables related with investment property	735	696
Dividends	1 238	636
Other receivables	10 320	61
Total	12,293	1,393

8.6. Shares and stocks of local issuers

The portfolio of individual shares of GPF as at 31 December 2022 consists of 11 issuers – leading local companies. The total amount of the investments is TBGN 76,009 (31 December 2021 – TBGN 107,183). The biggest exposure towards one issuer amounts to TBGN 16,282 (31 December 2021 – TBGN 24,600).

Investments in shares/mutual funds are in total 3 funds amounting to TBGN 4,348 (31 December 2021 – TBGN 4,937).

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

8. Net assets of the pension fund (continued)

8.7. Liabilities of the General Pension Fund

As at 31 December 2022, the General Pension Fund has a total current liability to PAC Doverie amounting to TBGN 2,734 (2021: TBGN 2,718), TBGN 2,734 investment fee payable for December 2022 (2021: TBGN 2,718), TBGN 212 related to investment property (2021: TBGN 190), TBGN 16 related to taxes (2021: TBGN 21) and TBGN 9,148 (2021: TBGN 5,678) related insured persons decided to change their from pension Fund “Pension” of National Social Security Institute.

	<u>2022</u>	<u>2021</u>
	BGN'000	BGN'000
Liabilities to PAC Doverie	2,734	2,718
Liabilities, related with investments	233	211
Liabilities to National Social Security Institute	<u>9,148</u>	<u>5,678</u>
	<u>12,115</u>	<u>8,607</u>

9. Net assets attributable to insured individuals

The net assets attributable to insured individuals include contributions and distributed profitability on the accounts of the insured persons.

The table below presents the net investment yield to be distributed among the fund members by type of investments:

	Result	
	<u>2022</u>	<u>2021</u>
	BGN'000	BGN'000
Deposits and current account	984	6
Shares	(73,685)	149,509
REITs	3,532	5 327
Mutual Funds and ETFs	(100,059)	161,543
Government bonds	(222,565)	(24,468)
Corporate bonds	(27,277)	2,449
Municipal bonds	-	(141)
Forwards	(93,910)	(85,437)
Others	(4,847)	(3,743)
Total	<u>(517,827)</u>	<u>205 045</u>

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

10. Fees and charges

The Company accrues contribution fee on each contribution from an insured individual in scale (3.75 percent - for contributions received up to 120 months and under 120 months, 3.60 percent - for contributions received for more than 120 months) and investment fee (0.75% of Fund net assets).

	<u>2022</u>	<u>2021</u>
	BGN'000	BGN'000
Gross contribution from insured individuals	500,392	434,800
Contribution fee	<u>(18,257)</u>	<u>(15,871)</u>
Net contribution from insured individuals	<u>482,135</u>	<u>418,929</u>

In the statement of changes in net assets at the disposal of insured persons, the contribution for 2022 and 2021 are presented on a net basis.

	<u>2022</u>	<u>2021</u>
	BGN'000	BGN'000
Investment fee	31,416	30,296

11. Dividend income

	<u>2022</u>	<u>2021</u>
	BGN'000	BGN'000
Shares	20,366	11,796
REITs	2308	737
ETFs	<u>9,530</u>	<u>6,942</u>
Total	<u>32,204</u>	<u>19,475</u>

12. Interest income

	<u>2022</u>	<u>2021</u>
	BGN'000	BGN'000
Deposits and current account	984	6
Government bonds	26,646	27,631
Corporate bonds	7,765	7,508
Municipal and mortgage bonds	<u>0</u>	<u>1</u>
Total	<u>35,395</u>	<u>35,146</u>

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

13. Net gain/(loss) from transactions with Bulgarian securities at FVTPL

	2022	2021
Gain/Loss	BGN'000	BGN'000
REITs	1,224	4,590
Shares	(3,892)	23,090
Government bonds	(85,284)	(9,201)
Mutual Funds and ETFs	(,588)	,451
Corporate bonds	(2,520)	(1,838)
Forwards	(93,910)	(85,437)
Others	(2,847)	(1,642)
Total gain	<u>(187,817)</u>	<u>(69,987)</u>

14. Net gain/(loss) from transactions with foreign securities at FVTPL

	2022	2021
	BGN'000	BGN'000
Government bonds	(163,927)	(42,898)
Corporate bonds	(32,522)	(3,221)
Municipal bonds	-	(141)
Capital/Equity instruments	<u>(196,449)</u>	<u>(46,260)</u>
Shares	(90,159)	114,623
Mutual Funds and ETFs	(109,001)	154,150
Debt instruments	<u>199 160</u>	<u>268,773</u>
Others	(137)	(18)
TOTAL	<u>(395,746)</u>	<u>222,495</u>

15. Net gain/(loss) from investment property

	2022	2021
	BGN'000	BGN'000
Income from investment property	1,247	1,199
Expenses related to investment properties	(3,110)	(3,283)
Total	<u>(1,863)</u>	<u>(2,084)</u>

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

16. Accounting classification and fair values

The following tables show the book and fair value amounts of financial assets and liabilities and their classification by reporting category.

Financial assets	At fair value through profit/loss		At amortized cost	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	BGN'000	BGN'000	BGN'000	BGN'000
Cash and equivalents	-	-	502,866	706,600
Bonds without quotes	-	-	-	-
Investment receivables	-	-	12,293	1,393
Derivative assets held for risk management	1,058	2,168	-	-
Deposits	-	-	-	-
Government securities	1,970,828	1,648,616	-	-
Corporate bonds	360,726	396,764	-	-
Mutual funds	732,403	795,739	-	-
Shares	656,233	715,312	-	-
Total	3,721,248	3,558,599	515,159	707,993

Financial liabilities

	At fair value through profit/loss		At amortized cost	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	BGN'000	BGN'000	BGN'000	BGN'000
Liabilities	-	-	12,116	8,607
Total	-	-	12,116	8,607

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

16. Accounting classification and fair values (continued)

Distribution of the financial assets and liabilities by the level of fair value hierarchy (according to the source and inputs determining the fair value) is presented below.

	Level 1		Level 2		Level 3	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Financial assets						
Government securities	1,578,059	1,507,451	392,768	141,165	-	-
Corporate bonds	327,321	395,039	31,183	-	2,222	1,725
Mutual funds	732,403	795,739	-	-	-	-
Shares	640,659	709,787	3,061	-	12,514	5,525
Derivative assets held for risk management	-	-	1,058	2,168	-	-
Bonds without quotes	-	-	-	-	-	-
Total	3,278,442	3,408,016	428,070	143,333	14,736	7,250
Financial liabilities						
Financial liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-

No information on fair values is provided if the book value is a rational approximation of the fair value.

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values for disclosure purposes only.

	2022	2021
	BGN'000	BGN'000
Total Opening balance	7,250	45,613
Shares		
Opening balance	5,525	37,429
Profit/loss, recognized in the profit or loss statement	(80)	7,284
Purchases	-	-
Sales	-	(39,188)
Repayment	-	-
Transferred in / out level 1 to level 2	7,069	-
Closing balance	12,514	5,525
Corporate Bonds, Mortgage Bonds, and Bonds without quotes		
Opening balance	1,725	8,184
Profit/loss, recognized in the profit or loss and other	497	(2,922)
Purchases	-	-
Sales	-	(3,537)
Transferred in/out level 1 to level 2	-	-
Closing balance	2,222	1,725
Total closing balance	14,736	7,250

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

16. Accounting classification and fair values (Continued)

The Fund uses the following techniques for valuation in determining the fair value of assets:

Financial instrument	Valuation Technique	Significant unobservable inputs (Level 3 only)	Inter-relationship between key unobservable inputs and fair value (Level 3 only)
Currency forwards	The fair value of currency forwards is determined on the basis of the difference between the determined currency forward rate and the currency rate of BNB for the corresponding day.		Increased expected cash flows would increase the fair value.
Corporate bonds	The fair value of corporate bonds is determined by the discounted cash flow method.	<ul style="list-style-type: none"> - Expected cash flows - Yield to maturity of a bond analogy (5.88729%) - Risk premium/discount (26.75%) 	<p>Increased yield to maturity of the bond analogy and the risk premium would decrease the fair value.</p> <p>Increase in the cost of capital would decrease the fair value of the shares.</p> <p>Increased expected cash flows would increase the fair value of shares.</p>
Shares	The fair value of shares is determined by discounted cash flow method or net asset value method.	The cost of capital	
Investment properties	A complex of applicable methods used from independent appraiser.	Expected cash flows	
	Method of comparable sales for determining the value of the land/Residual Value Method for value of land where the Method of comparable sales is not applicable / Cost method for determining the value of buildings / Generally accepted valuation formula for value of building permits		<p>Increased market prices of used for comparison properties would increase the fair value of the appraised investment property.</p> <p>When the correction coefficients increase, the value of the appraised properties will decrease</p>

17. Financial risk management

Given the nature of GPF, the portfolio of financial instruments determines the performance of the Fund. The risks arising from financial instruments may be classified as follows:

- Credit risk
- Market risk, incl. change in the market value or cash flow relating to changes in interest rates
- Foreign exchange risk
- Other market risk
- Liquidity risk
- Regulatory risk
- Political risk

The Fund is exposed to risks arising from the use of financial instruments. In the following notes, the objectives, policies, and processes for managing those risks are described as well as the methods used to measure them. Additional quantitative information relevant to the risks can be found below.

Main financial instruments

The main financial instruments used by the GPF that form the risk exposure are as follows:

- Receivables
- Cash and cash equivalents
- Deposits
- Government securities
- Bonds (corporate, municipal, mortgage)
- Mutual funds
- Shares

Objectives, policies and processes

The Management Board has overall responsibility for setting objectives and policies regarding risk management in GPF, having delegated the operational management processes to ensure effective achievement of and following the policies within the financial business. Monthly reports and reports for the achieved results are prepared and analysed.

The overall objective and the policies should achieve an optimization of the risk, without an undue reduction of the competitiveness and the flexibility of the Fund.. Further details regarding the policies can be found below:

Credit risk

Credit risk is the risk of a financial loss if the counterparty to a financial instrument fails to meet their contractual commitment.

For the GPF it mainly arises from the bonds part of the portfolio, cash, and bank deposits.

For GPF risk measurement an external analysis and resources are used, predominantly internationally recognized agencies.

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Credit risk (continued)

When no such information is available, the Fund uses its own internal credit evaluation methodology which includes data and analysis from the Prospectus and after listing on the stock-exchange further analysis of data derived from the quarterly financial statements. The analysis of the credit rating includes an examination of the individual characteristics and competitive advantages of the issuer, the potential of the respective market segment, as well as the performance versus the forecasts in the prospectus.

Regular meetings are carried out with the managers of the public companies in which the Fund has invested (shares and/or bonds), to discuss the financial position of the issuer and the perspectives for the development of the issuer's business.

The investments of GPF in Bulgarian and foreign government securities are in major extent exposed to credit risk, caused by a change in the price of the bonds, due to the deterioration in the credit status of the issuer.

Almost all issuers of government securities, included in the Fund portfolio, possess investment credit rating, assigned by internationally acknowledged rating agencies. The rating distribution in detail is represented below.

The investments in debt securities of GPF are equal to TBGN 2,331,554 and in a simulative scenario with an assumed decrease of their value with 6%, the total value of the portfolio would decrease with TBGN 139,893 or 3.26%.

Also, the GPF invests mainly in debt securities collateralized by mortgages, liens, receivables, and financial risk insurance. For that type of asset-backed securities, the local regulation constitutes the function of control with the trustee bank which is obliged to review the financials of the issuer and the quality and quantity of the collateral.

The investment committee manages the concentration in credit risk. Under review are the credit ratings, results for the period and reports of trustee banks.

Credit risk, albeit minimal, exists when it comes to cash in accounts in the trustee bank. Therefore, a thorough analysis of the financial condition and evaluation of the credit risk of the bank is regularly made.

Bank deposits are usually short and mid-term with maturity up to 2 years. Eligible counterparty bank may be one with rating by an external agency of at least BB or equivalent.

Exceptions are allowed only for a period of six months and in connection with a change in the rating of a bank with which deposit contracts have already been concluded.

GPF does not use derivatives to manage credit risk. If such need occurs and in strictly defined circumstances steps can be taken to reduce the risk if it is substantially concentrated and homogeneous.

Quantitative disclosure of exposure to credit risk related to financial assets is presented below, further explanation of the claims can be found in the notes 8.8:

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Credit risk (continued)

	31.12.2022	31.12.2021
	Maximum	Maximum
	risk	risk
	<u>BGN'000</u>	<u>BGN'000</u>
Cash and cash equivalents	502,866	706,600
Investment receivables	12,293	1,393
Derivative assets held for risk management	1,058	2,168
Deposits	-	-
Government securities	1,970,828	1,648,616
Corporate bonds	360,726	396,764
Total	<u>2,847,771</u>	<u>2,755,541</u>

The Company's management, acting as a manager of the fund, based on internal research and financial performance and features tracks credit quality of securities without a rating.

The management divides the securities without a rating into two groups: securities with higher credit risk and securities with lower credit risk.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Credit risk (continued)

Rating scale of Risk Methodology of Standard & Poor's or equivalent regarding the fair value of financial instruments as at 31 December 2022

/BGN'000/	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	Without rating	Total
Investment receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,293	12,293
Derivative assets held for risk management	-	-	-	-	1,058	-	-	-	-	-	-	-	-	-	-	1,058
Government securities	44,671	-	66,967	-	125,324	9,609	199,970	57,533	784,716	622,574	59,464	-	-	-	-	1,970,828
Corporate bonds	-	3,714	-	-	38,190	23,487	12,384	54,926	42,154	57,204	37,911	52,890	11,389	12,036	14,441	360,726
Total	44,671	3,714	66,967	-	164,572	33,096	212,354	112,459	826,870	679,778	97,375	52,890	11,389	12,036	26,734	2,344,905

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Credit risk (continued)

Rating scale of Risk Methodology of Standard & Poor's or equivalent regarding the fair value of financial instruments as at 31 December 2021

/BGN'000/	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	Without rating	Total
Investment receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,393	1,393
Derivative assets held for risk management	-	-	-	-	2,094	-	-	-	-	74	-	-	-	-	-	2,168
Government securities	208,233	3,856	116,592	-	123,398	-	160,960	28,130	486,729	386,004	134,714	-	-	-	-	1,648,616
Corporate bonds	-	4,210	6,579	6,601	31,713	22,610	29,616	50,839	70,984	71,020	23,621	40,349	12,331	12,813	13,478	396,764
Total	208,233	8,066	123,171	6,601	157,205	22,610	190,576	78,969	557,713	457,098	158,335	40,349	12,331	12,813	14,871	2,048,941

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Credit risk (continued)

Cash in banks

Cash in banks is classified as a current financial asset.

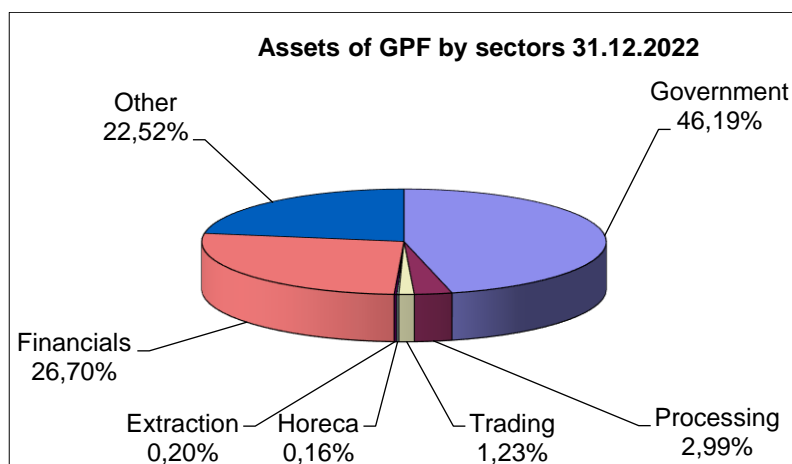
Cash is held at the following trustee bank as at 31 December 2022:

	Rating as of 31 December 2022	Balance as at 31 December 2022 /BGN'000/
UBB AD	A-	502,867

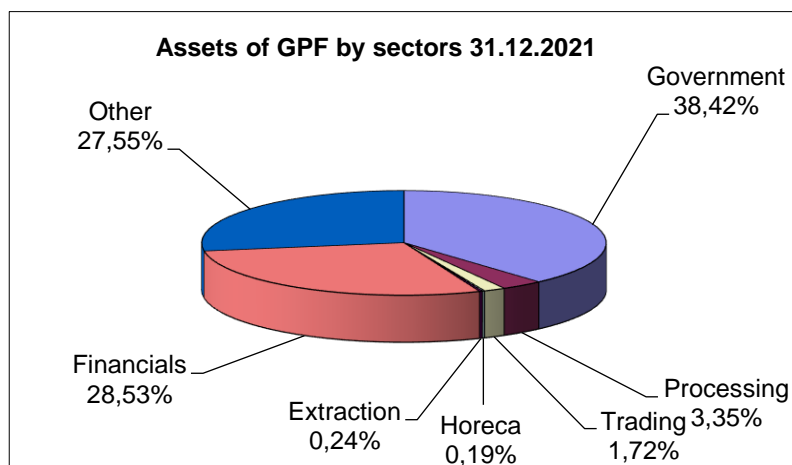
Cash is held at the following trustee bank as at 31 December 2021:

	Rating as of 31 December 2021	Balance as at 31 December 2021 /BGN'000/
UBB AD	A-	706,600

The following graph shows the concentration of the assets as at 31.12.2022 by sectors.



The following graph shows the concentration of the assets as at 31.12.2021 by sectors.



17. Financial risk management (continued)

Objectives, policies and processes (continued)

Credit risk (continued)

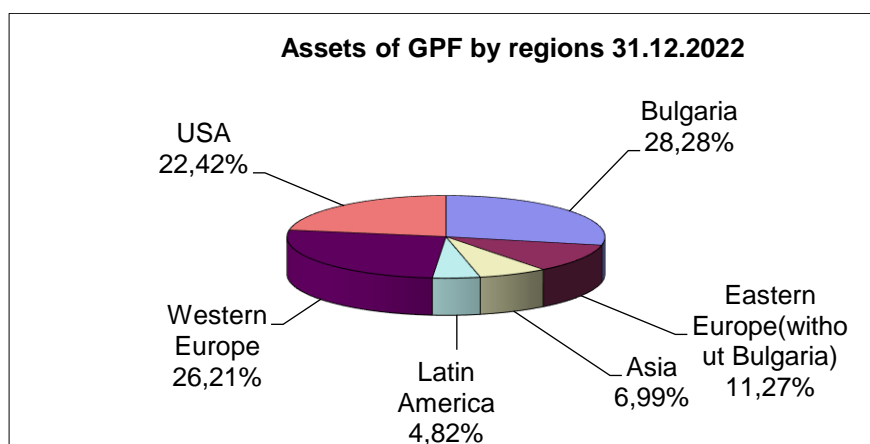
Cash in banks (continued)

Notes:

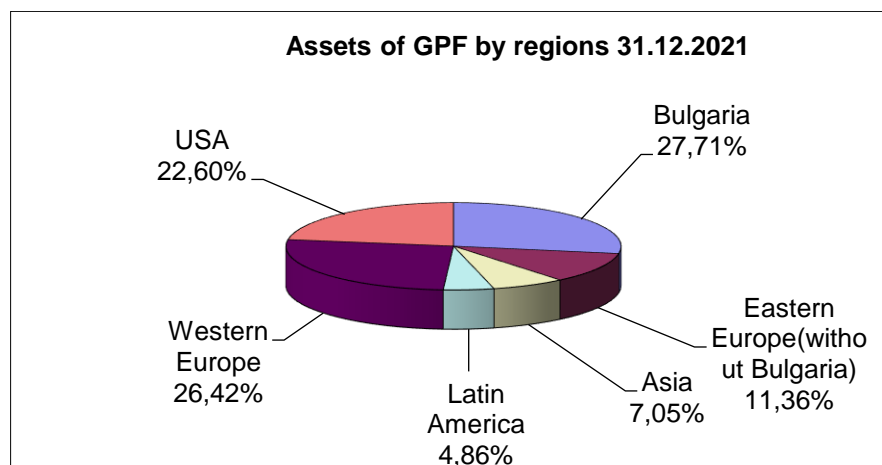
Sector „Financials” includes bank deposits, investments in REITs and mutual funds andETFs, securities issued by credit institutions and holding companies.

Sector Other includes the investments in real estate, receivables (excl. currency forwards) and cash in hand and bank accounts.

The following graph shows the concentration of the assets as at 31.12.2022 by regions.



The following graph shows the concentration of the assets as at 31.12.2021 by regions.



GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Market risk

Market risk arises from the Fund owning interest-bearing, tradable and foreign currency denominated financial instruments. This is the risk of change in fair value or future cash flows according to changes in interest rates, exchange rates or other market factors.

Indicators for risk measurement of the portfolio as a whole:

	2022	2021	2021 - 2022
Indicators			
Annual yield	-12.10%	4.55%	-4,12%
Standard deviation	7.33%	3.49%	5.76%
Risk-free rate of return	0.0045%	-0.48%	-0.24%
Sharpe Ratio	-1.65	1.44	-0.67
Modified Sharpe Ratio	-0.01	1.44	-0.0002

Indicator Value at Risk (VaR) is presented using historical data for the value of one unit of GPF Doverie (risk means the fluctuations in the value of the unit and the daily calculations(in %) in the variation).

The chosen model – Historically VaR, management believes it is the only relevant one because of its clarity, use of objective data and the ability for comparison.

	2022	2021	2021 – 2022
Value at risk	1 day	1 day	1 day
Confidence Interval			
95%	(0.90%)	(0.38%)	(0.56%)
99%	(1.29%)	(0.60%)	(1.13%)

Interest risk

In the second half of 2019, the methodology for calculating Eonia has been modified. The replacement of the Index (Eonia) with a new Euro risk -free value was due to (Eonia) no longer meeting the EU regulation criteria for indicators. According to EU regulations after January 1, 2020 the index cannot be used for new financial contracts. However, (Eonia) continued to be published until the beginning of January 2022, during this period the ECB recommended to the market participants to gradually replace (Eonia) for all its products and contracts, with the new (€STR) standard reference rate. (€STR) is also a banks overnight reference rate within the euro area in accordance with EU regulations. It represents the average of 35 different interest rates that cover five main currencies - US dollars, euros, British pounds, Japanese yen and Swiss franc. (€STR) represents an average of the rates in Europe. These rates are usually used by banks and institutional investors, as well as pension funds. One of the key reasons for switching to (€STR) is that there will be more banks contributing to the average rate than with (Eonia). The company applies alternative rates, taking into account the EU regulation.

The company expects that the reform of IBOR will affect its risk management and financial reporting. The Risk Management Unit monitors and manages the Company's transition to alternative rates and assesses the extent to which contracts relate to IBOR cash flows, whether such contracts will need to be amended as a result of the IBOR reform and how to manage the communication of IBOR reform with the counterparties. The Risk management department periodically reports to the management interest rate risk and risks related to IBOR reform.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Interest risk (continued)

The interest rate risk originates from the bond portfolio with a fixed coupon. That risk is managed by the duration and diversification of securities with fixed and floating coupon. The Company analyses the risk of a change of interest rates periodically. Sensitivity analysis is applied, and as a result of the analysis management believes that a realistically plausible scenario would be a change (increase) in basic (benchmark) interest rate with 75 basis points, and the effect to the financial result, all other conditions being equal, would be as follows:

No	Indicator	2022	2021
1	Change in the value of the investment portfolio in '000 BGN	(65,608)	(81,300)
2	Change in the value of the investment portfolio in %	(1.53%)	(1.88%)

As of 31 December 2022

ASSETS	Financial instruments with a floating interest rate	Financial instruments with a fixed interest rate	Non-interest bearing	Total
<i>TBGN</i>				
Cash and cash equivalents	-	502,866	-	502,866
Bank deposits	-	-	-	-
Securities issued or guaranteed by the government	-	540,654	-	540,654
Shares and stocks of local issuers (bonds, shares, mutual funds)	8,471	24,934	80,357	113,762
Foreign securities	-	1,757,495	1,308,279	3,065,774
Derivative assets held for risk management	-	-	1,058	1,058
Investment receivables	-	-	12,293	12,293
Investment property	-	-	53,140	53,140
Total Assets	8,471	2,825,949	1,455,127	4,289,547

LIABILITIES	Financial instruments with a floating interest rate	Financial instruments with a fixed interest rate	Non-interest bearing	Total
<i>TBGN</i>				
Liabilities to PAC	-	-	2,734	2,734
Investment payables	-	-	233	233
Payables to NSSI	-	-	9,149	9,149
Total Liabilities	-	-	12,116	12,116

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Interest risk (continued)

As of 31 December 2021

ASSETS	Financial instruments with a floating interest rate	Financial instruments with a fixed interest rate	Non-interest bearing	Total
<i>TBGN</i>				
Cash and cash equivalents	-	706,600	-	706,600
Bank deposits	-	-	-	-
Securities issued or guaranteed by the government	-	284,936	-	284,936
Shares and stocks of local issuers (bonds, shares, mutual funds)	8,282	27,278	112,119	147,679
Foreign securities	-	1,724,884	1,398,932	3,123,816
Derivative assets held for risk management	-	-	2,168	2,168
Investment receivables	-	-	1,393	1,393
Investment property	-	-	55,501	55,501
Total Assets	8,282	2,743,698	1,570,113	4,322,093

LIABILITIES	Financial instruments with a floating interest rate	Financial instruments with a fixed interest rate	Non-interest bearing	Total
<i>TBGN</i>				
Liabilities to PAC	-	-	2,718	2,718
Investment payables	-	-	211	211
Payables to NSSI	-	-	5,678	5,678
Total Liabilities	-	-	8,607	8,607

Currency risk

The Fund is a local entity of Bulgaria. Although the functional currency is the Bulgarian Lev (BGN), the Fund is at risk from changes in exchange rates arising mainly from financial instruments denominated in currencies other than BGN and EUR. The investments of the Fund that are denominated in BGN or EUR, but their values are dependent on changes in the exchange rate between a third currency, and BGN or EUR are also subjected to currency risk. During the reporting period, such financial instruments have been part of the investment portfolio of the Fund. To manage currency risk, forward contracts are used for a period of two weeks to one month and renewed at maturity with a few high-rated and reputable banks on the local market.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Objectives, policies and processes (continued)

Currency risk (continued)

To reduce the risk of any adverse change in the future exchange rate between EUR and BGN, the majority of the Fund's investments are denominated in EUR.

Sensitivity analysis at 10% depreciation of the EUR against USD as at the date of the report, with other things being equal, would lead to an increase in the financial result by TBGN 898 and the opposite – a 10% depreciation of USD against the EUR, will result in decrease of the result by the same amounts.

The currency position of the Fund as of 31 December 2022 by types of assets and liabilities, categorized by original currency is as follows:

/BGN'000/	BGN	EUR	USD	Total
Cash, cash equivalents and deposits	257,323	181,346	64,197	502,866
Financial assets at fair value through profit or loss	460,199	2,275,868	984,123	3,720,190
Derivative assets held for risk management	-	-	1,058	1,058
Investment receivables	11,055	233	1,005	12,293
Investment property	53,140	-	-	53,140
Total assets	781,717	2,457,447	1,050,383	4,289,547
Liabilities to PAC	2,734	-	-	2,734
Other liabilities	9,376	5	-	9,376
Total liabilities	12,110	5	-	12,115

The currency position of the Fund as of 31 December 2021 by types of assets and liabilities, categorized by original currency is as follows:

/BGN'000/	BGN	EUR	USD	Total
Cash, cash equivalents and deposits	273,709	356,290	76,601	706,600
Financial assets at fair value through profit or loss	252,087	2,328,992	975,353	3,556,432
Derivative assets held for risk management	-	-	2,168	2,168
Investment receivables	738	18	636	1,392
Investment property	55,501	-	-	55,501
Total assets	582,035	2,685,300	1,054,758	4,322,093
Liabilities to PAC	2,718	-	-	2,718
Other liabilities	5,868	14	8	5,890
Total liabilities	8,586	14	8	8,608

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (Continued)

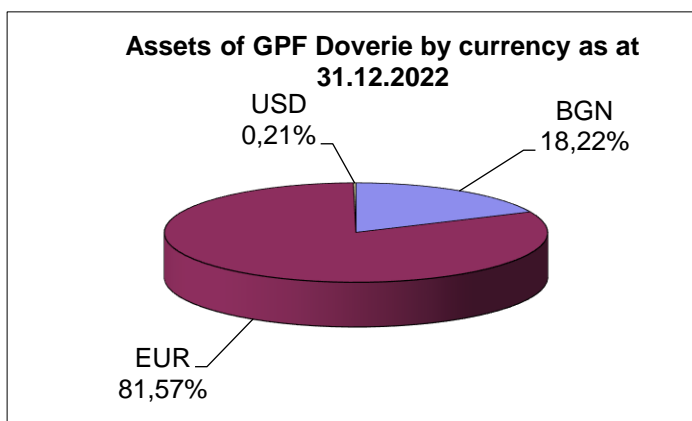
Objectives, policies and processes (Continued)

Currency risk (Continued)

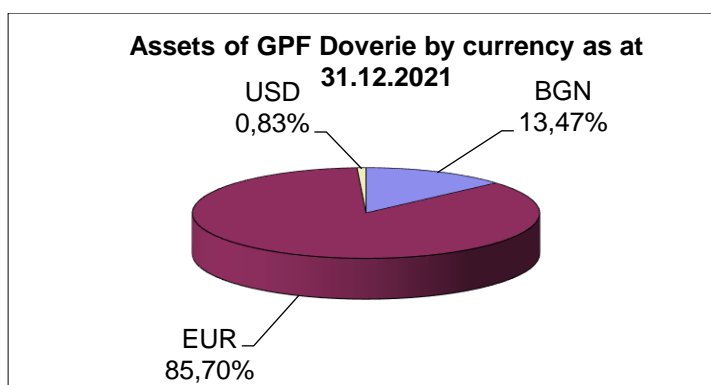
The following table summarizes the Fund's exposure to currency risk as at 31 December 2022. It includes assets and liabilities at book value categorized by original currency.

Currency exposure (assets/liabilities)	Functional Currency	
	2022	2021
	BGN'000	BGN'000
EUR	2,457,447	2,685,286
USD	1,050,383	1,054,750
Total	3,507,830	3,740,036

The following graph shows the concentration by the currency of the assets as at 31.12.2022.



The following graph shows the concentration by the currency of the assets as at 31.12.2021.



Note:

Exposures in EUR and USD include derivative financial assets and liabilities.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (Continued)

Objectives, policies and processes (Continued)

Currency risk (Continued)

The tables below show derivatives held for risk management purposes by type of instrument open as of 31.12.2022.

Counterparty	Nominal amount original currency USD '000	Currency pair	Maturity
Citi Bank Europe AD	567,919	EUR/ USD	23/01/2023
Fair value as at 31.12.2021			
		Assets	Liabilities
		BGN '000	BGN '000
Currency forwards		1,058	-
Total		1,058	-

The tables below show derivatives held for risk management purposes by type of instrument open as of 31.12.2021.

Counterparty	Nominal amount original currency USD '000	Currency pair	Maturity
UniCredit Bulbank AD	33,935	EUR/ USD	24/01/2022
Citi Bank Europe AD	556,026	EUR/ USD	24/01/2022
Fair value as at 31.12.2021			
		Assets	Liabilities
		BGN '000	BGN '000
Currency forwards		2,168	-
Total		2,168	-

Risks related to economic and macro conditions

During 2022, significant inflation pressure appeared in many markets around the world, as well as in Bulgaria, and this trend remained in early 2023. Although there were no significant impacts on the Fund results for 2022 - the recent increase in the inflation of a number of goods and services, the Company management closely monitors the inflation forecasts, as well as any changes in interest rates, fluctuations in foreign currency, etc., in order to respond appropriately to the potential impacts on the Fund's investment income.

Furthermore as a result of the current geopolitical tensions and conflict between Russia and Ukraine and the recent recognition by Russia of the independence of the self-proclaimed Republics of Donetsk and Lugansk, in the Donbas region of Ukraine, the United States, the European Union, Japan and other jurisdictions have recently announced the imposition sanctions of certain industrial sectors and parties in Russia, Belarus and the regions of Donetsk and Lugansk, as well as increased control over exports of certain products and industries.

Even though the Fund has no investment interests in Russia, Ukraine, and conflict zones, these and any additional sanctions and export controls, as well as any counter-responses from the governments of Russia or other jurisdictions, may adversely affect, directly or indirectly, the investment strategy, with negative consequences on global financial markets and the financial services industry.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Other market risks

The Fund owns equities/shares of specific issuers and mutual funds as part of the strategic model of the portfolio.

As at 31 December 2022 investments at the fair value of these instruments are equal to TBGN 1,388,636 and a realistic scenario of change in the main stock market indices by 30% will result in a change in the financial result by TBGN 416,591.

Information on collaterals and credit rating

Total debt securities represent 54.35% of the assets, 0.09% of them secured and 54.26% unsecured. Total having external credit rating is 54.02%, and the remaining 0.34% are rated using internal methodology.

Liquidity risk

Liquidity risk arises for the Fund if it encounters difficulties to meet its financial commitments in full and on time.

The Fund's policy is to ensure at all times available cash at least sufficient to cover obligations when due. To achieve this goal, cash and cash equivalents in an amount at least equal to the requirements for 30-45 days are maintained.

Management monitors daily cash management, and with a monthly budget review, a fine-tuning is made where necessary.

Given the significantly higher number of cash inflows compared to outflows, the Fund has not implemented an active policy of long-term synchronization of assets and liabilities. However, maintaining the necessary funds to meet current obligations and the availability of marketable securities in the portfolio would enable it to meet even significant unusual payables. In practice, the possibility of receivables and/or obligations to become required earlier than the date of maturity the Fund is assessed as minimal.

The following table presents an analysis of the assets and liabilities of the Company as at 31 December 2022 grouped by residual term to maturity.

As of 31 December 2022	Up to 3 months	From 3 to 12 months	Over 5 years
Financial liabilities	BGN'000	BGN'000	BGN'000
To PAC	2,734	-	-
Related to investments	-	233	-
Payables to NSSI	-	9,149	-
Total	2,734	9,382	-

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

17. Financial risk management (continued)

Liquidity risk (continued)

As of 31 December 2021	Up to 3 months	From 3 to 12 months	Over 5 years
Financial liabilities	BGN'000	BGN'000	BGN'000
To PAC	2,718	-	-
Related to investments	-	211	-
Payables to NSSI	-	5,678	-
Total	2,718	5,889	-

Regulatory Risk

The Fund is subject to the regulations set out in the Social Security Code and Regulations issued by the FSC. Regulatory risk arises from the possibility that certain regulations and requirements for investments might be changed, and deadlines for the compliance of operations in accordance with the new requirements might be short. In this particular case, it could be that the Fund would be forced to dispose of assets and their realization may be affected adversely in an unfavourable situation and respectively the sale to be below the fair value. The Fund reports this risk as being minimal, given the current allocation of financial assets and the probability of such change.

Political risk

Given that the Fund operates only within the Republic of Bulgaria there is a concentration of political risk. This is a risk of significant political change and significant change in the policies and reforms that would have a negative impact on the Fund.

18. Related party transactions

The Fund is in a related party relationship with the following:

PAC Doverie AD, in its capacity of a company providing the management of the Fund, hence the companies under the common control of the ultimate parent of PAC Doverie (ultimate controlling party WIENER STÄDTISCHE Versicherungsverein – Vermögensverwaltung) are considered related parties.

BGN'000	<i>Type of transaction</i>	<u>2022</u>	<u>2021</u>
PAC Doverie AD	Investment fee	31,416	30,296
	Payables to PAC in relation to fees and charges	2,734	2,718

The key management personnel of PAC Doverie AD are also considered related parties of the Fund.

GENERAL PENSION FUND DOVERIE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2022

19. Contingent assets and contingent liabilities.

The Fund has no contingent assets or liabilities during the period and there are no legal claims against the Fund.

20. Events after the reporting period

The management of PAC Doverie continues to monitor the non-adjusted macroeconomic movements after the reporting date (such as interest rates, market values of financial assets and influence on inflation of fuel prices and/or unstable chain supplies). In general, these movements have positively influenced the valuation of the fund assets between the reporting date and the date of approval for issuance of the annual financial statement.

With the bankruptcy of Silicon Valley Bank and Signature Bank, the forced merge of UBS and Credit Suisse operations and the constant issues surrounding the viability of small regional banks in the United States, central banks around the world are again faced with the need to ensure the stability of the financial system.

As central banks continue to increase interest rates to cope with continuing inflation threats, market instability is increasing and the risk of more economic contraction increases. The fund has no exposure to bankrupt banks, but remains cautious about further market development and focuses on steady risk management.

There are no other significant post balance sheet events with effect on the financial statements as of 31 December 2022.

These financial statements were approved for issue by the Management Board dated 23 March 2023.

The financial statements are approved by the Management Board and signed on behalf of the management by:

Prepared by:

Ivanka Stoyanova Lazarova

Executive Director:

Miroslav Krumov Marinov

Chairman of the
Management Board:

Daniela Panova Petkova

23 March 2023