

**“The State Export-Import Bank of Ukraine”  
Joint Stock Company**

**Management report**

**Annual financial statements**

*For the year ended 31 December 2024,  
with independent auditors' report*

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**Management report (governance report)**

**OF “THE STATE EXPORT-IMPORT BANK OF UKRAINE”  
JOINT STOCK COMPANY**

*(the management report (governance report) was prepared in accordance with the requirements of Article 126 of the Law of Ukraine "On Capital Markets and Organized Commodity Markets", the Regulation on Disclosure of Information by Securities Issuers approved by decision No. 2826 of the National Securities and Stock Market Commission of Ukraine (NSSMC) dated December 3, 2013, Law of Ukraine “On Accounting and Financial Reporting in Ukraine”, the Instruction on the Procedure for Preparation and Publication of Financial Statements of Banks of Ukraine approved by the NBU Board Resolution No. 373 dated October 24, 2011)*

“The State Export-Import Bank of Ukraine” Joint Stock Company (hereinafter – Ukreximbank, “Ukreximbank” JSC, the Bank/bank or the issuer) was established in 1992 and entered in the State Register of Banks on January 23, 1992 under number 5, Ukreximbank performs its activity on the basis of Bank License No.2.

As at 31 December 2024 and 2023, 100% of Ukreximbank share capital was owned by the state. Functions on the management of the state corporate rights in the Bank are performed by the Cabinet of Ministers of Ukraine.

Head Office of Ukreximbank is located in Kyiv at the address: 127, Antonovycha Str. The Bank has 22 branches and 27 sub-branches (as at 31 December 2023 it had: 22 branches and 28 sub-branches) and two representative offices in London and New-York. The Bank and its branches are a single legal entity.

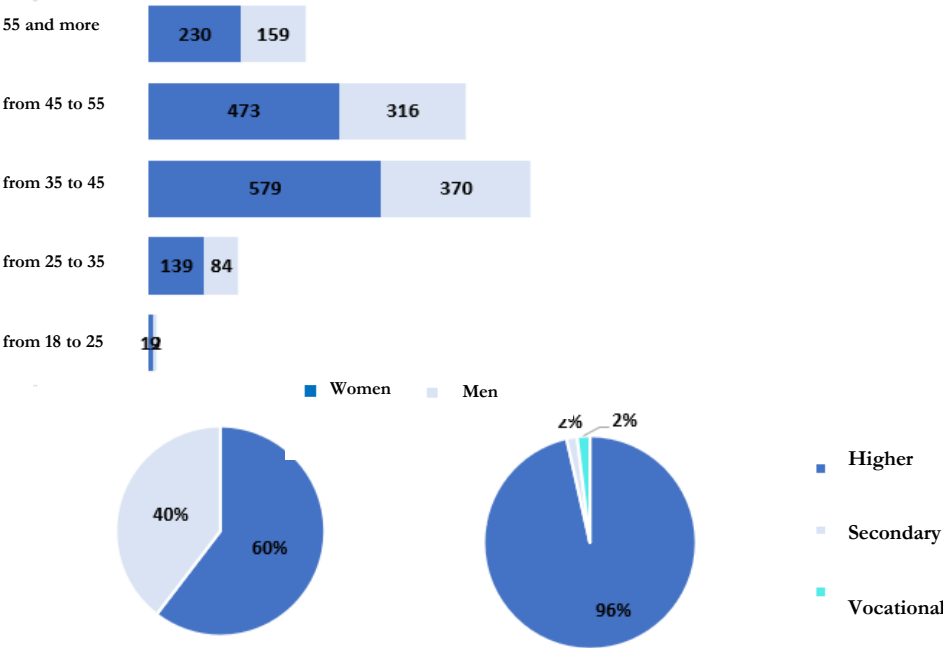
Ukreximbank also wholly owns with Subsidiary of “The State Export-Import Bank of Ukraine” Public Joint Stock Company, Leasing Company “Ukreximleasing” (hereinafter - Subsidiary “Ukreximleasing”), which was founded in 1997 and registered in Ukraine. By the relevant resolutions of the Management Board of “Ukreximbank” JSC and the Supervisory Board of “Ukreximbank” JSC, the action plan (roadmap) for the termination of the Subsidiary “Ukreximleasing” was approved. During 2024, the liquidation procedure of the Subsidiary “Ukreximleasing” continued.

Historically, the key activity of Ukreximbank is servicing of export and import transactions. Currently, Ukreximbank has the diversified customer base, which includes significant number of large industrial and state-owned enterprises. Ukreximbank accepts deposits from individuals and legal entities, issues loans, provides payment services within Ukraine and carries out money transfers abroad, fulfils foreign exchange transactions, invests funds, performs servicing of the customers’ cash and settlement operations and renders other banking services.

One of the key Ukreximbank functions is facilitation of servicing, on behalf of the Government of Ukraine, of the loan agreements entered into by the Government of Ukraine and governments of other countries. Ukreximbank acts as an agent of the Government of Ukraine and carries out servicing of loans provided by international financial institutions in accordance with the terms and conditions of such agreements.

**Human resources, employment, respect for human rights, intellectual capital and its use for the achievement of the Bank’s goals, anticorruption efforts**

“Ukreximbank” JSC is a reliable employer in the financial sector of the country. The profile of the team and the profile of the Bank's employee are as follows:



Gender	Age	Education	Term of employment at the Bank
Female	46	Higher	10,6

As of 31.12.2024, the total registered number of employees in “Ukreximbank” JSC system is 2 371 employees. Within “Ukreximbank” JSC development strategy the transformational changes to personnel management as the basis for strengthening of the employer brand, building and maintaining highly professional, involved, loyal, motivated team of the Bank, which is able to respond flexibly to changes in the internal and external environment and ensure the Bank's leading positions in the financial market, are gradually being introduced.

During 2024, there were ensured: transparent and centralized selection of personnel, improvement of the quality of selection of candidates for vacant positions in all independent structural units and branches of the Bank, uniform principles of approval of candidates in accordance with the strategic plans and needs of the Bank.

214 new employees were selected and employed at the Bank, including:

- in terms of HO/branches: 158 new employees for vacant positions in the Head Office and 56 new employees for vacant positions in branches;
- in terms of positions: 44 new employees were employed at the management positions (heads of ISUs, heads of divisions and deputy heads of branches), and 170 - at the line positions.

In 2024, the concept was agreed and the Procedure for Adaptation of Employees of “Ukreximbank” JSC was approved, and the process of adaptation of new employees according to the relevant standards was ensured.

During 2024, measures for personnel evaluation with the use of valid instruments in accordance with world practices were successfully implemented:

- 360° Assessment based on a modern remote online platform was conducted for 2119 employees (812 employees of Branches and 1307 employees of the Head Office);
- comprehensive assessment of 63 executives of the tactical level of the Head Office was conducted;
- as part of the HiPo program, competency assessment by the method of the Assessment Center was conducted for 193 employees (150 employees of the Head Office and 43 employees of Branches).

Based on the results of the assessment, the participants received feedback and formed individual development plans. In order to organize and ensure the development of high-potential employees within the Bank, who are an internal talent pool for promptly filling vacancies in the Bank, 3 waves of selection were carried out and lists of HiPo employees were formed. 76 high-potential employees of the Head Office and Branches were included in the final lists of the HiPo program. Currently, the Bank's talent pool includes 89 HiPo employees: 37 headliners, executives of the tactical level who are reservists for strategic positions of the Bank and 52 performers, professionals in various fields. 27 participants of the HiPo program completed their studies and received certificates of completion of the programs for the development of personal efficiency, 18 participants are currently enrolled in a 5-module Management Potential Development Program, and 26 participants will start their studies in 2025.

During 2024, there were carried out the following:

- 11 online trainings for the HO and branches employees (feedback, business public presentation, welcome training for beginners);
- 104 face-to-face trainings for the HO and branches employees (4-module Personal Effectiveness Development Program and 5-module Management Potential Development Program for High Potential Employees (HiPo), business public presentation, time management, basics of conflict management, business negotiations);
- Exim MBA training program for heads of branches and heads of departments was launched. 7 modules aimed at developing leadership skills were held.

In 2024, the Procedure for Non-Financial Incentives for "Ukreximbank" JSC Employees was developed, which helps to encourage Employees and/or independent structural units/branches of the Bank to achieve high professionalism and make a significant contribution to the development of the Bank.

In the area of internal communications and corporate culture, in 2024, a study of employee engagement, loyalty and satisfaction was conducted. The previous similar study was conducted in 2022, before the start of the full-scale war. The results were analyzed in comparative dynamics, and the conclusions were presented to the Management Board.

In internal communications, the implementation of a "human-centered" approach to content creation continued, which was reflected, in particular, in the "Exim Life" and "Exim Heroes" sections (both introduced during 2023-2024). Horizontal communications focus on the achievements and personal development of employees to motivate them to learn and improve their skills.

In order to increase employee engagement and satisfaction, corporate events of various kinds, including social, sports, entertainment, etc. were organized and supported in 2024. Examples of activities include blood donor days, table tennis and beach volleyball tournaments, and a quest for the Bankers' Day.

## **Respect for human rights**

In terms of respect for human rights the Bank in its activities is guided by the Constitution of Ukraine, strictly adheres to the legislation and regulations of Ukraine, regulations of the Bank, the Code of Conduct (Ethics) of "Ukreximbank" JSC, Anti-Corruption Program of "The State Export-Import Bank of Ukraine" Joint Stock Company, namely:

- the Bank promotes a culture of respect to executives and employees of the Bank. Executives and employees of the Bank are provided with equal opportunities for professional development, implementation of labour rights and development of professional potential. The Bank's management takes measures aimed at protection of work and health of executives and employees of the Bank, creating the necessary conditions for their safe labour conditions and improvement of social welfare;
- the Bank does not allow any discrimination regarding the Bank's executives and employees on the grounds of race, colour, political, religious and other beliefs, gender, gender identity, sexual orientation, ethnic, social and foreign origin, or any other characteristics at the time of recruitment, remuneration, promotion;
- the main criteria for the appointment of executives and employees of the Bank to senior positions are their achievements and abilities. Every employee of the Bank has the right to nominate his / her candidacy for vacancies available in the Bank, provided that the qualification requirements are met;
- the Bank does not prosecute persons of any kind in its activities.

The Bank does not use and does not support the use of labour of children who have not reached the minimum age established by labour legislation from which employment is allowed.

"Ukreximbank" JSC system annually sets working time norms according to five-day working week calendar which does not exceed 40 hours per week, with two days off on Saturday and Sunday, with mandatory observance of working time norms.

In accordance with the requirements of the applicable legislation of Ukraine, the Bank's employees are provided with various types of leave, in particular, annual leave (basic and additional for special work), additional leave in connection with studies, social leave (due to pregnancy and childbirth, childcare leave until the child reaches the age of three, for employees who have children, etc.), unpaid leave.

The Bank's employees maintain a healthy lifestyle by participating in external and internal activities aimed at an active lifestyle. Every employee of the Bank is provided with a voluntary health insurance policy.

In accordance with the requirements of the Law of Ukraine "On Prevention of Corruption", "Ukreximbank" JSC has the Anti-Corruption Program of "The State Export-Import Bank of Ukraine" Joint Stock Company, approved by Resolution of the Management Board of "The State Export-Import Bank of Ukraine" Joint Stock Company No.75 dated July 26, 2023 (hereinafter – Anti-Corruption Program). The Anti-Corruption Program defines a set of rules, standards and procedures for preventing, detecting and counteracting corruption in the activities of the Bank. The Anti-Corruption Program applies to all employees who have an employment relationship with the Bank, regardless of their position and functional responsibilities. In order to update and bring the Bank in line with the current legislation, in 2024, the Bank revised the versions of internal regulations that regulate the Bank's activities on prevention of corruption and approved relevant amendments to them.

In accordance with the requirements of the Regulation on the Organization of the Risk Management System in Banks of Ukraine and Banking Groups, approved by Resolution of the Board of the National Bank of Ukraine No. 64 dated June 11, 2018, and in order to ensure the effectiveness of preventing corruption in the Bank's structural units, the following internal regulations are in effect:

1. Code of Conduct (Ethics) of "Ukreximbank" JSC, approved by resolution of the Supervisory Board of the Bank dated February 28, 2024 (Minutes No.9);

2. Policy “The Mechanism of Confidential Notification of Unacceptable Conduct, Violations in Activities of “Ukreximbank” JSC”, approved by resolution of the Supervisory Board of the Bank dated February 28, 2024 (Minutes No.9, item 30);
3. Policy on Preventing, Identifying and Managing Conflicts of Interest in “Ukreximbank” JSC, approved by resolution of the Supervisory Board of the Bank dated February 28, 2024 (Minutes No.9, item 30).
4. Regulation on Managing Conflicts of Interest in "Ukreximbank" JSC, approved by resolution of the Supervisory Board of the Bank dated February 28, 2024 (Minutes No. 9, item 30).

### **Technological resources and their use to achieve the bank goals**

In 2024, “Ukreximbank” JSC actively continued IT transformation to achieve a level of efficiency that ensures the loyalty of digital users of its services and a sufficient level of reliability and security of IT infrastructure and flexibility of implementation of new technologies and systems according to business and regulatory requirements. The priority task was to ensure the continuous operation of the bank amid unprecedented wartime challenges.

In the reporting year, the Bank continued to implement new digital solutions and optimize existing ones, optimize Core Banking and business-critical information systems using AWS cloud services for a production environment. At the same time, the Bank completed the deployment of backup technology sites in different locations of Ukraine with the upgrade of server equipment.

To increase reliability, communication channels to the international payment systems Visa, Master Card, AmEx and regulatory authorities (NBU, NDU) were reserved. All of this, as well as the use of the modern solutions, such as Microsoft 365, secure remote connection based on GlobalProtect Palo Alto Networks, allowed the Bank to ensure efficient and uninterrupted operation during the reporting period. The external website, remote service systems and mobile applications for customers, as well as other electronic services also operated smoothly in the reporting year.

Supporting Ukraine's aspirations to integrate with global markets, “Ukreximbank” JSC actively participates in projects of implementation of international standards, in particular ISO20022 standard for the exchange of payment messages in foreign currency. In cooperation with the ABS provider, the bank is continuing the project to fully migrate the SWIFT messaging module to this standard, which will help increase efficiency in cross-border payments.

In 2024, the bank improved a technology of making payments in foreign currency using Bankers Almanac® services to automate the selection of the optimal route for such payments. This, together with the use of SWIFT gpi technology, which ensured the highest (“green”) level of SLA compliance in 2024, contributes to transparency and significant acceleration of payments processing. The use of the SWIFT Transaction Screening service to screen payments against the most comprehensive sanctions lists, which already works with ISO20022 messages, significantly increases the level of security of incoming and outgoing payments. The bank's SWIFT infrastructure fully complies with the requirements of the SWIFT CSP user security program, as evidenced by the publication of the results of Ukreximbank KYC Security Attestation on the official website of the SWIFT community.

In the national currency payments segment, the Bank successfully implemented the requirements of the NBU Electronic Payment System (EPS-4.1) for accepting instant payments on December 1, 2024, supporting an important step of the Ukrainian banking community towards further transformation of the financial market.

In December 2024, an important milestone in the development of the bank's ABS was the introduction of the “seamless” opening and closing of the bank's business day without a technological pause in operation, which allows making payments in national currency 24/7/365, in particular, ensuring the round-the-clock operation of the instant payment system.

During 2024, the bank implemented:

- Loan factory for legal entities: full automation of the lending process for legal entities, small and medium-sized businesses
- Automation of restructuring and collection processes
- New solution for general banking CRM
- Electronic archive of documents eArchive (opening a counterparty with the execution of the client's legal file; opening current and card accounts; deposits; execution of acquiring agreements and payroll projects; servicing of card loans to individuals; registration of individual safes; securities transactions; investment activities and other processes)
- Expanded ABS functionality (interaction with the NBU Credit Register 2.0; analytics of card transactions; automated generation of FX/SPOT deal revaluation results, monthly amortization and discount adjustment for POCI assets, etc.)

- Expanded functionality of the iFOBS remote banking system for corporate clients (payment instructions of the State Executive Service of Ukraine: submission and processing of payment instructions of debt collectors and the Auto-client module: Integration with client's ERP systems)

The processing system of the bank which fully complies with PCI DSS requirements, serves not only “Ukreximbank” JSC but also a number of its affiliated banks. The system ensures reliable 24/7/365 uninterrupted card processing in cooperation with such international payment systems as Visa, Mastercard, American Express and the national payment system Prostrir.

In addition to the basic functions of card processing, this system also provides GooglePay/ApplePay, Purchase with CashBack and PIN Delivery by SMS technologies. A high level of security for ecom transactions for Visa IPS and Mastercard IPS is ensured by the use of the last version of 3DS 2.2 protocol. A high level of security of the bank's ATM network is provided by the ATM Securix system. Hosting in the AWS cloud environment with additional backup ensures high reliability and uninterrupted operation of the system.

In addition, "Ukreximbank" JSC effectively performs the functions of a settlement bank for Mastercard and Visa in Ukraine, ensuring daily domestic settlements between all participants of these international payment systems.

In 2024, “Ukreximbank” JSC continued the process of modernization and implementation of modern information security and cybersecurity tools, in particular: network attack protection system, endpoint and corporate network protection system, information security event monitoring system, etc. The Bank has implemented the following information security (IS) processes to prevent/minimize the impact of potential negative scenarios:

- IS risk management;
- Antivirus protection of endpoints;
- Protection of the information and telecommunication network;
- Cryptographic protection;
- Support and development of electronic signature services;
- Management of IS vulnerabilities;
- Management of IS incidents and cyber incidents;
- Raising staff awareness and communication support of IS processes;
- Secure destruction of information resources;
- Secure development of applications;
- Inventory of critical information resources;
- Access management;
- Control and counteraction to confidential information leakage;
- NBU Security Compliance;
- PCI Security Compliance;
- SWIFT Security Compliance.

The Bank is constantly taking measures to improve the efficiency of its systems and services, decommission outdated systems resulting from significant changes in the Bank's IT infrastructure (migration to cloud services, etc.) and to implement a number of new projects aimed at increasing the cyber defense efficiency.

## **Awards 2024**

### ***Ukreximbank received the award as “Reliable Partner of Medium-Sized Businesses and Municipalities”***

The state-owned Ukreximbank won the nomination “Reliable Partner of Medium-Sized Businesses and Municipalities” of the All-Ukrainian competition “Bank of the Year – 2024”. The award ceremony of the winners of the competition of the International Financial Club “Banker” was held on November 12 in the conference hall of IQ Business Center with participation of the leading representatives of financial sector and business circles.



## ***Ukreximbank - Bank of the Year in ESG in Ukraine according to the international rating Euromoney Excellence Awards 2024***

The state-owned Ukreximbank received Ukraine's Best Bank in ESG award from the international journal Euromoney.

The Bank has expertise in raising funds and forming financial products, in particular long-term loans, in cooperation with international financial institutions.

During 2022-2023, within the framework of joint Programs with IFIs, Ukreximbank implemented more than 200 loan projects with a total financing volume of more than the equivalent of USD 220 million or almost UAH 9 billion.

### ***Ukreximbank received the award at the International Finance Corporation Global Trade Partners meeting in Barcelona***

One of the key events of the conference was the panel discussion “Toward the City of Light: Aligning Trade Finance with the Goals of the Paris Climate Agreement”, which was attended by the speakers from different countries and continents (Ecobank (Africa), Deniz Bank, (Turkey), CaixaBank (Spain)). Ukreximbank was represented in the discussion by the member of the Management Board, Oleksandr Shchur, who told the participants how Ukraine’s ecology was affected during the war, about the importance and necessity of assistance from Western partners for the country’s recovery, as well as about the legislative implementation of sustainable development principles and environmental procedures implemented in Ukreximbank when assessing loan projects.

At the end of the conference, an award ceremony for IFC partner banks was held, at which Ukreximbank received the award “Outstanding GTFP Issuing Bank”, Eastern Europe.

## **Nature of business (external environment summary, where the Bank performs its activities, brief summary of the existing business model, core products and services)**

### **External environment summary**

Despite the war and continued Russian aggression in the country in 2024, including attacks on infrastructure, the financial sector continued to operate smoothly. Customer trust in banks remained high, and banks increasingly extended lending to businesses and individuals. The war risks persisted, but Ukraine’s economic growth continues thanks to the high adaptability of business and the population to war conditions, domestic consumer demand, government capital expenditures, increased exports due to the establishment and stability of logistics routes, support from large-scale international financing, etc.

Security and defence remained the priority areas for budget financing. Government orders, in particular defence-related orders, including those financed by capital expenditure, supported the continuing localisation of arms production. Significant budgetary capital expenditures were also directed towards projects for infrastructure restoration and repair, as well as compensation for damaged property for the population, which were key factors driving investment growth. Investment activity in the private sector increased due to improved financial results of enterprises. Investments were notably directed towards industrial equipment, commercial vehicles, and the development of logistics infrastructure.

This year, the financial sector operated in generally favorable macroeconomic conditions. Despite attacks on infrastructure, increased migration, and a shortage of labor resources that have slowed the economic recovery, according to the NBU forecast real GDP will amount to 3.4%. In turn, the inflation accelerated at the end of 2024 and amounted to 12%. Since the 2nd half of 2024, the price pressure has intensified, due to the worse-than-expected harvests of various agricultural crops and the associated increase in the cost of raw materials for the food industry. The increase in inflation was also due to a further increase in production costs, including electricity and labor costs, and exchange rate effects due to the weakening of the national currency. Despite the increase in inflation in recent months, the inflation expectations of economic agents have remained quite stable and controlled. The discount rate has been decreasing from 15% to 13% since the beginning of the year, and increased to 13.5% at the end of the year. Nevertheless, its current level guarantees sufficient attractiveness of hryvnia savings instruments, taking into account the improvement in inflation expectations. The decrease in interest rates gave banks the possibility to increase the net interest margin by maintaining the return on assets and reducing the cost of funding.

During 2024, the Banks relied on increasing customer deposits for their own funding. The significant amount of liquidity available in the banking sector contributed to maintaining short-term and long-term liquidity. Given the significant reserves of the free liquidity of banks, since October 2024 the NBU increased the requirements for mandatory provisions, after which the banks reduced their investments in certificates of deposit in favor of correspondent accounts with the NBU or invested in the new benchmark government bonds.

The legislative increase in the military levy on household income and its extension to the income from the term deposits significantly attracted individuals to invest in the government bonds and became an alternative to classic bank deposits. Over the year, the volume of household investments in government securities increased by almost half and amount to about 5% of total household investments in banks.

Over the past year, the contribution of banks to supporting economic growth has increased, and business loans have increased, providing financing for key sectors of the economy. The volume of lending to agriculture, processing industry, mechanical engineering, and chemical industry has increased significantly. A significant component of the bank support for the economy is the implementation of lending to the energy projects and defense complex.

The pace of lending under the state program “Affordable Loans 5-7-9%” has slowed down somewhat due to the premature exhaustion of the annual budget of the state program and the growth of debt on the interest compensation to the banks, which has prevented banks from issuing loans. Also, the population activity towards the mortgage lending through “eOselya” has decreased due to changes in the terms of issuing loans in terms of limiting the maximum age of housing, reducing the share of the first payment, and increasing rates after the tenth year. At the same time, the role of government guarantees and those from international financial institutions to cover credit risk in corporate lending is increasing.

The main regulatory innovation in 2024 was the transition of banks to a three-tier regulatory capital structure and the inclusion of credit, market and operational risks in the calculation of capital requirements.

Given the high quality of the asset portfolio, the banks almost do not incur provisioning costs, and their profitability remains significant and allows them to maintain a high level of capital. An important moment for the banks profitability was the recurrent increase in the income tax rate up to 50% for the financial result for 2024, which further affects the banks capital planning, possibilities of lending and compliance with prudential ratios. Detail information is given in “Going concern and economic environment» in Note 2.

## **Existing Business Model**

Historically, the key activity of Ukreximbank is servicing of export and import transactions. Currently, Ukreximbank has the diversified customer base, which includes significant number of large industrial and state-owned enterprises. Ukreximbank accepts deposits from individuals and legal entities, issues loans, provides payment services within Ukraine and carries out money transfers abroad, fulfils foreign exchange transactions, invests funds, performs servicing of the customers’ cash and settlement operations and renders other banking services.

Despite the impact of the negative factors of the war, the Bank continues to operate as a universal bank, which is one of the largest systemic banks in Ukraine and provides a full range of banking services to large corporate clients, small and medium-sized businesses and individuals. Since the beginning of the war, the Bank has focused its main efforts on financing strategic industries of Ukraine and critical infrastructure enterprises (facilities).

In 2024, the Bank acted in accordance with the Main (Strategic) Areas of Activities for State-Owned Banks During Martial Law and Post-War Economic Recovery, ensuring that it maintained a stable liquidity position and fulfilled all its obligations to depositors, counterparties and creditors in full and on time.

The Bank's strategic goals for the period of martial law and post-war economic recovery include:

- provision of financial support to priority economic sectors and critical infrastructure enterprises (facilities);
- availability of banking services to ensure consumer rights protection, in particular within the framework of social protection of the population, provided that there is no physical threat to security of bank employees;
- creation of conditions for the rapid resumption of banking services in full and ensuring the functionality and continuity of public sector banks;
- creation, establishment and maintenance of an effective system of physical security (of the central office and branches of the bank, including security of bank employees), security of operating systems, including using cloud solutions, and cybersecurity;
- implementation of measures aimed at reducing risks, including possible threats, implementation of bank security measures, including control over security risks (including physical, financial, cybersecurity and operating system security), elimination or and/or minimization of the consequences of implemented threats and crisis situations;
- uninterrupted effective work of the bank managers to ensure the adoption of necessary management decisions;
- maintenance of the financial stability of the bank, identification of possible threats to such stability, as well as prompt response to threats to financial stability and/or their avoidance.

Existing business model envisages:

- focusing on ongoing implementation of the IFI programs under lending projects to the export-oriented enterprises;
- focusing on existing and attraction of new customers for servicing of their export-import transactions and for provision of consultation support;
- expansion of corporate customer base;
- retaining premium individual customers with significant account balances.
- expanding the number of commercial banks, to which financing is provided under the IFI programs;

The aggression and war against Ukraine and its course in the country made it impossible to achieve the strategic goals set for peacetime. During the period of martial law, the performance targets of public sector banks set by the Principles of Strategic Reform of the State Banking Sector (Strategic Principles) as of September 2, 2020, as well as the key priorities and performance indicators set by the development strategies of public sector banks became irrelevant.

### **Eco-responsibility**

The Bank contributes to improving the energy efficiency of the Ukrainian economy and defines the financing of projects in the field of environmental protection and introduction of energy-saving technologies as one of its important activities. Ukreximbank adheres to the responsible financing policy and pays attention to the environmental component, in particular:

- applies environmental and social risk assessment procedures in respect of loan projects;
- does not provide financing to socially hazardous and environmentally harmful industries;
- implements initiatives aimed at reduction of the negative impact of business activities on the environment, etc.

The environmental and social management system is integrated into the bank lending activities. The assessment of environmental and social risks is carried out at the stage of review of loan projects, and monitoring of such risks is carried out at the stage of their administration. Remote training courses are arranged on a regular basis to ensure that the Bank's employees are adequately informed of the current risk assessment system.

The Bank regularly conducts training seminars for representatives of enterprises of different sectors of the economy and participates in representative activities to promote energy efficiency programs and encourage investment in this field.

### **Core products and services**

Core products and services of the banking institution are:

- loans;
- deposits;
- cash and settlement services;
- payment card transactions;
- securities transactions;
- trade finance transactions; factoring;
- services provided using remote servicing systems (Client-Bank system, internet banking, mobile banking).

In addition, Ukreximbank is expanding the range of products under IFI programs, derivatives. Also, in addition to sovereign Eurobonds, the bank offers corporate Eurobonds, which are placed on international stock markets and admitted to trading on Ukrainian stock exchanges.

### **The goals of management and strategies for achievement of these goals (information about priority of actions for achievement of results, highlighting of activities in the area of research and development)**

Before the start of the full-scale military aggression of the Russian Federation, the bank's main strategic goals and priorities for 2022–2024 were as follows:

- to become a leading bank for export-import financing and corporate lending in Ukraine, in particular by retaining existing customers and attracting new ones to service their export-import transactions, as well as consultancy support;
- to ensure efficient and profitable operation of the bank as a leading provider in the Ukrainian financial sector of a wide range of corporate banking services for state-owned enterprises, large enterprises, medium-sized enterprises (including strategic ones for the state areas), cooperation with municipalities, united territorial communities and utilities;
- to carry out digitalization and automation of core business processes in order to increase their economic efficiency;

- to reduce the volume of the loan portfolio in non-strategic sectors and reduce the cost of servicing for the non-target customers;
- to create the stable mechanisms for funding the bank transactions, taking into account the current situation in the loan and money markets and the priority of reducing the cost of loan funds and other debt instruments, which will be offered by the bank;
- to borrow funds of international financial institutions on economically favourable terms and conditions;
- to participate actively in national and international programs to support key sectors of the economy.

In peacetime, the Bank was focused on the following priorities:

- in terms of asset-side transactions - lending to large corporate customers, medium-sized enterprises and utilities with a simultaneous reduction in investments in government securities, NBU certificates of deposit and placing funds in correspondent accounts with other banks;
- in terms of liability-side transactions – diversification of funding sources (legal entities and affluent individuals, external borrowings, long-term IFI funds).

The war made it impossible to achieve the strategic goals set out in the Bank’s Development Strategy. Therefore, the main strategic objectives for “Ukreximbank” JSC during the period of martial law and post-war economic recovery, as recommended by the Ministry of Finance of Ukraine, are as follows:

- provision of financial support to priority economic sectors and critical infrastructure enterprises (facilities);
- availability of banking services to ensure consumer rights protection, in particular within the framework of social protection of the population, provided that there is no physical threat to security of bank employees;
- creation of conditions for the rapid resumption of banking services in full and ensuring the functionality and continuity of public sector banks;
- creation, establishment and maintenance of an effective system of physical security (of the central office and branches of the bank, including security of bank employees), security of operating systems, including using cloud solutions, and cybersecurity;
- implementation of measures aimed at reducing risks, including possible threats, implementation of bank security measures, including control over security risks (including physical, financial, cybersecurity and operating system security), elimination or and/or minimization of the consequences of implemented threats and crisis situations;
- uninterrupted effective work of the bank managers to ensure the adoption of necessary management decisions;
- maintenance of the financial stability of the bank, identification of possible threats to such stability, as well as prompt response to threats to financial stability and/or their avoidance.

The Bank’s priorities during the period of martial law and post-war economic recovery are as follows:

- ensuring the current state of the bank’s liquidity at a stable level;
- the key factor in maintaining liquidity is the internal maintenance of the resource base;
- fulfilment of all obligations to depositors, counterparties and creditors in full and on time;
- the Bank will increase and maintain competitive interest rates in the domestic market;
- implementation of a balanced diversification and restrained interest rate policy, which allows hedging potential outflow of customer funds by maintaining the overall average portfolio of attracted customer funds

#### **Key financial resources, use thereof for achievement of goals (equity structure, financial mechanisms, liquidity and cash flows)**

Since 2016, “Ukreximbank” JSC has been defined by the NBU as a systemically important bank, which corresponds to the high status of the bank in the banking system.

In the reporting year, Ukreximbank successfully used diversified sources of funding to create a reliable liquidity reserve, timely and in full provided repayment of the borrowed funds.

**The Bank’s equity** was formed mainly through the issued capital, which amounted to UAH 45 570 million as of 31 December 2024. In 2024, the Bank’s equity increased by UAH 3 998 million to UAH 11 370 million due to the current year profit of UAH 2 752 million, as well as due to the revaluation of assets recognized at fair value through other comprehensive income, and other changes in the bank’s equity in the amount of UAH 1 246 million.

## Equity structure of Ukreximbank

UAH, thousand

<i>Equity</i>	<i>31.12.2024</i>	<i>31.12.2023</i>	<i>Changes abs.</i>
Issued capital	45 570 041	45 570 041	-
Result from transactions with the shareholder	635 104	635 104	-
Retained earnings	(36 498 894)	(39 414 634)	2 915 740
Reserve and other funds of the bank	-	-	-
Revaluations	1 663 429	580 926	1 082 503
<b>Total equity</b>	<b>11 369 680</b>	<b>7 371 437</b>	<b>3 998 243</b>

The Bank managed its capital adequacy for protection from risks inherent in the business. The adequacy of the Bank's capital is monitored using the ratios established by the NBU and Basel Capital Accord 1988.

The primary objective of the Bank's capital management is to ensure that the Bank complies with the externally imposed capital requirements and maintains strong credit ratings and proper capital ratios in order to support its business activities and maximise the value to the shareholder.

A positive result of the Bank's activities in 2024 was the achievement of the required prudential ratios (Total capital, Tier 1 and CET1) under the new three-tier regulatory capital structure as set out in the NBU's regulatory documents.

In addition, the amount of core capital was affected by the statutory increase in income tax accrual of 50% of the financial result in 2023 and 2024.

### Liquidity

Considering the ongoing military aggression and martial law, the Bank continued to focus on the lending to priority sectors of the economy in accordance with the order of the Cabinet of Ministers of Ukraine “On the approval of main (strategic) activities of public sector banks for the period of martial law and post-war reconstruction of the economy”. The primary sources of funding remain customer deposits, with a focus on the corporate business segment. Additionally, the Bank's operations in the mid-sized business, municipalities and utilities sector, and retail business segments play a significant role. These segments, in particular, enhance the diversification and stability of the Bank's funding sources while reducing volatility.

In line with the Bank's priorities for 2024, efforts were made to attract guarantee instruments and risk-sharing instruments from IFIs to reduce risk-weighted assets. The Bank also continued to implement existing IFI programmes and ensured the proper fulfilment of obligations under previously raised funds.

As part of the state support for individuals under the affordable mortgage lending program “eOselia”, the Bank secured funding of UAH 145 million.

The acquisition of debt securities issued by government bodies of G7 countries (the US, Germany, and France) contributed to optimising the structure of high-liquidity assets by reducing balances on NOSTRO accounts with low/zero returns.

Throughout 2024, the Bank did not attract refinancing loans from the National Bank of Ukraine.

**The liabilities of Ukreximbank** increased by UAH 25 bln or 10%. Thus, the following indicators have significantly grown up:

- the growth of the client resource base by UAH 30 145 mln eq. or 14%;
- reduction in funds raised from other credit institutions by UAH 5 836 mln.
- repayment of issued Eurobonds amounting to UAH 1 524 mln.
- increase in other liabilities by UAH 1 580 mln, including UAH 1 481 mln due to a rise in tax payable on profit.

UAH, thousand

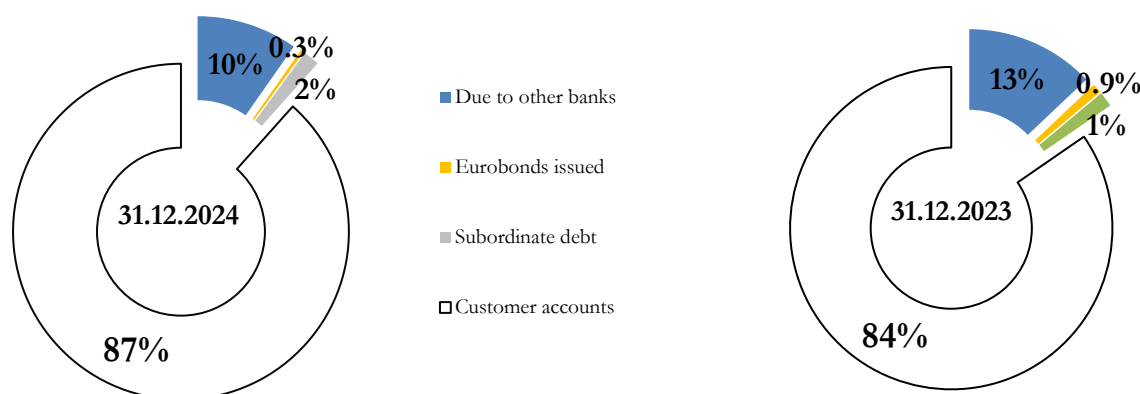
<i>Liabilities</i>	<i>31.12.2024</i>	<i>31.12.2023</i>	<i>Changes abs.</i>	<i>Growth rate, %</i>
Amounts due to the NBU	0	0	0	-
Amounts due to customers	244 094 420	213 949 363	30 145 057	14%
Amounts due to credit institutions	26 872 468	32 708 525	-5 836 057	-18%
Eurobonds issued	889 197	2 413 346	-1 524 149	-63%
Subordinated debt	4 302 222	3 805 882	496 340	13%
Allowance for credit related commitments	36 065	246 447	-210 382	-85%
Other liabilities	3 584 069	2 004 259	1 579 810	79%
<b>Total</b>	<b>279 778 441</b>	<b>255 127 822</b>	<b>24 650 619</b>	<b>10%</b>

The most significant component of the Bank's liabilities remains customer funds, whose share increased from 84% to 87% in 2024.

The Bank directs the attracted resources towards financing the real sector of the Ukrainian economy, including:

- providing long-term loans on competitive terms to borrowers in strategically important industries (mechanical engineering, transport, fuel and energy sector, chemical industry, agriculture, and others);
- implementing programs of international financial institutions;
- supporting exporters;
- promoting energy efficiency improvements in domestic enterprises.

#### The main changes in liabilities



Since the beginning of the full-scale war of the Russian Federation against Ukraine, the Bank mainly focused on the support and financing of the strategic companies of Ukraine and financing of the reconstruction of critical infrastructure objects. The Bank worked in full compliance with "The main (strategic) activities of public sector banks for the period of martial law and post-war reconstruction of the economy" approved by the order of the Cabinet of Ministers of Ukraine. In 2024, Ukreximbank continued to implement the state measures aimed at reviving the development of Ukraine's economy, participated in joint export-oriented projects with IFIs, energy efficiency, energy saving and domestic enterprises modernisation programs.

### The key performance indicators of “Ukreximbank” JSC

UAH, thousand

<i>Indicator</i>	<i>31.12.2024</i>	<i>31.12.2023</i>	<i>Changes abs.</i>	<i>Growth rate, %</i>
Assets	291 148 121	262 499 259	28 648 862	11%
Loans to customers	78 663 589	74 569 673	4 093 916	5%
Liabilities	279 778 441	255 127 822	24 650 619	10%
Customer accounts	244 094 420	213 949 363	30 145 057	14%
Equity	11 369 680	7 371 437	3 998 243	54%
Profit	2 751 593	3 278 104	-526 511	-16%

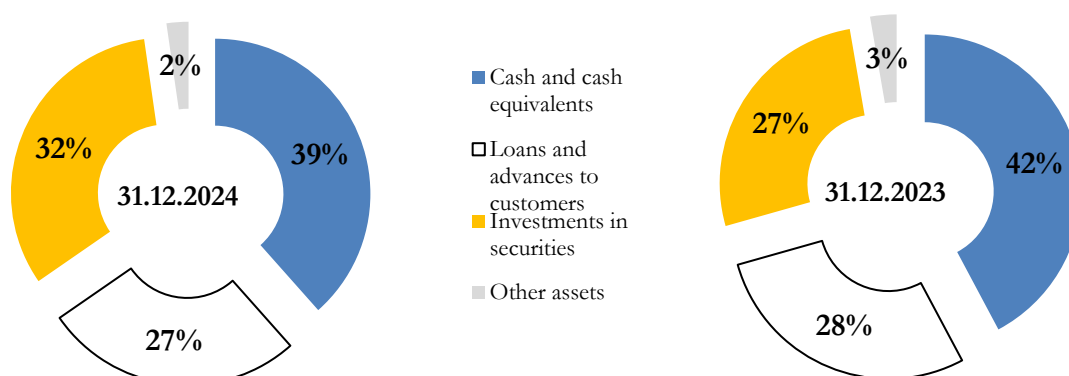
As of the end of 2024 **the assets of Ukreximbank** increased by UAH 28 649 mln ( + 11%) up to UAH 291 148 mln. Thus, the structure of assets has significantly changed, in particular:

- the growth of cash and cash equivalents by UAH 1 416 mln;
- the growth of loan portfolio by UAH 4 094 mln;
- the growth of investments in securities by UAH 24 459 mln;
- the reduction of property, plant and equipment, intangible assets, investment property and other assets by UAH 1 320 mln.

UAH, thousand

<i>Assets</i>	<i>31.12.2024</i>	<i>31.12.2023</i>	<i>Changes abs.</i>	<i>Growth rate, %</i>
Cash and cash equivalents	112 210 287	110 794 727	1 415 560	1%
Loans and advances to customers	78 663 589	74 569 673	4 093 916	5%
Investments in securities	94 453 321	69 994 403	24 458 918	35%
Property, plant and equipment and intangible assets	1 925 206	2 125 756	-200 550	-9%
Investment property	607 139	752 086	-144 947	-19%
Other assets	3 288 579	4 262 614	-974 035	-23%
<b>Total assets</b>	<b>291 148 121</b>	<b>262 499 259</b>	<b>28 648 862</b>	<b>11%</b>

### The major changes in the structure of assets



The performance indicators and prospects for further development (financial and non-financial indicators that give understanding of the main trends and the factors affecting the business, the performance indicators of the bank, their connection with the goals of the management and strategies for the achievement of these goals, the analysis of significant changes in the financial position, liquidity and performance indicators, the causes of the change of indicators within the reporting period, the intention to implement the bank's strategy in the long run).

Ukreximbank is adherent to consistent and balanced policy with respect to the formation of assets, timely and fully demonstrates provisioning for customers' loans. The Bank takes care of the balanced structure of assets, optimal for reliable transactions of customers and funding the real sector of the economy. The level of liquidity remains constantly sufficient for the performance of all obligations.

As regards the strategic transformation of business model, the bank gradually exited the retail market (in line with the Strategic Activities of the Bank developed by the Cabinet of Ministers and the Principles of Public Banking Sector Strategic Reforming).

For this purpose, during last years the Bank:

- improved the retail network and appropriate number of personnel;
- reviewed the retail product line and refused from low-efficient retail products;
- refocused on the segment of affluent retail customers.

Due to the military aggression of the Russian Federation against Ukraine that started on February 24, 2022, the President of Ukraine issued Decree No. 64/2022 dated February 24, 2022 "On the imposition of martial law in Ukraine" approved by the Law of Ukraine No. 2102-IX dated February 24, 2022 "On approval of the Decree of the President of Ukraine "On imposition of martial law in Ukraine".

In order to ensure the reliability and stability of the banking system, the National Bank of Ukraine took a number of measures for the continuous operation of the banking system of Ukraine and anti-crisis decisions, among them there are the suspension/limitation of the operation of foreign and stock exchange markets, restriction on the withdrawal of cash, the replenishment of banks with cash, the increase of refinancing of banks, the possibility of limited unsecured lending, the prolongation of terms of accessible loans of refinancing up to 1 year etc.

The National Bank of Ukraine defined "Ukreximbank" JSC as a critical infrastructure object in the banking system of Ukraine and it is included into a list of systematically important banks, the operation of which ensures the stability of the banking system, has a vital importance for the economy and security of the state, as well as "Ukreximbank" JSC is included into a list of authorized banks of Ukraine that are involved in the operation (transaction) in the context of special period.

By the decision of the Board of the National Bank of Ukraine dated 14.12.2023 "On the results of the resilience assessment of "The State Export-Import Bank of Ukraine" Joint Stock Company, the results of the resilience assessment of "Ukreximbank" JSC were approved, according to which the required level of regulatory capital adequacy (N2) and core capital adequacy (N3) ratios was determined and, at the request of the NBU, the Bank prepared the Capitalization Program of "Ukreximbank" JSC.

By decision of the Board of the NBU No. 127-пн/БТ dated 24.04.2024, the Bank's Capitalization Program was approved as ensuring the achievement of the required levels of capital adequacy ratios (both under the current regulatory capital structure and the new three-tier regulatory capital structure), and also meets the requirements set out in the Annex to the Rules for Assessing the Resilience of Banks and the Banking System of Ukraine in 2023, approved by NBU Board Resolution No. 56 dated 25.04.2023 (as amended) (hereinafter referred to as NBU Rules No. 56).

In accordance with NBU Regulation No. 56, the Bank submits to the NBU on a monthly basis detailed reports on the implementation of the Capitalization Program as at the first day of each month in accordance with the targets and within the timeframe set out in the capitalization/restructuring program approved by the NBU. The actual values of capital ratios as at 01.01.2025, which in accordance with the NBU regulatory requirements are calculated based on the current balance sheet, excluding adjustments to accounting records based on the results of the reporting year, are as follows capital ratio 14.35% (with the planned value of 12.1%), Tier 1 capital ratio and Tier 1 common capital ratio 10.7% (with the planned value of 8.1%). As part of closing the financial year and preparing the financial statements for 2024, the Bank before the date of approval of the financial statements made annual adjustments to accounting records relating to the results of 2024, including the recognition of the final amount of income tax at a rate of 50%. If the capital ratios were recalculated taking into account the annual adjustments to the accounting records, the Tier 1 capital ratio would be less than the required level, as disclosed in Note 2 to the financial statements

In addition, pursuant to the requirements of NBU Regulation No. 56, in accordance with the decision of the Cabinet of Ministers of Ukraine on the need to provide ways to capitalise "Ukreximbank" JSC based on the results of the bank's resilience assessment



conducted by the National Bank, the Bank received a Letter of Guarantee from the Ministry of Finance of Ukraine and continues to rely on the said guarantee.

The planning of the further activities of the Bank, including under the Capitalization Program, relies on the forecast indicators of the Bank's Business Development Plan for 2025–2027 approved by the management, which were developed on the basis of a neutral scenario using macroeconomic forecasts – annual inflation rate of 9%, devaluation of the national currency to UAH 47.5/USD by the end of 2025 (average exchange rate of UAH 45.0/USD).

The activity forecast includes the following key assumptions:

- the level of liquidity of the Bank is stable, no additional refinancing loans from the NBU are raised;
- the main source of funding are customers' funds and the programs of international financial institutions;
- lending to corporate clients continues, including under government guarantees;
- the source for repayment of liabilities and lending will be the accumulated liquidity, as well as the increase of raised customer funds and the implementation of the programs with international financial institutions;
- balances on the correspondent accounts and deposit certificates of the National Bank of Ukraine will cover the Bank's liquidity needs.

The Bank's management, relying on the forecast indicators, believes that there are enough grounds for the preparation of this financial statements on a going concern basis. Despite the ongoing military aggression, the Bank has plans to continue servicing all its customers, to maintain its operating efficiency and continue to conduct profitable business in 2025 with the estimated increase of net profit in 2026–2027.

However, there is significant uncertainty related to, first of all, unpredictable effect of the future military hostilities in Ukraine that may influence the implementation by the Bank of the Capitalization/Restructuring Program and the achievement of required level of capital adequacy ratios.

Meanwhile, the probability of recapitalization of the Bank and respective facilitation of this process by the NBU and the Shareholder of the Bank are not excluded, and which has an impact on the assumptions underlying management's estimates and forecasts, and, accordingly, may call into substantive question the Bank's ability to continue its activities on a continuous basis, and, therefore, it will not be able to sell its assets and repay its liabilities in the ordinary course of business.

### **“Ukreximbank” JSC performance**

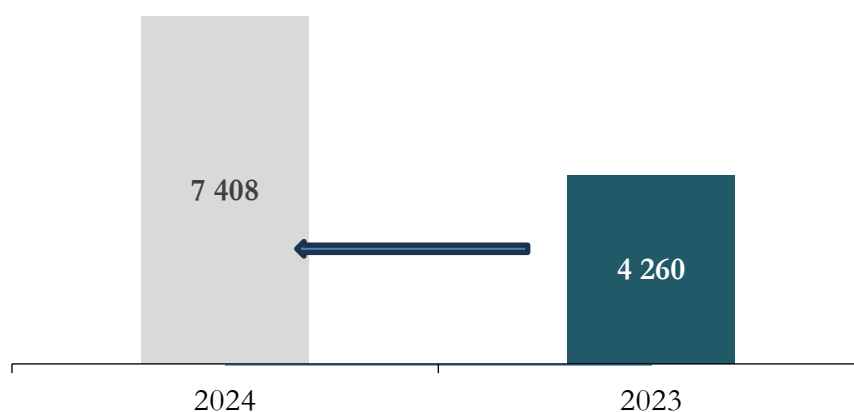
According to the results of the reporting year 2024, Ukreximbank received a profit before tax in the amount of UAH5 894 million. Taking into account the legislative changes that redefine the basic corporate income tax rate for banks at 50 percent based on the results of the tax (reporting) year 2024, net profit amounted to UAH 2 752 million.

Indicator	2024	2023	Changes		Structure, %	
			abs.	%	2024	2023
Net interest income	7 408 330	4 260 106	3 148 224	74%	58%	51%
Interest income	23 035 769	21 429 804	1 605 965	7%	100%	100%
<i>loans to customers</i>	9 006 820	9 609 058	(602 238)	-6%	39%	45%
<i>securities</i>	7 555 873	6 208 821	1 347 052	22%	33%	29%
<i>amounts due from credit institutions</i>	6 296 948	5 399 009	897 938	17%	27%	25%
<i>finance leasing</i>	176 128	212 916	(36 787)	-17%	1%	1%
Interest expenses	(15 627 439)	(17 169 698)	1 542 259	-9%	100%	100%
<i>amounts due to customers</i>	(13 044 527)	(13 655 084)	610 557	-4%	83%	80%
<i>bonds</i>	(125 895)	(263 545)	137 650	-52%	1%	2%
<i>amounts due to credit institutions</i>	(1 939 320)	(1 523 335)	(415 985)	27%	12%	9%
<i>subordinated debt</i>	(515 061)	(395 383)	(119 678)	30%	3%	2%
<i>amounts due to the National Bank of Ukraine</i>	-	(1 331 178)	1 331 178	-100%	0%	8%
<i>other interest expenses</i>	(2 636)	(1 173)	(1 463)	125%	0%	0%
Net non-interest income	5 272 441	4 159 835	1 112 606	27%	42%	49%
Net fee income	881 720	793 998	87 722	11%	7%	9%
<i>fee income</i>	1 542 475	1 317 285	225 190	17%	12%	16%
<i>fee expenses</i>	(660 755)	(523 288)	(137 467)	26%	-5%	-6%
Trade operations result	4 157 329	3 201 716	955 613	30%	33%	38%
Other income	233 392	164 121	69 271	42%	2%	2%
<b>Net operating income</b>	<b>12 680 771</b>	<b>8 419 941</b>	<b>4 260 830</b>	<b>51%</b>	<b>100%</b>	<b>100%</b>
<b>Operating expenses</b>	<b>(3 452 228)</b>	<b>(2 965 608)</b>	<b>(486 620)</b>	<b>16%</b>		
<i>employee benefit expenses</i>	(2 240 606)	(1 935 895)	(304 711)	16%		
<i>depreciation and amortization expenses</i>	(111 078)	(94 796)	(16 282)	17%		
<i>other operating expenses</i>	(1 100 544)	(934 917)	(165 627)	18%		
<b>Operating profit</b>	<b>9 228 543</b>	<b>5 454 333</b>	<b>3 774 210</b>	<b>69%</b>		
<i>revaluations result</i>	(2 410 447)	(1 737 570)	(672 877)	39%		
<i>expenses for allowance and modification of financial instruments</i>	(923 843)	1 190 258	(2 114 101)	-178%		
<b>Profit before tax</b>	<b>5 894 253</b>	<b>4 907 021</b>	<b>987 232</b>	<b>20%</b>		
<i>profit tax expenses</i>	(3 142 660)	(1 628 917)	(1 513 743)	93%		
<b>Net profit</b>	<b>2 751 593</b>	<b>3 278 104</b>	<b>(526 511)</b>	<b>-16%</b>		

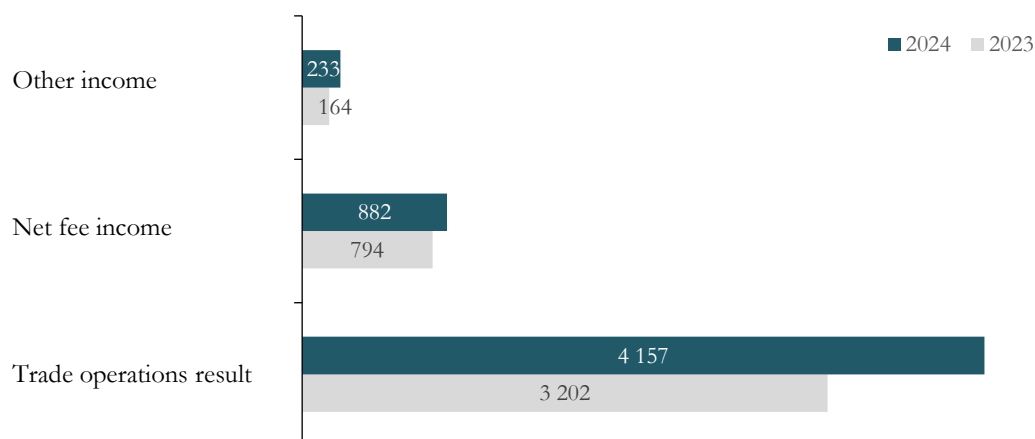
The increase in **net interest income** by UAH 3 148 million or 74% was due to the following main factors:

- the increase in yield on securities and NBU deposit certificates, as well as due to the placement of funds in other banks;
- the repayment of obligations under the NBU refinancing, which had impact on the decrease of interest expenses;
- lower rates for attracting customer funds.

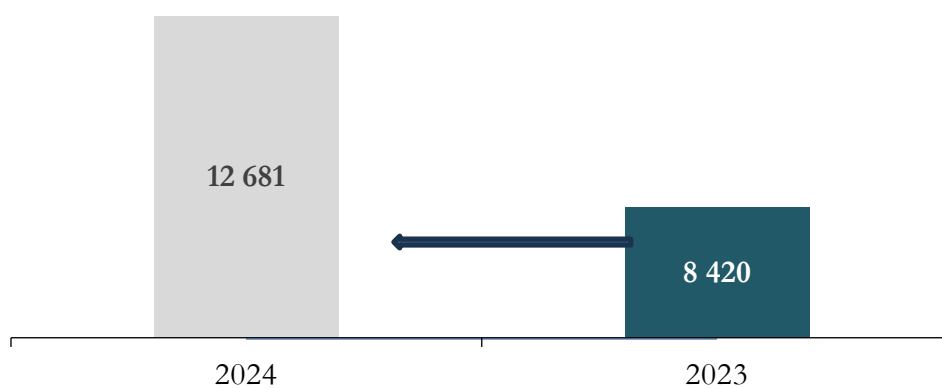
Net interest income amounted to UAH 7 408 million



**Net non-interest income** increased for the reporting year by UAH 1 113 million, due to the trading operations result, which amounted to UAH 955,6 million.



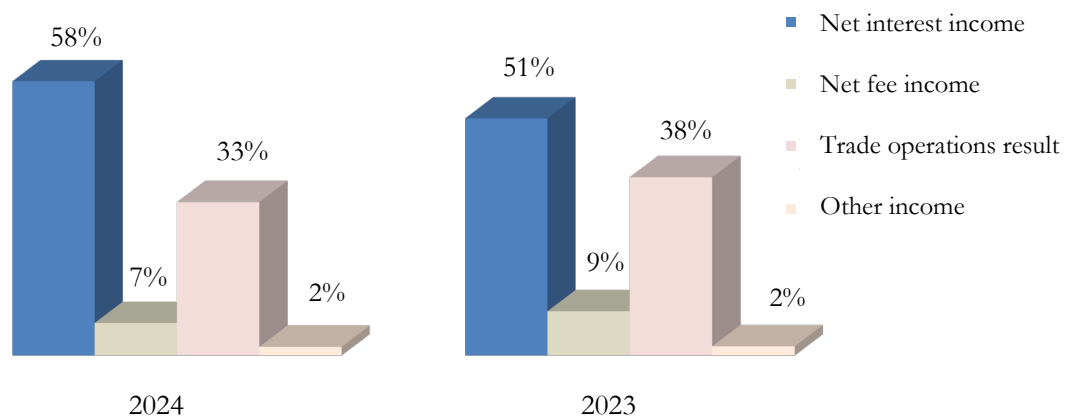
**Net operating income** of Ukreximbank increased by UAH 4 261 million (or by 51%) up to UAH 12 681 million in 2024.



In the long run, the Bank expects an increase in operating profitability due to:

- improvement of work with NPL (repayment of problem loans at the expense of borrowers, sale of collateral);
- optimization of the balance sheet structure (repayment of a part of the liabilities with high value).
- refusal from products with low profitability;
- refusal from sales locations with low profitability.

### Components of net operating income



Indicators	2024		2023	
Net interest income	7 408	58%	4 260	51%
Net fee income	882	7%	794	9%
Trade operations result	4 157	33%	3 202	38%
Other income	233	2%	164	2%
<b>Net operating income</b>	<b>12 681</b>	<b>100%</b>	<b>8 420</b>	<b>100%</b>

The structure of the Bank's net operating income is dominated by income from interest-bearing transactions. It is likely that this income structure will be preserved further. Taking measures aimed at improving the loan portfolio, restructuring of bad debts, reducing the cost of the Bank's resource base will lead to an increase in interest margin. Accordingly, the Bank does not expect a significant change in the ratio between net interest and non-interest income in the near future.

#### Information on the conclusion of derivatives or deeds on derivative securities by the issuer

Information on the conclusion of derivatives during the reporting year is disclosed in Note 18 "Derivative financial instruments" of the annual separate financial statements of "Ukreximbank" JSC for the year ended 31 December 2024.

During the reporting period, the Bank did not enter into any deeds with derivative securities.

#### Information on the issuer's financial risk management objectives and policies, including the insurance policy for each major type of forecast transaction for which hedging transactions are used

For efficient risk management, the Bank has developed and implemented a risk management system that provides for the distribution of rights, obligations, responsibilities between management bodies, structural units of the Bank, separation of risk identification and assessment processes. More detailed information on financial risk management is provided in Section 7. Information on the Bank's risk management system and its key characteristics, the list of the Bank's structural units that perform key duties to ensure the operation of the risk management system.

#### Information on the issuer's exposure to price risks, credit risk, liquidity risk and/or cash flow risk

Significant types of risks and the Bank approaches to the risk management are provided in Section 7. Information on the Bank's risk management system and its key characteristics, the list of the Bank's structural units that perform key duties to ensure the operation of the risk management system.

## Report on Corporate Governance

### 1. Information on compliance/non-compliance with the principles or code of corporate governance (with reference to the source of their text), deviations and reasons for such deviations during the year.

“The State Export-Import Bank of Ukraine” Joint Stock Company (hereinafter – the Bank, “Ukreximbank” JSC) is a systemically important bank and an integral component of the Ukrainian economy, whose activities influence the stability of the entire banking and financial system of the country. The Bank's management recognizes the importance of adhering to and implementing the principle of sustainable development within the Bank to ensure the Bank's financial stability and profitability. One of the guarantees of the Bank's sustainable development is its corporate governance system, which has been introduced by the Bank's management and is regularly reviewed to ensure its continuous improvement and adaptation to changes in the Bank's external and internal environment.

The Supervisory Board of the Bank is responsible for ensuring the organization of effective corporate governance in the Bank. The Supervisory Board carries out this duty through the implementation of a corporate culture in the Bank focused on the norms of responsible and ethical conduct, determination of corporate values and control over their observance and implementation of the best practices of corporate governance in the Bank's activities, taking into account the requirements of the legislation of Ukraine and international corporate governance principles to the extent that they do not contradict the applicable laws of Ukraine.

The principles and key aspects of corporate governance organization in the Bank are set out in the Code (Principles) of Corporate Governance, which are posted on the Bank's official website at the following link: <https://www.eximb.com/assets/files/download/corporate-governance-code-2024.pdf>

The Supervisory Board reviews the Bank's Code (Principles) of Corporate Governance on an annual basis and monitors its observance.

The year 2024 was a year of significant changes for the Bank, in particular in connection with the start of the functioning of the Supervisory Board in a new composition, the formation of a new Management Board and changes in the composition of the Bank's influential persons. Nevertheless, due to the proper organization of decision-making processes by the Bank's governing bodies, as well as reporting and control within the Bank, and the distribution of responsibilities among the Bank's structural units based on the three-lines-of-defense model, the Supervisory Board and the Management Board continued to effectively fulfil their functions while ensuring the Bank's uninterrupted operations.

Throughout 2024, no instances of non-compliance and/ or deviations from the corporate governance principles outlined in the Bank's Code (Principles) of Corporate Governance were identified.

### 2. Information on the general meetings of shareholders of the Bank and a general description of the decisions made

The only shareholder of the Bank, which owns 100 (one hundred) percent of shares in the authorized capital of the Bank, is the state.

The Cabinet of Ministers of Ukraine is responsible for managing the state's corporate rights in the Bank. The Cabinet of Ministers of Ukraine also performs the functions of the supreme body of the Bank (hereinafter - the Supreme Body). The exclusive competence of the supreme governing body is defined by legislation and the Bank's Charter. The supreme governing body is not authorized to make decisions on matters related to the Bank's activities that do not fall within its exclusive competence.

Decisions of the Supreme Body are formalized by the acts of the Cabinet of Ministers of Ukraine, the drafts of which are prepared and submitted to the Cabinet of Ministers of Ukraine for consideration by the central executive body that ensures the formation of the state financial policy, and are not subject to agreement with other interested bodies.

In 2024, the Cabinet of Ministers of Ukraine made a number of decisions regarding the management of the Bank, in particular:

- on amendments to the Resolution of the Cabinet of Ministers of Ukraine No. 474-p dated May 30, 2023, by which new independent members of the Bank's Supervisory Board were appointed, as a result of which the respective members of the Supervisory Board took office and the Supervisory Board resumed its activities;
- on the approval of the Bank's annual reports for 2022-2023, which included reports on the activities of the Supervisory Board in the respective years, and approval of measures based on the results of consideration of the Supervisory Board's reports;
- on approval of the reports on remuneration of the Supervisory Board members for 2022-2023;

- on the allocation of the Bank's profit for 2021-2023.

In addition, the Cabinet of Ministers of Ukraine approved new versions of the Bank's Charter and Regulation on the Supervisory Board of the Bank.

### **3. Information on the composition of the Bank's Supervisory Board, its committees, information on the meetings held with a general description of the decisions taken, as well as report of the Supervisory Board.**

#### *3.1. Information on the composition of the Supervisory Board and meetings held with a general description of the decisions taken*

By Order of the Cabinet of Ministers of Ukraine No. 474-p dated 30 May 2023 (“**Order 474**”), the powers of the following 6 independent members of the Supervisory Board were terminated: Dimitri Chichlo, Dominique Menu, Laszlo Urban, Gordiyenko Olyana Pavlivna, Konovets Sergiy Oleksandrovysh, Vynyarsky Vladyslav Volodymyrovych, and 6 new independent members of the Supervisory Board were appointed:

- Sylvia Yumi Gansser-Potts;
- Razvan Munteanu;
- Robert S. Kossmann;
- Engin Akçakoca;
- Dominique Menu;
- Rostyslav Bogdanovych Futalo.

By Order of the Cabinet of Ministers of Ukraine No. 676-p dated 4 August 2023, Victoria Kostiantynivna Strakhova as the state representative of the President of Ukraine and Yuriy Bogdanovych Butsa as the state representative of the Cabinet of Ministers of Ukraine were appointed as members of the Supervisory Board for a second term. Further, by this Order, Oleksandr Oleksandrovysh Bezv was appointed as a member of the Supervisory Board as a representative of the state from the Verkhovna Rada Committee on Finance, Tax and Customs Policy, terminating the powers of Yuriy Oleksandrovysh Terentyev.

Herewith, Order 474 stipulated that the term of office of the Supervisory Board members is three years from the date of entry into office of all independent members of the Supervisory Board. Pursuant to Article 7 of the Law of Ukraine “On Banks and Banking”, members of the supervisory board of a state-owned bank take office after their approval by the National Bank of Ukraine (the “**NBU**”).

During 2023 and 2024, the position of the sixth independent member of the Supervisory Board remained vacant, since one of the newly appointed members of the Supervisory Board, Engin Akçakoca, withdrew his candidacy for the position. Nick Tesseyman, who was appointed pursuant to Order of the Cabinet of Ministers of Ukraine No. 1113-p dated 5 December 2023 for the relevant vacant position, also withdrew his candidacy. Accordingly, all other independent members of the Supervisory Board could not take office, and the Supervisory Board was not competent due to the lack of a quorum until the sixth member of the Supervisory Board was approved by the NBU.

Order of the Cabinet of Ministers of Ukraine dated 12 January 2024 No. 19-p amended Order 474, particularly by excluding paragraph 2 of clause 1 of Order 474, which provided for the commencement of the term of powers of the Supervisory Board upon taking up the post by all independent members. Instead, Order of the Cabinet of Ministers of Ukraine dated 12 January 2024 No. 19-p stipulated that the term of office of the Supervisory Board is three years from the date of entry into force of this Order. Accordingly, on January 12, 2024, the Supervisory Board became competent.

Therefore, during 2024, the Supervisory Board consisted of 8 members (5 independent members and 3 state representatives):

- Sylvia Yumi Gansser Potts – an independent member;
- Robert S. Kossmann – an independent member;
- Dominique Menu – an independent member;
- Razvan Munteanu – an independent member;
- Rostyslav Futalo – an independent member;
- Strakhova Victoria Konstantinovna – a representative of the state from the President of Ukraine;
- Butsa Yuriy Bohdanovych – representative of the state from the Cabinet of Ministers of Ukraine;

- Bevz Oleksandr Oleksandrovych – representative of the state from the Verkhovna Rada Committee on Finance, Tax and Customs Policy.

The Chairperson of the Supervisory Board was Rostyslav Futalo. The Deputy Chairperson of the Supervisory Board was Dominique Menu. The Supervisory Board acted in accordance with the laws, regulations of the NBU, the Bank's Charter, the Regulation on the Supervisory Board and other internal documents of the Bank. The competence and powers of the Supervisory Board, in particular its exclusive competence, are determined by the law and the Bank's Charter.

The Chairperson of the Supervisory Board headed and organised the work of the Supervisory Board and was responsible for its effective work acting in accordance with the legislation and internal regulations of the Bank.

During 2024, 52 meetings of the Supervisory Board were held in the form of joint presence of the Supervisory Board members. Most of the Supervisory Board meetings were extraordinary, given the need to consider issues that accumulated during the period of inactivity of the Supervisory Board in the second half of 2023. Table 1 below provides detailed statistics on the meetings of the Supervisory Board held and the participation of Supervisory Board members in such meetings.

During 2024, the Supervisory Board took a number of decisions to implement planned changes in the Bank's activity, including decisions on:

- approval of draft amendments to the Bank's Charter, the Regulation on the Supervisory Board, the Regulation on the remuneration of the Supervisory Board members, approval of amendments to the regulations on the committees of the Supervisory Board and the Regulation on the Management Board of the Bank;
- approval of the reports on the activity of the Management Board and the Supervisory Board for 2023, the Bank's Business Plan for 2024-2026 and 2025-2027, KPIs of the Management Board members and influential persons subordinated to the Supervisory Board for 2024 and other key documents for the Bank's activities;
- holding competitive selections for the positions of the Chairperson and members of the Management Board of the Bank, as well as competitive selection for the position of the Chief Compliance Officer of the Bank;
- reviewing and updating a number of regulatory documents, in particular, the Bank's Remuneration Policy, the Regulation on the remuneration of Management Board members and Influential Persons of the Bank, the Bank's Corporate Governance Principles (Code), the Bank's Code of Conduct (Ethics), the Bank's Risk Appetite Statement, the Bank's Risk Management Strategy, the Bank's Credit Risk Management Policy, as well as other regulatory documents of the Bank;
- approval of transactions with a number of the Bank's clients regarding their lending terms, etc.

At the same time, the Supervisory Board continued to manage the Bank in the context of the full-scale military aggression of the Russian Federation against Ukraine and numerous challenges related to it. In order to address the Bank's capital shortage resulting from the full-scale military aggression of the Russian Federation against Ukraine and maintain the required levels of capital adequacy ratios, the Supervisory Board approved the Bank's Capitalization/Restructuring Program and the Plan of Detailed Measures under the Bank's Capitalization/Restructuring Program for 2024-2026 and monitored the effectiveness of the implementation of the aforementioned documents by the Bank's Management Board.

Members of the Supervisory Board paid sufficient attention to participation in meetings of the Supervisory Board and its committees as evidenced by the following statistics:

- The average percentage of participation of the Supervisory Board members in the meetings of the Supervisory Board is 94.4%;
- The average percentage of participation of the members of the Audit Committee of the Supervisory Board in meetings of the Audit Committee of the Supervisory Board is 97.5%;
- The average percentage of participation of the members of the Risk Committee of the Supervisory Board in meetings of the Risk Committee of the Supervisory Board is 97.2%;
- The average percentage of participation of the members of the Nomination and Remuneration Committee of the Supervisory Board in meetings (including absentee voting (polls)) of the Nomination and Remuneration Committee of the Supervisory Board is 94.6%.

Composition of the Supervisory Board in 2024

Table 1

Name, patronymic, surname (Term of office within the reporting period)	Position	Participation in meetings of the Supervisory Board and its committees						
		Supervisory Board	Nomination and Remuneration Committee	Risk Committee	Audit Committee	Governance and Compliance Committee	Operations & Digital Committee	Non-Performing Loans Committee
<b>Futalo Rostyslav</b> (from 12.01.2024 to 31.12.2024)	The Chairperson of the Supervisory Board, Independent member of the Supervisory Board	50 out of 52	40 out of 42	Was not a committee member	30 out of 31	The committees were liquidated before their first meeting.		
<b>Robert S. Kossmann</b> (from 12.01.2024 to 31.12.2024)	Deputy Chairperson of the Supervisory Board, Independent member of the Supervisory Board	51 out of 52	41 out of 42	37 out of 37	31 out of 31			
<b>Sylvia Yumi Gansser-Potts</b> (from 12.01.2024 to 31.12.2024)	Independent member of the Supervisory Board	51 out of 52	42 out of 42	35 out of 37	Was not a committee member			
<b>Dominique Menu</b> (from 12.01.2024 to 31.12.2024)	Independent member of the Supervisory Board	51 out of 52	41 out of 42	36 out of 37	31 out of 31			
<b>Razvan Munteanu</b> (from 12.01.2024 to 31.12.2024)	Independent member of the Supervisory Board	48 out of 52	38 out of 42	Was not a committee member	29 out of 31			
<b>Bevz Oleksandr Oleksandrovych</b> (from 01.01.2024 to 31.12.2024)	Member of the Supervisory Board, representative of the state from the Verkhovna Rada Committee on Finance, Tax and Customs Policy	45 out of 52	38 out of 42	Was not a committee member	Was not a committee member			
<b>Strakhova Victoria Konstantinovna</b> (from 01.01.2024 to 31.12.2024)	Member of the Supervisory Board, representative of the state from the President of Ukraine	52 out of 52	42 out of 42	Was not a committee member	Was not a committee member			
<b>Butsa Yuriy Bohdanovych</b> (from 01.01.2024 to 31.12.2024)	Member of the Supervisory Board, representative of the state from the Cabinet of Ministers of Ukraine	45 out of 52	36 out of 42	Was not a committee member	Was not a committee member			



### *3.2. Information on the composition of committees of the Supervisory Board*

During 2024, the Supervisory Board had three mandatory committees: Audit Committee, Risk Committee, Nomination and Remuneration Committee established according to part 32 of article 7 of the Law of Ukraine “On banks and banking activity” (the “**Banking Law**”).

In pursuance of requirements of the legislation, the chairpersons of the Risk Committee and the Nomination and Remuneration Committee were independent members of the Supervisory Board. All members of the Risk Committee and the Audit Committee were independent. The majority of members of the Nomination and Remuneration Committee were independent members of the Supervisory Board.

Detailed information on the composition and key activities of the above-mentioned committees is provided below.

It is also worth noting that by the resolution of the Supervisory Board dated January 22, 2024 (minutes No. 2 of the Supervisory Board meeting dated January 22, 2024), three other committees were liquidated, namely: the Operations and Digitalization Committee, the Governance and Compliance Committee, and the Non-Performing Loans Committee.

#### **Audit Committee**

In accordance with the resolution of the Supervisory Board dated January 15, 2024 (Minutes No. 1 of the Supervisory Board meeting dated January 15, 2024), the following composition of the Audit Committee of the Supervisory Board was formed, which did not change during 2024:

Chairperson of the Committee - Robert S. Kossmann;

Committee members - Dominique Menu, Razvan Munteanu, Rostyslav Futalo.

#### **Risk Committee**

In accordance with the resolution of the Supervisory Board dated January 22, 2024 (Minutes No. 2 of the Supervisory Board meeting dated January 22, 2024), the following composition of the Risk Committee of the Supervisory Board was formed, which did not change during 2024:

Chairperson of the Committee – Dominique Menu;

Committee members – Robert S. Kossmann and Sylvia Yumi Gansser-Potts.

#### **Nomination and Remuneration Committee**

In accordance with the resolution of the Supervisory Board dated January 22, 2024 (Minutes No. 2 of the Supervisory Board meeting dated January 22, 2024), the following composition of the Nomination and Remuneration Committee of the Supervisory Board was formed, which did not change during 2024:

Chairperson of the Committee – Sylvia Yumi Gansser-Potts;

Committee members – Oleksandr Bevz, Yurii Butsa, Razvan Munteanu, Robert S. Kossmann, Viktoria Strakhova, Dominique Menu, Rostyslav Futalo.

### *3.3. Information on assessment of the Supervisory Board's activity*

#### **Assessment of the collective suitability of the Supervisory Board**

In order to assess the collective suitability, the Supervisory Board approved the Supervisory Board profile matrix, which was based on the methodology used by the National Bank of Ukraine for SREP assessment. In particular, the Supervisory Board outlined in the profile matrix the main areas of the Bank's activities for which the Supervisory Board is responsible.

In accordance with the profile matrix as of 13 December 2024, the composition of the Supervisory Board demonstrated the appropriate level of knowledge, skills and experience required for the Supervisory Board to exercise its powers in accordance with the Bank's main activities and strategic activities, business plan of the Bank, as well as taking into account the size of the Bank, complexity, volume, types, nature of the Bank's activities, organisational structure and risk profile of the Bank and the systemic importance of the Bank. In addition, based on the results of the assessment of the collective suitability, it can be concluded on the collective ability of the Supervisory Board to effectively manage and control the Bank's activities, as well as the compliance of the collective suitability of the Bank's Supervisory Board with the size of the Bank, complexity, volumes, types, nature of the Bank's operations, organisational structure and risk profile, and also taking into account the peculiarities of the Bank's activities as systemically important, namely:

*in terms of common knowledge, skills and experience*

The Supervisory Board had a sufficient number of members who collectively possessed knowledge, skills and experience in all areas of the Bank's activities, which enabled professional discussion of the issues on which decisions are made.

The structure of the Supervisory Board enabled it to exercise its powers, i.e. the Supervisory Board as a collegial body had an appropriate understanding of the areas of the Bank's activities for which its members are collectively responsible and has the experience and skills to effectively manage the Bank.

According to the results of assessment of collective suitability, the members of the Supervisory Board jointly possessed specialised knowledge and experience in the areas specified in the Supervisory Board profile matrix.

The specialised knowledge and experience of the Supervisory Board members enabled them to discuss issues in a professional manner, debate, model potential scenarios for the development of certain situations, etc.

Members of the Supervisory Board also attend training programs, workshops, conferences, and other events to maintain their knowledge and develop their expertise on specific issues.

*in terms of consistency with the complexity, volume, types and nature of the Bank's operations*

As indicated in the Supervisory Board profile matrix, the members of the Supervisory Board collectively had specialised knowledge, managerial and professional experience in the following areas: (1) risk management; (2) finance; (3) retail business; (4) corporate business; (5) payment services; (6) capital markets; (7) security; (8) IT; (9) non-performing loans (NPL) management; (10) investment activities; (11) treasury operations; and (12) corporate governance.

All of the above gave grounds to believe that the collective suitability of the Supervisory Board was appropriate for the type of operations carried out by the Bank.

*in terms of alignment with the Bank's risk profile*

According to the results of assessment of collective suitability, all members of the Supervisory Board had specialised knowledge and experience in risk management.

The Supervisory Board supervised the member of the Management Board, the Chief Risk Officer, who was the Bank's executive officer responsible for risk management. The Chief Risk Officer oversaw the Risk Management Department.

At the same time, the Supervisory Board directly supervised the Chief Compliance Officer, who oversaw the Compliance Risk Control Department and the Internal Control and Regulatory Compliance Coordination Department of the Bank, whose main purpose is, among others, to assist the Supervisory Board in exercising its powers to ensure the effectiveness of the Bank's internal control system and compliance risk management system.

Thus, all the foregoing suggests that the collective suitability of the Supervisory Board is consistent with the Bank's risk profile.

*in terms of taking into account the peculiarities of activities of the Bank as a systemically important bank*

In 2024, the Bank's status as a systemically important bank was confirmed (decision of the NBU Board dated 29.02.2024 No. 70-pm). In accordance with the requirements of the Instruction on the Procedure for Regulating the Activities of Banks in Ukraine, approved by Resolution of the NBU Board No. 368 dated 28.08.2001, the Bank, like other systemically important banks, is subject to additional requirements to ensure the stable operation of Ukrainian banks. In particular, the Supervisory Board is obliged to exercise enhanced control over the activities of the Management Board and the risk management system in particular.

According to the information received as part of the assessment of collective suitability, all members of the Supervisory Board had experience in all areas defined by the Supervisory Board profile matrix, which allowed the Supervisory Board members to make weighted decisions in carrying out the Bank's business activities as a systemically important bank.

According to the results of this assessment, it was established that all members of the Supervisory Board, including the Chairperson of the Supervisory Board, have at least three years of experience in the banking and/or financial sector.

*in terms of consistency with the organisational structure of the Bank*

According to the organisational structure of the Bank, the Supervisory Board directly supervises (1) a member of the Management Board, the Chief Risk Officer (who oversees the Risk Management Department); (2) the Internal Audit Department; (3) the Chief Compliance Officer (who oversees the Compliance Risk Control Department and the Internal Control and Regulatory Compliance Coordination Department); (4) the Financial Monitoring and Currency Control Department; and (5) the Corporate Secretary Service.

All units subordinated to the Supervisory Board reported to it in accordance with the procedure established by the Bank's internal documents and applicable law.

According to the results of the collective suitability assessment, the members of the Supervisory Board jointly possessed specialised knowledge and experience that enabled them to control the activities of subordinate units.

This gives grounds to assert that the collective suitability of the Supervisory Board is consistent with the organizational structure of the Bank.

*in terms of ability to effectively monitor the activities of the Management Board, effectively supervise the decisions made by the Management Board and their implementation*

The Supervisory Board members regularly reviewed the reports of the Management Board. In addition, the Supervisory Board members reviewed certain issues presented by the Management Board, such as changes to the organisational structure, regular reports on the current state of the Bank's operations, amendments to certain internal documents, approval of transactions with the Bank's customers that exceed the limits of the Management Board's authority, and other issues.

In other words, this confirms the ability of the Supervisory Board members to jointly effectively monitor the activities of the Management Board and oversee the implementation of decisions taken by the Management Board.

In view of the above, the composition of the Supervisory Board during 2024 demonstrated the appropriate level of knowledge, skills and experience necessary for the Supervisory Board to exercise its powers. At the same time, the Supervisory Board would be happy to welcome the filling of a vacant position in the Supervisory Board by a shareholder of the Bank, taking into account the current level of knowledge, skills, professional and managerial experience of the members of the Supervisory Board, reflected in the Supervisory Board profile matrix set out in an annex to the Report.

### **Assessment of the competence and efficiency of each member of the Supervisory Board**

In December 2024, pursuant to the provisions of the Regulation on the Banks' Licensing approved by the Resolution of the Management Board of the National Bank of Ukraine No. 149 dated 22.12.2018 and in the manner prescribed by the Regulation on assessment of activity and collective suitability of the supervisory board of the Bank, effectiveness of organization of the corporate governance in the Bank, the Supervisory Board carried out the regular assessment of compliance of the members of the Supervisory Board with the requirements established by the regulations of the NBU and the Banking Law, including the following requirements:

*regarding the professional suitability by means of assessment of:*

*knowledge, skills and experience*

The knowledge, skills and experience of the Supervisory Board members were sufficient to make decisions within the competence of the Supervisory Board in accordance with the laws of Ukraine and the Bank's Charter. All members of the Supervisory Board fully meet the Bank's requirements in terms of skills and experience taking into account the size of the Bank and peculiarities of its activities. The extensive relevant experience of the Chairperson and members of the Supervisory Board is sufficient to provide a full and thorough analysis of all matters submitted to the Supervisory Board and its committees. The financial education and extensive work experience of all members of the Supervisory Board fully cover the Bank's product areas and risk profile. All members of the Supervisory Board have over 3 years of experience in the banking/financial sector.

*settlement of conflicts of interests*

All members of the Supervisory Board were familiar with the Bank's conflict of interest policy and understand the procedure for reporting conflicts of interest, as well as the cases that trigger the obligation to report conflicts of interest.

During the reporting period, members of the Supervisory Board did not have potential or real conflicts of interests.

*sufficient time for performance of functions of a member of the Supervisory Board*

Information on activities as officials of other legal entities or other activities (paid and unpaid) of the members of the Bank's Supervisory Board:

Full name of SB member	Activities of members of the Supervisory Board as officials of other legal entities or other activity in 2024
Sylvia Yumi Gansser-Potts	Member of the Advisory Board (part-time), BlackPeak General Partner SARL (BlackPeak Capital, Bulgaria) (until 31.12.2024); Member of the Supervisory Board (part-time), Citadele Banka; Member of the FX Committee (part-time), SANAD; Member of the Board of Directors (part-time), Member of the Audit and Risk Committee, European Fund for Southeast Europe (EFSE).
Robert S. Kossmann	IT Advisor/Programmer, Ledge Artis (until 25.03.2024); Independent Member of the Supervisory Board, Crystal Micro Finance Organization; Financial Specialist, "E-KOM" LLC (from 01.07.2024).
Razvan Munteanu	Independent non-executive director, First Bank Romania (until 31.05.2024); Non-executive director, Omnione SA (from 01.03.2024 until 31.07.2024); Non-executive director, AxFina Holding SA (from 01.03.2024 until 31.07.2024); Member of the Supervisory Board, PrJSC "Insurance Company "UNIQA"; Member of the Supervisory Board, PrJSC "Insurance Company "UNIQA Life"; CEO, Agri Europe Cyprus (from 06.11.2024).
Rostyslav Futalo	Managing Director, FTL Next GmbH (from 08.02.2024); Consultant, ČSOB Slovakia, KBC Banking Group; Advisor, Respeecher, Inc.
Dominique Menu	None.
Butsa Yuri Bohdanovych	Government Commissioner for Public Debt Management, Ministry of Finance of Ukraine.
Bevz Oleksandr Oleksandrovych	Deputy Director for Organizational and Legal Affairs, LLC «PE «EVAS» (until 31.05.2024); Advisor to the Head of the Office of the President, Office of the President of Ukraine.
Strakhova Viktoriia Kostiantynivna	Advisor to the Office of the President of Ukraine (external), Office of the President of Ukraine.

Despite the additional workload in other legal entities, all members of the Supervisory Board devoted sufficient time to performance of their duties in the Supervisory Board as evidenced by the record of attendance by members of the Supervisory Board of meetings of the Supervisory Board and its committees laid out in Table 1 above.

During the reporting period, the members of the Supervisory Board were not members of the Management Board of the Bank, nor did the members of the Supervisory Board hold other positions in the Bank under employment contracts or provided services to the Bank under civil law contracts, except for the services of a member of the Supervisory Board, in accordance with the civil law contracts concluded with them.

*regarding performance of duties of loyalty and due care*

During the reporting period, the members of the Supervisory Board complied with the duty of care and made decisions and acted in the interests of the Bank based on a comprehensive assessment of the available (provided) information. There were no facts of violation of internal rules by the members of the Supervisory Board, which resulted in causing damage to the Bank or the Bank's clients. No measures of influence were applied to the members of the Supervisory Board under the decisions of state authorities.

The members of the Supervisory Board also complied with the duty of loyalty and acted in good faith in the interests of the Bank. Thus, no signs were found that would indicate a lack of professional suitability among the members of the Supervisory Board.

#### Regarding business reputation

Based on results of assessment of the business reputation of members of the Supervisory Board, it was established that during the reporting period, the Chairperson and members of the Supervisory Board did not have signs of a non-impeccable business reputation as defined by the Regulation on Licensing of Banks approved by the Resolution of the Management Board of the National Bank of Ukraine dated 22.12.2018 No. 149 and/or other facts that may indicate the absence of an impeccable business reputation in accordance with the legislation of Ukraine.

The results of assessment of compliance of members of the Supervisory Board with the requirements established by the regulatory legal acts of the NBU and the Banking Law regarding their professional suitability and business reputation were also reported to the NBU. The above-mentioned results of the assessment of professional suitability and business reputation confirmed the competence and effectiveness of members of the Supervisory Board.

#### **Assessment of independence of each independent member of the Supervisory Board**

The regular assessment of the compliance of the members of the Supervisory Board with the requirements established by the regulatory legal acts of the NBU and the Banking Law carried out in December 2024 also included an assessment of compliance with the requirements established by the Banking Law for independence - with respect to independent members of the Supervisory Board, and the requirements for state representatives - with respect to members of the Supervisory Board-representatives of state.

According to the results of the mentioned assessment, the compliance of members of the Supervisory Board with the requirements established by parts 13 and 14 of Article 7 of the Banking Law regarding independent members and members representing the state was confirmed. The results of the assessment were reported to the NBU.

In addition, in the process of conducting the Assessment, the Expert attended meetings of the Supervisory Board and its committees to observe the interaction of members of the Supervisory Board among themselves, the individual behaviour of members of the Supervisory Board and the nature of discussions during the meetings. Based on such observations, the Expert noted that the chairperson and members of the Supervisory Board are characterized by independence of judgment, which allows them to express an opinion, act honestly, and demonstrate objectivity and professional scepticism. The Expert noted that in the process of discussing issues on which the interests of the Bank and the shareholder may not coincide, members of the Supervisory Board, who are representatives of the state, demonstrated independence and gave priority to the interests of the Bank, its depositors and creditors.

#### **Assessment of competence and efficiency of each of the committees of the Supervisory Board, their functional powers**

During 2024, the committees of the Supervisory Board held a total of more than 100 meetings to provide the Supervisory Board with the necessary support to study and prepare for consideration by the Supervisory Board of matters falling within its competence. Such activities of the Supervisory Board committees made it possible for the Supervisory Board to consider within one calendar year items (matters) in the scope corresponding to 1.5 years of the Bank's operations (namely, from May 2023 to December 2024).

The information on attendance by the Supervisory Board members of meetings of the Supervisory Board committees laid out in Table 1 above indicates that the average attendance of meetings of the Supervisory Board committees by their members was high and amounted to 99%. The relevant data confirm the high level of involvement of the Supervisory Board members in the activities of the Supervisory Board committees and the high percentage of participation of the Supervisory Board members in the meetings of its committees.

#### The Audit Committee

During the reporting period, the Audit Committee of the Supervisory Board supported the Supervisory Board in exercising its powers to ensure the functioning and control over the effectiveness of the internal control and internal audit system in the Bank, the development of internal audit, accounting and financial reporting policies, and conduct of the external audit, in line with its competence and powers established by the Regulation on the Audit Committee of the Supervisory Board, approved by the decision of the Supervisory Board dated 16 September 2019 (Minutes No. 2) (as amended).

*Number of meetings held* - 31 meetings were held according to the meeting attendance data provided above in Table 1.

*Key activities of the committee in the reporting year:*

- conducting the procedure for selecting the Bank's external independent auditor and ensuring cooperation between the auditor and the relevant units of the Bank for the purpose of conducting an external independent audit of the Bank's financial statements. Thus, the Committee instructed the Internal Audit Department to conduct a preliminary assessment of the independence of the external auditor of the Bank in accordance with the Procedure for Assessment of the Independence of the Bank's External Auditor by the Audit Committee of the Bank's Supervisory Board, and also reviewed the assessment of threats to the independence of the Bank's external auditor;
- active cooperation with the Internal Audit Department, including regularly reviewing the reports of this unit;
- adoption and update of a number of regulatory documents, policies and regulations in the field of internal audit, including the Methodology for Risk-Based Audit Planning at the Bank, the System for Assessment of Risks and Internal Audit Processes at the Bank, the Methodology for Monitoring the Implementation of Recommendations Based on the Results of Audit Inspections at the Bank, the Programme for Ensuring and Improving the Quality of Internal Audit of the Bank, the Audit Plan for 2024 and 2025, the structure of the Internal Audit Department of the Bank, etc;
- regular review of information from the Internal Audit Department regarding the implementation of internal audit recommendations, etc.

The Audit Committee of the Supervisory Board, with the involvement of the Internal Audit Department, conducted a preliminary assessment of the independence of the Bank's external auditor "KPMG Audit" PrJSC in 2024, and it was established that the independence of the external auditor was not under threat, and the requirements of the law regarding the independence of the external auditor were not violated.

The composition of the Audit Committee fully complies with the requirements of the law, and all members of the Audit Committee have sufficient competence and specialised knowledge, both collectively and individually, for the proper, effective functioning of the Audit Committee and for making reasonable, competent decisions.

*The Risk Committee*

During the reporting period, the Risk Committee of the Supervisory Board of the Bank assisted the Supervisory Board in exercising its powers to ensure the effective functioning of the Bank's risk management system, in line with its competence and powers established by the Regulation on the Risk Committee of the Supervisory Board, approved by the decision of the Supervisory Board dated 25 October 2019 (Minutes No. 4) (as amended).

*Number of meetings held* - 35 meetings, as well as 2 joint meetings with members of the Nomination and Remuneration Committee were held according to the meeting attendance data provided above in Table 1.

*Key activities of the committee in the reporting year:*

- providing the Supervisory Board with recommendations on conducting active operations with the Bank's clients, in particular those operating in the defence sector, energy and other key sectors of the Ukrainian economy;
- development and approval of the Bank's Capitalization/Restructuring Program.
- development and provision of recommendations to the Supervisory Board on the approval of internal documents regarding risk management, compliance control and work with problem debts of the Bank, in particular the Bank's Risk Appetite Statement, the Bank's Risk Management Strategy, the Bank's Credit Risk Management Policy, the Bank's Internal Control System Policy and other regulatory documents;
- review of the Bank's reporting in the areas of risk management, compliance control and work with problem debt, in particular quarterly reports of the Risk Management Department, management reporting on NPL management and reports on operational monitoring of the internal control system and compliance risks, regular monthly risk report, as well as monthly report on the status of implementation of the Plan of Detailed Measures under the Bank's Capitalization/Restructuring Program for 2024-2026, etc.;
- carrying out restructuring work, as well as consideration and approval of issues related to the write-off of the Bank's clients' debts from estimated reserves for expected credit losses, with subsequent work on collecting problem debts.

The composition of the Risk Committee fully complied with the requirements of the law, and all members of the Risk Committee have sufficient competence and specialised knowledge, both collectively and individually, for the proper, effective functioning of the Risk Committee and for making reasonable, competent decisions.

## The Nomination and Remuneration Committee

During the reporting period, the Nomination and Remuneration Committee of the Supervisory Board of the Bank assisted the Supervisory Board in exercising its powers, in line with its competence established by the Regulation on the Nomination and Remuneration Committee of the Supervisory Board, approved by the Supervisory Board on 28.10.2019 (Minutes No. 5) (as amended).

*Number of meetings held* - 40 meetings, as well as 2 joint meetings with members of the Risk Committee were held according to the meeting attendance data provided above in Table 1.

*Key activities of the committee in the reporting year:*

- holding competitive selections for the positions of Chairperson and members of the Bank's Management Board, as well as competitive selection for the position of Chief Compliance Officer of the Bank;
- consideration and approval of draft amendments to the Bank's Charter, the Regulation on the Supervisory Board, the Regulation on the remuneration of members of the Supervisory Board, approval of amendments to the Regulations on the committees of the Supervisory Board and the Regulation on the Management Board of the Bank, the Bank's Remuneration Policy, as well as other regulatory documents in the areas of appointments, remuneration and corporate governance;
- consideration and approval of key performance indicators for 2024 for members of the Management Board, influential persons of the Bank subordinated to the Supervisory Board;
- consideration and approval of the report on the remuneration of members of the Management Board and influential persons for 2023, formation and approval of the draft report on the remuneration of members of the Supervisory Board for 2023;
- completion of the verification of compliance of members of the Management Board, heads of the Bank's control units, the Bank's employee responsible for conducting financial monitoring in the Bank with the requirements established by the current legislation of Ukraine, including requirements to their business reputation and professional suitability;
- updating the Bank's organizational structure, etc.

The composition of the Nomination and Remuneration Committee fully complied with the requirements of the law, and all members of the Committee have sufficient competence and specialised knowledge, both collectively and individually, for the proper, effective functioning of the Committee and for making reasonable, competent decisions.

The Expert shared an opinion that the Supervisory Board should refine the composition and leadership of its committees by establishing a transparent, structured process for selecting members based on expertise, maintaining independent Supervisory Board members as committee chairpersons; streamlining the Nomination and Remuneration Committee to create a smaller, more focused group; implementing clear protocols and reporting mechanisms to ensure consistency and avoid repetitive discussions.

### *3.4. Evaluation of the fulfilment by the Supervisory Board of Bank's objectives*

In 2024, the Supervisory Board continued to implement the Main (Strategic) Areas of Activity of Public Sector Banks for the period of martial law and post-war economic recovery, approved by Order of the Cabinet of Ministers of Ukraine No. 356-p dated 7 May 2022 (publicly available document) (the "Strategic Areas for the Period of Martial Law").

In addition, the Supervisory Board approved the Bank's Capitalisation/Restructuring Programme and the Plan of Detailed Measures under the Capitalisation/Restructuring Programme of the Bank for 2024-2026. Thus, in 2024, the Supervisory Board monitored the activities of the Management Board in terms of its compliance with the Strategic Areas for the Period of Martial Law and the effectiveness of their implementation, the effectiveness of the Bank's Management Board's implementation of the Bank's Capitalisation/Restructuring Programme and the Plan of Detailed Measures under the Capitalisation/Restructuring Programme of the Bank for 2024-2026, of the NPL management strategy and the operational plan on implementation of such a strategy, and continued to improve the Bank's internal control system. Strategic Areas for the Period of Martial Law were implemented in the Bank's Business Plan for 2024-2026 approved by the Supervisory Board, which contained planned indicators for 2024 and projected indicators for 2025-2026, and also included financial indicators of the Bank, namely balance sheet indicators, income/expenses for 2024 of the Bank as a whole and by business lines of the Bank, as well as triggers (material conditions) for revision of the Bank's Business Plan for 2024. At the end of 2024, in preparation for the Bank's activities in 2025, the Supervisory Board also approved the Bank's Business Plan for 2025-2027.

In addition, following the review of the Supervisory Board Report for 2023, the Supervisory Board developed and approved the Action Plan for Improving the Supervisory Board's Activities in 2024, which included a number of measures, including: (1)

ensuring certain competitive selections for the positions of the Chairperson and members of the Bank's Management Board subject to the Bank's Management Board structure as approved by the Supervisory Board; (2) supporting holding of competition for the position of the Bank's Chief Compliance Officer; (3) developing and setting goals (KPIs) for the Management Board and members of the Management Board, as well as goals (KPIs) for the units reporting to the Supervisory Board; (4) approval and support for the Bank's implementation of the Bank's Recapitalisation Programme as well as participation in such implementation. Control of the Bank's implementation of the Bank's Recapitalisation Programme; (5) ensuring stable functioning and development of the Bank under martial law, implementation of the Strategic areas of activity of public sector banks for the period of martial law and post-war recovery of the economy, approved by the Order of the Cabinet of Ministers of Ukraine No. 356-p dated 07 May 2022, taking into account the Financial Sector Development Strategy approved by the Financial Stability Council at its meeting on 19 July 2023 (including the one approved by the decision of the Management Board of the National Bank of Ukraine No. 299-рн dated 29 August 2023). During the reporting period, the Supervisory Board made efforts to implement the above-mentioned measures.

Thus, in particular, the Supervisory Board held a competitive selection for vacant positions in the Management Board and re-elected the Chief Compliance Officer of the Bank, approved the Capitalisation/Restructuring Programme of the Bank and the Plan of Detailed Measures for the Capitalisation/Restructuring Programme of the Bank for 2024-2026, set KPIs for members of the Management Board and other units subordinated to the Supervisory Board for 2024, continued to improve the internal process of operational interaction with the Corporate Secretary, actively encouraged the members of the Management Board to participate individually in the meetings of the Supervisory Board, actively promoted supervision over the implementation of recommendations of the NBU, the Internal Audit Department, as well as the compliance control and financial monitoring units, continued to organise each meeting of the Supervisory Board in such a way as to ensure full participation of all members of the Supervisory Board in the discussions during the meetings of the Supervisory Board, so that all members of the Supervisory Board could express their own opinion, promoted the implementation of measures to further improve the corporate governance culture in the Bank.

These and other measures demonstrate the efforts made by the Bank's Supervisory Board to implement the measures envisaged by the Action Plan for Improving the Supervisory Board's Performance in 2024.

### *3.5. Procedures of the Supervisory Board and the influence of the activities of the Supervisory Board on changes in the financial and economic activities of the Bank*

#### **Procedures used in decision-making by the Supervisory Board**

The procedures used in decision-making by the Supervisory Board are determined by the legislation, the Bank's Charter and the Regulation on the Supervisory Board. The organizational form of work of the Supervisory Board is regular and extraordinary meetings. Meetings of the Supervisory Board may be held: (1) in the form of joint presence of the Supervisory Board members in a designated place to discuss the agenda items and vote; or (2) without the joint presence of the Supervisory Board members to make a decision by absentee voting (poll).

The chairperson of the meeting may establish the rules of procedure for holding the meeting and discussing the items on the agenda and ensure its observance. In the event that a meeting of the Supervisory Board is held in the form of joint attendance, the Supervisory Board may consider an issue not included in the agenda of the meeting if its members present at the meeting unanimously agree to consider such an issue and its absent members agree to consider such an issue in their absence. At the meeting of the Supervisory Board, the Chairperson, a member of the Supervisory Board or another person invited to the meeting shall report on the items on the agenda. Each member of the Supervisory Board present at the meeting shall have the right to express his/her opinion on the issues under discussion, which shall be recorded in the minutes of the meeting. A meeting of the Supervisory Board or consideration of a particular issue may be recorded by technical means. In the event that a meeting of the Supervisory Board is held without joint attendance by means of absentee voting (poll), the Corporate Secretary shall send to the members of the Supervisory Board absentee voting ballots or draft resolutions on the agenda items of the Supervisory Board meeting (depending on the determined voting method).

Resolutions of the Supervisory Board shall be adopted by open voting at a meeting held in the form of joint presence or by absentee voting (poll). Each member of the Supervisory Board has one vote.

At the meeting of the Supervisory Board in the form of joint presence, decisions shall be made by a simple majority of votes of the Supervisory Board members participating in the meeting and entitled to vote on the relevant issue, except as provided by the law, the Bank's Charter and the Regulation on the Supervisory Board of the Bank. In case of equal distribution of votes, the vote of the Chairperson of the Supervisory Board shall be decisive.

In the event that a decision is made by absentee voting (poll), the members of the Supervisory Board shall express their opinion and vote on the items on the agenda of the meeting in one of the ways described in the Regulation on the Supervisory Board.



During absentee voting (polling), resolutions shall be adopted by a simple majority of votes of the Supervisory Board members from its quantitative composition established by the Bank's Charter, unless otherwise provided by the law, the Bank's Charter or the Regulation on the Supervisory Board of the Bank.

In this regard the Expert pointed that the Chairperson of the Supervisory Board should continue ensuring that Supervisory Board meetings are well-structured and that decision-making processes remain clear and effective, should actively guide discussions, foster a collaborative culture, and engage in one-on-one feedback sessions.

The Expert also shared an opinion that, in order to enhance the efficiency of Supervisory Board meetings and improve time management, the Supervisory Board should prioritize key strategic matters for consideration at the meetings, streamline materials provided for the Supervisory Board meetings with clear executive summaries and page limits, and adopt a more structured format for its informal meetings.

### **Interaction of the Supervisory Board with the Management Board and control units of the Bank**

Within the scope of its powers, the Supervisory Board regularly interacted with the Management Board and the Bank's control units.

In accordance with the requirements of the legislation, members of the Management Board and heads of the Bank's control units provided the Supervisory Board with the necessary reports, documents and other information regarding the Bank's activities, participated in meetings of the Supervisory Board and its committees in order to present their items to the members of the Supervisory Board and discuss them comprehensively and exhaustively.

Such interaction during the Supervisory Board meetings contributed to the Supervisory Board making informed resolutions based on a comprehensive assessment of the available information. It also contributed to improving the quality of implementation of resolutions made by the Supervisory Board, as the Management Board and the units responsible for implementing relevant resolutions had a deeper understanding of the intentions, ideas, and results expected by the Supervisory Board from their implementation. Meetings of the Management Board were also open for attendance by the Supervisory Board members.

In addition to interaction in the form of participation in meetings of the Supervisory Board and its committees, members of the Bank's Management Board and heads of the Bank's control units maintained constant working communication with the Supervisory Board members informing them by e-mail about important changes and events in the Bank. This ensured that the Supervisory Board stayed informed about strategically important issues of the Bank's operation and, accordingly, the Supervisory Board was able to initiate consideration of certain issues in a timely manner in order to provide the support necessary for the Management Board and the Bank's control units.

In addition, as noted earlier, as part of the Assessment, the Expert attended certain meetings of the Supervisory Board and its committees and reviewed management reports submitted to the Supervisory Board. The Expert noted that the discussion by the Supervisory Board members with the speakers on the matters submitted to the Supervisory Board was very thorough and detailed. Such detailed consideration of issues contributed to the quality of resolutions made by the Supervisory Board.

At the same time, the Expert noted that the number and frequency of meetings of the Supervisory Board in 2024 was quite high and that in 2025 it is desirable to reduce the number of meetings of the Supervisory Board and its committees by at least half. A longer interval between meetings will allow the Management Board and responsible departments to devote more time to achieving their goals and take into account the Supervisory Board's comments on possible revision and further improvement of management reporting, as well as to review and improve the planning (preparation) of submissions to the Supervisory Board.

### **Quality of interaction between the members of the Supervisory Board during its meetings**

As confirmed by the minutes of the meetings of the Supervisory Board, each meeting of the Supervisory Board was organised in such a way as to ensure full participation of all members of the Supervisory Board in the discussion during the meeting of the Supervisory Board, so that all members of the Supervisory Board were listened to, and individual opinions of the Supervisory Board members were expressed and explained.

Members of the Supervisory Board had the opportunity to freely express their opinions on each issue during its meetings. Members of the Supervisory Board always had the opportunity to ask questions and comment on each of the issues under consideration.

At the same time, as confirmed by the minutes of the meetings of the Supervisory Board, members of the Supervisory Board stressed the need to review and improve the annual planning of the activities of the Supervisory Board and its committees in order to ensure timely and high-quality preparation of items for consideration by the Supervisory Board (in terms of content of materials and time of receipt of materials by the Supervisory Board). This will have a positive impact on the quality of interaction between the Supervisory Board members during the meetings, namely, it will allow the Supervisory Board members to allocate

better time to consideration of the most important aspects of submitted items. Minutes of the meetings of the Supervisory Board and its committees fully reflected the essence of the issues discussed and decisions taken. The Expert also emphasized that the Supervisory Board should include a formal strategic planning discussion in its annual schedule of the meetings to align strategic direction, maintain shared priorities, and integrate leadership and management input for a comprehensive understanding of the external environment.

#### **Quality of implementation of resolutions adopted by the Supervisory Board and recorded in the minutes of the Supervisory Board meetings**

The Supervisory Board generally positively assessed the quality of implementation of its decisions by the Management Board and the Bank's control units.

The Supervisory Board regularly received reports from the Management Board and the Bank's control units on issues within its competence, which allowed it to monitor the full and timely implementation of its decisions.

In addition, the Supervisory Board, with the assistance of the Bank's Corporate Secretary and the Bank's Secretariat Department, monitored the status of execution of instructions given to the Management Board and control units of the Bank and maintained constant communication with them, which improved mutual understanding between the Bank's management and control bodies and enhanced the quality of implementation of the Supervisory Board's decisions. In particular, the Bank's Secretariat Department prepared and submitted to the Supervisory Board on a quarterly basis a report on the implementation of the Supervisory Board's resolution. In addition, the Corporate Secretary of the Bank kept records of informal instructions of the Supervisory Board, which were voiced by members of the Supervisory Board during the meetings of the Supervisory Board but were not included in the text of the resolutions of the Supervisory Board. The Bank's Corporate Secretary monitored the implementation of such instructions and informed the Supervisory Board members about the status at the beginning of each regular meeting of the Supervisory Board.

#### **Impact of the Supervisory Board's activities on changes in the Bank's financial and economic activities**

The activities of the Supervisory Board, despite the difficult military situation in Ukraine, led to the following results of the Bank's financial and economic activities: a significant improvement in a number of performance indicators in the Bank's Capitalization Program (Cost-to-Income ratio, Staff Cost-to-Income ratio, Net Interest Margin) to a level that does not require active attention from the Management Board and the Supervisory Board of the Bank; obtaining operational profit for 2024 in the amount of UAH 9.2 billion against the planned UAH 5.5 billion; continued implementation of recommendations provided by the NBU based on the results of an unscheduled inspection of the Bank (in accordance with NBU Order No. 105-no dated February 1, 2023), as well as based on the results of the SREP assessment; improvement of the risk management and internal control systems, corporate governance, which strengthened the overall financial stability of the Bank; approving the Bank's Business Plan for 2024-2026, as well as for 2025-2027; monitoring compliance with the Bank's Risk Appetite Statement to prevent excessive risks; as well as retention of the Bank's existing clients.

Supervisory Board profile matrix as of 13 December 2024

Criteria	Risk Management	Finance	Retail Business	Corporate Business	Payment Services	Capital Markets	Security	IT	NPL Management	Investment Activity	Treasury	Corporate Governance
SB members												
Rostyslav Futalo	A1/B3/C-	A3/B3/C3	A-/B3/C3	A3/B3/C3	A-/B2/C2	A1/B2/C2	A-/B3/C-	A3/B3/C3	A-/B3/C3	A1/B-/C2	A-/B2/C-	A1/B3/C3
Sylvia Y. Gansser-Potts	A1/B3/C3	A2/B3/C3	A-/B3/C-	A3/B3/C3	A-/B3/C-	A3/B3/C2	A1/B3/C1	A-/B3/C-	A1/B3/C1	A3/B3/C3	A1/B3/C-	A1/B3/C3
Razvan Munteanu	A1/B3/C-	A1/B3/C-	A1/B3/C3	A-/B3/C3	A1/B3/C3	A-/B2/C-	A2/B2/C3	A-/B2/C-	A2/B3/C3	A-/B-/C-	A-/B2/C-	A1/B3/C3
Dominique Menu	A3/B3/C3	A3/B3/C3	A-/B3/C3	A3/B3/C3	A-/B3/C3	A3/B3/C3	A2/B3/C3	A2/B3/C3	A3/B3/C3	A3/B3/C3	A3/B3/C3	A3/B3/C3
Robert Kossmann	A-/B2/C2	A2/B2/C2	A-/B3/C3	A-/B3/C3	A2/B3/C3	A-/B-/C3	A-/B-/C-	A-/B3/C3	A-/B3/C3	A-/B-/C-	A-/B-/C-	A-/B3/C3
Oleksandr Bevz	A-/B3/C3	A2/B3/C3	A-/B1/C1	A-/B1/C1	A2/B3/C3	A2/B3/C3	A2/B3/C3	A2/B1/C1	A-/B3/C3	A2/B3/C3	A-/B1/C1	A3/B3/C3
Viktoriya Strakhova	A3/B3/C3	A3/B3/C3	A3/B3/C3	A3/B3/C3	A3/B3/C3	A3/B3/C3	A2/B3/C2	A2/B3/C2	A2/B3/C3	A1/B3/C2	A1/B3/C2	A3/B3/C3
Yuriy Butsa	A2/B3/C-	A2/B3/C3	A-/B3/C-	A2/B3/C-	A-/B3/C-	A2/B3/C3	A-/B3/C-	A-/B3/C-	A-/B3/C3	A2/B3/C3	A2/B3/C3	A2/B3/C3
N/A												
Total Score	A11/B23/C14	A18/B23/C20	A4/B22/C16	A14/B22/C19	A8/B23/C17	A14/B19/C19	A9/B23/C12	A9/B21/C12	A8/B24/C21	A12/B15/C16	A7/B17/C9	A14/B24/C24

**A1** – if you have additional education in the relevant field

**A2** – if you have higher education degree in the relevant field

**A3** – if you have higher education degree and additional education in the relevant field

**B1** – if your managerial experience is up to 1 year in the relevant field

**B2** – if your managerial experience is from 1 to 5 years in the relevant field

**B3** – if your managerial experience is more than 5 years in the relevant field

**C1** – if your professional experience is up to 1 year in the relevant field

**C2** – if your professional experience is from 1 to 5 years in the relevant field

**C3** – if your professional experience is more than 5 years in the relevant field

**4. Information on the composition of the Bank's executive body and its changes during the year, including the committees formed by it, as well as information on the meetings held with a general description of the decisions taken, report of the executive body of the Bank**

*Information on the composition of the Bank's executive body and its changes during the year, including the committees formed by it, as well as information on the meetings held with a general description of the decisions taken*

The composition of the Management Board of the Bank as of 31.12.2024 was as follows:

- Viktor Ponomarenko, Chairman of the Management Board
- Pavel Haskovec, Member of the Management Board
- Maksym Zemlianyi, Member of the Management Board
- Oleh Kapkan, Member of the Management Board, Chief Risk Officer (CRO)
- Viktoriia Masna, Member of the Management Board
- Mykhailo Medko, Member of the Management Board

In 2024, the following changes took place in the personal composition of the Management Board of the Bank:

- by the resolution of the Supervisory Board dated June 26, 2024 (Minutes No. 30, item 1), the powers of Serhii Oleksandrovych Iermakov as the Chairman of the Management Board were terminated and he was dismissed from this position pursuant to clause 5 of part 1 of Article 41 of the Labour Code of Ukraine (namely, due to the termination of the powers of an official) on June 30, 2024 (the last day of validity of such powers and holding such position);
- by the resolution of the Supervisory Board dated June 26, 2024 (Minutes No. 30, item 2), Viktor Viktorovych Ponomarenko was appointed Chairman of the Management Board on the ground of the approval of the National Bank of Ukraine (letter No. 27-0014/46902 dated June 19, 2024) as a candidate for this position from July 1, 2024 (the first working day);
- by the resolution of the Supervisory Board dated June 26, 2024 (Minutes No. 30, item 3), Maksym Pavlovych Zemlianyi was appointed Member of the Management Board for Operational Activities from July 1, 2024 (the first working day);
- by the resolution of the Supervisory Board of the Bank dated June 28, 2024 (Minutes No. 31, item 2), the powers of Dmytro Yevhenovych Kaplyuk as the Member of the Management Board, Chief Risk Officer (CRO) of the Bank were terminated and he was dismissed from this position pursuant to clause 2 of part 1 of Article 36 of the Labour Code of Ukraine (namely, due to the expiration of the fixed-term employment contract) on June 30, 2024 (the last day of validity of such powers and holding such position);
- by the resolution of the Supervisory Board dated June 28, 2024 (Minutes No. 31, item 4), the powers of Oleksandr Volodymyrovych Shchur as the Member of the Management Board for Interbank and Investment Activities and Relations with International Financial Organisations of the Bank were terminated and he was dismissed from this position pursuant to clause 2 of part 1 of Article 36 of the Labour Code of Ukraine (namely, due to the expiration of the fixed-term employment contract) on June 30, 2024 (the last day of validity of such powers and holding such position);
- by the resolution of the Supervisory Board dated June 28, 2024 (Minutes No. 31, item 5), the employment relationship with Mykhailo Bohdanovych Medko as the Member of the Management Board for Medium Business and Municipalities and Retail Banking was extended for the term of his office, namely from July 1, 2024 (the first working day) to June 30, 2027 (inclusive);
- by the resolution of the Supervisory Board dated July 5, 2024 (Minutes No. 32, item 1), Viktoriia Valentynivna Masna was appointed Member of the Management Board for Interbank and Investment Activities and Relations with International Financial Institutions of the Bank effective from July 8, 2024 (the first working day);
- by the resolution of the Supervisory Board dated July 5, 2024 (Minutes No. 32, item 2), Svitlana Ivanivna Ageeva was appointed Member of the Management Board for Finance of the Bank effective from July 22, 2024 (the first working day);
- by the resolution of the Supervisory Board dated July 5, 2024 (Minutes No. 32, item 3), Pavel Haskovec was appointed Member of the Management Board for the Organization of Work with the Bank's Problem Assets effective from July 8, 2024 (the first working day);

- by the resolution of the Supervisory Board of the Bank dated August 21, 2024 (Minutes No. 40, item 1), Oleh Vladyslavovych Kapkan was appointed Member of the Management Board, Chief Risk Officer (CRO) of the Bank, effective from August 22, 2024 (the first working day);
- by the resolution of the Supervisory Board of the Bank dated October 18, 2024 (Minutes No. 45, item 3), the powers of Svitlana Ageeva as the Member of the Management Board for Finance (CFO) were terminated and she was dismissed from this position (employment contract was terminated) in accordance with clause 13.1.3. of the employment contract between the Bank and Svitlana Ageeva, concluded on July 22, 2024, and on the ground of clause 4 of part 1 of Article 36 of the Labour Code of Ukraine (namely, at the initiative of the employee), on October 30, 2024.

In 2024, the Management Board of the Bank held 125 meetings, including 65 meetings by paper circulation (decision-making by paper circulation voting), where 746 issues were considered. When making decisions, the Management Board was guided by the Charter, the Regulation on the Management Board and other regulatory and administrative documents of the Bank.

Pursuant to the Regulation on the Management Board, the Management Board makes decisions according to the following procedure:

- 1) by holding meetings;
- 2) by conducting paper circulation voting.

The main organizational form for the Management Board to make decisions is to hold Management Board meetings. Management Board meetings are held whenever necessary, but at least once a month.

Management Board meetings are held in the form of joint presence of the members of the Management Board at a defined place, including using means of electronic communication (video and voice conferences, etc.) provided that each member of the Management Board participating in such a conference can see and hear (or at least hear) and communicate with all other participants during the Management Board meeting and identify the results of voting. Such a form of the meeting is acceptable if none of the members of the Management Board objected to its application before the respective meeting of the Management Board.

A member of the Management Board who is on a business trip has the right to participate in meetings of the Management Board (with the right to vote) held in the form of joint presence of the members of the Management Board at a defined place, including using means of electronic communication (video and voice conferences, etc.), and paper circulation voting of the Management Board, if such participation does not interfere with the proper performance of the tasks that are the grounds for the business trips. Information on participation in meetings and paper circulation voting of the Management Board by members of the Management Board who are on business trips and on the possibility of such participation within the framework of business trips is indicated in the minutes of the meeting / paper circulation voting (polls) of the Management Board.

A meeting of the Management Board is deemed to be duly convened if at least half of the members of the Management Board out of the number of actually appointed members of the Management Board are present.

Decisions of the Management Board are made by a simple majority of votes of its members participating in a meeting. In the event of an equal distribution of votes, the vote of the person chairing the meeting (Chairman of the Management Board, in case of his absence – member of the Management Board, acting as the Chairman of the Management Board) is decisive, provided that in any case, the decision cannot be made alone.

The Chief Risk Officer and the Chief Compliance Officer or other employee(s) entrusted with the performance of their duties for the period of temporary absence of the Chief Risk Officer and/or the Chief Compliance Officer for reasons provided for by the current legislation of Ukraine (vacation, temporary incapacity for work, business trips, etc.) attended the meetings of the Management Board and had the right to impose a ban (veto) on the decisions of the Management Board in cases established by the current legislation of Ukraine and the Bank's regulatory documents.

The Chief Risk Officer and the Chief Compliance Officer or other employee(s) entrusted with the performance of his/her duties for the period of absence of the Chief Risk Officer and/or the Chief Compliance Officer for reasons provided for by the current legislation of Ukraine (leave, temporary incapacity for work, business trips, etc.) before and during the meetings of the Management Board were provided with all necessary materials on the issues submitted for consideration by the Management Board, as well as conditions for exercising the right to impose a ban (veto) on the decisions of the Management Board.

No cases of imposition a ban (veto) were recorded.

At the meetings and paper circulation voting of the Management Board, the issues of current management of the Bank's activities were considered, in particular:

- approval of the Bank's regulatory documents, the approval of which falls within the competence of the Management Board;
- preliminary consideration and agreement of the Bank's regulatory documents and other issues which are approved by the Supervisory Board in accordance with the applicable legislation of Ukraine and the Bank's Charter and require preliminary consideration and agreement by the Management Board;
- making decisions on lending and changing the current terms of lending to legal entities within the powers of the Management Board delegated by the Supervisory Board;
- approval of work strategies and action plans for repaying problem debt of the borrowers, preliminary consideration of quarterly management reports on problem assets workout and submitting them to the Supervisory Board for consideration.
- agreement of the Bank's Capitalization/Restructuring Program;
- agreement of the Bank's Business Development Plan for 2025-2027;
- changes to the Bank's organizational structure;
- making decisions on the write-off of non-current assets of the Bank;
- making decisions on the provision of charitable assistance;
- reviewing (updating) and approving the regulations on the permanent working bodies of the Bank (committees, commissions, groups) established by the Management Board;
- consideration of the annual financial statements / consolidated annual financial statements of the Bank together with the opinions of the external audit and their submission to the Supervisory Board for consideration;
- consideration of the Bank's monthly performance results;
- consideration of quarterly reports on the results of monitoring the effectiveness of the internal control system, regarding compliance risks for submission to the Supervisory Board;
- consideration of quarterly information on issues in the field of prevention and counteraction to legalization (laundering) of the proceeds from crime, terrorism financing and financing proliferation of weapons of mass destruction;
- consideration of risk management reporting;
- the status of implementation of the recommendations of the Internal Audit Department;

The Management Board of the Bank established and operated 9 committees and 2 commissions in 2024, in particular:

- Credit Committee;
- Minor Credit Committee;
- Assets and Liabilities Committee;
- Assets and Liabilities Sub-Committee
- Tariff Committee;
- Committee for implementation and functioning of information security management system;
- Problem Assets Workout Committee;
- IT Committee;
- Operational and Compliance Risk Committee;
- Tender Committee;

- Commission for monitoring asset-side transactions with customers;
- Commission on accreditation/interaction with third parties providing additional and related non-banking service. <sup>1</sup>

### Credit Committee

A permanent collegial body of the Bank that determines the possibility and conditions of asset-side banking transactions with all counterparties and clients of the Bank, asset-side transactions in the interbank market, asset-side transactions with securities within the powers delegated to it by the Management Board and established key risk indicators, approves the classification of the Bank's asset-side transactions and receivables, proposals for the formation of provisions to cover possible losses from their impairment, is responsible for the implementation of the Bank's Credit Policy, determines the possibility and conditions of accreditation/interaction (cooperation) with third parties which provide additional and related non-banking services, the issue of interaction (cooperation) with which shall be submitted for consideration by the Credit Committee in accordance with the Bank's internal documents, as well as determines (selects) third parties which provide non-banking services in cases provided for by the Bank's internal documents, as well as in certain cases where such determination (selection) is necessary within the competence of the Credit Committee, and performs other functions specified in the Regulation.

Non-banking institutions (within the Credit Committee) include entities that cooperate with the Bank within the framework of the Bank's asset-side transactions, in particular: appraisal entities, surveyors, insurance companies (except for accreditation/interaction (cooperation) with the Private Joint Stock Company "Export Credit Agency", cooperation with which is carried out in accordance with and on the ground of the Law of Ukraine "On Financial Mechanisms for Stimulating Export Activities") and partners of the Bank (business entities (except for state-owned enterprises operating on the basis of state ownership) that carry out business activities in accordance with the current legislation of Ukraine, the main activity of which is the production/sale of products and goods that may be accepted as collateral for credit products and on financial leasing terms).

#### Composition of the Credit Committee as of December 31, 2024

Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition
Chairman of the Committee	<b>P. Haskovec</b>	-
Deputy Chairman of the Committee	<b>O.Ye. Savin</b>	-
Member of the Committee	<b>A.I. Moisieienko</b>	-
Member of the Committee	<b>V.V. Ponomarenko</b>	-
Member of the Committee	<b>O.V. Kapkan</b>	<b>O.P. Shelepalo</b> (in the period of absence* of V.O. Kapkan)
Member of the Committee	<b>Ya. O. Skorbulatov</b>	<b>V.I. Pidchosa</b> (in the period of absence* of Ya.O.Skorbulatov)
Member of the Committee	<b>I.V. Grynenko</b>	<b>D.O. Krytskyi</b> (in the period of absence* of I.V. Grynenko)

<sup>1</sup> By the resolution of the Management Board dated 09.10.2024 (Minutes No. 96, item 20), the activities of the Commission on accreditation/interaction with third parties providing additional and related non-banking service were terminated, effective from 10.10.2024, and functions were distributed among the Credit Committee, Tender Committee, Tariff Committee and the Problem Assets Workout Committee.

Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition
Permanently invited to participate in the meetings of the Committee (without the right to vote):	V.O. Serdiuk	I.V. Ulybin (in the period of absence* of V.O.Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, etc.))
	I.A. Tarasynskyi	-
	N.P. Nyshporska	-
	O.I. Kozlova	-
	L.M. Pylypenko	-
	I.V. Kobylianska	-
* for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc).		

In 2024, 297 meetings/meetings by paper circulation of the Credit Committee were held, including 100 meetings and 197 meetings by paper circulation, where 648 issues were considered and decisions were made, in particular on the following:

- lending/making changes to borrowers' credit terms/reviewing credit limits/extending the validity of resolutions on lending to borrowers submitted to the Committee within the limits, taking into account the powers delegated by the Management Board and in accordance with the procedure established by the Bank's regulatory documents;
- agreement/approval of financial restructuring plans and terms;
- setting limits on conducting asset-side transactions with counterparty banks;
- approval of the amount of provisions according to IFRS 9 and the amount of credit risk for asset-side banking transactions as of the reporting date/agreement of management reporting on credit risk;
- approval of banking products for asset-side transactions/implementation/modification of such banking products in accordance with the requirements of the Bank's regulatory documents;
- assignment of the "Problem Exposure" status;
- accreditation of appraisers in "Ukreximbank" JSC;
- amendments to the agreements concluded with the appraisers accredited by "Ukreximbank" JSC;
- informing about the implementation of the Committee's instructions/quarterly monitoring of the status of the implementation of instructions, etc.

#### Minor Credit Committee

A permanent collegial body of the Bank that determines the possibility and conditions of conducting asset-side transactions with the Bank's counterparties and clients within the limits of authority established by the Management Board, assesses the quality of the loan portfolio for transactions with relevant borrowers, is responsible for the implementation of the Bank's Credit Policy, and performs other tasks and functions specified in the Regulation.

#### Composition of the Minor Credit Committee as of December 31, 2024



Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition
Chairman of the Committee	<b>O.P. Shelepalo</b>	-
Deputy Chairman of the Committee	<b>M.B. Medko</b>	<b>S.S. Puskai</b> (in the period of absence* of M.B. Medko)
Member of the Committee	<b>I.V. Hrynenko</b>	<b>D.O. Krytskyi</b> (in the period of absence* of I.V.Hrynenko)
Member of the Committee	<b>V.I. Pidchosa</b>	<b>Ya. O. Skorbulatov</b> (in the period of absence* of V.I. Pidchosa)
Member of the Committee **	<b>A.I. Moisieienko</b>	<b>D.S. Tatarko</b> (in the period of absence* of A.I. Moisieienko)
Member of the Committee ***	<b>A.S. Blyzniuk</b>	<b>O.P. Kandyba</b> (in the period of absence* of A.S. Blyzniuk)
Permanently invited to participate in the meetings of the Committee (without the right to vote):	O.V. Kapkan A.S. Blyzniuk I.A. Tarasynskyi S.V. Tkachenko V.O. Serdiuk  N.P. Nyshporska O.I. Kozlova L.M. Pylypenko I.V. Kobylianska	- - - - I.V. Ulybin (in the period of absence* of V.O.Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, etc.)) - - - -
<p>* for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc).</p> <p>** a member of the Committee for the period of consideration and decision-making by the Committee on issues initiated by the Public Sector Corporate Business Department and the Private Sector Corporate Business Department.</p> <p>*** a member of the Committee in the period of absence of O.P. Shelepalo for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc).</p>		

In 2024, 265 meetings/meetings by paper circulation of the Minor Credit Committee were held, including 120 meetings and 145 meetings by paper circulation, where 862 issues were considered and decisions were made, in particular on the following:

- lending/making changes to borrowers' credit terms/reviewing credit limits/extending the validity of resolutions on lending to borrowers submitted to the Committee within the limits, taking into account the powers delegated by the Management Board and in accordance with the procedure established by the Bank's regulatory documents;

- conclusion of financial leasing agreements/amendments to financial leasing agreements;
- opening of credit lines within the framework of “Bonus” and “Kredytka” credit card products;
- loans for the purchase of residential real estate within the framework of “eOselia” affordable mortgage lending program;
- approval/change of credit terms/passports of loan products/procedures/agreements; approval/change/cancellation of tariffs for asset-side transactions with MSBMUS borrowers and the Bank’s retail borrowers;
- assigning/removing the “Problem Exposure” status to/ from the client’s exposure for asset-side transactions within the limits, taking into account the powers delegated by the Management Board of the Bank, except for parties related to the Bank;
- resolutions on setting the values of nominal interest rates and commissions for the Bank’s retail borrowers in accordance with the Bank's pricing regulations, etc.

### **Assets and Liabilities Committee**

A permanent collegial body of the Bank that performs its functions in accordance with the requirements of the Bank's Charter, regulatory documents of the Bank and in accordance with the procedure established by the Regulation on Assets and Liabilities Committee and Assets and Liabilities Sub-Committee, ensuring the management of assets and liabilities structure, compliance with indicators of liquidity risk, interest rate risk of the banking book, market risks, including economic ratios set by the NBU on liquidity risk, capital, open currency position limits, as well as the relevant financial covenants under external economic agreements. For prompt solution of certain issues, the Assets and Liabilities Sub-Committee is established within the Assets and Liabilities Committee pursuant to the resolution of the Management Board of the Bank.

#### Composition of the Assets and Liabilities Committee as of December 31, 2024

<b>Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)</b>		<b>Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition</b>
Chairman of the Committee	<b>V.V. Masna</b>	-
Deputy Chairman of the Committee	<b>A.V. Boldyriev</b>	<b>O.V. Serdiuk</b> (in the period of absence* of A.V. Boldyriev)
Member of the Committee	<b>V.V. Ponomarenko</b>	-
Member of the Committee	<b>O.Ye. Savin</b>	-
Member of the Committee	<b>O.V. Kapkan</b>	<b>S.A. Antoniuk</b> (in the period of absence* of O.V. Kapkan)
Member of the Committee	<b>M.B. Medko</b>	<b>S.S. Puskai</b> (in the period of absence* of M.B. Medko)
Member of the Committee	<b>K.O. Volodina</b>	-

Member of the Committee	<b>A.I. Moisieienko</b>	-
Permanently invited to participate in the meetings of the Committee (without the right to vote):	V.O. Serdiuk	I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine  (in particular, vacation, temporary incapacity for work, business trips, etc.))
	S.P. Yerhiieva	-
	O.I. Prymachenko	-
* for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc.)		

In 2024, 76 meetings/meetings by paper circulation of the Assets and Liabilities Committee were held, including 53 meetings and 23 meetings by paper circulation, where 235 issues were considered and decisions were made, in particular on the following:

- setting transfer rates;
- review of interest rates for deposits and loan programs;
- attracting deposits on individual terms, early return of deposits, individual interest accrual terms;
- overview of financial markets;
- dynamics of interest rates and liquidity position;
- early warning indicators of overall market (external) liquidity crisis;
- capital ratios, liquidity risk, interest rate risk of the banking book, market risks, etc;

In 2024, 197 meetings of the Assets and Liabilities Sub-Committee were held in the form of meetings by paper circulation. A total of 615 issues were considered, including on the following:

- setting individual conditions for accrual of interest on current account balances;
- early termination of a bank deposit;
- setting individual conditions for raising funds, etc.

Composition of the Assets and Liabilities Sub-Committee as of December 31, 2024

Members of the Sub-Committee who participate in the meetings of the Sub-Committee on a permanent basis (main composition)		Members of the Sub-Committee who participate in the meetings of the Sub-Committee in the absence* of members of the Sub-Committee of the main composition
Chairman of the Sub-Committee	<b>O.A. Stasiuk</b>	-
Deputy Chairman of the Sub-Committee	<b>K.O. Volodina</b>	-
one of the members of the Sub-Committee, determined below, depending on the unit that initiates the consideration of the issue and makes proposals for consideration by the Sub-Committee		

Members of the Sub-Committee who participate in the meetings of the Sub-Committee on a permanent basis (main composition)		Members of the Sub-Committee who participate in the meetings of the Sub-Committee in the absence* of members of the Sub-Committee of the main composition
Member of the Sub-Committee during consideration and making resolutions by the Sub-Committee on issues initiated by Documentary Business and Trade Finance Division, Public Sector Corporate Business Department, Private Sector Corporate Business Department	<b>O.Ye. Savin</b>	<b>A.I. Moisieienko</b> (in the period of absence* of O.Ye. Savin)
Member of the Sub-Committee during consideration and making resolutions by the Sub-Committee on issues initiated by IFIs Programs Department, International Business Department, Treasury and Investment Services Department	<b>V.V. Masna</b>	<b>S.A. Kuzmych</b> (in the period of absence* of V.V. Masna)
Member of the Sub-Committee during consideration and making resolutions by the Sub-Committee on issues initiated by Medium-Sized Business, Municipalities and Utilities Sector Department, Retail Business Department	<b>M.B. Medko</b>	<b>S.S. Puskai</b> (in the period of absence* of M.B. Medko)
Permanently invited to participate in the meetings of the Sub-Committee (without the right to vote):	V.O. Serdiuk  O.V. Kapkan	I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, etc.))  -
*for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc.)		

### **Tariff Committee**

The permanent collegial body of the Bank that ensures the performance of functions related to the management of commission fees for banking and other financial services and analysis of the ratio of the cost of services and market competitiveness of the Bank's rates, as well as other issues related to banking products, including the provision of banking and other financial services, except for the management of fees under credit transactions, as well as functions to determine the possibility and conditions of accreditation/interaction (cooperation) with third parties that provide additional and related non-banking services, the issue of interaction (cooperation) with which must be submitted for consideration by the Committee in accordance with the Bank's internal documents, and also determines (selects) third parties that provide non-banking services in cases provided for by the Bank's internal documents. Non-banking institutions (within the framework of this Tariff Committee) include commodity exchanges.

Composition of the Tariff Committee as of December 31, 2024

Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition
Chairman of the Committee	<b>M.B. Medko</b>	-
Deputy Chairman of the Committee	<b>V.V. Masna</b>	<b>A.V. Boldyriev</b> (in the period of absence* of V.V. Masna)
Member of the Committee	<b>M.P. Zemlianyi</b>	<b>N.S. Svyryd</b> (in the period of absence of M.P. Zemlianyi)
Member of the Committee	<b>S.P. Yerhiieva</b>	<b>H.V. Vizonok</b> (in the period of absence of S.P. Yerhiieva)
Member of the Committee	<b>O.Ye. Savin</b>	-
Member of the Committee	<b>O.B. Tyshchenko</b>	<b>V.O. Hretska</b> (in the period of absence* of O.B. Tyshchenko)
Member of the Committee	<b>S.S. Puskai</b>	<b>S.F. Mushka</b> (in the period of absence* of S.S. Puskai)
Member of the Committee	<b>A.I. Moisieienko</b>	-
Permanently invited to participate in the meetings of the Tariff Committee (without the right to vote):	O.V. Kapkan V.O. Serdiuk  A.V. Malakhov S.V. Mukan	- I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, etc.)) - -
*for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc.)		

In 2024, 73 meetings/meetings by paper circulation of the Tariff Committee were held, including 46 meetings and 27 meetings by paper circulation, where 196 issues were considered and decisions were made, in particular on the following:

- setting individual commission fees for customers/groups of customers;
- approval of commission fees for banking services / making changes to existing base tariffs;
- approval of resolutions on the implementation/modification of parameters of banking products;

- approval of terms and conditions, standard forms of agreements and regulations on banking products, banking and other financial services, as well as transactions related to banking products, banking and other financial services;
- making decisions on the terms and conditions of payment card transactions;
- authorizing responsible structural units to set individual tariffs for customers;
- making decisions on non-application of penalties to Bank's clients and/or a group of clients under banking and other financial services agreements (except for loan agreements) (subject to prior approval of the decision by Legal Department), etc.

#### **Committee for Implementation and Functioning of Information Security Management System**

A permanent collegial body of the Bank, which, within the limits of its delegated powers, ensures the process of development, implementation, operation, monitoring, review, maintenance and improvement of the information security management system in the Bank by making appropriate decisions.

Composition of the Committee for Implementation and Functioning of Information Security Management System as of December 31, 2024

<b>Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)</b>		<b>Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition</b>
Chairman of the Committee	<b>S.I. Kosenko</b>	<b>N.V. Poludnenko</b> (in the period of absence* of S.I. Kosenko)
Member of the Committee	<b>V.V. Ponomarenko</b>	-
Member of the Committee	<b>O.B. Tyshchenko</b>	<b>S.F. Mushka</b> (in the period of absence* of O.B. Tyshchenko)
Member of the Committee	<b>M.P. Zemlianyi</b>	<b>O.V. Tereshchuk</b> (in the period of absence* of M.P. Zemlianyi)
Member of the Committee	<b>O.V. Kapkan</b>	<b>S.A. Antoniuk</b> (in the period of absence* of O.V. Kapkan)
Permanently invited to participate in the meetings of the Committee (without the right to vote):	V.O. Serdiuk  A.V. Malakhov D.V. Koval K.I. Halychanskyi	I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, etc.))  - - -

\* for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc.)

In 2024, 20 meetings/meetings by paper circulation of the Committee for Implementation and Functioning of the Information Security Management System were held, including 6 meetings and 14 meetings by paper circulation, where 41 issues were considered and decisions were made, in particular on the following:

- Approval of the Bank's regulatory documents on information security, including:
  - Procedure for the Destruction of Restricted Information on Electronic Media;
  - Procedure for Organising Antivirus Protection of the Information and Communication System of "Ukreximbank" JSC;
  - Procedure for Inventorying ISMS Resources of "Ukreximbank" JSC;
  - Procedure for Analysing the Security of "Ukreximbank" JSC software;
  - Procedure for Managing TLS certificates;
  - Procedure for Cryptographic Protection of Electronic Information at "Ukreximbank" JSC;
  - Procedure for Classification and Protection of Electronic Information at "Ukreximbank" JSC;
  - Procedure for Organising the Technological Process of Managing the "Internet Module" in the ICS of "Ukreximbank" JSC.
- Familiarisation of Committee members with information on:
  - identified vulnerabilities and information security incidents of "Ukreximbank" JSC;
  - assessment of information security risks of "Ukreximbank" JSC;
  - results of an external independent audit of the Bank's compliance with the SWIFT Customer Security Programme (CSP) requirements;
  - the results of the annual assessment of information security risks.
- Informing about the implementation of the Committee's instructions/quarterly monitoring of the status of instructions implementation, etc.

#### **Problem Asset Workout Committee**

A permanent collegial body of the Bank that within the delegated powers determines the terms and conditions for implementing measures aimed at repaying debt under credit transactions, which is considered non-performing in accordance with the resolutions the authorised collegial bodies of the Bank; the possibility and terms and conditions of implementing measures to manage the recovered property; measures aimed at the settlement of receivables assigned the status of "problem exposure"; the possibility and terms and conditions of accreditation/interaction (cooperation) with third parties that provide additional and related non-banking services, the issues of interaction (cooperation) with which must be submitted for consideration by the Committee in accordance with the Bank's internal documents, and also determines (selects) third parties that provide Non-banking services, in cases provided for by the Bank's internal documents, as well as in individual cases of the need for such determination (selection) within the competence of the Committee.

- Non-banking institutions (within the framework of the Problem Asset Workout Committee) include entities that cooperate with the Bank in the framework of work with problem assets, in particular: law firms (interaction with which / receipt of whose services is carried out on issues related to work with non-performing assets assigned the status of "problem exposure", recovered property and/or legal protection of the Bank's rights and interests in courts), companies that provide debt recovery services, real estate / brokerage entities, experts, technical inventory bureaus, land management organizations, electronic auction operators, companies that provide consulting services.

Composition of the Problem Asset Workout Committee as of December 31, 2024

Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition
Chairman of the Committee	<b>O.V. Kapkan</b>	-
Deputy Chairman of the Committee	<b>O.P. Shelepalo</b>	<b>S.A. Antoniuk</b> (in the period of absence* of O.P. Shelepalo)
Member of the Committee	<b>P. Haskovec</b>	-
Member of the Committee	<b>M.M. Kulish</b>	<b>V.A. Borovchenko</b> (in the period of absence* of M.M. Kulish)
Member of the Committee	<b>I.V. Hrynenko</b>	<b>D.O. Krytskyi</b> (in the period of absence* of I.V. Hrynenko)
Member of the Committee	<b>Ya.O. Skorbulatov</b>	<b>V.I. Pidchosa</b> (in the period of absence* of Ya.O. Skorbulatov)
Permanently invited to participate in the meetings of the Committee (without the right to vote):	V.O. Serdiuk	I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, etc.))
	N.M. Turak	-
	V.I. Pidchosa**	-
	Yu.O. Zhula	-
	V.Yu. Voloshyna	-
	V.A. Borovchenko**	-
<p>* for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc.)</p> <p>** except for the period in which the Bank employee participates in Committee meetings as a Committee member during the absence of a member of the Committee from the main composition</p>		

In 2024, 136 meetings/meeting by paper circulation of the Problem Asset Workout Committee were held, including 67 meetings and 69 meetings by paper circulation, where 442 issues were considered and decisions were made, in particular on the following:

- approval of the Strategy and Operational Plan for the Bank's NPL Portfolio Workout;
- approval of the action plan and strategy for working with problem borrowers of the Bank;
- voluntary settlement and approval of restructuring: approval of restructuring terms; application of standardized solutions, and others;



- management of recovered assets: approval of market value, sale terms, lease transfer terms, property protection terms;
- presentation of enforcement documents, determination of candidates for private executors/receivers;
- agreement on the sale terms for collateral property in enforcement proceedings and bankruptcy proceedings;
- agreement of the Bank's participation in auctions for the sale of collateral property or acceptance of unsold property on the balance sheet;
- engagement of collection and legal companies in the work with NPL portfolio;
- reporting on the status of work with the NPL portfolio and recovered property, etc.

### IT Committee

A permanent collegial body of the Bank that determines the general principles of information technologies development at the Bank, determines the priority and distribution of tasks, projects, resources, etc. for the development, implementation, modification of the Bank's information technology/systems by making appropriate resolutions.

Composition of the IT Committee as of December 31, 2024

Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition
Chairman of the Committee	<b>M.P. Zemlianyi</b>	-
Deputy Chairman of the Committee	<b>O.V. Tereshchuk</b>	-
Member of the Committee	<b>S.P. Yerhiieva</b>	<b>N.V. Kyselova</b> (in the period of absence* of S.P. Yerhiieva)
Member of the Committee	<b>A.I. Moisieienko</b>	<b>O.Ye. Savin</b> (in the period of absence* of A.I. Moisieienko)
Member of the Committee	<b>O.B. Tyshchenko</b>	<b>S.F. Mushka</b> (in the period of absence* of O.B. Tyshchenko)
Member of the Committee	<b>V.S. Latysh</b>	-
Member of the Committee	<b>A.V. Malakhov</b>	-
Permanently invited to participate in the meetings of the Committee (without the right to vote):	V.O. Serdiuk  O.V. Kapkan	I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, etc.))  -  -

Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition
	K.I. Halychanskyi S.I. Kosenko S.V. Savchenko	- - -
* for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc.)		

In 2024, 53 meetings/meetings by paper circulation of the IT Committee were held, including 38 meetings and 15 meetings by paper circulation, where 103 issues were considered and decisions were made, in particular on the following:

- Status report on projects approved by the IT Committee and the Bank's Management Board, as well as approval of the list of IT project works/initiatives with the allocation of resources of IT Department for each quarter throughout 2024;
- Initiation and validation (implementation) of projects/project initiatives;
- Closure of projects due to completion of execution and implementation;
- Informing about the results of the preliminary analysis of the initiative to implement an AI/OCR solution for recognition and automation of electronic documents;
- Analysis of the planned reduction of FTEs by independent structural units, for which projects were validated in 2023 at meetings of the IT Committee and the Bank's Management Board;
- Migration of Novell Vibe, Portal, collegial bodies and operational risks to SharePoint Online;
- Informing about the implementation of the Committee's instructions/quarterly monitoring of the status of instructions implementation, etc.

#### Operational and Compliance Risk Committee

A permanent collegial body of the Bank, which ensures the performance of functions and powers regarding the management of operational and compliance risks.

Composition of the Operational and Compliance Risk Committee as of December 31, 2024

Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee from the main composition
Chairman of the Committee	<b>D.V. Koval</b>	-
Deputy Chairman of the Committee	<b>V.O. Serdiuk</b>	<b>I.V. Ulybin</b> (in the period of absence* of V.O. Serdiuk)
Member of the Committee	<b>O.V. Kapkan</b>	-
Member of the Committee	<b>M.P. Zemlianyi</b>	<b>O.V. Tereshchuk</b> (in the period of absence* of M.P. Zemlianyi)

Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)		Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee from the main composition
Member of the Committee	<b>M.P. Bushynskiy</b>	<b>O.M. Ivanchuk</b> (in the period of absence * of M.P. Bushynskiy)
Member of the Committee	<b>D.O. Krytskiy</b>	<b>I.V. Hrynenko</b> (in the period of absence* of D.O. Krytskiy)
Permanently invited to participate in the meetings of Committee (without the right to vote):	A.V. Malakhov	-
* for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, termination of employment, etc.).		

In 2024, the Operational and Compliance Risk Committee held 21 meetings/ meetings by paper circulation, including 16 meetings and 5 meetings by paper circulation, where 40 issues were considered and decisions were made, in particular on the following:

- On consideration of operational risk events;
- On consideration of operational risk, reputational risk, legal risk events management reports;
- On the update of classification of the types of operational risk, reputational risk events;
- On the management of operational risk key indicators;
- On the results of operational risk stress testing;
- On the approval of the Recovery Plans of independent structural units and branches of the Bank.
- On informing on the implementation of instructions/quarterly monitoring of the status of implementation of instructions, etc.

#### **Tender Committee**

The Bank's Tender Committee is a permanent Bank's collegial body established by decision of the Bank's Management Board, with its operational organization assigned to Controlling Division of Finance Department. The purpose of the Tender Committee is to organize and conduct procurement procedures to select the most attractive offers for the purchase of goods, execution of works and provision of services necessary for the Bank's operational activities, making decisions within the competence of the Tender Committee as defined by the Procurement Procedure of "Ukreximbank" JSC and the Regulation on the Tender Committee, as well as determination of the feasibility and conditions of accreditation/interaction (cooperation) with third parties (hereinafter – Non-Banking Institutions) that provide additional and related non-banking services (hereinafter – Non-Banking Services), the issues of interaction (cooperation) with which shall be submitted for consideration by the Tender Committee in accordance with the Bank's internal documents, as well as selects third parties providing Non-Banking Services in cases specified by the Bank's internal documents, as well as in specific instances where such selection is required within the competence of the Tender Committee.

Composition of the Tender Committee as of December 31, 2024

<b>Members of the Committee who participate in the meetings of the Committee on a permanent basis (main composition)</b>		<b>Members of the Committee who participate in the meetings of the Committee in the absence* of members of the Committee of the main composition</b>
Chairman of the Committee	<b>M.P. Zemlianyi</b>	-
Deputy Chairman of the Committee	<b>N.V. Kyselova</b>	-
Member of the Committee	<b>V.A. Pashkovskiy</b>	<b>A.V. Khimich</b> (in the period of absence* of V.A. Pashkovskiy)
Member of the Committee	<b>M.P. Bushynskiy</b>	<b>Ya. O. Skorbulatov</b> (in the period of absence* of M.P. Bushynskiy)
Member of the Committee	<b>D.V. Koval</b>	-
Permanently invited to participate in the meetings of the Committee (without the right to vote):	V.O. Serdiuk	I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, etc.))
O.V. Kapkan		-
* for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc.)		

In 2024, 67 physical meetings (in the form of joint presence of the Tender Committee members)/meetings by paper circulation were held, including **54** physical meetings (in the form of joint presence of the Tender Committee members) and 13 meetings by paper circulation, where 177 issues were considered and decisions were made, in particular on the following:

- approval of the Interim Procurement Plan of “Ukreximbank” JSC for 2024, the Annual Procurement Plan of “Ukreximbank” JSC for 2024, as well as amendments thereto;
- consideration and decision-making on above-threshold/negotiated procurement procedures;
- approval of the Tender Documents for procurement, as well as amendments to the Tender Documents;
- consideration and decision-making on procurement cancellations;
- determination of the winner of the above-threshold/negotiated procurement procedure;
- rejection of a participant's offer in an above-threshold procurement procedure;
- review and decision-making on procurements using a commercial electronic tender;
- review and decision-making on procurements based on clause 2.5 (urgent need);

- consideration of proposals for amendments to the Regulation on the Tender Committee of “Ukreximbank” JSC;
- accreditation/establishment of cooperation with third parties.

#### **Commission for Monitoring Asset-Side Transactions with Customers of “Ukreximbank” JSC**

A permanent collegial body of the Management Board of the Bank, which, within the scope of its delegated powers, monitors asset-side transactions with the Bank's customers to identify credit risk factors and organizes work to prevent non-fulfillment (improper fulfillment) of obligations by customers to the Bank by making appropriate decisions.

Composition of the Commission for Monitoring Asset-Side Transactions with Customers of “Ukreximbank” JSC as of December 31, 2024:

<b>Members of the Commission who participate in the meetings of the Commission on a permanent basis (main composition)</b>		<b>Members of the Commission who participate in the meetings of the Commission in the absence* of members of the Commission from the main composition</b>
Chairman of the Commission	<b>O.P. Shelepalo</b>	-
Deputy Chairman of the Commission	<b>P. Haskovec</b>	-
Member of the Commission	<b>A.I. Moisieienko</b>	<b>O.Ye. Savin</b> (in the period of absence* of A.I. Moisieienko)
Member of the Commission	<b>S.S. Puskai</b>	-
Member of the Commission	<b>V.A. Brovchenko</b>	<b>M.M. Kulish</b> (in the period of absence* of V.A. Brovchenko)
Member of the Commission**	<b>O.V. Kapkan</b>	-
Permanently invited to participate in the meetings of the Commission (without the right to vote):	A.S. Blyzniuk I.A. Tarasinskyi V.O. Serdiuk	- - I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trip, etc.))
* absence for the reasons provided for by the applicable legislation of Ukraine (vacation, temporary incapacity for work, business trips, termination of employment, etc.)		
** member of the Commission in the period of absence of O.P. Shelepalo for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, termination of employment, etc.).		

In 2024, the Commission for Monitoring Asset-Side Transactions with Customers of “Ukreximbank” JSC held 15 meetings/meetings by paper circulation, including 10 meetings and 5 meetings by paper circulation, where 37 issues were considered and decisions were made, in particular, on the following:

- On the status and prospects of settlement of overdue debts of legal entities-borrowers of “Ukreximbank” JSC;
- On the segmentation of overdue debt on unsecured transactions of individual borrowers of the Bank;
- On the identified credit risk factors;
- On the off-balance sheet liabilities of “Ukreximbank” JSC under asset-side customer transactions;

- On the status of implementation of the Action Plans to address credit risk factors for borrowers;
- On the segmentation of overdue receivables of the Bank's counterparties;
- On the status of implementation of instructions of the Commission for Monitoring Asset-Side Transactions with Customers of “Ukreximbank” JSC.

**Commission on Accreditation/Interaction with Third Parties Providing Additional and Related Non-Banking Services.**

A permanent collegial body that determines the possibility and conditions of accreditation/interaction (cooperation) with third parties (hereinafter – the Non-Banking Institutions) that provide additional and related non-banking services (hereinafter – the Non-Banking Services), the issue of interaction (cooperation) with which shall be submitted for consideration to the Commission in accordance with the regulations, administrative documents of the Bank, resolutions of the Bank's collegial bodies, and also determines (selects) third parties providing Non-Banking Services in cases provided for by the regulations, administrative documents of the Bank, resolutions of the Bank's collegial bodies, as well as in certain cases when such determination (selection) is necessary within the competence of the Commission.

Composition of the Commission on Accreditation/Interaction with Third Parties Providing Additional and Related Non-Banking Services as of October 09, 2024<sup>2</sup>

Members of the Commission who participate in the meetings of the Commission on a permanent basis (main composition)		Members of the Commission who participate in the meetings of the Commission in the absence* of members of the Commission from the main composition
Chairman of the Commission	O.V. Kapkan	S.A. Antoniuk
Deputy Chairman of the Commission	-	-
Member of the Commission	S.I. Kostenko	-
Member of the Commission	V.I. Pidchosa	M.P. Bushynskyi (in the period of absence* of V.I. Pidchosa)
Member of the Commission	M.M. Kulish	-
Member of the Commission	S.L. Ostapenko	D.O. Krytskyi (in the period of absence* of S.L. Ostapenko)
Permanently invited to participate in the meetings of the Commission (without the right to vote):	V.O. Serdiuk	I.V. Ulybin (in the period of absence of V.O. Serdiuk for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trip, etc.))
* for the reasons provided for by the applicable legislation of Ukraine (in particular, vacation, temporary incapacity for work, business trips, termination of employment, etc.).		

In 2024, the Commission on Accreditation/Interaction with Third Parties Providing Additional and Related Non-Banking Services held 12 meetings/meetings by paper circulation, including 6 meetings and 6 meetings by paper circulation, where 12 issues were considered and decisions were made, in particular on the following:

<sup>2</sup>Composition of the Commission on Accreditation/Interaction with Third Parties Providing Additional and Related Non-Banking Services as of the date of termination of the personnel composition.

- On the revision/extension of accreditation of the Bank's Partners;
- On the results of analysis of the reputation of partners providing surveying services, services for the inspection of availability and condition of property;
- On the analysis of the effectiveness of the Bank's interaction with accredited car dealerships of the "VIDI" Group (VIDI);
- On the approval of the report on the results of interaction with the security and monitoring entities, which provided services for monitoring the condition of preservation of the Bank's property;
- On the selection of law firms to provide services on issues related to the work with non-core assets (problem exposure) and/or legal protection of the rights and interests of "Ukreximbank" JSC in courts.
- On the extension/update of the list of accredited appraisal entities.
- Informing on implementation of the Commission's instructions/quarterly monitoring of the status of implementation instructions, etc.

#### Report of the Management Board

##### *1) Evaluation of composition, structure and activities of the executive body:*

The structure, composition, powers and activities of the Management Board of the Bank are effective and meet the requirements of the current legislation of Ukraine, the Bank's regulatory documents, as well as the size of the Bank, the complexity, volumes, types, nature of transactions carried out by the Bank, the organizational structure and risk profile of the Bank, the peculiarities of the Bank's activities as systemically important. The effectiveness of activities of the Management Board and its committees in the reporting year 2024 is high. The members of the Management Board carry out their activities effectively as well as effectively fulfill their official duties and powers

##### *2) evaluation of the competence and effectiveness of the head and deputy heads/ chairperson and members of the collegial executive body, including information about his/ her activities as an official of other legal entities or other activities - paid and unpaid:*

All members of the Management Board are appointed to the positions on the basis of competitive selection in accordance with the procedure established by the Supervisory Board.

The members of the Management Board meet the qualification requirements established by Articles 7, 42 of the Law of Ukraine "On Banks and Banking". The members of the Management Board meet the requirements for professional suitability and business reputation, as well as requirements established for the executives of a state-owned bank, established by the Law of Ukraine "On Banks and Banking" and regulatory legal acts of the NBU.

The professional suitability of the members of the Management Board was evaluated during the process of appointing the members of the Management Board to the positions, as well as when approving them for the positions of the members of the Management Board by the National Bank of Ukraine. Compliance of the members of the Management Board with the legislative requirements for professional suitability is subject to regular evaluation. The NBU approved all members of the Management Board in accordance with the procedure established by it. No information and/or circumstances that may negatively affect the performance by the members of the Management Board of their official duties were identified in 2024.

The current composition of the Management Board is balanced and represented by professionals with the necessary skills, excellent characteristics and significant experience of work in the banking sector. The members of the Management Board have higher education and constantly improve their professional level by independently studying the current legislation of Ukraine, including the regulatory legal acts of the NBU, studying international experience in banking, corporate governance, as well as by participating as representatives of the Bank in seminars, conferences, trainings.

According to the results of self-assessment of the business reputation of each member of the Management Board, no signs of a lack of impeccable business reputation were found. The members of the Management Board have an impeccable business reputation. There are no facts indicating significant and/or systematic violations by any of the members of the Management Board of the requirements of banking, currency, tax legislation, legislation on financial services, legislation on financial monitoring, legislation on securities, joint stock companies and the stock market, as well as improper fulfilment of financial obligations. There are no facts indicating non-compliance of the activities of the members of the Management Board in the composition in force as of 31.12.2024 with the standards of business practice and/or professional ethics.

The members of the Management Board collectively possess the knowledge, skills, and significant professional and management experience to the extent necessary to understand all aspects of the Bank's activities, adequately assess risks to which the Bank may be exposed, make sound decisions, and ensure effective management and control of the Bank's activities as a whole, taking into account the functions assigned to the Management Board by the Bank's Charter and other regulatory and administrative documents of the Bank. The members of the Management Board understand their powers and responsibilities and adhere to the Bank's corporate values of high professional and ethical standards in the performance of their duties.

The Management Board has a sufficient number of members who collectively possess sufficient knowledge, skills, and experience to cover all areas of the Bank's activities and make management decisions. The members of the Management Board possess the skills to advocate their views and influence the collective decision-making process.

No real or potential conflicts of interest of the Chairman of the Management Board and members of the Management Board were recorded in 2024.

- 3) *evaluation of implementation by the executive body of the goals set by the entity. This clause shall indicate information on the impact of decisions made by the executive body during the reporting period on the achievement of the strategic goals set for the entity. In this case, information on the strategic goals of the entity shall contain a general description of such strategic goals and shall not require disclosure of information (indicators) that, according to the entity's internal documents, is classified as restricted information (confidential information and commercial secrets):*

In 2024, the activities of the Management Board were mainly aimed at achieving the measures determined by the Capitalization Program, including through profitable activity, maintaining the quality of the loan portfolio, continuing work with non-performing assets and further improving operational efficiency, including by increasing the margin of interest-bearing transactions. During 2024, the Management Board made significant efforts to properly implement the terms of the approved Capitalization Program and carried out monthly discussions by the Management Board and reporting to the Supervisory Board on the actual implementation of the Detailed Action Plan under the Capitalization/Restructuring Program of the Bank for 2024-2026.

- 4) *information on how the activities of the executive body led to the changes in financial and economic activities of the entity:*

In 2024, the Bank significantly improved its operating profitability in terms of implementation of the Capitalization Program and ensuring the required levels of capital adequacy ratios.

Operating profit for 2024 is UAH 7.6 billion, versus UAH 5.5 billion planned under the Capitalization Program (+ UAH 2.1 billion), and +49% versus actual of 2023 (UAH 5.1 billion).

The main factors that influenced the increase in operating profitability in 2024 include:

1. Increase in net interest income by + UAH 1.7 billion compared to the plan under the Capitalization Program. The Bank's net interest income amounted to UAH 7.8 billion, which is 77% higher than the same figure of UAH 4.4 billion in the previous year, including due to:

- decrease in interest rates on customer accounts, as a result of which the interest margin increased by + 1.1 p.p. (from 1.81% in 2023 to 2.91% in 2024 and the spread in both currencies);
- change in the structure of placement of foreign currency funds in other banks by means of placing from "nostro" accounts into the short-term deposits at a higher cost;
- increase in the volume of purchase of government securities (government bonds) + UAH 6.0 billion and their yield +0.96 p.p. in the national currency (from 15.11% in 2023 to 16.07% in 2024).

2. Net non-interest income for 2024 was achieved in accordance with the Capitalization Program (actual of UAH 2.87 billion versus UAH 2.83 billion under the CP).

3. Reduction in operating expenses by - UAH 0.4 billion under the Capitalization Program (actual of UAH 3.0 billion versus UAH 3.4 billion under the CP) due to the control of administrative expenses, including deferral of those with a payback period of more than 9-12 months, etc.

On 01.12.2024, the Law of Ukraine No. 4015-IX dated 10.10.2024 "On Amendments to the Tax Code of Ukraine and Other Laws of Ukraine on Ensuring Balanced Budget Revenues During the Martial Law" (hereinafter - Law No. 4015) came into force, which established payment of 50 percent of the banks income tax and the absence of possibility to take into account tax benefits for accumulated losses.



The main factors that influenced the decrease in net profit in 2024 (approved by CP of UAH 7.7 billion; actual of UAH 2.8 billion) include legislative amendments, namely Law No. 4015 in terms of the accrual of income tax expenses of 2024 (UAH 3.1 billion, of which UAH 0.2 billion are expenses from the decrease in DTA and UAH 2.9 billion - income tax), as well as deductions to provisions for 2024 – UAH 1.3 billion, instead of the planned release from provisions of UAH 2.3 billion. The main factors of provisions increase were the release from created provisions of euro-denominated government bonds and identification of additional risks, as well as a more conservative scenario in terms of provisioning for individual borrowers of the Bank, Stage 3.

The amendments introduced by Law No. 4015 on the regulation of banking institutions were not expected or foreseen during the preparation of the Capitalization Program, which was approved by the NBU Decision No. 127-р/III/БТ, and their effect from the application of amendments to the legislation affects the Bank's ability to achieve the determined planned indicators in 2025 under the approved Capitalization Program.

The Bank has prepared and submitted for consideration and approval by the NBU an updated Capitalization Program, which is incorporated with the indicators of the approved Bank Business Development Plan for 2025-2027.

The Bank's future activities are planned based on the measures determined by the updated Capitalization Program and the Business Development Plan for 2025 approved by the management, and the forecast indicators calculated for 2026-2027, which are developed on the basis of a neutral scenario using forecasts of macroindicators - annual inflation index at 9%, devaluation of the national currency to the level of 47.5 UAH/USD by the end of 2025 (average exchange rate of 45.0 UAH/USD).

## **5. Information on the corporate secretary of the Bank, report on the results of their activities for the year**

The Bank has established the position of Corporate Secretary, which provides information and organizational support for the activities of the Supervisory Board, as well as the exchange of information between the Supervisory Board and other management bodies of the Bank and its shareholder.

The Corporate Secretary of the Bank acts on the basis of legislation, the Charter of the Bank, the Regulation on the Supervisory Board of the Bank and the Regulation on the Corporate Secretary and the Corporate Secretary Service of the Bank. The Corporate Secretary is not a member of any governing bodies of the Bank and is not associated with the Bank, except through the performance of the Corporate Secretary's functions. The Corporate Secretary cooperates in their activities with other management and control bodies of the Bank, besides the Supervisory Board, but is not functionally subordinate and accountable to these bodies.

The election and termination of the Corporate Secretary's powers belong to the exclusive competence of the Supervisory Board. By the Resolution of the Supervisory Board dated June 21, 2024, the Supervisory Board elected and appointed a new Corporate Secretary of the Bank. When appointing the Corporate Secretary, the reputation, qualifications, management skills and abilities, communication and personal qualities that allow the Corporate Secretary to properly perform the functions of the Bank's Corporate Secretary and ensure the effective implementation of corporate governance practices in the Bank are taken into account. The Corporate Secretary has their own apparatus – the Corporate Secretary service – whose work the Corporate Secretary heads, provides general management and organizes its activities. The Corporate Secretary service operates on the basis of the Regulation on the Corporate Secretary and the Corporate Secretary Service, approved by the Supervisory Board. As of the date of this report, the Corporate Secretary service consists of the Corporate Secretary, Deputy Corporate Secretary, Program Manager and Lead Legal Counsel (vacant position).

Starting from January 1, 2024, throughout 2024, the Corporate Secretary actively cooperated with the Chairman and other members of the Supervisory Board and ensured the preparation, organization and holding of 52 (fifty-two) meetings of the Supervisory Board, as well as numerous meetings of the Supervisory Board committees (more than 110 (one hundred and ten) committee meetings).

The Corporate Secretary cooperated with the chairmen of the Supervisory Board's committees to assist the Supervisory Board in exercising its powers regarding:

- ensuring the functioning and exercise of control over the effectiveness of the functioning of the internal control system and the internal audit function in the Bank, compliance with internal audit policies and conducting external audit;
- supervision of the adequacy and effectiveness of the risk management system;
- ensuring effective organization of corporate governance in the Bank;

- establishing and ensuring the effective functioning of a problem asset workout process in the Bank;
- preparation and approval of the annual report on the activities of the Supervisory Board in 2023, annual and regular reports on the activities of the Committees of the Supervisory Board for 2023 and 2024, work plans of the Committees of the Supervisory Board and the Supervisory Board itself for 2024 and 2025, as well as the plan of meetings of the Supervisory Board in 2024 and 2025;
- participation in the preparation of the report on the Supervisory Board's assessment of the effectiveness of corporate governance in the Bank for 2023, the report on the remuneration of the Supervisory Board members for 2023;
- the appointment of the Supervisory Board members appointed in 2023, whose terms of office began in early 2024.

## **6. Information on the main characteristics of the internal control system, a list of structural units of the Bank that perform key duties to ensure the operation of the internal control system**

Pursuant to subclause 3 of clause 28 of chapter 4 of section 1 of the Resolution of the Board of the National Bank of Ukraine "On Approval of the Regulation on Organization of Risk Management System in Ukrainian Banks and Banking Groups" No. 64 dated 11.06.2018, the Bank has established an internal control system (ICS).

The Policy on the Internal Control System of "Ukreximbank" JSC (hereinafter referred to as the "ICS Policy") is a regulatory document aimed at ensuring the integration of internal control procedures into all processes and corporate governance of the Bank, aimed at achieving the operational, informational and compliance goals of the Bank's activities. In accordance with the Calendar Plan for the development/revision of the Bank's charter, regulations on management bodies and regulatory documents for 2023, the ICS Policy was set out in a new version and approved by the resolution of the Supervisory Board dated 28.02.2024.

The Bank's internal control system consists of the following components:

- control activity;
- control environment;
- monitoring of the ICS effectiveness;
- control over information flows and communications;
- risk management.

Within each of the components, 21 indicators for monitoring the effectiveness of the internal control system were developed, on the basis of which the effectiveness of the internal control system is monitored on a quarterly basis.

The processes of control over the functioning of the ICS provide for regular consideration of the results of the functioning of the ICS by the Management Board and the Supervisory Board of the Bank.

The Bank's internal control system is based on a clear distribution of responsibilities between the Bank's units in accordance with the provisions of the applicable legislation of Ukraine, regulatory acts of the NBU and the RDs of the Bank, with the application of the three lines of defense model.

**The first line of defense** is business units and support units that are the owners of the risks (including operational and compliance risks) arising in their field of activity. These units are responsible for identifying and assessing risks, implementing management measures and reporting on such risks to the Bank's managers and units of the second line of defense. The units of the first line of defense of the Bank are responsible for the implementation of measures to correct the deficiencies of the ICS. An essential element of an effective ICS is the recognition by all employees of the Bank of the need to properly perform their duties and the obligation to bring to the attention of the Bank's management of the appropriate level any operational problems, cases of non-compliance with the Bank's code of conduct (ethics) or other violations of rules or abuses.

**The second line of defense** is risk management unit and compliance structural units, which provide confidence to the Bank's managers that the control and risk management measures implemented by the first line of defense have been developed and are functioning properly.

**The third line of defense** is Internal Audit Department, which carries out an independent assessment of the effectiveness of the first and second lines of defense and a general assessment of the effectiveness of the ICS, taking into account the requirements established by the Supervisory Board of the Bank and the NBU.

Key responsibilities for ensuring the coordination of the internal control system are carried out by Internal Control Coordination and Regulatory Compliance Division.

The internal control system is integrated with all banking processes, risk management system and corporate governance at all levels. Internal control is ensured in absolutely all directions, including in decision-making processes and processes of implementation of the Bank's strategies, business plans and goals. At the same time, employee training was introduced, which, in turn, helps develop the culture of internal control in the Bank and assess the quality of the internal control system.

During 2024, the Bank ensured the review of quarterly reports on the results of operational monitoring of the internal control system's effectiveness and provided recommendations for improving its functioning, ensured review and update of the indicators for monitoring the internal control system's effectiveness, and controlled the Bank's compliance with the restrictions imposed by the regulator for the period of martial law, etc.

At the same time, in the conditions of martial law, in view of the occurrence of events that have/may have a significant impact on the Bank's activities and the execution of processes, the Bank introduced additional determination of control procedures to ensure alternative ways of control over the transactions.

***Presence in the Bank of connections with the risk zone foreign state***

The composition of the Bank's governance bodies does not include individuals holding citizenship of a foreign country of the risk zone.

The Bank has business relations with such counterparties/customers of the risk zone foreign state or counterparties/customers controlled by the risk zone foreign state:

Counterparty/Customer	JSC "Savings Bank «Belarusbank»	JSC «Belagroprombank»
<b>full name of the legal entity, in the original language, in English and its transliteration into Ukrainian;</b>	<b>in the original language:</b> Адкарытае акцыянернае таварыства «Ашчадны банк «Беларусбанк»; <b>in English:</b> Joint Stock Company «Savings Bank «Belarusbank»; <b>transliteration into Ukrainian:</b> Відкрите акціонерне товариство «Ощадний банк «Білорусьбанк».	<b>in the original language:</b> адкрытае акцыянернае таварыства «Белаграпрамбанк»; <b>in English:</b> Joint Stock Company «Belagroprombank»; <b>transliteration into Ukrainian:</b> Відкрите акціонерне товариство «Білагропромбанк».
<b>location in Ukrainian and English;</b>	Республіка Білорусь, 220089, м. Мінськ, проспект Дзержинського, 18 18 Izerzhinski Ave., Minsk, Minsk oblast, Belarus, 220089	Республіка Білорусь, 220036, м. Мінськ, проспект Жукова, 3 3, Zhukova Ave., Minsk, Minsk oblast Belarus, 220036
<b>identification code of a legal entity or code/number from a trade, bank or court register;</b>	56	20
<b>international identification code of the legal entity (LEI code) (if available);</b>	253400KGSSLCSJL4CX41	253400MAWMM2E7FLBA26

<b>amount of the charter capital of the legal entity;</b>	5 511 769 884,10 Belarusian roubles	1 878 352 140,40 Belarusian roubles
<b>the purpose and subject matter of the legal entity's activities;</b>	banking activities in accordance with the Charter	banking activities in accordance with the Charter
<b>list of founders, shareholders, participants of the legal entity, indicating the size of the issuer's and persons' shareholding</b>	State Committee for Property of the Republic of Belarus 99,11%	State Committee for Property of the Republic of Belarus 91,3%

A correspondent account (Loro) has been opened in the Bank's balance sheet for Belagroprombank PJSC, Republic of Belarus. In addition, a correspondent account (Nostro) in Belarusian rubles was opened in the Bank's balance sheet for ASB Belarusbank PJSC, Republic of Belarus.

These relations were established prior to the entry into force of the NBU Board Resolution No. 18 dated 24 February 2022 "On the operation of the banking system during the period of martial law" (as amended), which prohibits authorised institutions from conducting any currency transactions involving a legal entity or individual located in the Russian Federation or the Republic of Belarus. Therefore, there are no actual contacts/business relations, and the Bank does not initiate or execute transactions with Belagroprombank PJSC and ASB Belarusbank PJSC.

#### **7. Information about the existence of the Bank's risk management system and its key characteristics, the list of structural units of the Bank, performing key duties to ensure the operation of the risk management system**

The Bank's risk management system (hereinafter – the RMS) has a key importance to ensure financial stability, sustainable operation and contribution to the achievement of strategic business goals of the Bank's development in the dynamic context, to identify, analyze (assess), monitor, control, mitigate and report on the Bank's risks in order to take timely and adequate managerial decisions. The RMS is built and operates in accordance with the requirements of the current legislation of Ukraine, including the law of Ukraine "On Banks and Banking", the Regulation on the organization of risk management system in banks of Ukraine and banking groups approved by the resolution of the Board of the National Bank of Ukraine dated 11.06.2018 No.64 (hereinafter – the NBU Resolution No.64), the Regulation on the organization of internal control system in banks of Ukraine and banking groups approved by the resolution of the NBU Board dated 02.07.2019 No.88 considering the Charter of the Bank, regulatory and administrative documents of the Bank, the resolutions of governance and collegial bodies of the Bank etc.

The RMS covers all significant types of risks the Bank is facing within its operation, in particular:

- credit risk;
- liquidity risk;
- interest rate risk in the banking book;
- market risk;
- operational risk;
- compliance risk,

and includes all key elements as provided by law, namely:

- organizational structure;
- culture of risk management and the code of conduct (ethics) of the Bank;
- internal regulatory risk management documents of the Bank;
- effective risk management instruments in the Bank;
- informational systems that ensure the existence of mechanisms of risk management and reporting.

The RMS is based on the division of duties between all independent structural units and branches of the Bank by using models of three lines of defense: the first line – at the level of business units and support units of the Bank; the second line – at the level of risk management unit and compliance control unit; the third line – at the level of internal audit unit.

The following governing bodies, collegial bodies and officials are RMS entities: the Supervisory Board, Risk Committee of the Supervisory Board; the Management Board; the committees of the Management Board, in particular, Credit Committee, Minor Credit Committee, Assets and Liabilities Committee (ALCO), Operational and Compliance Risk Committee and other collegial bodies of the Bank; Chief Risk Officer (CRO) and Chief Compliance Officer (CCO).

The RMS entities are also independent structural units that perform key duties to ensure the operation of the RMS: Internal Audit Department (third line of defense); Risk Management Department and structural compliance control units (second line of defense); business units and support units of the Bank (first line of defense).

The Internal Audit Department includes such structural units: Methodology, Planning and Quality Control Division and Audit Inspections Division. The Internal Audit Department focuses on controlling and facilitating the improvement of the RMS via the system of independent opinions and recommendations to ensure the effectiveness of the RMS functioning.

The Risk Management Department includes such structural units: Credit Risk Management Division; Portfolio Risk Management, Standard Implementation Division; Market Risk Management Division; Operational Risk Management Division, Model Risk Management and Risk Reporting Unit and Early Warning Signal Detection and Monitoring Unit.

The main task of the Risk Management Department is to manage risks of the Bank to ensure efficient operation of the risk management system at least with the respect to the following significant risks: credit risk, interest rate risk in the banking book, liquidity risk, market risks, operational risk.

The compliance control units are represented in the organizational structure as Internal Control Coordination and Regulatory Compliance Division and Compliance Risk Control Division. Their main task is to manage compliance risk of the Bank to ensure the efficiency of the risk management system and coordinate the functioning of the internal control system.

Compliance risk management by compliance control units is carried out by identifying and investigating compliance risk events, managing cases of potential conflicts of interest, investigating cases of ethically unacceptable conduct of the employees, etc.

The units of the second and third lines of defense of the internal control system and risk management system, the Chief Risk Officer (CRO) and Chief Compliance Officer (CCO), organizationally and functionally separated from the first line of defense, are subordinated to and report to the Supervisory Board. They are staffed with proper qualified personnel who ensure the effective operation and performance of tasks of respective units.

The scope of obligations regarding the operation of the RMS and powers delegated to the officials and independent structural units of the Bank is governed by regulations on the relevant independent structural units, relevant administrative, regulatory and other internal documents of the Bank, the resolutions of governing and other collegial bodies of the Bank.

In 2022-2024, the Bank, like the state as a whole, faced unprecedented challenges caused by the full-scale military aggression of the Russian Federation against Ukraine. Under such circumstances, the issue of risk management, including ensuring business continuity, has become even more important, which in turn has affected the Bank's risk management strategy and operational processes, which are currently being implemented taking into account the specifics caused by the current situation in the country and the operating environment. Currently, the Bank operates in a complex environment, which is manifested, in particular, in the continued realization of credit risk, market risks and interest rate risk, which leads to increased risks for the Bank. The key factor of uncertainty remains the timing of the end of the war and the geography of military operations.

Despite the difficult external situation and its actual and forecast impact on the Bank, in 2024 the Bank continued its operational work on risk management and the usual ongoing work on updating internal regulatory documents, and also implemented a number of significant measures aimed at improving the risk management system, in particular:

ICAAP has been introduced and ILAAP is in process of introduction,

the updated NBU requirements for the regulatory capital structure have been implemented,

the Credit Policy, Risk Appetite Statement and Credit Risk Management Policy have been conceptually updated, and the structure of risk management unit has been changed to optimize the implementation of the functionality and strengthen individual areas of work,

the regulatory documents on the functioning of the Early Warning System (EWS) have been updated and the process of introducing updated approaches to work in this area in practice is ongoing,

the provisioning of legal risks has been implemented,

a restructuring of approaches to the work with collateral has begun (in particular, the introduction of automation of the process of selecting AE for the appraisal of the Bank's property, the introduction of portfolio revaluation, the expansion of cases of appraisal by the Bank's employees - certified appraisers, strengthening control over the quality of appraisal of the pledged property, verification of appraisals.

In accordance with the determined risk management mission, the Bank establishes the following main goals of risk management:

continuing the introduction of a comprehensive, adequate and effective risk management system in the Bank;

maintaining acceptable risk level within the determined risk appetite;

timely identification and proper assessment of risks, including determining the list of significant risks, in order to organize the determination and application of relevant methods, tools and procedures for their management;

constant monitoring and control of the actual values of risk indicators, as well as forecasting, in order to respond in a timely manner (including reporting) in the event of identifying problems and/or signs of deterioration in the Bank's financial position, developing and implementing measures aimed at resolving relevant issues and minimizing/mitigating the Bank's risks;

ensuring the financial stability of the Bank.

In order to ensure the effective functioning of the RMS, the Bank ensures the formation, development and maintenance of a high risk management culture in all areas of the Bank's activity and at all organizational levels, including the Bank has introduced a training program for the Bank employees on risk management and ongoing activities are carried out to promote awareness of risk management among the Bank employees.

The RMS includes a wide range of regulatory documents on risk management, which are developed taking into account the need to determine and regulate the complete risk management process (from risk identification to reporting) and cover both the determination of general requirements (including organizational structure, strategic risk management goals, risk appetite level, etc.), and the detailing of methodological approaches and procedures for risk management.

The Bank's regulatory documents on risk management are conventionally divided into general (applicable to all types of risks - Risk Appetite Statement, Risk Management Strategy, Recovery Plan, Risk Limit Violation Escalation Procedures, Stress Testing Program, etc.) and specific (for individual types of risks to which the Bank is exposed in the course of its activities - policies, methodologies, regulations/procedures, plans, reporting forms).

In order to implement the main goals of risk management, the Bank uses effective tools and models for risk assessment, including limiting, statistical and mathematical models, analysis of actual values of indicators and the reasons for their significant changes, forecasting, etc.

The tools and models used to assess a particular type of risk are determined based on the nature of the relevant type of risk, the requirements of the NBU regulatory and legal acts and banking practice regarding the assessment/management of the relevant type of risk, as well as taking into account the current situation and (where relevant) actual values and forecasts of macroeconomic indicators.

The Bank ensures constant monitoring of risks, their indicators, as well as the actual implementation of measures aimed at risks mitigation and their effectiveness. In the event of violation of risk limits/indicators and a significant increase in risk (with the maximum approximation of actual risk indicators to the established limits), information about this is reported to the authorized collegial bodies of the Bank, including the Management Board and the Supervisory Board.

The Bank creates reliable information systems that contribute to risk management by ensuring proper aggregation of data on the Bank's risks, enabling prompt and reliable risk measurement and reporting. The Bank's information systems provide the possibility to register and store the necessary amount of primary data to maintain up-to-date and apply risk

assessment/analysis models, including their individual components, to properly calculate the actual values of risk indicators, create provisions for the Bank's asset-side transactions, promptly prepare reports, etc.

Risk reporting is formed in a way as to reflect accurate, complete, reliable, timely information on all material risks of the Bank, the current status and dynamics of their changes. Risk reporting is provided monthly to the Bank's Supervisory Board, Risk Committee, the Bank's Management Board and its relevant committees and other users.

Thus, risk management in the Bank provides for effective interaction at all organizational levels of the Bank (from the Supervisory Board to each employee of the Bank), including timely identification, proper assessment, preparation of information for balanced decision-making and constant monitoring and control of risks.

In view of the above, the activities of the Bank and all RMS entities are aimed at supporting sustainable manageability, developing all key elements and improving the RMS as a whole for the stability and effectiveness of the Bank's activities in the long term.

## **8. Information on the existence of the approved risk appetite statement of the Bank, the description of key provisions of the risk appetite statement**

The Risk Appetite Statement is a regulatory document of the Bank with the level of approval by the Supervisory Board. The Bank revises and updates the Statement in a timely manner (at least once a year) taking into account changes in the current legislation of Ukraine, new approaches to risk management, the Bank's development strategy, etc.

The Risk Appetite Statement determines the aggregate value of risk appetite, types of risks that the Bank will accept or avoid to achieve its business goals, and the level of risk appetite for each of them (individual level). The current Risk Appetite Statement was approved by the resolution of the Supervisory Board of the Bank dated 24.12.2024 (Minutes No. 52, item 8).

The Bank conducts its operations in the face of external challenges related to the full-scale military aggression of the Russian Federation and in a complex operating environment characterized by a decrease in equity due to the impact of military factors and the need to implement the Bank's Capitalization/Restructuring Program. This has affected the list of quantitative risk appetite indicators specified in the Statement and their values, which are currently set taking into account the current position of the Bank capital adequacy and the provisions of the Capitalization/Restructuring Program.

The responsible unit for updating the Statement: Risk Management Department, Compliance Risk Control Division (in terms of compliance risk).

The Risk Appetite Statement determines an aggregate value of risk appetite and types of risks that the Bank has intention to accept and maintain for the achievement of business goals and the level of risk appetite regarding the types of risks. The Risk Appetite Statement regulates:

maximum permissible level of risk (Risk capacity, i.e. a maximum value of the risk the Bank can accept under all types of risk, considering the level of its capital, the capacity to manage risks in an adequate and efficient manner, as well as regulatory restrictions);

level of risk appetite for each type of risk (Risk appetite, i.e. an aggregate value for all types of risks and separately for each of risks determined in advance and within the risk capacity, regarding which the Bank took decisions on the feasibility/necessity of their maintenance in order to achieve its strategic goals and the implementation of the business plan);

quantitative and qualitative indicators of risk appetite regarding each of types of risks;

approaches and a list of the assumptions that were used by the Bank during the calculation of risk appetite values; types of risks the Bank has to avoid in the course of its activities;

internal and external factors and restrictions affecting the acceptance of risks by the Bank.

The Risk Appetite Statement provides that an aggregate risk appetite amount consists of risk appetite amounts that are determined for the following types of risk: credit risk, interest rate risk in the banking book; market risks; operational risk; compliance risk and risk appetite in the field of AML/CTF.

The Risk Appetite Statement determines both direct values of risk appetite and a wide range of quantitative and qualitative indicators for each separate type of significant risk. The lists and levels of values of quantitative and qualitative indicators of the Risk Appetite Statement are systematized and detailed in separate annexes to the Risk Appetite Statement.

Also, to facilitate the achievement of and timely response to the changes of values of quantitative indicators of the Risk Appetite Statement, as well as for the control and prevention of the over-limit values of the risk appetite in terms of types of risks and aggregate risk appetite, there is a system of constant monitoring of values of the quantitative indicators and the system of escalation of appropriate issues introduced at the Bank.

Therefore, in case of the actual violation of threshold values of quantitative indicators of the Risk Appetite Statement or possible forecast violations of values of such indicators the respective issues are escalated to the level, starting from the level of chief risk officer of the Bank and a relevant committee of the Management Board of the Bank to the level of the Supervisory Board of the Bank depending on the nature of the actual violation of the value of quantitative risk indicator.

#### **9. Information on parties that directly or indirectly own a significant share of the Bank**

As of December 31, 2024, 100% of the authorized capital of the Bank belongs to the state represented by the Cabinet of Ministers of Ukraine. Address: 12/2 Hrushevskoho St., Kyiv, 01008.

#### **10. Information on any restrictions on the participation and voting rights of the Bank's shareholders (participants)**

As of December 31, 2024, there are no restrictions on the participation and voting rights of the Bank's shareholder.

#### **11. Procedure for appointment and dismissal of the Bank's officials.**

##### *Supervisory Board of the Bank*

The Supervisory Board is a collegial management body of the Bank, which, within its competence, manages the Bank, controls and regulates the activities of the Bank's Management Board in order to implement the Bank's development strategy, and also protects the rights of depositors, creditors and the state as a shareholder of the Bank.

Members of the Supervisory Board are appointed by the Bank's Supreme Governing Body in accordance with the procedure established by law, in particular:

- one representative of the state in the Supervisory Board is appointed by the Supreme Body based on the proposal of the President of Ukraine, one – based on the proposal of the Cabinet of Ministers of Ukraine, and one – based on the proposal of the specialized Committee of the Verkhovna Rada of Ukraine, whose responsibilities include issues of banking;
- independent members of the Supervisory Board are appointed by the Supreme Governing Body of the Bank based on the proposal of the competition commission (within five working days from the date of receiving the corresponding proposal), formed by the Cabinet of Ministers of Ukraine.

Members of the Bank's Supervisory Board take office after their approval by the National Bank of Ukraine.

Given the special role of the Bank's Supervisory Board in the new system of corporate governance, the legislation established a special procedure for appointing and terminating the powers of members of the Supervisory Board of a state-owned bank.

In order to ensure the independence of the supervisory boards of state-owned banks, the legislation limited the right of the Supreme Body to terminate the powers of members of the supervisory boards at will to two cases, namely: due to repeated disapproval by the Supreme Body of the development strategy of a state-owned bank, approved by the supervisory board of a state-owned bank, and non-implementation of the strategy and/ or the business plan for the development of a state-owned bank, which is confirmed by the results of an annual assessment in the manner determined by the Supreme Body.

All other grounds for terminating the powers of members of supervisory boards by the supreme body are based on legal facts that arose not at the initiative of the supreme body, including the fact of non-compliance of a member of the supervisory board of a state-owned bank with the requirements for members of the supervisory board; at the request of at least five members of the supervisory board of a state-owned bank or the National Bank of Ukraine, if a member of the supervisory board of a state-owned bank improperly performs his/her duties or does not meet qualification requirements.

##### *Management Board of the Bank*

The Management Board is the Bank's permanent executive body, which carries out current management of its activities, must act in the Bank's interests and avoid conflicts of interest, and is responsible for the effectiveness of its work in accordance with the Charter and Regulation on the Management Board.



The Management Board consists of the Chairman and other members of the Management Board. The quantitative composition of the Management Board (the total number of positions in the management board according to the organizational structure of the Bank) is determined by the resolution of the Supervisory Board on approval of the organizational structure of the Bank.

The chairman of the Management Board and other members of the Management Board are appointed and dismissed by the Supervisory Board based on the proposal of the Supervisory Board's Remuneration and Nominations Committee.

Candidates for the positions of chairman and members of the Management Board are determined based on the results of the competitive selection, which is conducted in accordance with the procedure determined by the Supervisory Board.

The National Bank, in its established procedure, approves the appointments of the chairman and other members of the Management Board.

The chairman of the Management Board takes office after his/her approval by the National Bank.

The term of office of the chairman or members of the Management Board is five years, unless another term, which cannot exceed the maximum term of office established by law, is determined for the chairman or a member of the Management Board by the resolution of the Supervisory Board. The Supervisory Board has the right to terminate the powers of the chairman or a member of the Management Board before the expiry of the term of office established by the resolution of the Supervisory Board or the Charter, based on the proposal of the Supervisory Board's Remuneration and Nominations Committee on the grounds established by law and/or employment agreements (contracts) concluded with them. The chairman or a member of the Management Board may be appointed for a new term only as a result of a competitive selection.

#### Other officials

##### Regarding appointment

The appointment/dismissal of the Bank's officials (chairman and members of the executive body; head of the internal audit unit; corporate secretary; chief compliance officer and chief risk officer) is carried out on the basis of Resolution of the NBU No. 149 dated 22.12.2018, Procedure on HR Management, and Procedure for the Verification of the Members of the Management Board, the Chief Accountant, the Heads of Control Units, and the Employee of "Ukreximbank" JSC Responsible for Financial Monitoring.

The basis for employment is:

- for the positions of chief compliance officer, head of the internal audit unit, chief risk officer – the Supervisory Board's resolution on approval for the position;
- for the positions of chief compliance officer of the Bank, head of the internal audit unit, chief risk officer, and chief accountant – approval of the National Bank of Ukraine before appointment to the position;
- for the position of corporate secretary – election by the Supervisory Board of the Bank based on the proposal of the Chairman of the Supervisory Board of the Bank.

Employment is formalized by an order of the Chairman of the Management Board or an authorized person according to the current nomenclature of positions of "Ukreximbank" JSC.

An employee of the Bank shall familiarize themselves with the employment order under signature prior to commencement of work. The order specifies the date of employment, the title of the position (job) in accordance with the staff list approved by the Chairman of the Bank's Management Board, the amount of the established salary, the duration of the probationary period (if established), as well as the employee's identification number. In some cases, employment agreements may be concluded in a different form in accordance with the requirements of the applicable legislation of Ukraine.

##### Regarding dismissal

- Termination of an employment agreement is carried out on the grounds provided for by the applicable legislation of Ukraine;
- Pursuant to the requirements of Articles 7 and 39 of the Law of Ukraine "On Banks and Banking" and Clause 89 of the Bank's Charter, the Supervisory Board shall consider the appointment and termination of powers (dismissal) of the chairman of the management board and members of the management board, appointment and

dismissal of the chief risk officer, chief compliance officer, head of the internal audit unit, bank employee responsible for financial monitoring in the Bank, and corporate secretary;

- The day of dismissal is the last working day of the employee. On the day of dismissal, the employee of HR Management Division familiarizes the dismissed employee with the order on dismissal under the signature, and issues to them a properly executed employment record book under the signature in the book of accounting for the movement of employment record books, if the employment record book was kept in the Bank. On the day of dismissal, HR Management Division issues a copy of the dismissal order to the employee, and, at the request of the employee, the proper records of dismissal are made in the employment record book kept by the employee.
- On the day of the employee's dismissal, Internal Banking and Tax Accounting Support Division sends a written notification to the employee's corporate e-mail about the amounts accrued and paid to them upon dismissal with an automated confirmation that the employee has received a written notification of the amounts accrued and paid to them upon dismissal.
- In case of dismissal, the Bank notifies the National Bank by e-mail within three working days of:
  - termination of powers and/or dismissal of head of the bank, chief risk officer, chief compliance officer, head of the bank's internal audit unit, indicating the reasons for such dismissal and the candidates for appointment to these positions (if available);
  - assignment of the duties of head of the Bank, chief risk officer, chief compliance officer, head of the bank's internal audit unit to another person, except for the assignment of duties during the temporary absence of head of the bank, chief risk officer, chief compliance officer, head of the bank's internal audit unit.

## **12. Powers of the Bank's officials.**

The powers of the chairman and members of the Supervisory Board, chairman and members of the Bank's Management Board are set forth in the Charter, Regulations on the Supervisory Board and the Management Board, which are posted on the Bank's official website and are available at the following link: <https://www.eximb.com/ua/bank/securities-report/insha-informaciya.html>.

The powers of the Bank's corporate secretary are set forth in the Regulation on the Supervisory Board, approved by the Supreme Body, and the Regulation on the Corporate Secretary and the Corporate Secretary Service, approved by the Bank's Supervisory Board.

In addition, the Bank has an order on the personal distribution of functions and powers between the management and individual officials of the Bank.

## **13. Information on the annual remuneration of members of the Supervisory Board and the executive body of the Bank**

On an annual basis, the Bank prepares a report on the remuneration of members of the Management Board and the Bank's influential persons, as well as a report on the remuneration of members of the Supervisory Board.

In developing and approving the relevant remuneration reports, the Bank is guided by the Requirements for the Regulation and Report on Remuneration of Members of the Supervisory Board, Board of Directors and Executive Body of a Joint Stock Company, approved by decision of the National Securities and Stock Market Commission No. 549 dated 2 May 2024 (hereinafter – **NSSMC Requirements**), and the Regulation on the Bank's Remuneration Policy, approved by NBU Board Resolution No. 153 dated 30 November 2020 (hereinafter – **NBU Resolution No. 153**).

In compliance with NBU Resolution No. 153 and the NSSMC Requirements, the Bank has also established a Regulation on the Remuneration of Members of the Management Board and the Bank's influential persons, approved by the Bank's Supervisory Board, and a Regulation on the Remuneration of Members of the Supervisory Board, approved by Resolution of the Cabinet of Ministers of Ukraine No. 147 dated 11 February 2025. These regulations are published on the Bank's official website and are available at: <https://www.eximb.com/ua/bank/securities-report/insha-informaciya.html>

In accordance with the Regulation on the Disclosure of Information by Securities Issuers and Persons Providing Collateral for Such Securities, approved by NSSMC Decision No. 608 dated 6 June 2023, the Bank's corporate governance report must include information on the remuneration of members of the Management Board and Supervisory Board in the form of reports on the remuneration of members of the Management Board and members of the Supervisory Board.

The Report on the Remuneration of Members of the Management Board for 2024 is published within 15 business days following its approval by the Bank's Supervisory Board on the Bank's official website: <https://www.eximb.com/ua/bank/corp-management/dokumenty/informaciya-pro-vinagorodu-kerivnictva.html>

The Report on the Remuneration of Members of the Supervisory Board for 2024 is published within 15 business days following its approval by the Cabinet of Ministers of Ukraine on the Bank's official website: <https://www.eximb.com/ua/bank/corp-management/naglyadova-rada/zvity-naglyadovoyi-rady.html>

#### **14. Key provisions of the Bank's information disclosure policy**

Issues related to disclosure of restricted information, as well as trade secrets and confidential information of the Bank are governed by the Bank's internal documents, in particular, the Procedure for the Disclosure of Restricted Information in "Ukreximbank" JSC in the course of execution of requests, court decisions and prosecutor's orders, approved and enacted by the Resolution of the Management Board dated 25.12.2024 (Minutes No. 121, issue 13), Regulation on the Procedure for Processing Personal Data in "Ukreximbank" JSC, approved and enacted by the Resolution of the Management Board dated 29–31.12.2021 (Minutes No. 103, issue 6).

The procedure for the disclosure of restricted information in the Bank in the course of execution of requests, court decisions and prosecutor's orders establishes uniform rules for interaction between independent structural units and branches of the Bank when organising the execution of court decisions, requests/decisions/requirements of state and law enforcement agencies, notaries, lawyers, receivers, bodies and persons carrying out forced execution of court decisions and decisions of other bodies, which is related to the disclosure of restricted information, and determines the main principles, tasks and conditions for their execution.

The Regulation on the Procedure for Processing Personal Data in the Bank defines a system of organisational and technical measures to ensure the protection of personal data during their processing in the Bank and is mandatory for all employees of the Bank who have access to personal data and process them in accordance with their job responsibilities. The Regulation sets out the rules that define the duties and rights of the person responsible for organising work related to the protection of personal data during their processing, as well as the duties of the Bank's employees who process personal data.

In addition, pursuant to the requirements of the Law of Ukraine "On Access to Public Information" and in accordance with the procedure and terms established by the Law and the Bank's Corporate Information Policy, the Bank publishes on its external website information on the structure, principles of formation, and amount of salary, remuneration, and additional benefits (pdf file in the Corporate Governance section of the Bank's external website).

#### **15. Information about the advisor**

The bank does not have a corporate rights advisor within the meaning of Article 90-1 of the Law of Ukraine "On Capital Markets and Organised Commodity Markets".

#### **16. Information on the external auditor of the Bank**

The annual financial statements of the Bank, prepared in accordance with IFRS standards as issued by the International Accounting Standards Board (IFRS standards) and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" on the preparation of annual financial statements for the year ended 31 December 2024, were audited by PJSC "KPMG Audit" (EDRPOU: 31032100, registered office: 32/2, Kniaziv Ostrozkykh Str., Kyiv, 01001, Ukraine).

Information on the external auditor of the Bank, particularly:

- total experience of audit activities:

The date of issuance of AChU certificate dated 26.01.2001 (23 years).

- the number of years during which it has provided audit services to such financial institution:

PJSC "KPMG Audit" provides services to the Bank on the audit of the Bank's financial statements starting from the year of 2024. PJSC "KPMG Audit" was appointed as the external auditor of the Bank's annual financial statements in February 2024 (excerpt from the minutes of the meeting of the Supervisory Board of the Bank dated 28 February 2024 No. 9). At the same time, in addition to the audit of the Bank's annual financial statements for the year ended 31 December 2024, PJSC "KPMG Audit" also audited the Bank's annual consolidated and separate financial statements for the year ended 31 December 2023.

- information on the amount of remuneration for the audit of the annual financial statements

The estimated amount of remuneration of PJSC “KPMG Audit” for the audit of the annual financial statements for 2024 is UAH 20 400 000 (excluding VAT).

- cases of conflicts of interest and/or combining the functions of the internal auditor:

There are no cases of conflicts of interest and/or combining the functions of the internal auditor.

- rotation of auditors in a financial institution over the past five years

The auditor of the annual financial statements of “Ukreximbank” JSC for 2019-2022 was Ernst & Young Audit Services LLC.

The auditor of the annual financial statements of “Ukreximbank” JSC for 2023-2024 is PJSC “KPMG Audit”.

- penalties imposed on the auditor by the Audit Chamber of Ukraine during the year and facts of submission of inaccurate financial statements of a financial institution, confirmed by the auditor's report, which were revealed by the public authorities regulating financial services markets:

Over the past year, no penalties were applied to PJSC “KPMG Audit” by the Audit Chamber of Ukraine, and there is no information on the facts of submission of unreliable reporting by a financial institution as confirmed by an audit opinion that were identified by the bodies responsible for state regulation of financial services markets.

- list of other audit and non-audit services provided to the financial institution during the year:

During 2024, PJSC “KPMG Audit” also provided other audit services to the Bank, in particular: audit of the Bank’s annual financial statements for the year ended 31 December 2023; audit of the special purpose financial statements of the Bank prepared under the Loan Agreement regarding the Access to Long Term Finance Project as at 31 December 2023; of the special purpose financial statements of the Bank prepared under the Loan Agreement regarding the Additional Financing for COVID-19 Response under the Access to Long Term Finance Project as at 10 October 2024.

PJSC “KPMG Audit” also provides non-audit services to the Bank in 2025: the first stage of the Bank's sustainability assessment, which involves analysing the quality of assets and the acceptability of collateral for lending transactions as at 1 January 2025 (end of the day of 31 December 2024).

Also in 2025, “KPMG Ukraine” Ltd, a member of the KPMG network, provides consulting services on the analysis of the feasibility of sale and determination of the minimum sale price of non-performing assets.

**Chairman of the Management Board**



**Viktor PONOMARENKO**



# Independent Auditors' Report

To the Shareholder of “The State Export-Import Bank of Ukraine”  
Joint Stock Company

## Report on the Audit of the Annual Financial Statements

### Opinion

We have audited the annual financial statements of “The State Export-Import Bank of Ukraine” Joint Stock Company (the “Bank”), which comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows (direct method) for the year then ended; and
- notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Law of Ukraine “On accounting and financial statements in Ukraine” on preparation of the annual financial statements.

### Basis for Opinion

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

Private Joint-Stock Company “KPMG Audit”

32/2 Kniaziv Ostrozkykh Str., Kyiv, Ukraine 01010  
tel. +380 44 490 5507, fax +380 44 490 5508, kpmg.ua

PJSC “KPMG Audit”, a company incorporated under the Laws of Ukraine, a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registration No. 31032100 in the Unified State  
Register of Legal Entities, Individual  
Entrepreneurs and Public Organizations.

Registration No. 2397  
in the Register of Auditors  
and Auditing Entities.

## Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the annual financial statements, which describes the negative effects on the Bank's operations of the military invasion launched by the Russian Federation on the territory of Ukraine on 24 February 2022. As also stated in Note 2, these events or conditions, along with other matters as set forth in that Note, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section we have determined the matters described below to be the key audit matters to be communicated in our report:

### Expected credit losses on loans and advances to customers

The gross amount of loans and advances to customers and the total related allowance for expected credit losses as at 31 December 2024: UAH 99,690,057 thousand and UAH 21,026,468 thousand, respectively; impairment loss for the year then ended: UAH 285,453 thousand (31 December 2023: UAH 95,292,940 thousand and UAH 20,723,267 thousand, respectively; gain on reversal of impairment loss for the year then ended: UAH 1,471,873 thousand).

Please refer to the Notes 3, 4, 8, 10, and 29 in the annual financial statements.

Key audit matter	Our response
<p>Loss allowances for loans and advances to customers represent management's best estimate of the expected credit losses ("ECL") within loans and advances to customers (collectively, "loans", "exposures") measured at amortized cost at the reporting date.</p> <p>The loss allowances for individually significant exposures (loans of customers with the total exposure exceeding UAH 300,000 thousand in Stage 2 and Stage 3 or POCI assets) are determined on an individual basis. The process involves subjectivity and reliance on a number of significant assumptions, including those in respect of the weights of the recovery scenarios and expected proceeds from the sale of the related collateral.</p> <p>The loss allowances for other exposures are estimated using three components: probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), taking into consideration historical experience, identification of exposures with a significant increase in credit risk, and forward-looking information.</p>	<p>The following are the primary procedures we performed to address this key audit matter:</p> <ul style="list-style-type: none"> <li>We evaluated the design and tested the operating effectiveness of key internal controls in the ECL process for loans and advances to customers.</li> <li>We involved our own credit risk specialists to assist us in evaluating the assumptions to determine the PD and LGD parameters ("risk parameters") used by the Bank to estimate the collective loss allowance. This included: <ul style="list-style-type: none"> <li>evaluating the Bank's ECL methodology for compliance with IFRS 9;</li> <li>inspecting the models used for the determination of PD and LGD to assess its consistency with the Bank's ECL methodology;</li> <li>for a sample of models, assessing the reasonableness of the model predictions by inspecting the Bank's validation results;</li> <li>for a sample of models, independent reperformance of model calculations and</li> </ul> </li> </ul>



<p>We identified the ECL on loans and advances to customers as a key audit matter because of the significant and complex judgment and specialised skills and knowledge required to evaluate the following elements of the ECL estimate:</p> <ul style="list-style-type: none"> <li>• The judgements and assumptions used to determine the appropriate recovery scenarios, including expected proceeds from the sale of the related collateral if any;</li> <li>• The judgements and assumptions used to develop the PD and LGD parameters;</li> <li>• Use of forward-looking macroeconomic forecasts in ECL;</li> <li>• The consistent identification and application of criteria for significant increase in credit risk ("SICR") and default in an increased uncertainty caused by military invasion launched by the Russian Federation on the territory of Ukraine.</li> </ul>	<p>evaluating and comparing our independent output with management's output.</p> <ul style="list-style-type: none"> <li>• We involved our own credit risk specialists, who assisted us in assessing the Bank's methodology to determine the macroeconomic forecasts used in the ECL and in assessing the reasonableness of management's macroeconomic models.</li> <li>• We challenged the reasonableness of management's forward-looking information by comparing macroeconomic inputs against external market data and publicly available economic forecasts on a sample basis.</li> <li>• On a sample basis, we challenged the LGD and PD parameters used by the Bank by testing input data of historical defaults and historical recoveries.</li> <li>• We evaluated the identification of SICR and default criteria in loans and advances to customers by challenging the scope of management's criteria used in staging assessments, consistent application of the thresholds applied within each criterion, and the ability of staging criteria to identify SICR prior to loans being credit impaired by inspecting the underlying loan documentation and corroborating our assessment with the Bank's loan officers and the Bank's risk management personnel. This also includes testing a sample of credit reviews to assess the reasonableness of staging criteria allocation by challenging key judgements and considering disconfirming or contradictory evidence.</li> <li>• For a risk-based sample of loans assessed individually (Stage 2 and 3) we challenged the Bank's cash flow projections and key assumptions used therein, by reference to our knowledge of the relevant industry and of the borrower;</li> <li>• We also involved our own valuation specialists to independently assess the reasonableness of the collateral valuations on a sample basis by inspecting valuation reports obtained by the Bank, and also by reference to publicly available data;</li> <li>• We recalculated ECL as a part of accuracy check of application of methods, assumptions, and data; and</li> <li>• We assessed whether the credit risk management disclosures appropriately</li> </ul>
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	reflect and address the uncertainties which exist in determining the ECL.
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### Investment securities measured at fair value

The total amount of investment securities at FVPL and FVOCI as at 31 December 2024: UAH 24,944,675 thousand and UAH 35,047,307 thousand, respectively (31 December 2023: UAH 22,950,169 thousand and UAH 27,592,940 thousand, respectively).

Please refer to the Notes 3, 4, 11 and 30 in the annual financial statements.

Key audit matter	Our response
<p>The fair value of the Bank's investment securities measured at FVPL or FVOCI is determined through the application of valuation techniques which can involve the exercise of significant judgement by the Bank in relation to determination of the appropriate valuation method and model assumptions and inputs.</p> <p>Where significant pricing inputs are unobservable and primarily for long-term government bonds or for government bonds with embedded derivative feature, management has limited reliable, relevant market data available in determining the fair value and hence estimation uncertainty can be high. In addition, for middle-term government bonds, there may also be valuation complexity, specifically where valuation modelling techniques result in significant limitations due to the absence of the active market.</p> <p>The effect of these matters, coupled with increased estimation uncertainty stemming from the current volatile economic environment, is that we considered this area to be associated with a significant risk of material misstatement in the annual financial statements, which required our increased attention in the audit and as such was determined to be a key audit matter.</p>	<p>The following are the primary procedures we performed to address this key audit matter:</p> <ul style="list-style-type: none"> <li>• We obtained understanding of the valuation process for investment securities, including key data inputs and assumptions.</li> <li>• We assessed the Bank's fair value methodology against the financial reporting requirements and the market practice.</li> <li>• We involved our own valuation specialists, who assisted us in developing independent expectation of fair value range for investment securities. As part of the procedure, we, among other things: <ul style="list-style-type: none"> <li>- assessed the relevance and reliability of the data to be used in the valuations; and</li> <li>- applied our own models and input parameters derived from comparable bonds and other relevant historical data, where applicable.</li> </ul> </li> <li>• On a sample basis, we tested key inputs into the fair value calculations such as historical exchange rates, terms of financial instruments, and discount rates.</li> <li>• For fair value disclosures, we examined whether they appropriately addressed the relevant quantitative and qualitative requirements of the applicable financial reporting framework.</li> </ul>



## Other Information

Management is responsible for the other information. The other information comprises the information included in:

- the Management Report (including the Corporate Governance Report) as set out in a separate report prepared by management (but does not include the annual financial statements and our auditors' report thereon), which we obtained prior to the date of this auditors' report;
- Annual Information of the Issuer of Securities (including the Management Report), which is expected to be made available to us after that date.

Our opinion on the annual financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon, unless and to the extent explicitly specified in our report.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Information of the Issuer of Securities, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS Accounting Standards and the requirements of the Law of Ukraine "*On accounting and financial statements in Ukraine*" on preparation of the annual financial statements, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditors' Responsibilities for the Audit of the Annual Financial Statements

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

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

## Report on Other Legal and Regulatory Requirements

Pursuant to the Article 14(4) of the Law of Ukraine "On audit of financial statements and auditing", Section IV(11) of "Instruction on the procedure for preparation and publication of financial statements of Ukrainian banks" approved by the Resolution of the Board of the National Bank of Ukraine (the "NBU") No. 373 dated 24 October 2011 (the "Instruction No. 373"), and "Requirements for information related to audit or review of financial statements of participants of capital markets and organized commodity markets, which are supervised by the National Securities and Stock Market Commission" approved by the Resolution of the National Securities and Stock Market Commission (the "NSSMC") No. 555 dated 22 July 2021, we provide the following information in addition to that required by ISAs.

### *Appointment of the Auditor and Period of Engagement*

We were appointed by the Supervisory Board of the Bank on 28 February 2024 to audit the annual financial statements of the Bank as at and for the year ended 31 December 2024. Our total uninterrupted period of audit engagements is two years.

#### *Provision of Non-audit Services and Disclosure of Fee-related Information*

We declare that no prohibited non-audit services referred to in the Article 6(4) of the Law of Ukraine “*On Audit of Financial Statements and Auditing*” were provided and that the engagement partner and the audit firm remain independent of the Bank in conducting the audit.

For the period to which our statutory audit relates, we and other KPMG network firms have not provided any other services to the Bank which are not disclosed in the Management Report or in the annual financial statements.

#### *Additional Report to the Audit Committee*

We confirm that our auditors' report is consistent with the additional report to the Audit Committee.

#### *Reporting on the NSSMC's Requirements*

- The audit of “The State Export-Import Bank of Ukraine” Joint Stock Company (Registration number 00032112 in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations) was conducted in accordance with the Engagement Contract No. 32-SA/2024/0002100/1 dated 29 March 2024. The audit was performed from 10 September 2024 to the date of this report.
- Information on the ownership structure and the ultimate controlling party of the Bank is included in Note 1 to the annual financial statements.
- As at 31 December 2024 the Bank is neither a controlling party, nor a member of non-banking financial group.
- The Bank is a public interest entity in accordance with the Law of Ukraine “*On accounting and financial statements in Ukraine*”.
- The list of subsidiaries of the Bank is included in Note 2 to the annual financial statements.
- The creation of the Revision Commission is not stipulated by the Bank's Charter and, accordingly, the Revision Commission did not perform examination of the Bank's financial performance for the year ended 31 December 2024.

#### *Reporting on the Management Report*

Solely based on the work we have performed in connection with our audit of the annual financial statements, in our opinion, the Management Report (including the Corporate Governance Report):

- is consistent, in all material respects, with the annual financial statements, and
- contains the elements required by the Section IV of the Instruction No. 373 and clauses 1-9 of Article 127(3) of the Law of Ukraine “*On Capital Markets and Organized Commodity Markets*”.

If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.



The engagement partner on the audit resulting in this independent auditors' report is:

Yulia Tereshchenko

*Registration No. 101451 in the Register of Auditors and Auditing Entities*

Deputy Director

**PJSC "KPMG Audit"**

26 March 2025

Kyiv, Ukraine

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(thousands of Ukrainian hryvnia)

	Notes	31 December 2024	31 December 2023
<b>Assets</b>			
Cash and cash equivalents	6	112,210,287	110,794,727
Loans and advances to banks	9	1,177,205	1,009,865
Loans and advances to customers	10	78,663,589	74,569,673
Investments in securities	11	94,453,321	69,994,403
Current tax assets	15	—	3,027
Derivative financial assets	18	59,778	652,249
Other financial assets	16	164,191	545,524
Other non-financial assets	17	198,120	150,357
Investment property	12	607,139	752,086
Property, plant and equipment	13	1,721,415	2,074,934
Intangible assets	14	203,791	50,822
Deferred tax asset	15	1,687,491	1,840,007
Non-current assets classified as held for sale	19	1,794	61,585
<b>Assets</b>		<b>291,148,121</b>	<b>262,499,259</b>
<b>Liabilities</b>			
Due to other banks	20	2,319,083	6,391,084
Customer accounts	22	244,094,420	213,949,363
Derivative financial liabilities	18	363	1,377
Other borrowed funds	21	25,442,582	28,730,787
Current tax liabilities	15	2,077,213	596,600
Other financial liabilities	16	987,566	932,072
Other non-financial liabilities	17	507,562	474,210
Allowance for loan commitments and financial guarantee contracts	25	36,065	246,447
Other collateral		11,365	—
Subordinated debt	23	4,302,222	3,805,882
<b>Liabilities</b>		<b>279,778,441</b>	<b>255,127,822</b>
<b>Equity</b>	24		
Issued capital		45,570,041	45,570,041
Other reserves		1,663,429	580,926
Result from transactions with the shareholder		635,104	635,104
Accumulated losses		(36,498,894)	(39,414,634)
<b>Total equity</b>		<b>11,369,680</b>	<b>7,371,437</b>
<b>Total equity and liabilities</b>		<b>291,148,121</b>	<b>262,499,259</b>

Authorised for release and signed

Chairman of the Management Board

Viktor PONOMARENKO

Chief Accountant

Nataliia POTESKA

26 March 2025

V.M. Medko  
247-89-16

## STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

(thousands of Ukrainian hryvnia)

	Notes	2024	2023
Interest income calculated using effective interest method	26	22,115,108	20,202,433
Other interest income	26	920,661	1,227,371
Interest expense	26	(15,627,439)	(17,169,698)
Fee income	27	1,542,475	1,317,285
Fee expense	27	(660,755)	(523,288)
Other income		233,392	164,120
Net gain/(loss) from financial instruments at fair value through profit or loss	11,18	1,927,237	394,567
Net gain/(loss) from financial assets held for trading		708,005	560,078
Net gain/(loss) from operations with debt financial instruments at fair value through other comprehensive income		57,163	51,739
Net gain/(loss) from trading in foreign currencies		1,318,803	1,351,671
Net gain/(loss) from foreign exchange translation		(2,182,815)	(1,122,218)
Net gain/(loss) from revaluation of investment property	12	(3,906)	20,642
(Losses)/gains on initial recognition of financial assets at interest rates above or below market		(77,605)	(208,193)
(Impairment loss)/ Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	8	(896,983)	1,042,911
Employee benefits expense	28	(2,240,606)	(1,935,895)
Depreciation and amortisation expense	13,14	(111,078)	(94,796)
Other administrative and operating expenses	28	(1,100,544)	(937,003)
(Impairment loss) Impairment gain and reversal of impairment loss for non-financial assets	17	(208)	28,804
(Loss)/gain, arising from derecognition of financial assets at amortised cost	10	(26,652)	43,580
Reversal of impairment loss (impairment loss) on income tax advances	15	—	492,911
<b>Profit (loss) before tax</b>		<b>5,894,253</b>	<b>4,907,021</b>
(Tax expense)/tax benefit	15	(3,142,660)	(1,628,917)
<b>Profit (loss)</b>		<b>2,751,593</b>	<b>3,278,104</b>

Authorised for release and signed

Chairman of the Management Board

Viktor PONOMARENKO

Chief Accountant

Nataliia POTEMSKA

26 March 2025

V.M. Medko  
247-89-16

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

(thousands of Ukrainian hryvnia)

	Notes	2024	2023
<b>Profit (loss)</b>		<b>2,751,593</b>	<b>3,278,104</b>
<b>Other comprehensive income</b>			
<i>Components of other comprehensive income that will not be reclassified to profit or loss before tax</i>			
Other comprehensive income before tax, gains (losses) on revaluation		—	—
<i>Components of other comprehensive income that will be reclassified to profit or loss before of tax</i>			
Gains (losses) on financial assets measured at fair value through other comprehensive income before tax	24	1,247,832	2,102,727
<i>Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss</i>			
Income tax relating to changes in revaluation surplus of other comprehensive income	15	—	(35,472)
<i>Income tax relating to components of other comprehensive income that will be reclassified to profit or loss</i>			
Income tax relating to changes in revaluation of financial assets measured at fair value through other comprehensive income		—	—
<b>Total other comprehensive income</b>		<b>1,247,832</b>	<b>2,067,255</b>
<b>Total comprehensive income</b>		<b>3,999,425</b>	<b>5,345,359</b>

Authorised for release and signed

Chairman of the Management Board

Viktor PONOMARENKO

Chief Accountant

Nataliia POTESKA

26 March 2025

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247-89-16



## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(thousands of Ukrainian hryvnia)

					<i>Other reserves</i>			
	<i>Issued capital</i>	<i>Shareholder</i>	<i>Reserve and other funds of a bank</i>	<i>Property and equipment revaluation reserve</i>	<i>Reserve of gains and losses on financial assets measured at fair value through other comprehensive income</i>	<i>Reserve of gains and losses from investments in equity instruments</i>	<i>Accumulated losses</i>	<i>Equity</i>
At 1 January 2023	45,570,041	635,104	–	1,052,303	(2,449,725)	(63,844)	(42,717,801)	2,026,078
Profit for the year	–	–	–	–	–	–	3,278,104	3,278,104
Other comprehensive income for the year (Note 24)	–	–	–	(35,472)	2,104,564	(1,837)	–	2,067,255
<b>Total comprehensive income for the year</b>	–	–	–	(35,472)	2,104,564	(1,837)	3,278,104	5,345,359
Decrease through other changes, equity (Note 24)	–	–	–	(25,063)	–	–	25,063	–
<b>At 31 December 2023</b>	<b>45,570,041</b>	<b>635,104</b>	<b>–</b>	<b>991,768</b>	<b>(345,161)</b>	<b>(65,681)</b>	<b>(39,414,634)</b>	<b>7,371,437</b>
<b>At 1 January 2024</b>	<b>45,570,041</b>	<b>635,104</b>	<b>–</b>	<b>991,768</b>	<b>(345,161)</b>	<b>(65,681)</b>	<b>(39,414,634)</b>	<b>7,371,437</b>
Profit for the year	–	–	–	–	–	–	2,751,593	2,751,593
Other comprehensive income for the year (Note 24)	–	–	–	–	1,248,124	(292)	–	1,247,832
<b>Total comprehensive income for the year</b>	–	–	–	–	1,248,124	(292)	2,751,593	3,999,425
Decrease through other changes, equity (Note 24)	–	–	–	(178,177)	–	–	176,995	(1,182)
Part of profit allocated to the reserve funds (Note 24)	–	–	3,346,034	–	–	–	(3,346,034)	–
Loss recovery out of the reserve funds	–	–	(3,346,034)	–	–	–	3,346,034	–
Derecognition of financial assets (Note 24)	–	–	–	–	–	12,848	(12,848)	–
<b>At 31 December 2024</b>	<b>45,570,041</b>	<b>635,104</b>	<b>–</b>	<b>813,591</b>	<b>902,963</b>	<b>(53,125)</b>	<b>(36,498,894)</b>	<b>11,369,680</b>

Authorised for release and signed

Chairman of the Management Board

Viktor PONOMARENKO

Chief Accountant

Nataliia POTESKA

26 March 2025

V.M. Medko  
247-89-16



## STATEMENT OF CASH FLOWS (direct method)

For the year ended 31 December 2024

(thousands of Ukrainian hryvnia)

	Notes	2024	2023
<b>Cash flows from (used in) operating activities</b>			
Interest received		23,331,555	21,626,540
Fee income received		1,571,893	1,411,292
Net increase/(decrease) from operations with financial instruments at fair value through profit or loss		364,517	1,082,936
Net increase/(decrease) from trading in foreign currencies		1,318,803	1,351,671
Other cash receipts from operating activities		144,694	138,391
Interest paid		(15,194,585)	(16,336,969)
Fee expenses paid		(657,384)	(521,281)
Payments to and on behalf of employees		(2,209,941)	(1,829,846)
Administrative expenses and other paid operating expenses		(1,019,134)	(838,192)
Net (increase)/decrease in securities held for trading		581,890	(2,639,951)
Net (increase)/decrease in loans and advances to banks		(29,962)	(299,652)
Net (increase)/decrease in loans and advances to customers		(1,373,413)	9,917,885
Net (increase)/decrease in other financial assets		340,289	(160,304)
Net (increase)/ decrease in other assets		(138,886)	(18,472)
Net increase/(decrease) in due to other banks		(4,188,461)	(15,886,585)
Net increase/(decrease) in customer accounts		22,159,172	31,745,704
Net increase/(decrease) in other financial liabilities		(27,937)	342,455
Net increase/(decrease) in other liabilities		(61,947)	8,132
Income taxes (paid) refund		(1,509,298)	(1,000,378)
<b>Cash flows from operating activities</b>		<b>23,401,865</b>	<b>28,093,376</b>
<b>Cash flows from (used in) investing activities</b>			
Purchase of securities		(50,941,413)	(18,965,848)
Proceeds from sale of investments in securities		29,655,312	17,366,768
Cash flows from loss of control over subsidiaries		—	1,756
Proceeds from sale of property, plant and equipment		481	7,411
Purchase of property, plant and equipment		(83,253)	(290,173)
Purchase of intangible assets		(46,779)	(8,710)
Proceeds from sale of investment property		159,954	208,721
Dividends received		2,166	958
Proceeds from the sale of assets held for sale		409,604	58,774
<b>Net cash flows (used in) from investing activities</b>		<b>(20,843,928)</b>	<b>(1,620,343)</b>
<b>Cash flows from (used in) financing activities</b>			
Receipt of other borrowed funds	7	109,572	6,756,759
Return of subordinated debt	7	—	(380,923)
Return of other borrowed funds	7	(5,905,206)	(6,714,203)
Payments of lease liabilities	7	(2,878)	(2,247)
<b>Net cash flows used in financing activities</b>		<b>(5,798,512)</b>	<b>(340,614)</b>
Net (decrease) / increase in cash and cash equivalents before effect of exchange rate changes		(3,240,575)	26,132,419
Effect of exchange rate changes on cash and cash equivalents		4,647,891	3,264,097
Impact of expected credit losses on cash and cash equivalents		8,244	12,104
<b>Net increase in cash and cash equivalents</b>		<b>1,415,560</b>	<b>29,408,620</b>
Cash and cash equivalents at the beginning of the period	6	110,794,727	81,386,107
<b>Cash and cash equivalents at the end of the period</b>	6	<b>112,210,287</b>	<b>110,794,727</b>

Authorised for release and signed

Chairman of the Management Board

Chief Accountant

26 March 2025

V.M. Medko  
247-89-16



Viktor PONOMARENKO

Nataliia POTEMSKA

## 1. Principal activities

“The State Export-Import Bank of Ukraine” Joint Stock Company (further – “Ukreximbank”, “Bank”) was founded in 1992 and entered to the State Register of Banks under #5 on 23 January 1992. Ukreximbank operates under Banking licence #2.

As at 31 December 2024 and 2023, 100% of Ukreximbank’s shares were owned by the state. The Cabinet of Ministers of Ukraine performs the functions of managing the state’s corporate rights at the Bank.

Ukreximbank’s head office is located in Kyiv at 127 Antonovycha St. It has 22 branches and 27 sub-branches (31 December 2023: 22 branches and 28 sub-branches) and two representative offices located in London and New-York. The Bank and its branches form a single legal entity.

Historically, the principal activity of Ukreximbank was the servicing of various export-import transactions. Currently, Ukreximbank’s customer base is diversified and includes a number of large industrial and state-owned enterprises. Ukreximbank accepts deposits from entities and individuals, issues loans, transfers payments in Ukraine and abroad, exchanges currencies, makes investments, provides cash and settlement services, and renders other banking services to its customers.

One of Ukreximbank’s main activities is to facilitate, on behalf of the Ukrainian Government, the administration of loan agreements entered into by the Ukrainian Government with other foreign governments. Ukreximbank acts as an agent, on behalf of the Ukrainian Government, with respect to loans from foreign financial institutions based on the aforementioned agreements.

The aim of Ukreximbank (in accordance with the Charter) is to create favorable conditions for the economic development and support of the domestic producers, to service export and import operations, to provide credit and financial support of restructuring processes, to strengthen and implement the industrial and trade potential of the industries of economy and manufacturers that are export-oriented or carry out the activities related to the production of import-substituting products, and also to receive gains in favor of the Ukreximbank and its shareholder.

## 2. Basis for preparation

These annual financial statements have been prepared in accordance with IFRS accounting standards, issued by International Accounting Standards Board, and requirements of Law of Ukraine “*On Accounting and Financial Reporting in Ukraine*” # 996-XIV of 16 July 1999 in respect of the preparation of financial statements (as amended).

The annual financial statements are prepared on a basis cost convention except as disclosed in the *Summary of material accounting policies*, for example, investment securities at fair value through other comprehensive income, investment securities at fair value through profit or loss, derivatives and investment property are measured at fair value, buildings are measured at revalued amount, assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

These annual financial statements are presented in thousands of Ukrainian hryvnia (“UAH thousand”), unless otherwise indicated, which is the Bank's functional and presentation currency.

The Bank presents its statement of financial position in order of liquidity based on the Bank’s intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 31.

The annual consolidated financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Management Board dated 26 March 2025.

### Going concern and economic environment

These annual financial statements have been prepared on a going concern basis.

The Bank operates in the economic and financial markets of Ukraine, which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue to evolve, but are subject to varying interpretations and frequent changes, which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Ukraine.

In 2022, the Russian Federation invaded the territory of Ukraine. The ongoing war has resulted in significant civilian casualties, massive population displacement, damage to infrastructure, power outages and a general significant disruption to economic activity in Ukraine. This has had a detrimental and lasting impact on the political and business environment in Ukraine,

including the ability of many businesses to continue operating as usual. In response to the military invasion, the President of Ukraine imposed martial law, which has now been extended until 9 May 2025.

In 2024, active hostilities remain intense, albeit concentrated in eastern and southern Ukraine, with the Autonomous Republic of Crimea and most of Donetsk, Luhansk, Kherson, and Zaporizhzhia regions still under occupation. In addition, the Russian Federation continues to launch missile and drone attacks that target power grids and other critical civilian infrastructure across Ukraine.

Despite the ongoing war, the economy remains resilient. In January 2025, the National Bank of Ukraine (NBU) revised its real GDP growth forecast for 2024 downwards to 3.4%. Annual inflation in 2024 increased to 12%, accompanied by a slight decrease in the NBU key policy rate from 15% to 14.5%. However, economic growth is expected to slow down in 2025 due to increased labour market tensions, Russia's ongoing attacks on Ukraine's energy infrastructure, and the budget deficit. The overall outlook remains vulnerable to significant risks, primarily due to the extremely high uncertainty caused by the war, possible delays or shortages in external financing, and the outcome of peace talks.

Since the outbreak of the war, the NBU has imposed a number of administrative restrictions on currency conversion transactions and capital movements, including restrictions on interest and dividend payments abroad. As a result of these restrictions, the Ukrainian hryvnia is not freely convertible.

Following the invasion, all global rating agencies downgraded Ukraine's ratings. As of 31 December 2024, the ratings are as follows:

- Fitch: Long-term issuer rating – RD (foreign currency), CCC+ (national currency);
- Moody's: Long-term issuer rating – Ca (foreign and national currency);
- S&P: Long-term issuer rating – SD (foreign currency), CCC+ (national currency).

Despite the impact of the negative factors of the war, the Bank continues to operate as a universal bank, which is one of the largest systemic banks in Ukraine and provides a full range of banking services to large corporate customers, small and medium-sized businesses and individuals. Since the beginning of the war, the Bank has focused its main efforts on financing strategic industries of Ukraine and critical infrastructure enterprises (facilities).

In 2025, the Bank plans to act in accordance with the main (strategic) areas of activity of public sector banks for the period of martial law and post-war economic recovery, to ensure that it maintains a stable liquidity position and fulfils all its obligations to depositors, counterparties and creditors in full and on time.

The Bank's strategic objectives for the period of martial law and post-war economic recovery are as follows:

- providing financial support to priority economic sectors and critical infrastructure enterprises (facilities);
- ensuring access to banking services to uphold consumer protection, in particular, within the framework of social protection of the population, provided that there is no physical threat to the Bank's employees;
- creating conditions for the rapid resumption of banking services in full and ensuring the functionality and continuity of public sector banks;
- establishing, maintaining, and ensuring the effective operation of a physical security system (covering the Bank's head office and branches, including employee safety), as well as securing operational systems, including through cloud solutions and cybersecurity measures;
- implementing risk mitigation measures, including the prevention of potential threats and the execution of the Bank's security measures, particularly the control of security risks (covering physical, financial, cyber, and operational system security), as well as the elimination and/or minimisation of the consequences of realised threats and crisis situations;
- ensuring the uninterrupted and effective work of the Bank's management to facilitate the necessary decision-making;
- maintaining the Bank's financial resilience, identifying potential threats to such resilience, as well as promptly responding to threats to financial resilience and/or avoiding them.

Under the current circumstances, the Bank continues its operational activities.

By NBU Board Decision No. 127-pm/БТ dated 24 April 2024, the Capitalization Program of “Ukreximbank” JSC was agreed, which ensures the achievement of the required levels of capital adequacy ratios (both under the current regulatory capital structure and the new three-tier regulatory capital structure). In addition, the Bank's shareholder, represented by the Cabinet of Ministers of Ukraine, confirmed its intention to ensure the Bank's capitalisation in order to comply with the capital requirement, to take measures to capitalise the Bank if necessary, and undertakes to take all measures in its power to ensure that the Bank's activities are brought in line with the requirements of the banking legislation and the NBU regulations.

New legislative amendments to the Tax Code of Ukraine regarding the application of a 50% tax rate and a ban on the use of tax losses carried forward to the tax (reporting) year 2024 may affect the Bank's ability to comply with the targets of the agreed

Capitalization Program. In January 2025, the Bank prepared an updated Capitalization/Restructuring Program, which envisages application of 50% tax rate and restrictions on usage of tax losses carried forward for 2024.

Thus, as of the date of approval of the financial statements, the Bank operates within the framework of the updated Capitalization/Restructuring Program of JSC Ukreximbank, which aims to achieve the required level of capital adequacy ratios, based on the results of the Bank's sustainability assessment, by 31 March 2026.

As of 31 December 2024, the Bank complied with capital ratios, which, in accordance with the regulatory requirements of the NBU, are calculated based on the current balance sheet data, excluding adjustments to accounting entries based on the results of the reporting year. As part of the financial year closing process and the preparation of financial statements for 2024, the Bank, up to the date of approval of the financial statements, made annual accounting adjustments related to the 2024 results, including the recognition of the final amount of income tax at a 50% rate.

When recalculating capital ratios taking into account annual adjustments to accounting entries, the Tier I capital adequacy ratio would be lower than the required level, which is stated in note 34. Recalculation of capital adequacy ratios considering annual adjustments to accounting entries, is not required by the NBU's regulatory acts governing the calculation of prudential ratios. Given the measures undertaken by the Bank, as of the date of approval of these financial statements, the Bank complies with capital requirements and adheres to the updated Capitalization/Restructuring Program of JSC "Ukreximbank."

The planning of the Bank's future activities, including the Capitalization/Restructuring Program, is based on the 2024 Business Development Plan approved by management and the forecast indicators for 2025–2026, developed under a neutral scenario, incorporating macroeconomic forecasts, including an annual inflation rate of 9% and a devaluation of the national currency to UAH 47.5/USD by the end of 2025 (with an average exchange rate of UAH 45.0/USD).

The activity forecast includes the following key assumptions:

- the Bank's liquidity position remains stable, and no additional refinancing loans from the NBU are being utilised;
- the main funding sources are customer funds and programs from international financial institutions;
- corporate lending continues, including under government guarantees;
- the sources for the repayment of obligations and lending will be accumulated liquidity, as well as an increase in the amount of customer funds raised and the implementation of programs with international financial institutions;
- balances on correspondent accounts and in National Bank of Ukraine deposit certificates will meet the Bank's liquidity needs.

As at 31 December 2024, the Bank is in breach of the terms of loans received from credit institutions, as reflected in “Other borrowed funds”, amounting to UAH 2,150,193 thousand. The Bank received respective letters of waiver of sanctions for breach of covenants from the creditors in 2024. The Bank also anticipates covenant breaches on loans in 2025, is maintaining ongoing dialogue with creditors and expects to receive the necessary letters of waiver of sanctions for the financial covenants. At this time, the outcome of these efforts cannot be predicted. However, in the event of a request for early repayment of the borrowings, the Bank has sufficient funds to continue its operations on a going concern basis and will not require additional financing for their repayment. As of the date of approval of these financial statements, no early repayment demands have been made by creditors.

Prolonged hostilities may result in the continuation of existing or imposition of additional administrative restrictions by the NBU, which could threaten the Bank's operations. In addition, it may lead to further changes in the tax system due to the budget deficit.

Thus, these events and conditions primarily related to the currently unpredictable impact of the future course of military operations in Ukraine, which may affect the economic environment and the Bank's ability to implement the measures of the Capitalization Program and achieve the required level of capital adequacy ratios, indicate the existing material uncertainty that may affect the Bank's ability to continue as a going concern.

These financial statements have been prepared on a going concern basis and do not reflect any adjustments that would be necessary if the Bank were unable to continue as a going concern.

These financial statements reflect the current assessment by the Bank's management regarding the impact of the business environment in Ukraine on the Bank's operational activities and financial position. The future business environment may differ from management's estimates.

### **Subsidiaries and changes in the group structure**

Subsidiary of “The State Export-Import Bank of Ukraine” Public Joint Stock Company, Leasing Company “Ukreximleasing” (hereinafter - Subsidiary “Ukreximleasing”), a wholly owned subsidiary of Ukreximbank, was founded in 1997 and registered in Ukraine. By the relevant resolutions of the Management Board of “Ukreximbank” JSC and the Supervisory Board of

“Ukreximbank” JSC, the action plan (roadmap) for the termination of the Subsidiary “Ukreximleasing” was approved. During 2024, the liquidation procedure of the Subsidiary “Ukreximleasing” continued.

Subsidiary “Ukreximleasing” was not consolidated since both individually and in the aggregate it is insignificant for the financial position, financial performance and cash flows of the group. Subsidiary “Ukreximleasing” is in the process of liquidation and control over its cash flows is exercised by the liquidator.

June 2023, the Bank sold its subsidiary LLC “Eximleasing”, whose performance indicators up to the specified date are included in the consolidated financial statements of the Bank. In 2023, As a result of the sale of LLC “Eximleasing”, the Bank recognized a profit in the amount of UAH 1,756 thousand, which is reflected in the item “Other income” of the statement of profit or loss.

The Bank is the founder of the Non-State Corporate Pension Fund of OJSC UKREXIMBANK (hereinafter referred to as the “NCPF”). The Bank does not administer, manage or custody the assets of the NCPF. The Bank has analyzed the existence of control required for consolidation in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements" in respect of the NCPF. The Bank is a founder, but is neither exposed to risks nor entitled to variable returns from its operations. In accordance with IFRS 10 "Consolidated Financial Statements", the Bank does not have control over NCPF and, accordingly, NCPF has not been consolidated.

### 3. Summary of material accounting policies

#### Changes in accounting policies

The accounting policies adopted in the preparation of these annual financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2023, except for the adoption of the new standards and amendments thereto applied for the first time from 1 January 2024. The nature and effect of these changes is disclosed below.

The Bank applied for the first time certain amendments to the standards, which are effective on 1 January 2024. The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

#### *Amendments to IFRS (IAS) 1 «Presentation of Financial Statements» – «Classification of Liabilities as Current or Non-current»*

Starting from January 1, 2024, the Bank has applied amendments to IFRS (IAS) 1, which provide that if the organization's right to defer settlement of a liability is subject to additional conditions (covenants) during 12 months after the reporting date, the company should disclose additional information in the notes that will enable users of financial statements to understand the possibility of compliance with additional conditions (covenants) and the correctness of the classification of the liability during 12 months from the reporting date. Detailed information is presented in Notes 2, 21, 23, 31.

The application of the amendments, standards and changes to standards and interpretations listed below had no impact on the Bank's annual financial statements:

#### *Amendments to IFRS 16 «Leases» – “Lease Liability in a Sale and Leaseback”*

#### *Amendments to IAS 7 «Statement of Cash Flows» and IFRS 7 «Financial Instruments: Disclosures» – “Supplier Finance Arrangements”.*

Amendments to IFRS 16 «Leases» and IAS 7 «Statement of Cash Flow» and IFRS 7 «Financial Instruments: Disclosures» did not affect these financial statements.

#### Financial assets and liabilities

##### *Initial recognition*

##### *Date of recognition*

Financial assets and liabilities, except loans and advances to customers and amounts due to customers, are initially recognised on the transaction date i.e. the date when the Bank becomes a party to the agreement specifying the terms of the respective instrument. These are regular purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. Loans to customers are recognised when funds are transferred to accounts with the Bank.

### ***Initial measurement of financial instruments***

Financial instruments are initially measured at their fair value, including costs directly related to the transaction, except in the case of financial assets and financial liabilities recorded at fair value through profit and loss (FVTPL). Receivables are measured at the transaction price. If the fair value of financial instruments at initial recognition differs from the transaction price, the Bank recognises Day 1 gain or loss.

All financial assets, except for equity and derivative instruments, are classified and measured at initial recognition based on the business model used by the Bank to manage a particular group of assets, which a financial asset is attributed to, as well as the characteristics of contractual cash flows from this financial asset.

The business model is determined at the level of groups of financial assets that are managed collectively to achieve a particular business goals.

All debt financial assets are held within one of three business models:

- business model whose objective is to hold financial assets in order to collect contractual cash flows (BM 1);
- business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (BM 2);
- business model whose objective is collecting maximum cash flows from sale of assets or business model other than BM 1 and BM 2 (BM 3).

At the date of initial recognition of each debt financial asset, other than those classified by the Bank as measured at FVTPL for the purpose of eliminating or significantly reducing a measurement or recognition inconsistency, as well as those managed under BM 3, the Bank performs an analysis of contractual cash flows from such financial asset.

The main objective of the contractual cash flows analysis (SPPI test) is to determine whether the terms of agreement on a financial asset conform to the underlying loan agreement and identify the terms of agreement which result in additional risks and/or additional volatility of contractual cash flows not inherent with the underlying loan agreement.

The Bank performs SPPI test at the level of a separate debt financial asset/group of debt financial assets of the respective category of assets managed under BM 1 or BM 2.

### ***Financial assets and liabilities measurement categories***

Depending on the business model and the results of the SPPI test, the debt financial assets can be classified as follows:

- Assets at amortised cost (BM 1, SPPI test passed);
- Assets at fair value through other comprehensive income (BM 2; SPPI test passed);
- Assets at fair value through profit or loss (BM 1 or BM 2 and SPPI test failed, BM 3).

The Bank classifies and measures derivative instruments and instruments held for trading at FVTPL.

Financial liabilities, other than credit-related commitments and financial guarantees, are measured at amortised cost or at FVPL if they are held for trading and are derivative instruments, or at the Bank's discretion are classified at FVTPL.

### ***Loans and advances to banks, loans and advances to customers, investment securities at amortised cost***

The Bank measures financial assets at amortised cost only if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (BM 1);
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when financial assets are derecognised or impaired, as well as through the amortisation process.

### ***Debt instruments at fair value through other comprehensive income***

The Bank measures debt instruments at fair value through other comprehensive income (FVOCI) if both of the following conditions are met:

- a debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (BM 2);
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. SPPI criteria are met).

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. For debt instruments measured at FVOCI the Bank recognises allowance for expected credit losses (ECLs). The procedure for recognising ECLs on such assets is provided in Note 29.

*Equity instruments at fair value through other comprehensive income*

Upon initial recognition of equity financial assets, the Bank occasionally elects to classify irrevocably some of such assets as equity instruments at FVOCI when they meet the definition of equity under IAS 32 and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

For equity investments classified as FVOCI, all realised and unrealised gains and losses, except for dividend income, are recognised in other comprehensive income with no subsequent reclassification to profit and loss. Dividends are recognised in profit or loss when the right to receive dividends has been established. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal of these instruments, the accumulated revaluation reserve is transferred to retained earnings.

*Financial assets and financial liabilities at fair value through profit or loss*

This category includes financial assets and financial liabilities which, upon initial recognition, were classified as such at the Bank's discretion or should be measured at fair value through profit or loss under IFRS 9. The Bank may, at initial recognition, designate a financial instrument as measured at fair value through profit or loss if one of the following criteria is met: Such classification is determined on an instrument-by-instrument basis:

if it eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or

a group of financial liabilities or financial assets and financial liabilities is managed and its performance is measured on a fair value basis, in accordance with a documented risk management or investment strategy; or

a financial liability contains one or more embedded derivatives and the host is not an asset within the scope IFRS 9, unless the, the embedded derivative(s) do(es) not significantly modify the cash flows that otherwise would be required by the contract, or it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative(s) is prohibited.

All debt financial assets that do not meet a “solely payment of principal and interest” (SPPI) criterion, are classified at initial recognition at fair value through profit or loss. Under this criterion, such instruments as Ukrainian government bonds that provide for indexation of the nominal value by maturity according to the changes in the average interbank UAH/USD exchange rate per month prior to the date of issue and per month prior to the maturity date (Note 11), are measured at FVTPL.

Financial assets and liabilities at FVTPL are recognised in the statement of financial position at fair value. Changes in fair value are recognised in profit or loss, except for a change in the fair value of financial liabilities classified at the Bank's sole discretion at fair value through profit or loss caused by changes in its own credit recognised in other comprehensive income.

Interest income on all financial assets at FVTPL is recognised using the contractual interest rate.

*Financial assets held for trading*

The Bank classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities. Held-for-trading assets are recorded and measured in the statement of financial position at FVTPL. Changes in fair value and interest income on financial assets held for trading are recognised within net gain/(loss) on financial assets held for trading in the statement of profit or loss.

This category includes debt securities acquired by the Bank with the intention of selling in the near term.

*Financial guarantees, letters of credit and credit-related commitments*

In the normal course of business the Bank issues financial guarantees in the form of letters of credit, guarantees and avals. Financial guarantees are initially recognised as other financial liabilities in the financial statements at fair value, being the premium received.

This amount is amortized on a straight-line basis over the life of the commitment, except for commitments to originate loans

if it is probable that the Bank will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. In this case, the loan commitment fees are deferred and included in the carrying amount of the loan on initial recognition.

Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount of amortised commission and an ECL allowance.

Increase in liability related to financial guarantee agreements is recognised in the statement of profit or loss. The commission received is recognised in the statement of profit or loss on a straight-line basis over the term of the guarantee agreement.

The contractual nominal value of financial guarantees is not recorded in the statement of financial position.

### ***Reclassification of financial assets and financial liabilities***

The Bank reclassifies all financial assets only when it changes its business model of management thereof. Financial liabilities are never reclassified.

### **Impairment of financial assets**

For the principles of measurement and recognition of expected credit losses on financial assets, refer to Note 29 in the section “Impairment of financial assets”.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, amounts due from the NBU, overnight deposits with banks, deposit certificates issued by the NBU for up to 90 days, short term deposits classified as cash equivalents and reverse repurchase agreements that mature within ninety days of the date of origination and are free from contractual encumbrances, and are not impaired individually.

### **Precious metals**

Gold and other precious metals are recorded at fair value. Changes in fair value are recorded as net increase/(decrease) from foreign exchange translation in the statement of profit or loss.

### **“Repo” and reverse “repo” agreements and securities lending**

Sale and repurchase agreements (“repo” agreements) are treated as secured financing transactions. Securities sold under “repo” agreements are retained in the statement of financial position and in case the transferee has the right by contract or custom to sell or repledge them, reclassified as securities pledged under “repo” agreements. The respective liabilities are included to due to other banks and customer accounts. Securities purchased under agreements to resell (“reverse repo”) are recorded as cash and cash equivalents, loans and advances to banks or loans and advances to customers as appropriate. The difference between the sale price and “repo” price is treated as interest and is accrued over the life of repo agreements using the effective interest method.

Securities lent to counterparties are retained in the annual consolidated financial statements. Securities borrowed are not recorded in the annual financial statements, unless they are sold to third parties, in which case the purchase and sale are recorded within net increase/(decrease) from financial instruments at fair value through profit or loss in the statement of profit or loss. The obligation to return them is recorded at fair value as a trading liability.

### **Derivative financial instruments**

A derivative is a financial instrument with all three of the following characteristics:

Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable;

It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors;

It is settled at a future date.

In the normal course of business, the Bank enters into various derivative financial instruments including forwards and swaps in the foreign exchange market, as well as interest rate swaps. These financial instruments as stated at fair value through profit or loss. The fair values are derived based on quoted market prices or valuation models that take into account current and



contractual market prices of the underlying instruments and any other relevant factors. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Gains and losses resulting from transactions with currency forwards and swaps are included in the statement of profit or loss as net gains/(losses) from foreign exchange translation, and gains and losses from transactions with interest rate swaps are included in the statement of profit or loss as net gains/(losses) from transactions with derivatives at FVTPL.

#### *Embedded derivatives*

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

An embedded derivative that is a component of a hybrid (combined) instrument of the host that is a financial asset is not separated but is recorded as part of such a hybrid financial instrument classified as a whole as designated at fair value through profit or loss.

### **Borrowings**

Issued financial instruments or their components are classified as liabilities, where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity instruments. Such instruments include amounts due to other banks, including the NBU, amounts due to customers, debt securities issued, loans received from international and other financial organisations and subordinated debt. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the borrowings are derecognised as well as through the amortisation process.

If the Bank purchases its own debt, it is removed from the statement of financial position and the difference between the carrying amount of the liability and the consideration paid is recognised in the consolidated statement of profit or loss.

### **Leases**

#### ***Finance – Bank as a lessor***

The Bank recognises lease receivables at value equal to the net investment in the lease, starting from the inception date. Finance income is recognised based on a constant periodic rate of return on the net investment outstanding. Initial direct costs are included in the initial measurement of the lease receivables.

#### ***Operating – Bank as a lessor***

The Bank presents assets subject to operating leases in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in the statement of profit or loss on a straight-line basis over the lease term as other income. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis. Initial direct costs incurred specifically to earn revenues from an operating lease are added to the carrying amount of the leased asset.

#### ***Leases – Bank as a lessee***

##### *Right-of-use assets*

The Bank recognises right-of-use assets at the inception date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the inception date less any lease incentives received. Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

### *Lease liabilities*

At the inception date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating a lease, if the lease term reflects the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period, in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses the incremental borrowing rate at the lease inception date if the interest rate implicit in the lease is not readily determinable. After the lease inception date, the amount of lease liabilities is increased to reflect the accrual of interest and reduced to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

### *Short-term leases and leases of low-value assets*

The Bank does not recognise a contract to be a lease contract in case of short-term leases and leases of low-value underlying assets and accounts for no right-of-use assets and lease liabilities. Under such contracts, lease payments are recognised as expense on a straight-line basis over the lease term specified by the contract.

A short-term lease is the lease, which as at the lease inception date according to the lease contract has the lease term of 12 months or less, and this lease contract includes no automatic lease extension conditions, and the bank does not intend to extend the lease term specified by the contract, nor it intends to acquire the underlying asset. A low value of the underlying asset is the value, which is less than the UAH equivalent of USD 5,000,00 at the NBU's official UAH/foreign currency exchange rate as at the date of commencement of the appropriate lease contract.

### *Significant judgement in determining the lease term of contracts with extension options*

The Bank determines the lease term following the lease term specified in the completed contract as at the date of its completion.

If following the lease contract the lease term is 12 months or less as at the lease inception date, the automatic lease extension conditions being included, and the bank intends to extend the lease term, then the lease term under such contract is determined as the term specified by the contract and increased for the extension term.

## **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set off and there is an intention to realise the asset and settle the liability simultaneously. Such a right of set off (a) shall not be contingent on a future event and (b) shall be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) the event of default and (iii) the event of insolvency or bankruptcy.

## **Derecognition of financial assets and liabilities**

### ***Derecognition due to substantial modification of terms and conditions***

#### *Financial assets*

The Bank derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan. When assessing whether or not to derecognise a financial asset, amongst others, the Bank considers such factors as a change in currency of a financial assets, change in counterparty, interest rate revision to the market rate, change of credit line type, as well as whether the modification is such that the instrument would no longer meet the SPPI criterion. Upon initial recognition, loans are classified as Stage 1 for ECL measurement purpose, unless the new loan is deemed to be purchased or originated credit impaired financial asset.

If the modification does not result in derecognition of a financial asset, based on the change in cash flows discounted at the original effective interest rate, the Bank records a gain from modification of financial assets in Other income of the statement of profit or loss, or a loss from modification of financial assets in Other administrative and operating expenses of the statement of profit or loss.

### *Financial liabilities*

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

Terms are considered significantly different if the discounted present value of cash flows on new terms, including any fees paid, net of any fees received and discounted at the original effective interest rate, differs by at least 10 percent from the discounted present value of remaining cash flows on the original financial liability. If an exchange of debt instruments or a change in terms is accounted for as repayment, then any expenses or commissions paid are recognised as part of gains or losses on repayment. If an exchange or change in terms is not accounted for as repayment, then any expenses and fees paid adjust the carrying amount of the liability and are amortised over the life of the modified liability.

### ***Derecognition other than for substantial modification***

#### *Financial assets*

A financial asset (or a part of a financial asset or part of a group of similar financial assets) is derecognised where:

The rights to receive cash flows from the financial asset have expired;

The Bank has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement;

The Bank either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **Taxation**

The current income tax charge is calculated in accordance with Ukrainian taxation regulations. Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Ukraine also has various operating taxes, which are assessed on the Bank’s activities. These taxes are recorded in other administrative and operating expenses in the statement of profit or loss.

### **Property, plant and equipment**

All property, plant and equipment, except buildings and land, are carried at cost excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment.

Following initial recognition at cost, buildings and land are subsequently carried at their revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is credited to the surplus in the property revaluation reserve which is included in other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss, in which case the increase is recognised in the statement of profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except that a deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus in the property revaluation reserve.

The transfer from the surplus in the property revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Specifically, the accumulated depreciation at the revaluation date is subtracted from the original (revalued) cost of property, plant and equipment, and the resulting net carrying amount is revalued to its fair value. The revalued amount of an asset as at the revaluation date equals its fair value and the accumulated depreciation equals zero. Upon disposal, the respective surplus of property revaluation is transferred to retained earnings.

The carrying amounts of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation of an asset begins from the date of its commissioning (that is the date when it is available for use). Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	15-75 years
Furniture, fittings and other assets	2-25 years
Equipment and computers	2-15 years
Motor vehicles	5 years

Leasehold improvements (refurbishment costs for premises under lease contract) are depreciated over a period not exceeding the leasing period.

The asset's residual values, useful lives and methods are reviewed and adjusted as appropriate, at each financial year-end.

Costs related to repairs and renewals are charged when incurred and included in other administrative and operating expenses unless they qualify for capitalisation.

### **Intangible assets**

Intangible assets include acquired computer software and licences. Intangible assets are measured at initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic lives of five to ten years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end.

### **Investment property**

Investment property is property held to earn rental income or for capital appreciation and which is not occupied by the Bank.

Investment property is initially recognised at cost, including transaction costs, and subsequently re-measured at fair value based on its market value.

Gains and losses resulting from changes in the fair value of investment property are recorded in the statement of profit net increase/(decrease) on revaluation of investment property in the year in which they arise.

### **Non-current assets classified as held for sale**

The Bank classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the non-current asset shall be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and the prospective sale is deemed feasible.

The sale qualifies as highly probable if the Bank's management is committed to a plan to sell the non-current asset and an active program to locate a buyer and complete the plan shall have been initiated. Furthermore, the non-current asset shall have been actively marketed for a sale at price that is reasonable in relation to its current fair value and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification of the non-current asset classified as held for sale.

The Bank measures a non-current assets classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Bank recognises an impairment loss if events or changes in circumstance indicate that the carrying amount of assets classified as held for sale may be impaired.

### **Retirement and other benefit obligations**

The Bank has contribution pension plan separate from the State pension system of Ukraine, which requires current contributions by the employer calculated as a percentage of current gross salary payments; such expense is charged in the period the related salaries are earned. The contribution payable to a contribution plan is in proportion to the services rendered to the Bank by the employees and is recorded as an expense under “Personnel expenses”. Unpaid contributions are recorded as a liability. The Bank has no other post-retirement benefits or significant other compensated benefits requiring accrual.

### **Issued capital**

Ordinary shares are classified as equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

Gain or loss arising from transactions with the shareholder is recognised in equity under “Result from transactions with the shareholder”.

### **Segment reporting**

The Bank’s segmental reporting is based on the following operating segments: Corporate banking, Medium-sized business, municipalities and utilities sector and Interbank and investments business.

### **Contingencies**

Contingent liabilities are not recognised in the consolidated statement of financial position but are disclosed unless the possibility of any future outflow is considered remote. A contingent asset is not recognised in the statement of financial position but disclosed when an inflow of economic benefits is probable.

### **Performance guarantees**

Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Performance guarantees are initially recognised at fair value, as evidenced by the amount of compensation received for issuing them, which is subsequently amortised to the Bank’s commission income on off-balance transactions on a straight-line basis over the life of a performance guarantee. Performance guarantees are accounted for in off-balance-sheet in the amount of guarantee commitments. Subsequently, performance guarantees are measured at greater of: the amount of amortised commission and allowance for possible losses on the performance guarantee issued.

The terms of financial guarantees and performance bonds issued by the Bank provide for coverage or a right to claim funds from the customer in the event of a guaranteed event, which is a sign of credit risk. The Bank continued to account for these instruments in accordance with IFRS 9, as there are no insurance risks associated with these instruments.

### **Recognition of income and expenses**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

### **Interest and similar income and expense**

Interest income on all financial instruments measured at amortised cost, at FVOCI and, at discretion, at FVTPL is calculated by applying the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the financial instrument and are an integral part of the effective interest rate, but not future credit losses.

If expected cash flows from financial assets are reviewed for reasons not related to credit risk, the adjustment is disclosed in the statement of financial position as a positive or negative change in the carrying amount of the asset and as an increase or decrease in interest income. The amount of this adjustment is subsequently amortised and recognised in profit or loss in “Interest income calculated using effective interest method”.

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets, except for credit-impaired financial assets.

When a financial asset becomes credit-impaired and, accordingly, is attributed to Stage 3, the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired financial asset, the Bank calculates interest income using the credit-adjusted EIR to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Upon recovery of impairment of credit-impaired financial assets as a result of the client's repayment of debt on accrued income, whether or not such a recovery of impairment results in the transfer of a financial asset from Stage 3, the difference between the amount of interest calculated at the effective interest rate on the gross carrying amount and the interest income calculated at the effective interest rate on the amortised cost of a financial asset, is recognised as an adjustment (decrease) of the expected credit losses to the amount recognised as an adjustment to interest income in prior years.

Interest income on all financial assets at FVTPL is recognised using the contractual interest rate in “Other interest income” in the consolidated statement of profit or loss.

### ***Fee income***

The Bank earns fee and commission income from the diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

#### *Fee income earned from services that are provided over a certain period of time*

Fees arising for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan.

#### *Fee income from providing transaction services*

Fees arising from negotiating or participating in the negotiation of a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognised on completion of the underlying transaction. Fees or components of fees related a certain performance are recognised after fulfilling the corresponding criteria.

### ***Dividend income***

Revenue is recognised when the Bank's right to receive the payment is established.

### **Foreign currency translation**

Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange effective at the reporting date. Gains and losses resulting from the translation of foreign currency transactions are recognised in the consolidated statement of profit or loss as net increase/(decrease) from foreign exchange translation. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined. Differences between the contractual exchange rate of a transaction in a foreign currency and the NBU exchange rate on the date of the transaction are included in gains less losses from dealing in foreign currencies. The official NBU exchange rates at 31 December 2024 and 2023 were UAH 42,039 and 37,9824 to 1 US dollar and UAH 43,9266 and 42,2079 to 1 euro, respectively.

### **Future changes in accounting policies**

The new and amended standards and interpretations that are issued, but not yet effective, for the purpose of preparation of the Bank's financial statements for 2024 are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### *IFRS 18 “Presentation and Disclosure in Financial Statements”*

IFRS 18 is effective from 1 January 2027 (early adoption is permitted). The new standard introduces the following key new requirements:

- Entities shall classify all income and expenses in the statement of profit or loss into five categories: operating, investing, financing, discontinued operations, and income taxes. Entities shall also present a newly defined operating profit subtotal. The entity's net profit will not change.
- MPM – Management-defined performance measures are disclosed in a single note in the financial statements.
- Extensive guidance on how to group information in financial statements shall be provided.
- In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities using the indirect method.

The Bank is assessing the impact of the new standard, particularly with respect to the structure of the Bank's statement of profit or loss, statement of cash flows and additional disclosures required in connection with the MPM. The Bank is also assessing the impact on how information is grouped in the financial statements, including for items currently designated as “other”.

#### *IFRS 19 “Subsidiaries without Public Accountability: Disclosures”*

IFRS 19 simplifies reporting processes for subsidiaries within the scope of IFRS 19, reducing costs and maintaining the usefulness of financial statements for its users. IFRS 19 allows subsidiaries to prepare only one set of statements to meet the needs of both the parent company and the needs of the own users of financial statement, reduces requirements for disclosures of subsidiaries.

These standards and the amendments below are not expected to have a material impact on the Bank's financial statements.

*Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”*, are effective from 1 January 2025.

*Amendments to IFRS 7 “Financial Instruments: Disclosures” and IFRS 9 “Financial Instruments”: “Amendments to the Classification and Measurement of Financial Instruments”*, are effective from 1 January 2026.

*Annual Improvements to Accounting Standards under IFRS, effective for annual periods starting from 1 January 2026:*

- IFRS 1 “First-time Adoption of International Financial Reporting Standards”
- IFRS 7 “Financial Instruments: Disclosures”
- IFRS 9 “Financial Instruments”
- IFRS 10 “Consolidated Financial Statements”
- IAS 7 “Statement of Cash Flows”

## **4. Significant accounting judgements and estimates**

With the application of the Bank's accounting policies, management has used its judgement and made estimates in determining the amounts recognised in the financial statements. The most significant use of judgements and estimates are as follows:

**Going concern.** Refer to Note 2.

### **Expected credit losses**

The assessment of losses across all categories of financial assets requires judgement, in particular, the amount and timing of future cash flows and collateral values are to be estimated when determining expected credit losses on financial assets. These calculations are driven by a number of factors, changes in which can result in different levels of allowances for impairment. The Bank's ECL calculations are outputs of sophisticated models with a number of underlying assumptions (than are based primarily on historical data) regarding the choice of variable inputs and their interdependencies. The following elements are included into the ECL models that contain accounting judgements and estimates:

- the criteria used by the Bank to assess whether a significant increase in credit risk has occurred, as a result of which the allowance for impairment of financial assets should be measured in an amount equal to the ECL for the entire life of the financial instrument;
- the Bank's internal credit rating model used by the Bank to determine PD;
- determination of associations between macroeconomic scenarios and economic inputs, such as the consumer price index, GDP growth, export/import growth, and the effect on PDs, EADs and LGDs;
- development of individual scenarios for significant assets (except those attributed to Stage 1) including the determination of probability of obtaining cash flows from different sources for various options of the development (upside case, base and downside cases).

As at 31 December 2024, the total amount of expected credit losses on financial assets, credit-related commitments and financial guarantee contracts amount to UAH 23,492,657 thousand (31 December 2023: UAH 22,892,244 thousand). Details are provided in Notes 6, 9, 10, 11, 16 and 25.

### Deferred tax assets

The recognised deferred tax asset in the amount of UAH 1,687,491 thousand (31 December 2023: UAH 1,840,007 thousand) is income tax recoverable due to availability of future taxable profits. Deferred income tax assets are recognized to the extent there is a probability of the use of the related tax asset. Future taxable profits and tax assets, the use of which is possible in the future, are estimated on the basis of the business plan under which the profit is expected to be generated. The key assumptions for the going concern and profitability, taking into account the impact of military actions in Ukraine, are provided in Note 2.

Taking into account forecasted future profits and the fact that current Ukrainian legislation does not limit the term of use of tax loss carry-forward, management believes that it is appropriate to recognise the deferred tax asset.

### Approaches to determining by the Bank of a business model for government bonds

A business model is determined in terms of groups (portfolio and subportfolio) of debt financial assets that are managed as a whole to achieve a specific business goal.

The Bank determines the level of aggregation of assets in a manner to ensure the division into certain groups:

- assets of different types/categories (loans, securities etc);
- assets that may have different characteristics/management approaches;
- assets that are managed by different business units.

The business models for managing the Bank's asset groups are determined by taking into account the available factors indicating how the asset group is managed to achieve specific business objectives and what the main sources of cash flows are for each asset group.

The main factors to be analyzed while assigning a group of assets to a relevant business model are:

- assessment of effectiveness of a business model for the management of the portfolio of assets to be analyzed;
- risks specific to a portfolio of assets and approaches of the Bank to their management;
- indicators to be used for determining the mechanism of remuneration for heads of business lines or units responsible for the management of corresponding groups of assets;
- the possibility to assign the assets to BM-1 is determined with respect to the results of the analysis of the sale of assets of a specific portfolio.

## 5. Segment information

For management purposes, the Bank recognises the following operating segments (business units):

Corporate business	Business segment focusing on servicing corporate clients and selling the products that require an individual approach and are mainly offered to corporate clients.
Medium-sized business, municipalities and utilities sector	Business segment focusing on servicing municipal and utilities sector, small and medium-sized businesses (including individual entrepreneurs) and selling products that are mainly offered in a standardised form (as per the tariffs approved and the standard procedures).
Retail business	Business segment focusing on servicing individuals (except for individual entrepreneurs) on the full list of products, and on selling the products offered to individuals (population) mainly in a standardised form (as per the tariffs approved and the standard procedures) and generally do not require any individual approach to be applied.
Interbank and investments business	Business segment focusing on providing services to participants in the financial markets (money, currency, stock, etc.) and on selling the products related to transactions in the financial markets. This segment includes the results of activities of Assets and Liabilities Division (ALM), which focuses on the liquidity and interest rate policy management for internal assets and liabilities transfer pricing.



The business units (Corporate business, Medium-sized business, municipalities and utilities sector, Retail business, Interbank and investments business) include financial indicators for problem assets.

Management Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The segment performance, as explained in the table below, is assessed with taking into account the income and expenses from other segments obtained as a result of transfer rates.

For the purposes of completeness of allocation of financial indicators of segment reporting to the respective segments, the Bank uses allocating mechanisms that allow to some extent allocating them to the items/balance sheet accounts of the balance sheet and income statement for which there are no criteria for determining a business segment, namely: the share of the number of employees by segments to the carrying amount of property, plant and equipment for the items "Intangible assets" and "Property, plant and equipment"; the share of investment property by segments of customer loans for which the property is owned by the Bank – “Investment property”, share of cash turnover from payments by segment customers – “Cash and cash equivalents”, etc.

In addition, the results (income and expenses) of other segments are determined by applying uniform transfer rates set by the Assets and Liabilities Management Committee based on the cost of borrowings for the Bank, as well as internal reallocation for certain transactions/customers by agreement between business units.

Unallocated amounts include: deferred tax asset and income tax payables, the share of assets and costs associated with the work of the Bank’s key management personnel, indirect operating expenses of support units, income tax.

During 2024, the Bank had revenues from transactions with an entity controlled by the state (directly or indirectly) or significantly influenced by the state, that accounted for more than 10% of the total income of the Bank, namely: UAH 7,517,781 thousand (2023: UAH 5,819,759 thousand). Revenue from transactions with this external customer is reported in the segment “Interbank and investments business”. Analysis of the Bank’s revenue by banking products and services is presented in Note 26.

During 2024 the Bank received revenue from the transactions with the NBU on deposit certificates in the amount of UAH 4,315,715 thousand, which accounted for more than 10% of the Bank's total income (2023: UAH 3,846,170 thousand).

The following table presents information on income and expenses, profit and loss, and certain assets and liabilities of the Bank’s operating segments for the year ended 31 December 2024:

	<i>Corporate banking</i>	<i>Medium- sized business, municipalitie s and utilities sector</i>	<i>Retail banking</i>	<i>Interbank and investments business</i>	<i>Unallocated</i>	<i>Total</i>
Interest income calculated using effective interest method	7,939,710	980,518	53,050	13,141,830	–	22,115,108
Other interest income	121,955	53,229	944	744,533	–	920,661
Interest expense	(8,800,478)	(2,651,191)	(1,637,872)	(2,537,898)	–	(15,627,439)
Transfer income/expense	3,740,094	2,896,229	2,746,968	(9,383,291)	–	–
<b>Net interest income of segment</b>	<b>3,001,281</b>	<b>1,278,785</b>	<b>1,163,090</b>	<b>1,965,174</b>	<b>–</b>	<b>7,408,330</b>
Fee income	748,673	253,874	414,477	125,451	–	1,542,475
Fee expense	(286,508)	(37,053)	(289,392)	(47,802)	–	(660,755)
Net gain from financial assets held for trading	–	–	–	708,005	–	708,005
Net gain from operations with debt financial instruments at fair value through other comprehensive income	–	–	–	57,163	–	57,163
Net gain from trading in foreign currencies	470,684	88,745	50,411	708,963	–	1,318,803
Other income	81,072	81,879	57,859	12,582	–	233,392
<b>Net non-interest income</b>	<b>1,013,921</b>	<b>387,445</b>	<b>233,355</b>	<b>1,564,362</b>	<b>–</b>	<b>3,199,083</b>
<b>Net operating income</b>	<b>4,015,202</b>	<b>1,666,230</b>	<b>1,396,445</b>	<b>3,529,536</b>	<b>–</b>	<b>10,607,413</b>
Employee benefits expense	(658,132)	(528,725)	(550,785)	(131,483)	(371,481)	(2,240,606)
Depreciation and amortisation expense	(27,805)	(31,006)	(32,723)	(2,520)	(17,024)	(111,078)
Other administrative and operating expenses	(229,392)	(254,230)	(539,115)	(37,007)	(40,800)	(1,100,544)
<b>Operating expense</b>	<b>(915,329)</b>	<b>(813,961)</b>	<b>(1,122,623)</b>	<b>(171,010)</b>	<b>(429,305)</b>	<b>(3,452,228)</b>
<b>Operating profit</b>	<b>3,099,873</b>	<b>852,269</b>	<b>273,822</b>	<b>3,358,526</b>	<b>(429,305)</b>	<b>7,155,185</b>
Net gain from financial instruments at fair value through profit or loss	–	–	–	1,927,237	–	1,927,237
Net loss from foreign exchange translation	(5,779)	(114)	–	(2,176,922)	–	(2,182,815)

	<i>Corporate banking</i>	<i>Medium- sized business, municipalitie s and utilities sector</i>	<i>Retail banking</i>	<i>Interbank and investments business</i>	<i>Unallocated</i>	<i>Total</i>
Gains on initial recognition of financial assets at interest rates above or below market						
Gain arising from derecognition of financial assets at amortised cost	–	–	209	–	–	209
Net loss from revaluation of investment property	(3,119)	(778)	(9)	–	–	(3,906)
Loss on initial recognition of financial assets at interest rates above or below market	–	–	–	(77,616)	–	(77,616)
Impairment loss determined in accordance with IFRS 9	(191,974)	96 668	34,578	(836 255)	–	(896,983)
Impairment loss for non-financial assets	(24)	(55)	(5)	(124)	–	(208)
Loss arising from derecognition of financial assets at amortised cost	(26,861)	–	–	–	–	(26,861)
<b>Segment results</b>	<b>2,872,127</b>	<b>947,990</b>	<b>308,595</b>	<b>2,194,846</b>	<b>(429,305)</b>	<b>5,894,253</b>
Income tax expense					(3,142,660)	(3,142,660)
<b>Profit for the period</b>	<b>2,872,127</b>	<b>947,990</b>	<b>308,595</b>	<b>2,194,846</b>	<b>(3,571,965)</b>	<b>2,751,593</b>
<b>Assets and liabilities as at 31 December 2024</b>						
Segment assets	74,056,018	6,926,088	2,073,650	205,687,934		288,743,690
Unallocated assets					2,404,431	2,404,431
<b>Total assets</b>						<b>291,148,121</b>
Segment liabilities	160,328,202	43,090,928	40,697,153	32,539,398		276,655,681
Unallocated liabilities					3,122,760	3,122,760
<b>Total liabilities</b>						<b>279,778,441</b>
<b>Other information by segments</b>						
Capital expenditures	(30,926)	(34,127)	(37,277)	(2,673)	(20,508)	(125,511)

The table below provides the information on incomes and expenses and profits and losses, as well as certain assets and liabilities of operational segments of the Bank for a year ended on 31 December 2023:

	<i>Corporate banking</i>	<i>Medium- sized business, municipalitie s and utilities sector</i>	<i>Retail banking</i>	<i>Interbank and investments business</i>	<i>Unallocated</i>	<i>Total</i>
Interest income calculated using effective interest method	8,686,184	886,068	35,201	10,594,959	21	20,202,433
Other interest income	188,266	24,640	–	1,014,455	10	1,227,371
Interest expense	(9,537,775)	(2,671,057)	(1,466,366)	(3,494,231)	(269)	(17,169,698)
Transfer income/expense	3,733,096	3,268,644	2,692,806	(9,501,334)	(193,212)	–
<b>Net interest income of segment</b>	<b>3,069,771</b>	<b>1,508,295</b>	<b>1,261,641</b>	<b>(1,386,151)</b>	<b>(193,450)</b>	<b>4,260,106</b>
Fee income	611,466	234,048	334,094	127,342	10,335	1,317,285
Fee expense	(183,475)	(32,787)	(263,567)	(19,318)	(24,141)	(523,288)
Net gain from financial assets held for trading	–	–	–	560,078	–	560,078
Net gain from operations with debt financial instruments at fair value through other comprehensive income	–	–	–	51,739	–	51,739
Net gain from trading in foreign currencies	519,458	130,214	76,040	671,278	–	1,396,990
Net loss from trading in foreign currencies	–	–	–	–	(45,319)	(45,319)
Other income	27,912	19,052	17,014	5,770	94,372	164,120
<b>Net non-interest income</b>	<b>975,361</b>	<b>350,527</b>	<b>163,581</b>	<b>1,396,889</b>	<b>35,247</b>	<b>2,921,605</b>
<b>Net operating income</b>	<b>4,045,132</b>	<b>1,858,822</b>	<b>1,425,222</b>	<b>10,738</b>	<b>(158,203)</b>	<b>7,181,711</b>
Employee benefits expense	(578,538)	(466,488)	(428,797)	(166,663)	(295,409)	(1,935,895)
Depreciation and amortisation expense	(22,370)	(26,090)	(23,682)	(3,732)	(18,922)	(94,796)
Other administrative and operating expenses	(200,056)	(183,576)	(428,260)	(39,383)	(85,728)	(937,003)
<b>Operating expense</b>	<b>(800,964)</b>	<b>(676,154)</b>	<b>(880,739)</b>	<b>(209,778)</b>	<b>(400,059)</b>	<b>(2,967,694)</b>
<b>Operating profit</b>	<b>3,244,168</b>	<b>1,182,668</b>	<b>544,483</b>	<b>(199,040)</b>	<b>(558,262)</b>	<b>4,214,017</b>

	<i>Corporate banking</i>	<i>Medium- sized business, municipalitie s and utilities sector</i>	<i>Retail banking</i>	<i>Interbank and investments business</i>	<i>Unallocated</i>	<i>Total</i>
Net gain from financial instruments at fair value through profit or loss	91	—	—	394,476	—	394,567
Net gain from foreign exchange translation	18,857	—	—	—	6,380	25,237
Net loss from foreign exchange translation	—	(1,567)	—	(1,145,888)	—	(1,147,455)
Net gain from revaluation of investment property	—	—	—	—	20,642	20,642
Gains on initial recognition of financial assets at interest rates above or below market	—	129	—	—	6,800	6,929
Gain arising from derecognition of financial assets at amortised cost	39,565	3,997	18	—	—	43,580
Loss on initial recognition of financial assets at interest rates above or below market	(70)	—	—	(215,052)	—	(215,122)
Impairment gain determined in accordance with IFRS 9	1,477,310	255,794	26,520	(728,180)	11,467	1,042,911
Impairment gain for non-financial assets	9,242	3,173	1,468	6,764	8,157	28,804
Reversal of impairment loss recognised in profit or loss	—	—	—	—	492,911	492,911
<b>Segment results</b>	<b>4,789,163</b>	<b>1,444,194</b>	<b>572,489</b>	<b>(1,886,920)</b>	<b>(11,905)</b>	<b>4,907,021</b>
Income tax expense					(1,628,917)	(1,628,917)
<b>Profit for the period</b>	<b>4,789,163</b>	<b>1,444,194</b>	<b>572,489</b>	<b>(1,886,920)</b>	<b>(1,640,822)</b>	<b>3,278,104</b>
<b>Assets and liabilities as at 31 December 2023</b>						
Segment assets	71,351,849	5,668,768	2,238,606	180,852,341		260,111,564
Unallocated assets					2,387,695	2,387,695
<b>Total assets</b>						<b>262,499,259</b>
Segment liabilities	139,073,055	37,089,475	38,443,306	39,740,828		254,346,664
Unallocated liabilities					781,158	781,158
<b>Total liabilities</b>						<b>255,127,822</b>
<b>Other information by segments</b>						
Capital expenditures	(40,943)	(47,710)	(45,891)	(6,768)	(34,481)	(175,793)

## Geographical information

Most revenues are derived from Ukraine. The Bank has no significant revenue from other countries beyond Ukraine. The Bank has no non-current assets located outside Ukraine. The analysis of assets and liabilities by the geographical principle is provided in Note 29.

## 6. Cash and cash equivalents

Cash and cash equivalents comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Cash</b>		
Correspondent accounts with banks	39,490,615	54,846,681
Current account with the National Bank of Ukraine	11,821,482	15,915,730
Overnight deposits with banks	7,149,487	1,077,731
Cash in hand	1,336,409	1,231,982
	<b>59,797,993</b>	<b>73,072,124</b>
<b>Cash equivalents</b>		
Deposit certificates issued by the National Bank of Ukraine	41,875,107	36,628,884
Short term deposits classified as cash equivalents	10,578,827	1,140,114
	<b>52,453,934</b>	<b>37,768,998</b>
Less: allowance for expected credit losses	(41,640)	(46,395)
<b>Cash and cash equivalents</b>	<b>112,210,287</b>	<b>110,794,727</b>

As at 31 December 2024, correspondent accounts in banks have UAH 33,400,324 thousand placed on current accounts with five OECD banks (31 December 2023: UAH 39,849,882 thousand). These banks are the main counterparties of the Bank in performing international settlements. The funds have been placed under normal banking terms and conditions.

As at 31 December 2024, overnight deposits and loans in the amount of UAH 7,149,487 thousand were placed with OECD banks under market interest rate (31 December 2023: UAH 1,077,731 thousand).

The allocation of cash and cash equivalents is assessed within 12 months.

## 7. Changes in liabilities in financial activities

The changes in cash flows from financing activities in the consolidate statement of cash flows for 2023 and 2024 were as follows:

	<i>Other borrowed funds</i>	<i>Subordinated debt</i>	<i>Lease commitments</i>	<i>Total</i>
<b>Carrying amount at 1 January 2023</b>	<b>27,301,358</b>	<b>4,055,444</b>	<b>7,179</b>	<b>31,363,981</b>
Additions	6,756,759	—	—	6,756,759
Repayments	(6,714,203)	(380,923)	(2,247)	(7,097,373)
Translation differences	1,165,616	139,642	—	1,305,258
Other	221,257	(8,281)	(897)	212,079
<b>Carrying amount at 31 December 2023</b>	<b>28,730,787</b>	<b>3,805,882</b>	<b>4,035</b>	<b>32,540,704</b>
Additions	109,572	—	—	109,572
Repayments	(5,905,206)	—	(2,878)	(5,908,084)
Translation differences	2,408,043	408,554	—	2,816,597
Other	99,386	87,786	45,954	233,126
<b>Carrying amount at 31 December 2024</b>	<b>25,442,582</b>	<b>4,302,222</b>	<b>47,111</b>	<b>29,791,915</b>

“Other” includes the effect of accrued but unpaid interest on borrowings from credit institutions, issued Eurobonds and subordinated debt. The Bank classifies the paid interest as cash flows from operating activities.

## 8. Impairment loss determined in accordance with IFRS 9

The table below shows the amounts of impairment losses and reversal of impairment losses recorded in profit or loss:

<i>For 2024</i>	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
Cash and cash equivalents	(7,227)	—	—	—	—	—	(7,227)
Loans and advances to banks	(733)	—	—	—	—	—	(733)
Loans and advances to customers	(217,961)	(96,156)	(247,441)	(956,736)	1,051,459	1,151,472	684,637
Recovery of previously written-off loans and advances to customers	—	—	—	(60,537)	(338,647)	—	(399,184)
Investment securities at fair value through other comprehensive income	828,562	(163,123)	—	—	—	—	665,439
Investment securities at amortised cost	341,114	(164,232)	—	—	—	—	176,882
Other financial assets	(421)	—	—	—	—	—	(421)
Recovery of previously written-off financial assets	(620)	—	—	—	—	—	(620)
Financial guarantees	(1,132)	(1)	1	—	—	—	(1,132)
Undrawn loan commitments	(71,601)	(9,360)	5	(5,937)	(557)	—	(87,450)
Letters of credit	(133,056)	—	—	—	—	—	(133,056)
Avals on promissory notes	(21)	—	—	—	—	—	(21)
Performance guarantees	(106)	(25)	—	—	—	—	(131)
<b>Impairment (loss) / gain determined in accordance with IFRS 9</b>	<b>736,798</b>	<b>(432,897)</b>	<b>(247,435)</b>	<b>(1,023,210)</b>	<b>712,255</b>	<b>1,151,472</b>	<b>896,983</b>

<i>For 2023</i>	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
Cash and cash equivalents	(12,104)	–	–	–	–	–	(12,104)
Loans and advances to banks	(181)	–	–	–	(4,362)	–	(4,543)
Recovery of previously written-off loans and advances to banks	–	–	–	–	(70,520)	–	(70,520)
Loans and advances to customers	(619,706)	(527,961)	474,809	(195,607)	626,809	(220,962)	(462,618)
Recovery of previously written-off loans and advances to customers	–	–	–	(227,193)	(782,062)	–	(1,009,255)
Investment securities at fair value through other comprehensive income	379,728	174,895	–	–	–	–	554,623
Investment securities at amortised cost	20,420	248,485	–	–	–	–	268,905
Other financial assets	(21,942)	–	–	–	–	–	(21,942)
Financial guarantees	(33)	(8)	14	–	–	–	(27)
Undrawn loan commitments	(192,364)	(1,024)	(60,530)	(125,781)	(1,456)	–	(381,155)
Letters of credit	97,809	–	–	–	–	–	97,809
Avals on promissory notes	3	–	–	–	–	–	3
Performance guarantees	442	(1,050)	–	(14)	(1,465)	–	(2,087)
<b>Impairment gain / (loss) determined in accordance with IFRS 9</b>	<b>(347,928)</b>	<b>(106,663)</b>	<b>414,293</b>	<b>(548,595)</b>	<b>(233,056)</b>	<b>(220,962)</b>	<b>(1,042,911)</b>

Impairment loss, pursuant to IFRS 9 on purchased and originated credit-impaired assets (“POCI”) recognised in profit or loss in the tables above, is presented net of adjustments (reversal of impairment loss) to the carrying amount of POCI financial assets in the amount of UAH 41,483 thousand (2023: UAH 178,189 thousand).

## 9. Loans and advances to banks

Loans and advances to banks comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Deposits with other banks</b>		
long-term	808,039	792,838
short-term	370,498	290,811
	<b>1,178,537</b>	<b>1,083,649</b>
Less: allowance for expected credit losses	<b>(1,332)</b>	<b>(73,784)</b>
<b>Loans and advances to banks</b>	<b>1,177,205</b>	<b>1,009,865</b>

As of 31 December 2024, loans and advances to banks included funds placed with the Ukrainian banks in the amount of UAH 67,999 thousand (31 December 2023: UAH 72,104 thousand), OECD banks in the amount of UAH 867,510 thousand (31 December 2023: UAH 758,511 thousand), other banks in the amount of UAH 243,028 thousand (31 December 2023: UAH 253,034 thousand).

As of 31 December 2024, loans and advances to banks are measured at amortised cost, excluding current accounts in precious metals in the amount of UAH 150,019 thousand (31 December 2023: UAH 107,328 thousand), that are accounted for at fair value through profit or loss.

As of 31 December 2024, deposits with other banks include coverage under guarantee transactions and letters of credit in the amount of UAH 959,315 thousand (31 December 2023: UAH 902,517 thousand) (Note 25).

The following tables show the analysis of changes in the gross carrying amount and the corresponding allowances for loans and advances to banks:

	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
<b>Gross carrying amount at 1 January 2024</b>	<b>1,011,566</b>	<b>71,967</b>	<b>116</b>	<b>1,083,649</b>
New assets originated or purchased	959,485	–	–	959,485
Completed (repaid) assets	(900,201)	–	–	(900,201)
Change in carrying amount	(44,586)	–	–	(44,586)
Written-off assets	–	(71,967)	–	(71,967)

	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Translation differences	152,145	–	12	152,157
<b>Gross carrying amount at 31 December 2024</b>	<b>1,178,409</b>	<b>–</b>	<b>128</b>	<b>1,178,537</b>
	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
<b>Gross carrying amount at 1 January 2023</b>	<b>595,261</b>	<b>71,967</b>	<b>4,475</b>	<b>671,703</b>
New assets originated or purchased	861,842	–	–	861,842
Completed (repaid) assets	(497,316)	–	–	(497,316)
Change in carrying amount	11,800	–	(4,363)	7,437
Translation differences	39,979	–	4	39,983
<b>Gross carrying amount at 31 December 2023</b>	<b>1,011,566</b>	<b>71,967</b>	<b>116</b>	<b>1,083,649</b>
	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
<b>Allowance at 1 January 2024</b>	<b>1,701</b>	<b>71,967</b>	<b>116</b>	<b>73,784</b>
New assets originated or purchased	25,214	–	–	25,214
Completed (repaid) assets	(27,869)	–	–	(27,869)
Changes in allowance	1,922	–	–	1,922
Written-off assets	–	(71,967)	–	(71,967)
Translation differences	236	–	12	248
<b>Allowance at 31 December 2024</b>	<b>1,204</b>	<b>–</b>	<b>128</b>	<b>1,332</b>
	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
<b>Allowance at 1 January 2023</b>	<b>1,790</b>	<b>71,967</b>	<b>4,474</b>	<b>78,231</b>
New assets originated or purchased	7,598	–	–	7,598
Completed (repaid) assets	(9,152)	–	–	(9,152)
Changes in allowance	1,373	–	(4,362)	(2,989)
Translation differences	92	–	4	96
<b>Allowance at 31 December 2023</b>	<b>1,701</b>	<b>71,967</b>	<b>116</b>	<b>73,784</b>

## 10. Loans and advances to customers

Loans and advances have been extended to the following types of customers:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Legal entities	55,663,694	56,494,717
State entities	42,450,121	37,156,766
Individuals	1,576,242	1,641,457
	<b>99,690,057</b>	<b>95,292,940</b>
Less: allowance for expected credit losses	(21,026,468)	(20,723,267)
<b>Loans and advances to customers</b>	<b>78,663,589</b>	<b>74,569,673</b>

### Legal entities

The following tables show the analysis of changes in the gross carrying amount and the corresponding allowance:

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
<b>Gross carrying amount at 1 January 2024</b>	<b>18,750,266</b>	<b>1,230,846</b>	<b>1,778,271</b>	<b>4,028,596</b>	<b>16,246,690</b>	<b>14,460,048</b>	<b>56,494,717</b>
New assets originated or purchased	11,673,064	–	–	–	–	–	11,673,064
Completed (repaid) assets	(4,348,911)	(215,358)	(533,180)	(531,099)	(347,250)	(99,067)	(6,074,865)
Transfer to Stage 1	1,223,765	(828,971)	(369,179)	(25,615)	–	–	–
Transfer to Stage 2	(2,228,702)	1,576,782	906,423	(254,503)	–	–	–

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
Transfer to Stage 3	(352,605)	(70,573)	(491,319)	40,282	1,065,006	(190,791)	–
Transfer to POCI	–	–	–	(200,334)	(2,279,324)	2,479,658	–
Adjustment of the carrying amount of POCI	–	–	–	–	–	39,691	39,691
Change in carrying amount	(2,969,479)	(611,924)	(350,103)	(1,315,968)	418,267	(2,065,082)	(6,894,289)
Loans written off	–	–	–	(169,695)	(416,613)	(1,192,283)	(1,778,591)
Translation differences	425,051	37,486	80,760	83,014	1,056,504	521,152	2,203,967
<b>Gross carrying amount at 31 December 2024</b>	<b>22,172,449</b>	<b>1,118,288</b>	<b>1,021,673</b>	<b>1,654,678</b>	<b>15,743,280</b>	<b>13,953,326</b>	<b>55,663,694</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
<b>Gross carrying amount at 1 January 2023</b>	<b>22,151,690</b>	<b>5,063,389</b>	<b>3,956,508</b>	<b>3,006,609</b>	<b>15,352,794</b>	<b>14,062,465</b>	<b>63,593,455</b>
New assets originated or purchased	9,054,533	–	–	–	–	–	9,054,533
Completed (repaid) assets	(2,621,799)	(476,828)	(1,720,258)	(149,832)	(579,615)	(53,845)	(5,602,177)
Transfer to Stage 1	2,273,301	(1,691,146)	(555,348)	(26,807)	–	–	–
Transfer to Stage 2	(3,723,071)	1,724,882	2,403,015	(37,823)	(367,003)	–	–
Transfer to Stage 3	(572,198)	(2,305,753)	(2,008,649)	2,232,142	2,654,458	–	–
Transfer to POCI	–	–	–	(50,242)	(653,418)	703,660	–
Adjustment of the carrying amount of POCI	–	–	–	–	–	168,961	168,961
Change in carrying amount	(8,335,733)	(1,170,836)	(358,803)	(1,020,686)	243,324	(179,897)	(10,822,631)
Loans written off	–	–	–	(64,925)	(1,205,850)	(389,467)	(1,660,242)
Change in client category	18,704	–	–	–	–	–	18,704
Translation differences	504,839	87,138	61,806	140,160	802,000	148,171	1,744,114
<b>Gross carrying amount at 31 December 2023</b>	<b>18,750,266</b>	<b>1,230,846</b>	<b>1,778,271</b>	<b>4,028,596</b>	<b>16,246,690</b>	<b>14,460,048</b>	<b>56,494,717</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
<b>Allowance at 1 January 2024</b>	<b>160,923</b>	<b>114,909</b>	<b>214,995</b>	<b>2,279,295</b>	<b>8,874,532</b>	<b>5,677,635</b>	<b>17,322,289</b>
New assets originated or purchased	106,879	–	–	–	–	–	106,879
Completed (repaid) assets	(35,726)	(494)	(25,980)	(378,774)	(143,266)	(2,594)	(586,834)
Transfer to Stage 1	66,406	(9,729)	(54,909)	(1,768)	–	–	–
Transfer to Stage 2	(51,078)	28,568	46,173	(23,663)	–	–	–
Transfer to Stage 3	(920)	(11)	(70,446)	(33,192)	104,569	–	–
Transfer to POCI	–	–	–	(80,887)	(446,765)	–	(527,652)
Interest income adjustment	–	–	–	135,321	602,104	357,166	1,094,591
Written-off assets	–	–	–	(169,695)	(416,613)	(1,192,283)	(1,778,591)
Changes in allowance	(74,092)	(78,444)	41,991	(518,760)	1,012,345	1,196,643	1,579,683
Changes in macro-model inputs	(50,192)	(15,909)	–	–	–	–	(66,101)
Translation differences	4,830	1,838	6,388	54,966	574,207	91,869	734,098
<b>Allowance at 31 December 2024</b>	<b>127,030</b>	<b>40,728</b>	<b>158,212</b>	<b>1,262,843</b>	<b>10,161,113</b>	<b>6,128,436</b>	<b>17,878,362</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
<b>Allowance at 1 January 2023</b>	<b>677,457</b>	<b>1,066,852</b>	<b>322,225</b>	<b>2,130,600</b>	<b>8,008,643</b>	<b>5,821,766</b>	<b>18,027,543</b>
New assets originated or purchased	160,728	–	–	–	–	–	160,728
Completed (repaid) assets	(20,004)	(7,390)	(32,319)	(10,995)	(146,490)	(4,053)	(221,251)
Transfer to Stage 1	8,186	(7,578)	–	(608)	–	–	–
Transfer to Stage 2	(342,893)	17,343	468,905	(4,912)	(138,443)	–	–
Transfer to Stage 3	(84,380)	(460,844)	(312,135)	182,970	674,389	–	–
Transfer to POCI	–	–	–	(8,804)	(82,842)	–	(91,646)
Result from derecognition	–	–	–	(6,814)	(30,764)	–	(37,578)
Interest income adjustment	–	–	–	123,599	435,771	282,131	841,501
Written-off assets	–	–	–	(64,925)	(1,205,850)	(389,467)	(1,660,242)
Changes in allowance	23,667	(413,679)	(245,927)	(133,759)	923,365	(55,897)	97,770
Changes in macro-model inputs	(273,026)	(104,670)	–	–	–	–	(377,696)
Change in client category	74	–	–	–	–	–	74
Translation differences	11,114	24,875	14,246	72,943	436,753	23,155	583,086
<b>Allowance at 31 December 2023</b>	<b>160,923</b>	<b>114,909</b>	<b>214,995</b>	<b>2,279,295</b>	<b>8,874,532</b>	<b>5,677,635</b>	<b>17,322,289</b>

## State entities

The following tables show the analysis of changes in the gross carrying amount and the corresponding allowance:

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
<b>Gross carrying amount</b>							
<b>at 1 January 2024</b>	<b>14,152,839</b>	<b>1,713</b>	<b>19,255,486</b>	<b>242,328</b>	<b>3,488,098</b>	<b>16,302</b>	<b>37,156,766</b>
New assets originated or purchased	5,010,628	—	—	—	—	—	5,010,628
Completed (repaid) assets	(5,081,658)	(174)	—	(525)	—	(16)	(5,082,373)
Transfer to Stage 1	14,192,141	—	(14,192,141)	—	—	—	—
Transfer to Stage 2	(4,098,287)	—	4,098,287	—	—	—	—
Transfer to Stage 3	(90,108)	—	—	15,898	74,210	—	—
Transfer to POCI	—	—	—	(46,017)	—	46,017	—
Change in carrying amount	6,080,070	(1,539)	(2,593,735)	(83,199)	(452,269)	(8,853)	2,940,475
Translation differences	406,263	—	1,737,914	11,567	268,424	457	2,424,625
<b>Gross carrying amount</b>							
<b>at 31 December 2024</b>	<b>30,571,888</b>	<b>—</b>	<b>8,305,811</b>	<b>140,052</b>	<b>3,378,463</b>	<b>53,907</b>	<b>42,450,121</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
<b>Gross carrying amount</b>							
<b>at 1 January 2023</b>	<b>34,721,007</b>	<b>128,663</b>	<b>—</b>	<b>377,801</b>	<b>3,225,247</b>	<b>13,666</b>	<b>38,466,384</b>
New assets originated or purchased	4,370,066	—	—	—	—	—	4,370,066
Completed (repaid) assets	(1,874,763)	—	—	(91,609)	(112,333)	(50)	(2,078,755)
Transfer to Stage 1	420,239	—	(420,239)	—	—	—	—
Transfer to Stage 2	(19,611,410)	288,827	19,322,583	—	—	—	—
Transfer to Stage 3	(177,187)	(408,685)	—	3,550	582,322	—	—
Transfer to POCI	—	—	—	(39,791)	—	39,791	—
Adjustment of the carrying amount of POCI	—	—	—	—	—	8,537	8,537
Change in carrying amount	(3,770,650)	(7,092)	(403,455)	(10,955)	(301,789)	(46,086)	(4,540,027)
Change in client category	(18,704)	—	—	—	—	—	(18,704)
Translation differences	94,241	—	756,597	3,332	94,651	444	949,265
<b>Gross carrying amount</b>							
<b>at 31 December 2023</b>	<b>14,152,839</b>	<b>1,713</b>	<b>19,255,486</b>	<b>242,328</b>	<b>3,488,098</b>	<b>16,302</b>	<b>37,156,766</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
<b>Allowance at 1 January 2024</b>	<b>63,726</b>	<b>296</b>	<b>794,958</b>	<b>152,069</b>	<b>852,183</b>	<b>16,285</b>	<b>1,879,517</b>
New assets originated or purchased	11,249	—	—	—	—	—	11,249
Completed (repaid) assets	(60)	(30)	—	(88)	—	—	(178)
Transfer to Stage 1	113,540	—	(113,540)	—	—	—	—
Transfer to Stage 3	(8,141)	—	—	(20,182)	28,323	—	—
Transfer to POCI	—	—	—	(10,804)	—	—	(10,804)
Result from derecognition	—	—	—	(943)	—	—	(943)
Interest income adjustment	—	—	—	12,728	64,753	199	77,680
Changes in allowance	(174,664)	(266)	(263,452)	(34,732)	182,380	(585)	(291,319)
Changes in macro-model inputs	(2,552)	—	—	—	—	—	(2,552)
Translation differences	2,955	—	62,501	10,283	42,038	1,829	119,606
<b>Allowance at 31 December 2024</b>	<b>6,053</b>	<b>—</b>	<b>480,467</b>	<b>108,331</b>	<b>1,169,677</b>	<b>17,728</b>	<b>1,782,256</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
<b>Allowance at 1 January 2023</b>	<b>672,210</b>	<b>53,116</b>	<b>—</b>	<b>212,295</b>	<b>784,393</b>	<b>—</b>	<b>1,722,014</b>
New assets originated or purchased	210,652	—	—	—	—	—	210,652
Completed (repaid) assets	(2,126)	—	—	(38,201)	(24,892)	—	(65,219)
Transfer to Stage 1	11,731	—	(11,731)	—	—	—	—
Transfer to Stage 2	(54,414)	2,538	51,876	—	—	—	—
Transfer to Stage 3	(54,796)	(53,885)	—	(34,762)	143,443	—	—
Transfer to POCI	—	—	—	(7,666)	—	—	(7,666)
Result from derecognition	—	—	—	(8,937)	—	—	(8,937)
Interest income adjustment	—	—	—	12,111	53,438	450	65,999
Changes in allowance	(624,220)	(1,203)	753,055	13,899	(125,174)	15,393	31,750
Changes in macro-model inputs	(96,792)	(270)	—	—	—	—	(97,062)
Change in client category	(74)	—	—	—	—	—	(74)
Translation differences	1,555	—	1,758	3,330	20,975	442	28,060
<b>Allowance at 31 December 2023</b>	<b>63,726</b>	<b>296</b>	<b>794,958</b>	<b>152,069</b>	<b>852,183</b>	<b>16,285</b>	<b>1,879,517</b>



## Individuals

The following tables show the analysis of changes in the gross carrying amount and the corresponding allowance:

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>POCI</i>	<i>Total</i>
<b>Gross carrying amount at 1 January 2024</b>	<b>118,104</b>	<b>3,940</b>	<b>1,517,079</b>	<b>2,334</b>	<b>1,641,457</b>
New assets originated or purchased	194,469	—	—	—	194,469
Completed (repaid) assets	(67,619)	(2,341)	(8,005)	(206)	(78,171)
Transfer to Stage 1	3,922	(3,922)	—	—	—
Transfer to Stage 2	(6,230)	7,384	(1,154)	—	—
Transfer to Stage 3	(3,097)	(953)	4,050	—	—
Transfer to POCI	—	—	(2,311)	2,311	—
Adjustment of the carrying amount of POCI	—	—	—	1,792	1,792
Change in carrying amount	(29,495)	(2,137)	(19,296)	(4,115)	(55,043)
Loans written off	—	—	(230,232)	—	(230,232)
Translation differences	220	35	101,715	—	101,970
<b>Gross carrying amount at 31 December 2024</b>	<b>210,274</b>	<b>2,006</b>	<b>1,361,846</b>	<b>2,116</b>	<b>1,576,242</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>POCI</i>	<i>Total</i>
<b>Gross carrying amount at 1 January 2023</b>	<b>97,011</b>	<b>20,542</b>	<b>1,510,575</b>	<b>2,241</b>	<b>1,630,369</b>
New assets originated or purchased	82,468	—	—	—	82,468
Completed (repaid) assets	(43,502)	(1,618)	(4,849)	—	(49,969)
Transfer to Stage 1	11,177	(11,177)	—	—	—
Transfer to Stage 2	(7,781)	7,781	—	—	—
Transfer to Stage 3	(4,068)	(4,746)	8,814	—	—
Transfer to POCI	—	—	(1,449)	1,449	—
Adjustment of the carrying amount of POCI	—	—	—	691	691
Change in carrying amount	(17,284)	(6,916)	(21,024)	(2,047)	(47,271)
Loans written off	—	—	(58,461)	—	(58,461)
Translation differences	83	74	83,473	—	83,630
<b>Gross carrying amount at 31 December 2023</b>	<b>118,104</b>	<b>3,940</b>	<b>1,517,079</b>	<b>2,334</b>	<b>1,641,457</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>POCI</i>	<i>Total</i>
<b>Allowance at 1 January 2024</b>	<b>1,641</b>	<b>630</b>	<b>1,517,080</b>	<b>2,110</b>	<b>1,521,461</b>
New assets originated or purchased	5,821	—	—	—	5,821
Completed (repaid) assets	(1,037)	(233)	(8,054)	61	(9,263)
Transfer to Stage 1	2,936	(2,936)	—	—	—
Transfer to Stage 2	(972)	2,126	(1,154)	—	—
Transfer to Stage 3	-3,097	1,534	1,563	—	—
Transfer to POCI	—	—	(4,063)	—	(4,063)
Result from derecognition	—	—	(210)	—	(210)
Interest income adjustment	—	—	1,565	352	1,917
Written-off assets	—	—	(230,232)	—	(230,232)
Changes in allowance	(4,033)	(834)	(16,328)	(570)	(21,765)
Changes in macro-model inputs	446	54	—	—	500
Translation differences	4	1	101,679	—	101,684
<b>Allowance at 31 December 2024</b>	<b>1,709</b>	<b>342</b>	<b>1,361,846</b>	<b>1,953</b>	<b>1,365,850</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>POCI</i>	<i>Total</i>
<b>Allowance at 1 January 2023</b>	<b>3,796</b>	<b>4,407</b>	<b>1,510,575</b>	<b>—</b>	<b>1,518,778</b>
New assets originated or purchased	4,561	—	—	—	4,561
Completed (repaid) assets	(793)	(434)	(4,849)	—	(6,076)
Transfer to Stage 1	2,197	(2,197)	—	—	—
Transfer to Stage 2	(1,964)	1,964	—	—	—
Transfer to Stage 3	(3,818)	(2,814)	6,632	—	—
Transfer to POCI	—	—	(1,431)	—	(1,431)
Result from derecognition	—	—	(18)	—	(18)
Interest income adjustment	—	—	2,852	326	3,178
Written-off assets	—	—	(58,461)	—	(58,461)
Changes in allowance	(56)	19	(21,702)	1,784	(19,955)
Changes in macro-model inputs	(2,297)	(334)	—	—	(2,631)
Translation differences	15	19	83,482	—	83,516
<b>Allowance at 31 December 2023</b>	<b>1,641</b>	<b>630</b>	<b>1,517,080</b>	<b>2,110</b>	<b>1,521,461</b>

In the tables above, the item "Change in carrying amount" includes, among other things, change in customer loans related to partial repayment or drawdowns, change in accrued interest, amortisation and reflection of discount and premiums, with concurrent reflection of the change in the relevant allowance in the item "Changes in allowance".

The derecognition of loans and advances to customers at Stage 3 as a result of a substantial modification and the corresponding recognition of new POCI assets is reflected in the line Transfer to POCI.

Undiscounted expected credit losses on initial recognition of POCI in 2024 amounted to UAH 576,250 thousand (2023: UAH 102,598 thousand).

All loans written off by the Bank during 2024 remain subject to enforcement action (2023: remain subject to enforcement actions).

As at 31 December 2024, the total amount of customer accounts receivable written-off from the balance sheet for which the Bank conducts enforcement action is UAH 104,231,764 thousand (31 December 2023: UAH 101,674,774 thousand).

### Modified loans

The Bank derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial instrument, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

If the modification does not result in derecognition, then, based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

The table below includes the Stage 2 and Stage 3 assets modified during the period, with the modification gain (loss):

	2024	2023
<b>Loans to customers modified during the period</b>		
Amortised cost before modification	8,391,355	13,689,355
Net modification gain/(loss)	(56,250)	(72,626)

As at 31 December 2024, the total net losses from modification of financial assets in the amount of UAH 50,342 thousand are included in “Other administrative and operating expenses” in the statement of profit and loss (31 December 2023: total net gains from modification of financial assets in the amount of UAH 80,567 thousand are included in “Other administrative and operating expenses” in the statement of profit and loss).

As at 31 December 2024, the gross carrying amount of assets whose terms have been renegotiated since the initial recognition date and attributed to Stage 2 and Stage 3 at the time of such renegotiation and transferred to Stage 1 during the reporting period is UAH 483,954 thousand (31 December 2023: UAH 994,831 thousand).

During 2024, as a result of significant modification of financial assets, the Bank recognised a loss arising from derecognition of financial assets measured at amortised cost in the total amount of UAH 26,652 thousand (2023: profit of UAH 43,580 thousand).

### The impact of military aggression and introduction of martial law in Ukraine

The status of the state bank with specialization in the financing of export-import operations imposes a special role on the Bank during martial law in meeting the state's needs in financing the supply of critical imports and lending to strategic sectors of the economy for defence, food supply and humanitarian purposes, in particular to preserve the sovereignty of Ukraine.

To support its customers, who have faced force majeure circumstances related to the military aggression of the Russian Federation against Ukraine, the Bank is considering debtors' restructuring (individually, taking into account the characteristics of each individual debtor, the actual impact of the war on their financial and business condition and forecasts for further prospects of their business).

In 2022, the Bank performed more detailed portfolio segmentation and recognized expected credit losses on the loans of the customers, which suffered direct and indirect impact of hostilities on the operating activities and financial condition of debtors and their ability to meet monetary obligations to the Bank. As a result of this, as well as negative forecasts regarding macro-indicators, in 2022 the Bank carried out a significant additional provisioning.

In 2023, the Bank improved its credit loss expectations for certain customers, where recovery and successful continuation of business activity was observed, as well as for customers assessed on a collective basis, due to significant changes in

macroeconomic forecasts, as a result of the release from occupation of a part of the occupied territories, stabilization of the economic situation, which was reflected in the reduction of expected credit losses.

In 2024, the Bank continued to assess credit risks using the defined approaches, taking into account all available information on customers, primarily those whose assets and operations were directly and indirectly affected by the military aggression, including the complete exclusion from the calculation of expected credit losses of collateral that may be affected by hostilities due to its location near the contact line. In addition, in the individual collateral calculation, the Bank adjusted the expected cash flows from the sale of collateral based on the results of cash flow generation of these properties during the war, the availability of purchase offers and seizures.

Also, in 2024, the Bank changed the approach to determining LGD for loans assessed on a collective basis, taking into account historical statistics on cash recoveries and collateral sales. As at 31 December 2024, the effect of the change in approach amounted to UAH 232,283.7 thousand (additional provisioning).

It should be noted that in 2024, the level of expected credit losses on customer loans, which did not have a significant direct negative impact on operations, showed a decreasing trend, particularly due to macroeconomic forecasts (see Note 29) and changes in the approach to determining LGD; at the same time, for significant exposures that were heavily affected by military aggression (primarily debtors whose assets are located in frontline areas) the level of expected credit losses increased.

### **Collateral and other credit enhancements**

The amount and type of collateral required by the Bank depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

For commercial lending – fixed assets of the enterprise, property rights to cash (deposits); other types of collateral may also be accepted, including guarantees of the CMU;

For retail lending – mortgages over residential properties and vehicles.

At the same time, the Bank ensures proper monitoring of the market value of collateral and timely revaluation.

The Bank monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for loan impairment.

As at 31 December 2024, UAH 1,722,921 thousand of customer deposits are pledged as collateral for loans to customers (31 December 2023: UAH 765,485 thousand) (Note 22).

As at 31 December 2024, the carrying amount of loans to legal entities provided under guarantees from the EBRD was UAH 826,146 thousand (31 December 2023: nil).

The analysis of collateral value for credit-impaired assets (Stage 3) taken into account by the Bank when assessing the impairment of assets is provided in Note 29.

During 2024, the Bank effected the repayment of borrowers' bad debts through pledged property amounting to UAH 1,029,820 thousand, including by taking possession of pledged property valued at UAH 1,794 thousand, which is included in “Non-current assets classified as held for sale” and “Investment property”, and by selling pledged property valued at UAH 1,028,026 thousand. (31 December 2023: at the expense of pledged property amounting to UAH 1,514,969 thousand, including through possession of pledged property amounting to UAH 145,755 thousand, which is included in “Non-current assets classified as held for sale” and “Investment property” and through the sale of pledged property amounting to UAH 1,369,214 thousand).

### **Concentration of loans to customers**

As at 31 December 2024, the Bank has a concentration of loans represented by UAH 44,449,633 thousand due from ten largest borrowers (44.59% of gross loan portfolio) (31 December 2023: UAH 42,112,597 thousand, or 44.19%). The allowance of UAH 1,410,931 thousand has been recognised against these loans (31 December 2023: UAH 4,114,563 thousand).

Loans are granted principally within Ukraine to companies of the following industry sectors:

	<i>31 December</i> <i>2024</i>	<i>%</i>	<i>31 December</i> <i>2023</i>	<i>%</i>
Power engineering	19,404,329	19.5	20,031,015	21.0
Extractive industry	14,733,303	14.8	13,926,501	14.6
Agriculture and food industry	12,803,166	12.8	11,996,345	12.6
Trade	10,083,504	10.0	11,149,349	11.7
Real estate	6,810,104	6.8	6,492,618	6.8
Construction	5,298,279	5.3	6,250,174	6.6
Professional, scientific and technical activities	5,014,631	5.0	1,254,079	1.3
Mechanical engineering	4,272,055	4.3	3,409,518	3.6
Road construction	4,241,513	4.3	6,297,424	6.6
Financing activities	3,637,496	3.6	1,645,384	1.7
Transport and communications	3,398,373	3.4	3,595,523	3.8
Metallurgy	1,905,270	1.9	1,763,680	1.9
Chemical industry	1,610,683	1.6	1,278,946	1.3
Individuals	1,576,242	1.6	1,641,456	1.7
Production of construction materials	1,557,691	1.6	1,244,647	1.3
Light industry	759,516	0.8	669,340	0.7
Production of rubber and plastic goods	682,833	0.7	1,065,504	1.1
Other processing activities	473,620	0.5	400,890	0.4
Information and telecommunications	375,307	0.4	371,543	0.4
Metalworking	333,516	0.3	258,655	0.3
Pulp and paper industry	272,551	0.3	253,280	0.3
Other	446,075	0.5	297,069	0.3
<b>Total</b>	<b>99,690,057</b>	<b>100</b>	<b>95,292,940</b>	<b>100</b>

Corporate lending portfolio includes finance lease receivables. They may be analysed as follows:

	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
Gross investment in finance leases, receivable:		
Within 1 year	622,468	621,316
From 1 to 2 years	194,774	501,132
From 2 to 3 years	103,139	94,936
From 3 to 4 years	66,064	21,681
From 4 to 5 years	28,522	7,380
	<b>1,014,967</b>	<b>1,246,445</b>
Unearned future finance income on finance leases	(229,699)	(256,114)
<b>Net investment in finance leases</b>	<b>785,268</b>	<b>990,331</b>
<b>Less: allowance for expected credit losses</b>	<b>(10,983)</b>	<b>(44,018)</b>
<b>Accounts receivable on finance leases</b>	<b>774,285</b>	<b>946,313</b>
	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
Net investment in finance leases, receivable:		
Within 1 year	499,474	457,995
From 1 to 2 years	138,234	429,387
From 2 to 3 years	71,459	79,633
From 3 to 4 years	50,614	17,032
From 4 to 5 years	25,487	6,284
<b>Net investment in finance leases</b>	<b>785,268</b>	<b>990,331</b>

## 11. Investments in securities

Investments in securities comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Investment securities at fair value through other comprehensive income	35,047,307	27,592,940
Investment securities at amortised cost	34,461,339	19,451,294
Investment securities at fair value through profit or loss	21,226,219	19,071,183
Securities held for trading	3,718,456	3,878,986
<b>Investments in securities</b>	<b>94,453,321</b>	<b>69,994,403</b>

### Investment securities at fair value through profit or loss

As at 31 December 2024, investment securities at fair value through profit or loss are represented by Ukrainian indexed state bonds with carrying amount of UAH 21,226,219 thousand (31 December 2023: UAH 19,071,183 thousand), the conditions of issuing of which anticipate the indexation of the nominal value by maturity according to the changes in the average interbank UAH/ USD exchange rate per month prior to the date of issue and per month prior to the maturity date. Coupon yield is not subject to indexation.

As at 31 December 2024, securities held for trading are represented by Ukrainian state bonds with carrying amount of UAH 3,718,456 thousand (31 December 2023: UAH 3,878,986 thousand).

The Bank's approaches to determining business models for Ukrainian government bonds are presented in Note 4 “Significant accounting judgements and estimates”.

As at 31 December 2024, Ukrainian government bonds with the carrying amount of UAH 10,657,950 thousand were pledged as collateral on credit lines received from the National Bank of Ukraine (31 December 2023: UAH 9,543,030 thousand) (Note 25).

During 2024, the Bank recognized gain from revaluation of investment securities at fair value through profit or loss in amount of UAH 2,150,963 thousand and recorded under “Net increase/(decrease) from financial instruments at fair value through profit or loss” (2023: gain of UAH 971,758 thousand).

### Investment securities at fair value through other comprehensive income

	<i>31 December 2024</i>	<i>31 December 2023</i>
Ukrainian government bonds	35,027,257	27,572,598
Corporate shares	20,050	20,342
<b>Investment securities at fair value through other comprehensive income</b>	<b>35,047,307</b>	<b>27,592,940</b>

As at 31 December 2024, Ukrainian government bonds with the carrying amount of UAH 1,665,720 thousand were pledged as collateral on credit lines received from the National Bank of Ukraine (31 December 2023: UAH 6,558,951 thousand) (Note 25).

As at 31 December 2024, Ukrainian government bonds with carrying amount of UAH 911,982 thousand were pledged as collateral on loans received from Ukrainian financial institutions (31 December 2023: UAH 629,707 thousand) (Note 25).

As at 31 December 2024, Ukrainian government bonds with carrying amount of UAH 416,430 thousand were used to form a guarantee fund on interest rate swaps (31 December 2023: UAH 1,367,819 thousand) (Note 18).

The Bank at its own discretion has designated some of its equity investments as equity investments at FVOCI on the basis that these are not held for trading. Such investments primarily include mandatory shares in exchanges and clearing houses, investments arising when the Bank received equity shares in exchange for debt settlement.

The following tables show the analysis of changes in the gross carrying amount and the corresponding ECL on investment securities at fair value through other comprehensive income:

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Fair value at 1 January 2024</b>	<b>18,063,314</b>	<b>9,529,626</b>	<b>27,592,940</b>
New assets originated or purchased	24,636,297	–	24,636,297
Repaid assets	(10,950,238)	(5,849,368)	(16,799,606)
Change in fair amount	754,472	668,289	1,422,761
Sold assets	(1,894,614)	(433,418)	(2,328,032)
Translation differences	522,947	–	522,947
<b>Fair value at 31 December 2024</b>	<b>31,132,178</b>	<b>3,915,129</b>	<b>35,047,307</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Fair value at 1 January 2023</b>	<b>3,572,876</b>	<b>8,970,803</b>	<b>12,543,679</b>
New assets originated or purchased	18,720,409	–	18,720,409
Repaid assets	(3,456,650)	(118,734)	(3,575,384)
Change in fair amount	591,377	1,125,253	1,716,630
Sold assets	(1,446,554)	(447,696)	(1,894,250)
Translation differences	81,856	–	81,856
<b>Fair value at 31 December 2023</b>	<b>18,063,314</b>	<b>9,529,626</b>	<b>27,592,940</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Allowance at 1 January 2024</b>	<b>399,141</b>	<b>430,715</b>	<b>829,856</b>
New assets originated or purchased	903,667	–	903,667
Repaid assets	(161,085)	(5,276)	(166,361)
Changes in allowance	85,980	(157,847)	(71,867)
Sold assets	(97,730)	(5,553)	(103,283)
Translation differences	44,463	–	44,463
<b>Allowance at 31 December 2024</b>	<b>1,174,436</b>	<b>262,039</b>	<b>1,436,475</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Allowance at 1 January 2023</b>	<b>28,706</b>	<b>259,422</b>	<b>288,128</b>
New assets originated or purchased	210,491	–	210,491
Repaid assets	(27,899)	(964)	(28,863)
Changes in allowance	197,136	175,859	372,995
Sold assets	(12,289)	(3,602)	(15,891)
Translation differences	2,996	–	2,996
<b>Allowance at 31 December 2023</b>	<b>399,141</b>	<b>430,715</b>	<b>829,856</b>

To determine the ECL on Ukrainian government bonds, the Bank applied PD in the range of 8.45% – 26.56% and LGD 50% (31 December 2023: PD in the range of 5.08% – 25.45% and LGD 50%) based on Fitch’s credit rating of Ukraine as at 31 December 2024 in foreign and national currencies at the level of “C/CCC+” (31 December 2023: based on the rating in foreign and national currencies at the level of “CC/CCC-”).

#### Investment securities at amortised cost

	<i>31 December 2024</i>	<i>31 December 2023</i>
Ukrainian government bonds	16,641,797	14,267,117
G7 government bonds	16,361,560	–
Corporate bonds	2,126,477	5,641,216
Municipal bonds	162,528	223,947
	<b>35,292,362</b>	<b>20,132,280</b>
Less: allowance for expected credit losses	(831,023)	(680,986)
<b>Investment securities at amortised cost</b>	<b>34,461,339</b>	<b>19,451,294</b>

As at 31 December 2024, Ukrainian government bonds with the carrying amount of UAH 6,595,476 thousand were pledged as collateral on credit lines received from the National Bank of Ukraine (31 December 2023: UAH 6,476,345 thousand) (Note 25).

The following tables show an analysis of changes in gross carrying amount and corresponding ECL on investment securities at amortised cost:

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Gross carrying amount at 1 January 2024</b>	<b>7,584,052</b>	<b>12,548,228</b>	<b>20,132,280</b>
New assets originated or purchased	27,451,565	–	27,451,565
Repaid assets	(8,800,413)	(3,572,380)	(12,372,793)
Change in carrying amount	411,600	72,530	484,130
Translation differences	(402,820)	–	(402,820)
<b>Gross carrying amount at 31 December 2024</b>	<b>26,243,984</b>	<b>9,048,378</b>	<b>35,292,362</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Gross carrying amount at 1 January 2023</b>	<b>15,483,945</b>	<b>7,005,186</b>	<b>22,489,131</b>
New assets originated or purchased	99,633	–	99,633
Repaid assets	(3,029,641)	–	(3,029,641)
Transfer to Stage 2	(5,541,195)	5,541,195	–
Change in carrying amount	9,892	1,847	11,739
Translation differences	561,418	–	561,418
<b>Gross carrying amount at 31 December 2023</b>	<b>7,584,052</b>	<b>12,548,228</b>	<b>20,132,280</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Allowance at 1 January 2024</b>	<b>37,866</b>	<b>643,120</b>	<b>680,986</b>
New assets originated or purchased	341,666	–	341,666
Repaid assets	(20,942)	(6,870)	(27,812)
Changes in allowance	20,390	(157,362)	(136,972)
Translation differences	(26,845)	–	(26,845)
<b>Allowance at 31 December 2024</b>	<b>352,135</b>	<b>478,888</b>	<b>831,023</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Allowance at 1 January 2023</b>	<b>114,272</b>	<b>282,203</b>	<b>396,475</b>
New assets originated or purchased	1,455	–	1,455
Repaid assets	(1,435)	–	(1,435)
Transfer to Stage 2	(112,432)	112,432	–
Changes in allowance	20,400	248,485	268,885
Translation differences	15,606	–	15,606
<b>Allowance at 31 December 2023</b>	<b>37,866</b>	<b>643,120</b>	<b>680,986</b>

Amounts of transfers between Stages include both expected credit losses on assets at the time of transfer between Stages and changes in estimates of credit loss after transfer between Stages.

To determine the ECL on Ukrainian government bonds, the Bank applied PD in the range of 8.45% – 26.56% and LGD 50% (31 December 2023: PD in the range of 5.08% – 25.45% and LGD 50%) based on Fitch’s credit rating of Ukraine as at 31 December 2024 in foreign and national currencies at the level of “C/CCC+” (31 December 2023: based on the rating in foreign and national currencies at the level of “CC/CCC-”).

## 12. Investment property

Movements in investment property were as follows:

	2024	2023
<b>Investment property as at 1 January</b>	<b>752,086</b>	<b>667,496</b>
Additions	–	84,169
Transfer from “Non-current assets classified as held for sale”	14,248	161,196
Transfer from “Property, plant and equipment”	1,202	6,624
Transfer to “Property, plant and equipment”	(15)	–
Write-off of investment property items	(17)	–
Net gain / (loss) from fair value remeasurement	(3,906)	20,642
Sale of investment property items	(156,459)	(188,041)
<b>Investment property as at 31 December</b>	<b>607,139</b>	<b>752,086</b>

In 2024, the Bank sold investment property items with a gain of UAH 3,495 thousand (2023: with a gain of UAH 20,680 thousand).

In 2024, the Bank revalued its investment property. The valuation was performed by an independent appraiser having appropriate professional qualifications and years of experience in valuation of properties of similar category and with similar location. The basic valuation approaches applied were the comparative and income approaches.

The Bank leased out a part of its investment property under operating lease agreements. Future minimum receivables under non-cancellable operating leases comprise the following:

	31 December 2024	31 December 2023
Within 1 year	9,957	2,384
From 1 to 2 years	1,963	1,449
From 2 to 3 years	975	1,449
From 3 to 4 years	975	1,449
From 4 to 5 years	573	1,449
Over 5 years	12	1,054
<b>Future minimum receivables under non-cancellable operating lease</b>	<b>14,455</b>	<b>9,234</b>

As at 31 December 2024, the Bank has no non-cancellable operating lease agreements that cannot be terminated (2023: none).

In 2024, the Bank recognised rental income of UAH 13,703 thousand (2023: UAH 7,285 thousand) included in other income in the consolidated statement of profit or loss.

During 2024, direct operating expenses related to investment property generating rental income amounted to UAH 9,837 thousand. (2023: UAH 5,570 thousand), direct operating expenses related to investment property not generating rental income amounted to UAH 24,990 thousand (2023: UAH 23,545 thousand).

## 13. Property, plant and equipment

Movements in property, plant and equipment were as follows:

	Land	Buildings	Right-of-use assets Buildings/ Premises	Other property, plant and equipment	Computers and equipment	Office equipment	Motor vehicles	Capital investments in progress	Total
<b>Cost or revalued amount</b>									
<b>At 31 December 2023</b>	<b>3,861</b>	<b>1,794,544</b>	<b>10,356</b>	<b>2,549</b>	<b>622,117</b>	<b>258,696</b>	<b>19,270</b>	<b>179,625</b>	<b>2,891,018</b>
Additions	–	–	66,663	–	–	–	–	82,561	149,224
Modification	–	–	1,515	–	–	–	–	–	1,515
Disposals	–	–	(6,693)	(308)	(146,886)	(20,731)	(916)	–	(175,534)
Transfer from “Investment property” category	–	–	–	–	12	3	–	–	15
Transfer to “Investment property” category	–	(1,286)	–	–	–	–	–	–	(1,286)
Transfer to “Non-current	–	(288,897)	–	–	–	(12,121)	–	–	(301,018)



	<i>Land</i>	<i>Buildings</i>	<i>Right-of-use assets Buildings/ Premises</i>	<i>Other property, plant and equipment</i>	<i>Computers and equipment</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Capital investments in progress</i>	<i>Total</i>
assets classified as held for sale”									
Reclassified to Intangible assets	–	–	–	–	–	–	–	(135,754)	(135,754)
Transfers	–	4,881	–	37,988	34,290	21,296	–	(98,455)	–
<b>At 31 December 2024</b>	<b>3,861</b>	<b>1,509,242</b>	<b>71,841</b>	<b>40,229</b>	<b>509,533</b>	<b>247,143</b>	<b>18,354</b>	<b>27,977</b>	<b>2,428,180</b>
<b>Accumulated amortization</b>									
<b>At 31 December 2023</b>	–	(37,175)	(6,536)	(2,318)	(529,275)	(221,698)	(19,082)	–	(816,084)
Charge for the year	–	(32,315)	(5,190)	(1,593)	(28,338)	(15,017)	–	–	(82,453)
Transfer to “Investment property” category	–	84	–	–	–	–	–	–	84
Transfer to “Non-current assets classified as held for sale”	–	8,263	–	–	–	10,456	–	–	18,719
Disposals	–	–	4,133	308	146,886	20,726	916	–	172,969
<b>At 31 December 2024</b>	<b>–</b>	<b>(61,143)</b>	<b>(7,593)</b>	<b>(3,603)</b>	<b>(410,727)</b>	<b>(205,533)</b>	<b>(18,166)</b>	<b>–</b>	<b>(706,765)</b>
<b>Net book value</b>									
<b>At 31 December 2023</b>	<b>3,861</b>	<b>1,757,369</b>	<b>3,820</b>	<b>231</b>	<b>92,842</b>	<b>36,998</b>	<b>188</b>	<b>179,625</b>	<b>2,074,934</b>
<b>At 31 December 2024</b>	<b>3,861</b>	<b>1,448,099</b>	<b>64,248</b>	<b>36,626</b>	<b>98,806</b>	<b>41,610</b>	<b>188</b>	<b>27,977</b>	<b>1,721,415</b>

	<i>Land</i>	<i>Buildings</i>	<i>Right-of-use assets Buildings/ Premises</i>	<i>Other property, plant and equipment</i>	<i>Computers and equipment</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Capital investments in progress</i>	<i>Total</i>
<b>Cost or revalued amount</b>									
<b>At 31 December 2022</b>	<b>4,424</b>	<b>1,803,938</b>	<b>20,350</b>	<b>2,783</b>	<b>604,590</b>	<b>260,963</b>	<b>19,853</b>	<b>93,140</b>	<b>2,810,041</b>
Additions	–	–	1,050	–	70,021	16,335	–	88,877	176,283
Modification	–	–	94	–	–	–	–	–	94
Disposals	–	(5,397)	(11,138)	(472)	(52,494)	(18,602)	(583)	–	(88,686)
Transfer to “Investment property” category	(563)	(6,151)	–	–	–	–	–	–	(6,714)
Transfers	–	2,154	–	238	–	–	–	(2,392)	–
<b>At 31 December 2023</b>	<b>3,861</b>	<b>1,794,544</b>	<b>10,356</b>	<b>2,549</b>	<b>622,117</b>	<b>258,696</b>	<b>19,270</b>	<b>179,625</b>	<b>2,891,018</b>
<b>Accumulated amortisation</b>									
<b>At 31 December 2022</b>	–	(2,892)	(13,632)	(2,697)	(557,051)	(227,266)	(19,665)	–	(823,203)
Charge for the year	–	(34,421)	(2,100)	(93)	(24,717)	(12,119)	–	–	(73,450)
Transfer to “Investment property” category	–	90	–	–	–	–	–	–	90
Disposals	–	48	9,196	472	52,493	17,687	583	–	80,479
<b>At 31 December 2023</b>	<b>–</b>	<b>(37,175)</b>	<b>(6,536)</b>	<b>(2,318)</b>	<b>(529,275)</b>	<b>(221,698)</b>	<b>(19,082)</b>	<b>–</b>	<b>(816,084)</b>
<b>Net book value</b>									
<b>At 31 December 2022</b>	<b>4,424</b>	<b>1,801,046</b>	<b>6,718</b>	<b>86</b>	<b>47,539</b>	<b>33,697</b>	<b>188</b>	<b>93,140</b>	<b>1,986,838</b>
<b>At 31 December 2023</b>	<b>3,861</b>	<b>1,757,369</b>	<b>3,820</b>	<b>231</b>	<b>92,842</b>	<b>36,998</b>	<b>188</b>	<b>179,625</b>	<b>2,074,934</b>

During 2024, the Bank recognised UAH 40,066 thousand of rent expense on short-term leases and leases of low-value assets (31 December 2023: UAH 12,725 thousand).

As at 31 December 2024, the Bank had capital commitments for the purchase of property, plant and equipment in the amount of UAH 16,663 thousand (31 December 2023: UAH 21,276 thousand).

As at 1 August 2024, the Bank performed analysis of potential changes of fair value of property, plant and equipment. On the basis of the analysis, the difference between fair value of property, plant and equipment and their carrying amount was calculated. The Bank analysed the estimated differences for the significance of the impact on the financial statements. Based on the results of the analysis, the Bank decided not to perform a revaluation in 2024.

The latest valuation of property, plant and equipment was performed as at 1 December 2022 by an independent appraiser and fair value was determined using comparative and income approaches based on market information.

If the buildings and land were reported at cost as at 31 December 2024, the carrying amount would be as follows:

	<b>31 December 2024 (revalued)</b>	<b>31 December 2024 (at cost)</b>	<b>31 December 2023 (revalued)</b>	<b>31 December 2023 (at cost)</b>
Cost	1,513,103	763,292	1,798,405	1,048,594
Accumulated amortisation	(61,143)	(89,292)	(37,175)	(243,502)
<b>Net book value</b>	<b>1,451,960</b>	<b>674,000</b>	<b>1,761,230</b>	<b>805,092</b>

#### 14. Intangible assets

Movements in intangible assets were as follows:

	<b>Computer software</b>	<b>Licenses</b>	<b>Capital investments in progress</b>	<b>Total</b>
<b>Cost</b>				
<b>At 31 December 2023</b>	<b>224,800</b>	<b>11,048</b>	–	<b>235,848</b>
Reclassified from Property, plant and equipment	81,135	–	54,619	135,754
Additions	–	–	45,840	45,840
Disposals	(38,177)	(560)	–	(38,737)
<b>At 31 December 2024</b>	<b>267,758</b>	<b>10,488</b>	<b>100,459</b>	<b>378,705</b>
<b>Accumulated amortisation</b>				
<b>At 31 December 2023</b>	<b>(174,517)</b>	<b>(10,509)</b>	–	<b>(185,026)</b>
Charge for the year	(28,461)	(164)	–	(28,625)
Disposals	38,177	560	–	38,737
<b>At 31 December 2024</b>	<b>(164,801)</b>	<b>(10,113)</b>	–	<b>(174,914)</b>
<b>Net book value</b>				
<b>At 31 December 2023</b>	<b>50,283</b>	<b>539</b>	–	<b>50,822</b>
<b>At 31 December 2024</b>	<b>102,957</b>	<b>375</b>	<b>100,459</b>	<b>203,791</b>

	<b>Computer software</b>	<b>Licenses</b>	<b>Total</b>
<b>Cost</b>			
<b>At 31 December 2022</b>	<b>216,576</b>	<b>11,048</b>	<b>227,624</b>
Additions	8,710	–	8,710
Disposals	(486)	–	(486)
<b>At 31 December 2023</b>	<b>224,800</b>	<b>11,048</b>	<b>235,848</b>
<b>Accumulated amortisation</b>			
<b>At 31 December 2022</b>	<b>(155,031)</b>	<b>(9,135)</b>	<b>(164,166)</b>
Charge for the year	(19,972)	(1,374)	(21,346)
Disposals	486	–	486
<b>At 31 December 2023</b>	<b>(174,517)</b>	<b>(10,509)</b>	<b>(185,026)</b>
<b>Net book value</b>			
<b>At 31 December 2022</b>	<b>61,545</b>	<b>1,913</b>	<b>63,458</b>
<b>At 31 December 2023</b>	<b>50,283</b>	<b>539</b>	<b>50,822</b>

As at 31 December 2024, the Bank had capital commitments for the acquisition of intangible assets of UAH 18,233 thousand (31 December 2023: UAH 23,288 thousand).

Capital investments in progress include amounts paid for the acquisition (improvement/enhancement) of intangible assets that will be put into operation (aimed at increasing the value of intangible assets) after the relevant setup/testing/connection works, etc.

## 15. Income tax

The income tax charge comprises:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Current tax charge	(2,990,144)	(2,089,512)
Changes in deferred income tax	(152,516)	460,595
(Income tax expense) / Gain from income tax refund	<b>(3,142,660)</b>	<b>(1,628,917)</b>

As at 31 December 2024, Ukrainian corporate income tax was calculated as taxable profits at the rate of 50% (31 December 2023: 50%).

On 1 December 2024, the Law of Ukraine “On Amendments to the Tax Code of Ukraine and Other Laws of Ukraine on Ensuring the Balance of Budget Revenues during the Period of Martial Law” came into force, introducing a higher basic corporate income tax rate of 50 per cent for banks for 2024 and eliminating the possibility of accounting for outstanding tax losses from previous years to reduce the taxable base in 2024. At the same time, starting from 2025 and subsequent years, the basic tax rate was set at 25% with the possibility to deduct unused tax losses carried forward.

Income tax assets and liabilities consist of the following:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Current tax assets	—	3,027
Deferred tax assets	1,687,491	1,840,007
<b>Tax assets</b>	<b>1,687,491</b>	<b>1,843,034</b>
Current tax liabilities	2,077,213	596,600

Due to amendments to the Tax Code of Ukraine, as at 31 December 2023, the Bank had current income tax liabilities, as a result of which the Bank reversed the impairment of prepaid income tax in the amount of UAH 492,911 thousand, which was recognised as impaired as at 31 December 2022. The amount of prepaid income tax in the amount of UAH 492,911 thousand was credited when paying income tax for 2023.

The effective income tax rate differs from the statutory income tax rate. A reconciliation of the income tax (expense) benefit based on the statutory rate with the actual rate is as follows:

	<i>2024</i>	<i>2023</i>
<b>Profit before tax</b>	<b>5,894,253</b>	<b>4,907,021</b>
Statutory tax rate	50%	50%
<b>Income tax charge at the statutory rate</b>	<b>(2,947,127)</b>	<b>(2,453,511)</b>
Effect of changes in tax rate	—	589,810
Effect of impairment for advance payments of income tax	—	246,456
Changes in unrecognised deferred tax assets	(152,197)	—
Non-deductible expenditures	(43,336)	(11,672)
(Income tax expense) / Gain from income tax refund	<b>(3,142,660)</b>	<b>(1,628,917)</b>

Deferred tax assets and liabilities include:

	<i>Origination and reversal of temporary differences</i>			<i>Origination and reversal of temporary differences</i>		
	<i>In the statement of profit or loss</i>	<i>In the statement of comprehensive income</i>	<i>31 December 2023</i>	<i>In the statement of profit or loss</i>	<i>In the statement of comprehensive income</i>	<i>31 December 2024</i>
<b>Tax effect of deductible temporary differences</b>	<b>1 January 2023</b>					
Impairment of assets and liabilities	185,010	(129,324)	—	55,686	(52,554)	—
Valuation of financial instruments	444,670	—	(145,290)	299,380	(152,720)	146,660
Unused tax losses carried forward	4,859,487	1,692,041	—	6,551,528	—	6,551,528
<b>Gross deferred tax assets</b>	<b>5,489,167</b>	<b>1,562,717</b>	<b>(145,290)</b>	<b>6,906,594</b>	<b>(52,554)</b>	<b>(152,720)</b>
Unrecognised deferred tax asset	(3,982,833)	(1,107,123)	145,290	(4,944,666)	(152,197)	152,720
						(4,944,143)

	<i>Origination and reversal of temporary differences</i>			<i>Origination and reversal of temporary differences</i>		
	<i>In the statement of profit or loss</i>	<i>In the statement of comprehensive income</i>	<i>31 December 2023</i>	<i>In the statement of profit or loss</i>	<i>In the statement of comprehensive income</i>	<i>31 December 2024</i>
<b>1 January 2023</b>	<b>1,506,334</b>	<b>455,594</b>	<b>–</b>	<b>1,961,928</b>	<b>(204,751)</b>	<b>–</b>
<b>Recognised tax asset</b>						
<b>Tax effect of deductible temporary differences</b>						
Property, plant and equipment and intangible assets	(91,450)	5,001	(35,472)	(121,921)	52,235	–
<b>Deferred tax liabilities</b>	<b>(91,450)</b>	<b>5,001</b>	<b>(35,472)</b>	<b>(121,921)</b>	<b>52,235</b>	<b>–</b>
<b>Net deferred tax assets</b>	<b>1,414,884</b>	<b>460,595</b>	<b>(35,472)</b>	<b>1,840,007</b>	<b>(152,516)</b>	<b>–</b>

The information on the professional judgements applied by the management for the recognition of deferred tax assets is provided in Note 4.

## 16. Other financial assets and other financial liabilities

Other financial assets comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Other accrued income	112,980	110,445
Accounts receivable on operations with customers	80,660	104,834
Transit accounts on operations with payment cards	58,933	422,150
Debt on operations with banks	30,464	–
Accrued service fee on guarantees issued	808	38,020
Other	–	417
	<b>283,845</b>	<b>675,866</b>
Less: allowance for expected credit losses	(119,654)	(130,342)
<b>Other financial assets</b>	<b>164,191</b>	<b>545,524</b>

Other financial liabilities comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Transit accounts on operations with customers	856,067	693,825
Lease commitments (Note 7)	47,111	4,035
Accrued expenses	41,298	27,842
Transit accounts on operations with payment cards	36,823	195,947
Liabilities on guarantees issued	6,267	10,283
Other	–	140
<b>Other financial liabilities</b>	<b>987,566</b>	<b>932,072</b>

The following table shows the analysis of changes in the gross carrying amount and the corresponding ECL on other financial assets (except for transit accounts on operations with payment cards):

	<i>Over the life of the asset (simplified approach)</i>
<b>Gross carrying amount at 1 January 2024</b>	<b>253,716</b>
New assets originated or purchased	199,710
Completed (repaid) assets	(282,617)
Change in carrying amount	34,902
Reclassified from “Cash and cash equivalents”	30,464
Written-off assets	(15,688)
Translation differences	4,425
<b>Gross carrying amount at 31 December 2024</b>	<b>224,912</b>

	<i>Over the life of the asset (simplified approach)</i>
<b>Gross carrying amount at 1 January 2023</b>	<b>330,455</b>
New assets originated or purchased	377,397
Completed (repaid) assets	(369,481)
Change in carrying amount	(87,248)
Translation differences	2,593
<b>Gross carrying amount at 31 December 2023</b>	<b>253,716</b>

The amount of other financial assets that are credit impaired as at 31 December 2024 is UAH 113,590 thousand (31 December 2023: UAH 124,358 thousand). The Bank has formed provisions in full for such other financial assets.

	<i>Over the life of the asset (simplified approach)</i>
<b>Allowance at 1 January 2024</b>	<b>130,342</b>
New assets originated or purchased	44,118
Completed (repaid) assets	(71,128)
Changes in allowance	26,589
Reclassified from “Cash and cash equivalents”	1,016
Written-off assets	(15,688)
Translation differences	4,405
<b>Allowance at 31 December 2024</b>	<b>119,654</b>

	<i>Over the life of the asset (simplified approach)</i>
<b>Allowance at 1 January 2023</b>	<b>149,705</b>
New assets originated or purchased	25,984
Completed (repaid) assets	(36,578)
Changes in allowance	(11,348)
Translation differences	2,579
<b>Allowance at 31 December 2023</b>	<b>130,342</b>

## 17. Other non-financial assets and other non-financial liabilities

Other non-financial assets comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Advance payments	137,134	123,122
Cash, which availability is not confirmed	49,840	45,990
Other tax assets, except those related to income tax	52,183	26,161
Inventories	35,722	31,877
Reposessed pledged property	5,942	2,483
Other	1,310	1,306
	<b>282,131</b>	<b>230,939</b>
Less – allowance for impairment	(84,011)	(80,582)
<b>Other non-financial assets</b>	<b>198,120</b>	<b>150,357</b>

Other non-financial liabilities comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Accrued unused vacations	232,892	219,769
Accrued salary	116,120	98,579
Payables to the Individual Deposit Guarantee Fund	77,007	69,563
Payables on taxes and mandatory contributions, except for income tax	38,178	40,261
Deferred income	30,343	28,649
Payables on the Bank's business activities	12,917	17,294
Other	105	95
<b>Other non-financial liabilities</b>	<b>507,562</b>	<b>474,210</b>

The following tables show the analysis of impairment losses on other non-financial assets:

<b>Allowance at 1 January 2024</b>	<b>80,582</b>
Charge	208
Written-off assets	(630)
Translation differences	3,851
<b>Allowance at 31 December 2024</b>	<b>84,011</b>
<b>Allowance at 1 January 2023</b>	<b>107,552</b>
Charge	(28,804)
Translation differences	1,834
<b>Allowance at 31 December 2023</b>	<b>80,582</b>

## 18. Derivative financial instruments

The Bank enters into various derivative financial instruments including forwards and swaps in the foreign exchange market, as well as interest rate swaps.

### *Forward transactions*

The Bank enters into agreements certifying the obligation to purchase (sell) foreign currency at a certain time and on certain terms in the future with the fixation of price of such sale (purchase) at the time of the agreement.

### *Currency swap*

The Bank enters into currency exchange operations whereby it is obliged to supply one currency in exchange for another under pre-determined exchange rates.

### *Interest rate swap*

The Bank enters into agreements with the NBU for the exchange of interest payments which are calculated at different rates, but with the consideration of one notional amount during the term of the agreement. The notional amount of loans (granted and borrowed) under the interest rate swap is used exclusively for interest calculations and is not transferred between the parties to the agreement.

As at 31 December 2024, the notional amounts are:

	<i>Notional amount</i>		<i>Fair value</i>	
	<i>Assets</i>	<i>Liabilities</i>	<i>Assets</i>	<i>Liabilities</i>
Currency swap	1,411,043	1,410,719	241	363
Interest rate swap	1,385,000	1,385,000	59,537	—

As at 31 December 2023, the notional amounts are:

	<i>Notional amount</i>		<i>Fair value</i>	
	<i>Assets</i>	<i>Liabilities</i>	<i>Assets</i>	<i>Liabilities</i>
Currency swap	2,534,081	2,538,624	4,469	1,377
Interest rate swap	5,385,000	5,385,000	647,780	–

To make a guarantee fund on interest rate swaps, the Bank used the investment securities — Ukrainian government bonds with the carrying amount of UAH 416,430 thousand (31 December 2023: UAH 1,367,819 thousand) (Note 11).

During 2024, the Bank recognised loss from revaluation of derivative financial instruments in amount of UAH 233,726 thousand (2023: UAH 577,191 thousand) recorded under “Net increase/(decrease) from financial instruments at fair value through profit or loss”.

## 19. Non-current assets classified as held for sale

Movements in non-current assets classified as held for sale were as follows:

	<i>2024</i>	<i>2023</i>
<b>Non-current assets classified as held for sale as at 1 January</b>	<b>61,585</b>	<b>218,877</b>
Transfer from “Property, plant and equipment”	282,298	–
Additions	1,794	61,585
Transfer to the “Reposessed pledged property” category	(2,381)	–
Transfer to the “Investment property” category	(14,248)	(161,196)
Sale of non-current assets classified as held for sale	(327,254)	(57,681)
<b>Non-current assets classified as held for sale as at 31 December</b>	<b>1,794</b>	<b>61,585</b>

During 2024, the repayment of bad debts of loans and advances to customers was done by means of repossession of pledged property, which is included in “Non-current assets classified as held for sale”, in the form of residential real estate in the amount of UAH 1,794 thousand (2023: non-residential real estate and land in the amount of UAH 61,585 thousand). According to the Bank’s expectations, the sale of assets is expected to be completed within twelve months from the reporting date through public auctions.

During 2024, the Bank received UAH 82,350 thousand of income from operations with non-current assets classified as held for sale (2023: sales revenue of UAH 1,092 thousand).

Non-current assets classified as held for sale in the amount of UAH 1,794 thousand are allocated to the “Medium-sized business, municipalities and utilities sector” (2023: allocated to the respective segments: UAH 59,204 thousand to the “Corporate banking” and UAH 2,381 thousand to the “Medium-sized business, municipalities and utilities sector”).

## 20. Due to other banks

Due to other banks comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Current accounts	2,195,148	6,184,866
Loans and deposits	70,920	150,790
Other amounts due to credit institutions	53,015	55,428
<b>Due to other banks</b>	<b>2,319,083</b>	<b>6,391,084</b>

As at 31 December 2024, the Bank has an open credit line in the amount of UAH 100,000,000 thousand for obtaining refinancing loans from the NBU, which is secured by investment securities – Ukrainian government bonds with a carrying value of UAH 18,919,146 thousand (31 December 2023: UAH 22,578,326 thousand) (Notes 11, 25).

## Amounts due to banks

As at 31 December 2024, current accounts included UAH 1,134,194 thousand placed by five Ukrainian banks (31 December 2023: UAH 3,673,233 thousand placed by five Ukrainian banks). The placements were made under normal banking terms and conditions.

As at 31 December 2024, due to other banks include funds attracted from non-resident banks amounted to UAH 53,506 thousand (31 December 2023: UAH 56,192 thousand).

## 21. Other borrowed funds

Other borrowed funds comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Loans from international financial organizations	24,119,439	25,993,325
Eurobonds issued	889,197	2,413,346
Loans from Ukrainian financial organizations	433,946	324,116
<b>Other borrowed funds</b>	<b>25,442,582</b>	<b>28,730,787</b>

### *Loans from the International Bank for Reconstruction and Development*

As at 31 December 2024, loans from international financial institutions include five loans from the International Bank for Reconstruction and Development (IBRD) with a total carrying amount of UAH 20,481,825 thousand (31 December 2023: UAH 19,599,629 thousand).

Loans from international financial institutions include loans from the IBRD under the Second Project of Export Development and Additional Financing for the Second Project of Export Development with a carrying amount of UAH 5,177,151 thousand (31 December 2023: UAH 5,327,095 thousand). The IBRD loans are guaranteed by Ukraine. The total amount of financing under the loans under the Loan Agreements is USD 304,500 thousand. The loan funds under the Second Project of Export Development are raised for a term of 20 years, with a final repayment date in 2026. Under the Additional Financing for the Second Project of Export Development, the loan funds are raised for a term of 30 years, with a final repayment date in 2041. The loans are denominated in US dollars, received by the Bank at an interest rate of LIBOR(6m)USD + IBRD spread. From 1 January 2022, the IBRD has made a transition from the LIBOR rate to the SOFR rate. Accordingly, the IBRD loans are subject to a weighted average monthly SOFR rate, which is reviewed once a month, and as at the end of December 2024, the interest rates are: 5.46% and 5.67% per annum, respectively.

Loans from international financial institutions include the loan from the IBRD under the Project on Energy Efficiency in the amount of UAH 5,199,681 thousand (31 December 2023: UAH 4,976,053 thousand). The IBRD loan is guaranteed by Ukraine. The total amount of financing under the loan in accordance with the Loan Agreement is USD 200,000 thousand. The loan funds under the Project on Energy Efficiency are raised for a term of 30 years, with a final repayment date in 2040. The loan is denominated in USD, received by the Bank at an interest rate of LIBOR(6m)USD + IBRD spread. From 1 January 2022, the IBRD has made a transition from the LIBOR rate to the SOFR rate. Accordingly, the IBRD loan is subject to a weighted average monthly SOFR rate, which is reviewed once a month and as of the end of December 2024, the interest rate is 5.67% per annum.

Loans from international financial institutions include a loan from the IBRD under the Project on Access to Long Term Finance in the amount of UAH 5,810,765 thousand (31 December 2023: UAH 5,448,134 thousand). The IBRD loan is guaranteed by Ukraine. The total amount of financing under the loan in accordance with the Loan Agreement is USD 150,000 thousand. The loan funds under the Project on Access to Long Term Finance are raised for a term of 35 years, with a final repayment date in 2052. The loan is denominated in USD, received by the Bank at an interest rate of LIBOR(6m)USD + IBRD spread. From 1 January 2022, the IBRD has made a transition from the LIBOR rate to the SOFR rate. Accordingly, the IBRD loan is subject to a weighted average monthly SOFR rate, which is reviewed once a month and as of the end of December 2024, the interest rate is 5.97% per annum.

Loans from international financial institutions include a loan from the IBRD for Additional Funding to Counteract COVID-19 under the Project on Access to Long Term Finance in the amount of UAH 4,294,228 thousand (31 December 2023: in the amount of UAH 3,848,347 thousand). The IBRD loan is guaranteed by Ukraine. The total amount of financing under the loan in accordance with the Loan Agreement is USD 100,000 thousand. The loan funds under the Additional Funding to Counteract COVID-19 under the Project on Access to Long Term Finance are raised for a term of 20 years, with a final repayment date in 2041. The loan is denominated in USD, received by the Bank at an interest rate of LIBOR(6m)USD + IBRD spread. From 1 January 2022, the IBRD has made a transition from the LIBOR rate to the SOFR rate. Accordingly, the IBRD loan is subject to a weighted average monthly SOFR rate, which is reviewed once a month and as of the end of December 2024, the interest rate is 5.71% per annum.



### ***Loans from the European Investment Bank***

As at 31 December 2024, loans from international financial institutions include loans from the European Investment Bank (EIB) under the loan for SMEs and Mid-Caps and loan under the Deep and Comprehensive Free Trade Area between the EU and Ukraine (DCFTA) for a total amount of UAH 1,921,366 thousand (31 December 2023: UAH 4,071,058 thousand). The total amount of financing under the loan under the Financing Agreement is EUR 300,000 thousand. The loan funds were raised for a term of up to 5 years. The current loan tranches are denominated in euros and hryvnias, are due for repayment in 2025, 2026 and 2027, and have fixed interest rates for each tranche, which are respectively: 1.431%, 7.7% and 15.1% per annum. As at 31 December 2024, the debt amounts to EUR 22,750 thousand and UAH 902,750 thousand.

The EIB agreement contains financial and non-financial covenants. The Bank breached some financial covenants during 2024, in particular, NBU capital adequacy ratios and covenants about the material adverse impact of the war on the Bank's activities, in connection with which it received the relevant letters of waiver from the EIB. The Bank also expects that such breaches of covenants will occur during the next reporting period. The Bank has received the relevant letter of waiver in connection with potential breaches of financial covenants that will take place during the first half of 2025.

### ***Loan from the European Bank for Reconstruction and Development***

Loans from international financial institutions include a loan from the European Bank for Reconstruction and Development (EBRD) under the EBRD Resilience and Livelihoods Framework in the amount of EUR 50,000 thousand, the purpose of which is to lend to private companies and municipalities. The loan funds for lending to municipalities were raised for a period of 5 years, and the funds for lending to private companies were raised for a period of 2 years. The loan is denominated in euros, received by the Bank in two tranches of EUR 27,500 thousand and EUR 22,500 thousand at a floating interest rate of EURIBOR(6m) + 3% per annum, which is reviewed twice a year, and as at the end of December 2024 is 5.675% and 5.675% per annum, respectively. The loan is repayable in 2025 and 2028, respectively. As at 31 December 2024, the outstanding amount of the EBRD loan is EUR 25,853 thousand and EUR 7,973 thousand, respectively. The total carrying amount of the loan is UAH 1,492,449 thousand (31 December 2023: UAH 2,107,759 thousand).

On 26 March 2024, the Bank signed an Agreement on Participation in Risk Sharing without Pre-financing by the EBRD (EBRD Agreement) for a loan portfolio in the total amount of EUR 40,000 thousand. According to the terms of the EBRD Agreement, the risk sharing instrument consists of 2 tranches: Tranche A in the amount of EUR 20,000 thousand and Tranche B in the amount of EUR 20,000 thousand. On 6 December 2024, an Additional Agreement on Amendments to the Agreement with the EBRD was concluded, which provided for amendments to the eligibility criteria for participating enterprises. Tranche A was used during 2024.

The agreements from the EBRD contain financial and non-financial covenants. As of 31 December 2024, the Bank violated the financial covenants established in terms of credit risk ratios and the covenant about the material adverse impact of the war on the Bank's activities.

The Bank received the relevant letters of waiver for the requirement for compliance with the financial covenants from the EBRD which cover the breached covenants until 31 December 2024. The Bank also expects that the relevant breach of covenants will persist throughout the next reporting period. The Bank has received a corresponding letter of waiver in connection with potential breaches of financial covenants from the EBRD until 31 July 2025.

### ***Loan from Nordic Environment Finance Corporation***

Loans from international financial institutions include a loan from Nordic Environment Finance Corporation under Financing Energy Efficiency and Renewable Energy Project in the amount of UAH 223,798 thousand (31 December 2023: UAH 214,879 thousand). The loan amount in accordance with the Loan Agreement is the equivalent of EUR 5,000 thousand and is borrowed for a period of 5 years. The loan is denominated in euros, the loan tranches are accounted for by the Bank in euros at a floating rate of 6.307%. The loan is repayable in 2025. As of 31 December 2024, the outstanding amount is EUR 5,000 thousand. The total carrying amount of the loan is UAH 223,798 thousand (31 December 2023: UAH 214,879 thousand).

The agreement from the Nordic Environment Finance Corporation contains financial and non-financial covenants. As of 31 December 2024, the Bank violated the covenant about the material adverse effect of the war on the Bank's activities.

The Bank received the relevant letter of waiver from the Nordic Environment Finance Corporation, which covers the relevant violation until 31 December 2024. On 11 March 2025, the Bank repaid the entire loan amount within the terms set out in the Agreement.

### ***Loans from the Entrepreneurship Development Fund***

Loans from Ukrainian financial institutions include a loan from the Entrepreneurship Development Fund (EDF) attracted under the lending program for micro, small and medium businesses (private entrepreneurs and legal entities of private ownership). Loan debt to the EDF is secured by investment securities (Note 11).

Within the framework of cooperation with the EDF, the Bank has 4 loan agreements in the total amount of UAH 180,000 thousand and EUR 2,700 thousand. All loan agreements provide for the repayment of loans in one installment at the end of the loan term.

As at 31 December 2024, the total carrying amount of the loan was UAH 304,931 thousand (31 December 2023: UAH 300,620 thousand). As at 31 December 2024, the loan debt was UAH 180,000 thousand and EUR 2,700 thousand.

The 3 loan agreements have a floating interest rate of UIRD 3 m, which is reviewed quarterly. For the period from 1 October 2024 to 31 December 2024, the interest rate is 13.19%. The loan agreement in EUR bears a fixed interest rate of 1.8% per annum.

The loan agreements are secured by domestic government bonds in the total amount of UAH 578,838 thousand (Note 11).

The EDF agreements contain financial and non-financial covenants. As of 31 December 2024, there were breaches of covenants due to the application of the NBU's enforcement actions against the Bank with respect to compliance with certain regulations.

The Bank has received a corresponding waiver letter from the EDF regarding the early repayment of loans due to breaches of non-financial covenants, covering the breached covenants until 01 June 2025. The Bank also expects that the respective covenant violation will remain in force during the next reporting period.

### **Loans from Private Joint Stock Company “Ukrainian Financial Housing Company”**

As at 31 December 2024, in order to finance the issuance of mortgage loans under the affordable mortgage lending program eOselya, the Bank raised funding from Private Joint Stock Company “Ukrainian Financial Housing Company” (hereinafter - UFHC) under the non-revolving credit line agreement No. 6-NCL dated 3 August 2023 (as amended) (hereinafter - the NCL Agreement). The total amount of financing under the NCL Agreement is UAH 145 million with the maturity date in January 2045. As at 31 December 2024, the amount of debt under the NCL Agreement is UAH 128,684 thousand (as at 31 December 2023 - UAH 23,446 thousand). The interest rate under the NCL Agreement is fixed for the entire loan period and amounts to 3% per annum. The fulfillment of obligations under the NCL Agreement is secured by domestic government bonds in the amount of UAH 333,144 thousand (Note 11).

The agreements with the UFHC contain financial and non-financial covenants. As at 31 December 2024, there were breaches of covenants in connection with the application of the NBU's enforcement actions against the Bank with respect to compliance with certain regulations. The Bank received a letter from the UFHC not to apply to "Ukreximbank" JSC the right to demand early fulfillment of all obligations (waiver).

### **Eurobonds issued**

	31 December 2024			31 December 2023		
	Debt balance ('000)	Currency	Carrying amount	Debt balance ('000)	Currency	Carrying amount
January 2013 issue	16,902	USD	740,997	50,708	USD	2,011,121
April 2013 issue	3,381	USD	148,200	10,142	USD	402,225
<b>Eurobonds issued</b>			<b>889,197</b>			<b>2,413,346</b>

In January 2013, the Bank, through BIZ Finance PLC, issued Eurobonds in the form of loan participation notes with a par value of USD 500,000 thousand (UAH 3,996,500 thousand at the exchange rate at the date of issue). The bonds had a fixed coupon rate of 8.75% p.a. and maturity in January 2018.

In April 2013, the Bank, through BIZ Finance PLC, issued Eurobonds in the form of loan participation notes with a par value of USD 100,000 thousand (UAH 799,300 thousand at the exchange rate at the date of issue). The bonds had a fixed coupon rate of 8.75% p.a. and maturity in January 2018 and were consolidated and form a single series with the notes issued in January 2013.

The issued Eurobonds in the form of loan participation notes with a par value of USD 600,000 thousand and maturity in 2018 were reprofiled on 09 July 2015 on the following conditions:

- The coupon rate of 9.75% p.a.;
- Maturity date was rescheduled for 7 years, i.e. to 22 January 2025 with 50% of the principle amount payable on 22 January 2021 and the remaining part of the principle amount payable in eight equal semi-annual payments from 22 July 2021 through 22 January 2025.

In 2020 and 2022, the Bank made a partial redemption of Eurobonds in the form of loan participation notes with maturity in January 2025. As a result of the transactions, loan participation notes with the total par value of USD 238,006 thousand were redeemed and canceled.

As at 31 December 2024, the Eurobond debt with maturity in January 2025 amounted to USD 20,283 thousand. In 2024, the Bank repaid the Eurobonds according to the schedule in the total amount of USD 40,566 thousand.

In accordance with the terms of the Eurobonds issue, the Bank complies with a number of non-financial and financial covenants. In July 2022, the Bank received the consent of the Eurobond holders to waive the covenant on compliance with the NBU capital adequacy requirements until the date that is the day following the expiration of six months after the

termination or lifting of martial law in Ukraine.

## 22. Due to customers

Customer accounts comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Current accounts:		
- Legal entities	112,718,034	90,374,261
- Budget financed organisations	33,360,471	25,505,695
- Individuals	11,929,557	10,224,668
	<b>158,008,062</b>	<b>126,104,624</b>
Term deposits:		
- Legal entities	52,101,154	55,331,310
- Individuals	27,464,654	26,613,670
	<b>79,565,808</b>	<b>81,944,980</b>
Demand deposits:		
- Legal entities	5,616,529	4,742,848
- Individuals	904,021	1,156,911
	<b>6,520,550</b>	<b>5,899,759</b>
<b>Due to customers</b>	<b>244,094,420</b>	<b>213,949,363</b>
Held as security against guarantees and avals (Note 25)	2,701,767	1,425,911
Held as security against letters of credit (Note 25)	1,452,767	1,067,251
Held as security against loans to customers (Note 10)	281,315	765,485
Held as security against undrawn loan commitments (Note 25)	261,245	15,747

As at 31 December 2024, legal entities current accounts included funds of ten largest customers in the amount of UAH 34,909,152 thousand (30.97% of legal entities current accounts) (31 December 2023: UAH 27,678,961 thousand, or 30.6%).

As at 31 December 2024, individuals' current accounts included funds of ten largest customers in the amount of UAH 895,852 thousand (7.5% of individuals' current accounts) (31 December 2023: UAH 354,612 thousand, or 3.5%).

As at 31 December 2024, term deposits and demand deposits of legal entities included funds attracted from five customers in the amount of UAH 16,717,271 thousand (29.0% of deposits of legal entities) (31 December 2023: UAH 11,109,508 thousand, or 18.5%).

As at 31 December 2024, term deposits and demand deposits of individuals included funds attracted from ten customers in the amount of UAH 4,080,191 thousand (14.4% of deposits of individuals) (31 December 2023: UAH 3,870,292 thousand, or 13.9%).

As at 31 December 2024, there are no deposits of legal entities raised in gold, and measured at fair value through profit or loss (31 December 2023: UAH 33,335 thousand). As at 31 December 2024, there is no change in fair value of funds raised in gold due to changes in credit risk (31 December 2023: none).

The repayment of term deposit on customer's request prior to the date of maturity or to occurrence of other events specified in the agreement could be done only in cases provided for by the deposit agreement.

An analysis of due to customers by economic sector is as follows:

	<i>31 December 2024</i>	<i>%</i>	<i>31 December 2023</i>	<i>%</i>
Individuals	40,298,231	16.5	37,995,249	17.8
Budget financed organisations	33,360,471	13.7	25,505,695	11.9
Trade	22,379,621	9.2	28,796,367	13.5
Agriculture and food industry	21,315,663	8.7	19,296,288	9.0
Power engineering	18,984,656	7.8	12,555,110	5.9
Transport and communications	16,836,319	6.9	15,910,613	7.4
Mechanical engineering	14,064,243	5.8	12,210,047	5.7
Professional, scientific and technical	13,320,888	5.5	10,780,095	5.0

	<i>31 December 2024</i>	<i>%</i>	<i>31 December 2023</i>	<i>%</i>
activities				
Extractive industry	12,363,026	5.1	6,506,515	3.0
Finance	9,609,356	3.9	13,176,405	6.2
Health protection	6,658,218	2.7	6,212,983	2.9
Chemical industry	6,483,837	2.7	4,523,647	2.1
Construction	4,491,954	1.8	2,845,172	1.3
Information and telecommunications	4,423,600	1.8	1,546,938	0.7
Real estate	2,616,608	1.1	2,215,061	1.0
Production of construction materials	2,514,961	1.0	3,566,308	1.7
Metal processing	1,654,091	0.7	1,764,691	0.8
Processing	1,236,751	0.5	781,510	0.4
Wood processing	1,120,115	0.5	763,945	0.4
Education	931,879	0.4	626,780	0.3
Metallurgy	749,569	0.3	294,819	0.1
Light industry	614,409	0.3	311,375	0.1
Personal services	389,601	0.2	480,649	0.2
Pulp and paper industry	313,438	0.1	452,956	0.2
Production of rubber and plastic goods	230,969	0.1	288,121	0.1
Hotels and restaurants	55,374	0.1	46,578	0.1
Other	7,076,572	2.9	4,495,446	2.2
<b>Due to customers</b>	<b>244,094,420</b>	<b>100.0</b>	<b>213,949,363</b>	<b>100.0</b>

### 23. Subordinated debt

In February 2006, the Bank obtained a loan of USD 95,000 thousand from Credit Suisse International. This loan was funded by 8.4% loan participation notes issued on a limited recourse basis by Credit Suisse International, for the sole purpose of funding a subordinated loan to the Bank. The interest rate was changed to 5.79% in February 2011 according to the terms of the loan. The interest payments are made semi-annually in arrears on 9 February and 9 August each year, commencing on 9 August 2006.

In November 2006, the Bank obtained another loan of USD 30,000 thousand from Credit Suisse International. This loan was funded by 8.4% loan participation notes, which were consolidated and form a single series with the securities issued in February 2006. The interest rate was changed to 5.79% in February 2011 according to the terms of the loan. The interest payments are made semi-annually in arrears on 9 February and 9 August each year, commencing on 9 August 2006.

On 29 May 2015, the Bank as a borrower, the Credit Suisse International as a creditor and Biz Finance Plc as a new creditor signed the second supplementary loan agreement under which Credit Suisse International was replaced with Biz Finance Plc. from the date of its signing.

On 9 July 2015, the Bank and Biz Finance Plc. signed the Agreement on amendments and revisions to the loan agreement (the Agreement on funds borrowing under subordinated debt terms) of USD 125,000 thousand dated 7 February 2006 as amended by the Supplement loan agreement dated 9 November 2006 and the second Supplementary loan agreement dated 29 May 2015, as follows:

- starting 9 August 2015, the interest rate was changed under the terms of agreement to 7% p.a. + 6m Libor rate;
- the final maturity date was rescheduled for 7 years, i.e. to 9 February 2023 with 50% of the principle amount repayable on 9 February 2020 and the remaining part of the principle amount payable in six equal semi-annual payments from 9 August 2020 through 9 February 2023.

On 9 February 2023, the loan was fully repaid.

In November 2019, the Bank, acting through BIZ Finance PLC, issued Eurobonds in the form of loan participation notes with a par value of USD 100,000 thousand with a fixed coupon rate of 9.95% per annum and maturity in November 2029, with the option of early repayment in 14 November 2024, solely for the purpose of financing the Bank subordinated debt. According to the terms of the subordinated Eurobonds issue, commencing on 14 November 2024 and up to the maturity date, the coupon rate is 10.45% per annum.

The interest payments are made semi-annually in arrears on 14 May and 14 November of each year, commencing on 14 May 2020.

As at 31 December 2024, the carrying amount of the above mentioned loan was UAH 4,302,222 thousand (31 December 2023: UAH 3,805,882 thousand).

As at 31 December 2024, the subordinated Eurobond debt with maturing in November 2029 is USD 100,000 thousand.

In accordance with the terms of the subordinated Eurobonds issue with maturity in November 2029, the Bank complies with a number of non-financial covenants. The terms of the subordinated Eurobonds issue do not provide for any right to demand early repayment in case of breach of these covenants.

## 24. Equity

As at 31 December 2024, the Bank authorised issued share capital comprised 31,168,806 ordinary registered shares (31 December 2023: 31,168,806 ordinary shares) with the nominal value of UAH 1,462.04 per share (31 December 2023: UAH 1,462.04 per share). As at 31 December 2024, 31,168,806 ordinary registered shares were fully paid and registered (31 December 2023: 31,168,806 ordinary registered shares were fully paid and registered).

According to Resolution #710-p of the Cabinet of Ministers of Ukraine “Some Issues of the Activities of the Joint-Stock Company “The State Export-Import Bank of Ukraine” of 30 July 2024, the Bank allocated the net profit of 2023 in the amount of UAH 3,278,104 thousand and the profit received from amortization following the results of revaluation of fixed assets in the amount of UAH 67,930 thousand to the reserve fund and used it to cover the loss of previous years.

### Movements in other reserves

Movements in other reserves were as follows:

	<i>Property revaluation reserve</i>	<i>Reserve for gains and losses on financial assets measured at fair value through other comprehensive income</i>	<i>Reserve for gains and losses from investments in equity instruments</i>	<i>Other reserves</i>
<b>At 1 January 2023</b>	<b>1,052,303</b>	<b>(2,449,725)</b>	<b>(63,844)</b>	<b>(1,461,266)</b>
Amortization of revaluation reserve, net of tax	(25,063)	–	–	(25,063)
Income tax related to components of other comprehensive income	(35,472)	–	–	(35,472)
Net (losses)/gains on investment securities at fair value through other comprehensive income, including:	–	2,104,564	(1,837)	2,102,727
Expenses for expected credit losses of investment securities at fair value through other comprehensive income	–	554,623	–	554,623
Net realised gains from operations with debt financial instruments at fair value through other comprehensive income	–	(51,739)	–	(51,739)
Net unrealised (losses)/gains on investment securities at fair value through other comprehensive income	–	1,601,680	(1,837)	1,599,843
Income tax not related to components of other comprehensive income	–	–	–	–
<b>At 31 December 2023</b>	<b>991,768</b>	<b>(345,161)</b>	<b>(65,681)</b>	<b>580,926</b>
Amortization of revaluation reserve, net of tax	(178,177)	–	–	(178,177)
Derecognition of financial assets	–	–	12,848	12,848
Net (losses)/gains on investment securities at fair value through other comprehensive income, including:	–	1,248,124	(292)	1,247,832
Expenses for expected credit losses of investment securities at fair value through other comprehensive income	–	665,439	–	665,439
Net realised gains from operations with debt financial instruments at fair value through other comprehensive income	–	(57,163)	–	(57,163)

	<i>Property revaluation reserve</i>	<i>Reserve for gains and losses on financial assets measured at fair value through other comprehensive income</i>	<i>Reserve for gains and losses from investments in equity instruments</i>	<i>Other reserves</i>
Net unrealised (losses)/gains on investment securities at fair value through other comprehensive income	–	639,848	(292)	639,556
Income tax not related to components of other comprehensive income	–	–	–	–
<b>At 31 December 2024</b>	<b>813,591</b>	<b>902,963</b>	<b>(53,125)</b>	<b>1,663,429</b>

## Nature and purpose of reserves

### *Property revaluation reserve*

The revaluation reserve for property, plant and equipment is used to recognize increases in the fair value of buildings and land, as well as its decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

### *Reserve for gains and losses on financial assets measured at fair value through other comprehensive income*

This reserve is for changes in fair value of investment securities at fair value through other comprehensive income.

### *Reserve for gains and losses from investments in equity instruments*

This reserve is for changes in the fair value of investments in equity instruments.

### *Reserves and other funds of the Bank*

The Bank reserve fund is created under the Charter up to reaching 25 percent of regulatory capital at the beginning of each year. The amount of allocations to the reserve fund is not less than 5 percent of the annual profit of the Bank. The reserve fund is created for unforeseen losses for all assets and off-balance sheet commitments.

The Bank distributable reserves are determined by the amount of the reserves according to the Bank accounts and there were no such reserves as at 31 December 2024 (31 December 2023: none).

The Bank non-distributable reserves are represented by revaluation reserve, reserve of gains and losses on financial assets at fair value through other comprehensive income and reserve of gains and losses from investments in equity instruments. As at 31 December 2024, the Bank's amount on non-distributable reserves was UAH 1,663,429 thousand (31 December 2023: UAH 580,926 thousand)

## 25. Commitments and contingencies

### Legal aspects

In the ordinary course of business, the Bank is subject to legal actions and complaints. The management believes that the ultimate liabilities, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Bank.

As at 31 December 2024, the Bank assesses the risk of cash outflows from litigations in the amount of UAH 20,266 thousand as medium (as at 31 December 2023: none).

### Tax and other regulatory compliance

The Ukrainian legislation and regulations regarding taxation continue to evolve. The legislation and regulations are not always clearly written and are subject to varying interpretations by local, regional and national authorities, and other governmental bodies. Instances of inconsistent interpretations are not unusual. The management believes that its interpretation of the relevant legislation is appropriate and that the Bank has complied with all regulations and paid or accrued all taxes and withholdings that are applicable.

At the same time, there is a risk that the transactions and interpretations not challenged in the past may be challenged by the authorities in the future, although this risk significantly diminishes with passage of time. It is impractical to determine the amounts and probability of negative consequences of possible unreported claims..

The Bank has implemented required internal control to ensure compliance with the requirements of the legislation on the assessment and payment of taxes, duties and mandatory payments.

From 1 January 2022, when determining the taxable income, the Bank exercised the right to reduce the taxable income by no more than 50 percent of accumulated tax losses of previous tax (reporting) years outstanding as at 1 January 2022 as introduced by Law of Ukraine “On Amendments to the Tax Code of Ukraine and Certain Legislative Acts of Ukraine to Ensure Balanced Budget Revenues” N1914-IX of 30 November 2021.

On 1 December 2024, the Law of Ukraine “On Amendments to the Tax Code of Ukraine and Certain Legislative Acts of Ukraine to Ensure Balanced Budget Revenues during the Martial Law” No. 4015-IX dated 10 October 2024 entered into force, which established an increased basic income tax rate for banks of 50% for 2024 and cancelled the possibility of taking into account in 2024 outstanding tax losses of previous years in the reduction of the object of taxation. Starting from 2025, the basic tax rate is set at 25% with the possibility of taking into account outstanding tax losses of previous years in the reduction of the taxable income.

The Bank considered the new rules of taxation of the Bank profit when calculating its income tax for 2024 and calculating the deferred tax asset as at 31 December 2024.

#### Loan commitments and financial guarantee contracts

Loan commitments and financial guarantee contracts of the Bank included:

	<i><b>31 December 2024</b></i>	<i><b>31 December 2023</b></i>
Undrawn loan commitments	9,692,784	13,199,083
Performance guarantee	5,707,990	4,457,152
Letters of credit	3,680,186	3,744,303
Financial guarantees	2,022,492	3,265,787
Avals on promissory notes	130,807	240,361
	<b>21,234,259</b>	<b>24,906,686</b>
Allowance for expected credit losses	(36,065)	(246,447)
Cash held as security against letters of credit, avals, financial guarantees and undrawn loan commitments	(4,415,779)	(2,508,909)

As at 31 December 2024, credit-related commitments amounted to UAH 9,692,784 thousand, including revocable credit-related commitments of UAH 9,214,263 thousand (31 December 2023: UAH 13,199,083 thousand, including revocable credit-related commitments of UAH 12,861,321 thousand).

As at 31 December 2024, the Bank issued letters of credit worth UAH 3,672,629 thousand in favour of three Ukrainian companies that are partially secured by cash deposits of UAH 1,445,210 thousand (31 December 2023: UAH 3,480,553 thousand in favour of four Ukrainian companies that were partially secured by cash deposits of UAH 853,644 thousand).

As at 31 December 2024, the Bank issued financial guarantees of UAH 1,786,865 thousand in favour of three Ukrainian companies that are partially secured by cash deposits of UAH 392,424 thousand (31 December 2023: UAH 2,980,227 thousand in favour of four Ukrainian companies that were partially secured by cash deposits of UAH 279,620 thousand).

As at 31 December 2024, the Bank undrawn loan commitments under open credit lines for transactions with plastic cards amounted to UAH 77,971 thousand (31 December 2023: UAH 709,248 thousand).

The following tables present an analysis of changes in credit-related commitments and the corresponding allowances:

	<i><b>Stage 1 Collective</b></i>	<i><b>Stage 2 Collective</b></i>	<i><b>Stage 2 Individual</b></i>	<i><b>Stage 3 Collective</b></i>	<i><b>Stage 3 Individual</b></i>	<i><b>Total</b></i>
<b>Credit-related commitments at 1 January 2024</b>	<b>13,113,817</b>	<b>17,523</b>	<b>14,064</b>	<b>53,411</b>	<b>268</b>	<b>13,199,083</b>
New liabilities originated or purchased	14,838,275	–	–	–	–	14,838,275
Completed (repaid) credit-related commitments	(15,087,619)	(78,598)	(594)	(40,450)	(21,066)	(15,228,327)

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Transfer to Stage 1	41,161	(39,237)	–	(1,924)	–	–
Transfer to Stage 2	(215,355)	55,962	176,681	(17,288)	–	–
Transfer to Stage 3	(11,029)	(971)	(14,062)	11,493	14,569	–
Movements in liabilities	(3,675,117)	58,676	(1,802)	1,980	19,921	(3,596,342)
Translation differences	461,288	137	18,591	(6)	85	480,095
<b>Credit-related commitments at 31 December 2024</b>	<b>9,465,421</b>	<b>13,492</b>	<b>192,878</b>	<b>7,216</b>	<b>13,777</b>	<b>9,692,784</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
<b>Credit-related commitments at 1 January 2023</b>	<b>22,097,121</b>	<b>588,792</b>	<b>1,389,565</b>	<b>224,826</b>	<b>9,149</b>	<b>24,309,453</b>
New liabilities originated or purchased	14,669,648	–	–	–	–	14,669,648
Completed (repaid) credit-related commitments	(26,066,507)	(472,877)	(1,207,323)	(448,213)	(12,303)	(28,207,223)
Transfer to Stage 1	645,965	(272,628)	(370,877)	(2,460)	–	–
Transfer to Stage 2	(249,345)	178,060	145,405	(74,120)	–	–
Transfer to Stage 3	(169,749)	(24,529)	–	193,530	748	–
Movements in liabilities	1,985,537	20,696	57,262	160,524	2,674	2,226,693
Translation differences	201,147	9	32	(676)	–	200,512
<b>Credit-related commitments at 31 December 2023</b>	<b>13,113,817</b>	<b>17,523</b>	<b>14,064</b>	<b>53,411</b>	<b>268</b>	<b>13,199,083</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
<b>Allowance for credit-related commitments at 1 January 2024</b>	<b>82,867</b>	<b>155</b>	<b>1,486</b>	<b>15,327</b>	<b>–</b>	<b>99,835</b>
New liabilities originated or purchased	82,217	–	–	–	–	82,217
Completed (repaid) credit-related commitments	(81,289)	(585)	–	(6,232)	(2,086)	(90,192)
Transfer to Stage 1	988	(28)	–	(960)	–	–
Transfer to Stage 2	(179)	9,326	(1,491)	(9,147)	1,491	–
Transfer to Stage 3	(1,179)	(89)	–	1,268	–	–
Changes in allowance	(59,085)	(8,776)	5	295	1,529	(66,032)
Movements in macro-model inputs	(13,444)	1	–	–	–	(13,443)
Translation differences	2,665	7	–	–	22	2,694
<b>Allowance for credit-related commitments at 31 December 2024</b>	<b>13,561</b>	<b>11</b>	<b>–</b>	<b>551</b>	<b>956</b>	<b>15,079</b>
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
<b>Allowance for credit-related commitments at 1 January 2023</b>	<b>318,330</b>	<b>5,330</b>	<b>59,380</b>	<b>94,144</b>	<b>1 434</b>	<b>478,618</b>
New liabilities originated or purchased	208,443	–	–	–	–	208,443
Completed (repaid) credit-related commitments	(335,632)	(1,032)	(66,250)	(147,607)	(3,636)	(554,157)
Transfer to Stage 1	3,602	(2,510)	–	(1,092)	–	–
Transfer to Stage 2	(3,464)	870	2,636	(42)	–	–
Transfer to Stage 3	(45,574)	(2,522)	–	48,074	22	–
Changes in allowance	142,587	136	5,720	21,826	2,180	172,449
Movements in macro-model inputs	(207,762)	(128)	–	–	–	(207,890)
Translation differences	2,337	11	–	24	–	2,372
<b>Allowance for credit-related commitments at 31 December 2023</b>	<b>82,867</b>	<b>155</b>	<b>1,486</b>	<b>15,327</b>	<b>–</b>	<b>99,835</b>

The Bank allocates loan commitments to stages based on the stage allocation of the customer's balance sheet debt.

The following tables presents an analysis of changes in financial guarantees and the corresponding allowances:



	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
<b>Financial guarantees at 1 January 2024</b>	<b>3,261,988</b>	<b>3,799</b>	<b>3,265,787</b>
New financial guarantees originated or purchased	1,951,475	–	1,951,475
Completed (repaid) financial guarantees	(2,791,645)	–	(2,791,645)
Transfer to Stage 1	28,000	(28,000)	–
Transfer to Stage 2	(26,517)	26,517	–
Movements in financial guarantees	(533,923)	3,000	(530,923)
Translation differences	127,373	425	127,798
<b>Financial guarantees at 31 December 2024</b>	<b>2,016,751</b>	<b>5,741</b>	<b>2,022,492</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Total</i>
<b>Financial guarantees at 1 January 2023</b>	<b>3,200,034</b>	<b>193,178</b>	–	–	<b>3,393,212</b>
New financial guarantees originated or purchased	2,262,185	–	–	–	2,262,185
Completed (repaid) financial guarantees	(2,337,845)	(82,368)	–	–	(2,420,213)
Transfer to Stage 1	260,744	(238,016)	(22,728)	–	–
Transfer to Stage 2	(214,938)	326,987	22,437	(134,486)	–
Transfer to Stage 3	–	(191,763)	–	191,763	–
Movements in financial guarantees	44,114	–	–	(56,828)	(12,714)
Translation differences	47,694	(4,219)	291	(449)	43,317
<b>Financial guarantees at 31 December 2023</b>	<b>3,261,988</b>	<b>3,799</b>	–	–	<b>3,265,787</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Total</i>
<b>Allowance for financial guarantees at 1 January 2024</b>	<b>1,342</b>	–	14	<b>1,356</b>
New financial guarantees originated or purchased	302	–	–	302
Completed (repaid) financial guarantees	(14)	–	–	(14)
Transfer to Stage 1	28	(13)	(15)	–
Transfer to Stage 2	(14)	14	–	–
Movements in allowances	(1,420)	(1)	1	(1,420)
Translation differences	13	–	–	13
<b>Allowance for financial guarantees at 31 December 2024</b>	<b>237</b>	–	–	<b>237</b>

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Total</i>
<b>Allowance for financial guarantees at 1 January 2023</b>	<b>1,375</b>	–	–	<b>1,375</b>
New financial guarantees originated or purchased	600	–	–	600
Completed (settled) financial guarantees	(214)	–	–	(214)
Changes in allowance	(419)	(8)	14	(413)
Translation differences	–	8	–	8
<b>Allowance for financial guarantees at 31 December 2023</b>	<b>1,342</b>	–	14	<b>1,356</b>

As at 31 December 2024, the security accounts for letters of credit comprised UAH 1,452,767 thousand (as at 31 December 2023: UAH 1,067,251 thousand).

The following tables presents an analysis of changes in the letters of credit (except for security accounts) and the corresponding allowances:

	<i>Stage 1 Collective</i>
<b>Letters of credit at 1 January 2024</b>	<b>2,677,052</b>
New letters of credit originated or purchased	10,066,852
Completed (settled) letters of credit	(9,801,282)
Modifications in letters of credit	(288,628)
Translation differences	165,244
<b>Letters of credit at 31 December 2024</b>	<b>2,819,238</b>

	<i>Stage 1</i>
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	<i>Collective</i>
<b>Letters of credit at 1 January 2023</b>	<b>788,434</b>
New letters of credit originated or purchased	8,271,815
Completed (settled) letters of credit	(5,958,459)
Modifications in letters of credit	(476,821)
Translation differences	52,083
<b>Letters of credit at 31 December 2023</b>	<b>2,677,052</b>
	<i>Stage 1</i>
	<i>Collective</i>
<b>Allowance for letters of credit at 1 January 2024</b>	<b>145,006</b>
New letters of credit originated or purchased	223,513
Completed (settled) letters of credit	(268,916)
Changes in allowance	(87,653)
Translation differences	8,695
<b>Allowance for letters of credit at 31 December 2024</b>	<b>20,645</b>
	<i>Stage 1</i>
	<i>Collective</i>
<b>Allowance for letters of credit at 1 January 2023</b>	<b>39,995</b>
New letters of credit originated or purchased	498,641
Completed (settled) letters of credit	(353,983)
Changes in allowance	(46,849)
Translation differences	7,202
<b>Allowance for letters of credit at 31 December 2023</b>	<b>145,006</b>

The following tables show the analysis of modifications in avals and the corresponding allowance:

	<i>Stage 1</i>		
	<i>Collective</i>		
<b>Avals at 1 January 2024</b>	<b>240,361</b>		
New avals originated or purchased	1,442,721		
Completed (settled) avals	(502,543)		
Modifications in avals	(1,049,732)		
<b>Avals at 31 December 2024</b>	<b>130,807</b>		
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Total</i>
	<i>Collective</i>	<i>Collective</i>	
<b>Avals at 1 January 2023</b>	<b>331,662</b>	<b>8,331</b>	<b>339,993</b>
New avals originated or purchased	3,700,790	–	3,700,790
Completed (settled) avals	(2,715,441)	(8,331)	(2,723,772)
Transfer to Stage 1	6,999	(6,999)	–
Transfer to Stage 2	(6,999)	6,999	–
Modifications in avals	(1,076,650)	–	(1,076,650)
<b>Avals at 31 December 2023</b>	<b>240,361</b>	<b>–</b>	<b>240,361</b>
		<i>Stage 1</i>	
		<i>Collective</i>	
<b>Allowance for avals at 1 January 2024</b>		<b>22</b>	
New avals originated or purchased		90	
Completed (settled) avals		(40)	
Changes in allowance		(71)	
<b>Allowance for avals at 31 December 2024</b>		<b>1</b>	

	<b>Stage 1 Collective</b>
<b>Allowance for avals at 1 January 2023</b>	<b>19</b>
New avals originated or purchased	145
Completed (settled) avals	(60)
Changes in allowance	(82)
<b>Allowance for avals at 31 December 2023</b>	<b>22</b>

### Performance guarantees

Performance guarantees are the arrangements to provide compensation where a counterparty fails to perform its contractual obligations. The risk arises in connection with the counterparty's possible failure to perform its contractual obligations.

The tables below present an analysis of changes in performance guarantees and the corresponding provisions:

	<b>Stage 1 Collective</b>	<b>Stage 2 Collective</b>	<b>Stage 3 Collective</b>	<b>Total</b>
<b>Performance guarantees at 1 January 2024</b>	<b>4,440,336</b>	<b>–</b>	<b>16,816</b>	<b>4,457,152</b>
Newly created or acquired performance guarantees	2,192,687	–	–	2,192,687
Completed (redeemed) performance guarantees	(1,073,363)	(4,416)	(16,409)	(1,094,188)
Transfer to Stage 1	2,400,073	(2,400,073)	–	–
Transfer to Stage 2	(2,392,218)	2,392,218	–	–
Transfer to Stage 3	(33,547)	–	33,547	–
Changes to performance guarantees	(224,643)	(22,950)	–	(247,593)
Translation differences	335,293	62,511	2,128	399,932
<b>Performance guarantees at 31 December 2024</b>	<b>5,644,618</b>	<b>27,290</b>	<b>36,082</b>	<b>5,707,990</b>

	<b>Stage 1 Collective</b>	<b>Stage 2 Collective</b>	<b>Stage 3 Collective</b>	<b>Stage 3 Individual</b>	<b>Total</b>
<b>Performance guarantees at 1 January 2023</b>	<b>5,913,315</b>	<b>141,578</b>	<b>–</b>	<b>111,666</b>	<b>6,166,559</b>
Newly created or acquired performance guarantees	1,362,382	–	–	–	1,362,382
Completed (redeemed) performance guarantees	(3,001,319)	(19,524)	(3,231)	(111,666)	(3,135,740)
Transfer to Stage 1	237,283	(237,283)	–	–	–
Transfer to Stage 2	(113,924)	242,343	(128,419)	–	–
Transfer to Stage 3	(26,788)	(121,053)	147,841	–	–
Changes to performance guarantees	(83,290)	(5,321)	–	–	(88,611)
Translation differences	152,677	(740)	625	–	152,562
<b>Performance guarantees at 31 December 2023</b>	<b>4,440,336</b>	<b>–</b>	<b>16,816</b>	<b>–</b>	<b>4,457,152</b>

	<b>Stage 1 Collective</b>	<b>Stage 2 Collective</b>	<b>Total</b>
<b>Provision at 1 January 2024</b>	<b>228</b>	<b>–</b>	<b>228</b>
New originated or purchased	15	–	15
Completed (settled)	(15)	–	(15)
Transfer to Stage 2	(26)	26	–
Changes in provision	(106)	(25)	(131)
Translation differences	6	–	6
<b>Provision of credit-related commitments at 31 December 2024</b>	<b>102</b>	<b>1</b>	<b>103</b>

	<b>Stage 1 Collective</b>	<b>Stage 2 Collective</b>	<b>Stage 3 Collective</b>	<b>Stage 3 Individual</b>	<b>Total</b>
<b>Provision at 1 January 2023</b>	<b>842</b>	<b>–</b>	<b>–</b>	<b>1,465</b>	<b>2,307</b>
New originated or purchased	1,428	–	–	–	1,428
Completed (settled)	(403)	(2)	(110)	(1,465)	(1,980)
Transfer to Stage 2	–	1,050	(1,050)	–	–

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Transfer to Stage 3	(1,064)	–	1,064	–	–
Changes in provision	(583)	(1,048)	96	–	(1,535)
Translation differences	8	–	–	–	8
<b>Provision of credit-related commitments at 31 December 2023</b>	<b>228</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>228</b>

### Pledged assets

The Bank pledges as collateral the assets recognized in the statement of financial position in terms of various current transactions carried out under the normal conditions applicable to such agreements.

As at 31 December 2024 and 2023, the securities pledged by the Bank as collateral were as follows:

	<i>2024</i>	<i>2023</i>		<i>2024</i>	<i>2023</i>
<i>Liability type</i>	<i>Liability amount</i>		<i>Asset type</i>	<i>Asset carrying amount</i>	
NBU refinancing loans	–	–	Ukrainian government bonds at fair value through profit or loss	10,657,950	9,543,030
			Ukrainian government bonds at fair value through other comprehensive income	1,665,720	6,558,951
			Ukrainian government bonds at amortised cost	6,595,476	6,476,345
NBU interest rate swap (notional amount)	1,385,000	5,385,000	Ukrainian government bonds at fair value through other comprehensive income	416,430	1,367,819
Loan from Ukrainian financial organizations	433,946	324,116	Ukrainian government bonds at fair value through other comprehensive income	911,982	629,707

## 26. Interest income and expenses

	<i>2024</i>	<i>2023</i>
<b>Interest income calculated using effective interest method</b>		
Interest income on loans and advances to customers	9,006,820	9,609,058
Interest income on debt instruments at fair value through other comprehensive income	5,131,438	3,600,631
Interest income on cash and balances with the National Bank of Ukraine	4,319,049	3,848,955
Interest income on debt instruments at amortised cost	1,679,903	1,593,735
Interest income on due from banks	1,654,020	1,088,589
Interest income on deposits with other banks	323,878	455,656
Interest income on loans and advances to banks	–	5,809
	<b>22,115,108</b>	<b>20,202,433</b>
<b>Other interest income</b>		
Interest income on debt instruments at fair value through profit or loss	744,533	1,014,455
Interest income on finance lease	176,128	212,916
	<b>920,661</b>	<b>1,227,371</b>
<b>Interest expense</b>		
Interest expense on deposits from customers	(13,044,527)	(13,655,084)
Interest expense on borrowings	(2,453,296)	(1,911,312)
Interest expense on Eurobonds	(125,895)	(263,545)
Interest expense on deposits from banks	(880)	(898)
Interest expense on bank loans and overdrafts	(205)	(6,508)
Interest expense on liabilities to the National Bank of Ukraine	–	(1,331,178)
Other interest expenses	(2,636)	(1,173)
	<b>(15,627,439)</b>	<b>(17,169,698)</b>

## 27. Fee income and expense

	2024	2023
<b>Fee income</b>		
Cash and settlement service	998,025	817,059
Transactions with banks	297,839	265,336
Guarantees and letters of credit	172,289	165,496
Credit servicing fees	29,992	26,569
Other	44,330	42,825
	<b>1,542,475</b>	<b>1,317,285</b>
<b>Fee expense</b>		
Cash and settlement service	(361,687)	(335,652)
Guarantees and letters of credit	(244,442)	(150,501)
Currency conversion	(39,337)	(29,424)
Other	(15,289)	(7,711)
	<b>(660,755)</b>	<b>(523,288)</b>

As at 31 December 2024, total fee income from contracts with customers amounted to UAH 1,370,186 thousand (31 December 2023: UAH 1,151,789 thousand).

Fee income from cash and settlement services was earned by the following segments:

	<i>Corporate banking</i>	<i>Medium-sized business, municipalities and utilities sector</i>	<i>Retail banking</i>	<i>Interbank and investments business</i>	<i>Unallocated</i>	<i>Total</i>
<b>2024</b>						
<b>Fee income</b>						
Cash and settlement service	543,550	239,749	214,700	26	–	<b>998,025</b>
<b>2023</b>						
<b>Fee income</b>						
Cash and settlement service	421,751	222,889	164,195	364	7,860	<b>817,059</b>

## 28. Employee benefits expense and other administrative and operating expenses

Employee benefits expense and other administrative and operating expenses comprise:

	2024	2023
Salaries and bonuses	1,893,942	1,647,643
Mandatory contributions to the state funds	346,664	288,252
<b>Employee benefits expense</b>	<b>2,240,606</b>	<b>1,935,895</b>
Payables to the Individual Deposit Guarantee Fund	319,498	264,188
Maintenance of property, plant and equipment and intangible assets	194,266	155,027
Maintenance of premises	76,587	73,010
Security	74,471	66,776
Legal and advisory services	50,779	45,472
Modifications of financial assets (Note 10)	50,342	80,567
Rent of premises	40,066	12,725
Telecommunications expenses	39,608	35,079
Other software related expenses	35,257	17,535
Operating taxes	35,481	23,381
Expenses for cash collection	27,663	25,894
Administrative expenses	22,200	20,021
Communication services	17,999	19,319
Provisions for legal risks (Note 29)	11,365	–

	2024	2023
Business travel and related expenses	9,406	6,057
Marketing and advertising	7,575	10,221
Representative offices expenses	3,549	3,517
Charity	2,996	5,829
Other	81,436	72,385
<b>Other administrative and operating expenses</b>	<b>1,100,544</b>	<b>937,003</b>

Expenses for payment to the non-state pension fund in 2024 amounted to UAH 1,182 thousand (2023: UAH 1,062 thousand).

## 29. Risk management

### Introduction

The risk management system is key to ensuring the Bank sustainable operations, it provides for proper identification and unbiased assessment of the Bank risks, and for continuous risk analysis, monitoring and control, and for the preparation of the relevant information, to make timely and adequate management decisions.

The risk management system of the Bank is complex and relies on the law of Ukraine, with due consideration of the Bank systemic importance and the recommendations by the Basel Committee on Banking Supervision (BCBS) on how to manage risks. The Bank and its governing bodies constantly ensure the measures for the sustainable development of a risk management culture and the effective functioning of the Bank risk management system.

The Bank risk management system covers all significant types of risks that the Bank is exposed to during its operations, namely:

- Credit risk;
- Liquidity risk;
- Interest risk in the banking book;
- Market risk;
- Operational risk;
- Compliance risk;

and includes the following components:

- Organisational structure;
- Risk management culture and code of conduct (ethics) of the Bank;
- Internal regulatory documents on risk management;
- Tools for effective risk management in the Bank;
- Information systems that provide for risk management and reporting instruments.

### *Risk management structure*

The Bank risk management system (“RMS”) is based on a segregation of responsibilities between all stand-alone structural and separate units of the Bank using the three line protection model.

The Bank RMS bodies are: the Supervisory Board, Risk Committee of the Supervisory Board, Management Board; Management Board committees, namely Credit Committee, Small Credit Committee, Assets and Liabilities Committee (ALCO), Operational and Compliance Risk Management Committee; other Bank collegial bodies; Internal Audit Department (third line of protection); Chief Risk Officer (CRO) and Risk Management Department (second line of protection); Chief Compliance Officer (CCO) and Compliance Control Department (second line of protection); business units and support units (first line of protection).

The Supervisory Board is ultimately responsible for setting and approving the objectives in risk and capital management and for approving the risk management strategy. The Bank Supervisory Board was formed in accordance with Ukraine’s legal requirements for governing bodies of state-owned banks.

Units of the second and third lines of protection, the Chief Risk Officer (CRO) and the Chief Compliance Officer (CCO) are accountable to the Supervisory Board. These units are staffed with duly qualified employees who ensure the effective performance of the appropriate roles and tasks.

The risk management is carried out at the Bank all organisational levels, including by involving every employee of the Bank in the risk management process.

The Bank risk management system is regulated by a number of the Bank risk management regulations, including the regulation of the entire risk management process (from risk identification to risk reporting) and both defining the general requirements (including the organisational structure, strategic objectives of risk management, risk appetite level etc.) and detailing the methodological approaches and procedures for risk management. The Bank risk management regulations (Risk Management Strategy, Risk Appetite Statement, Business Recovery Plan, Business Continuity Plan, policies, methodologies, provisions/rules/procedures, etc.) are prepared and updated by the Bank with due regard to the requirements of Resolution #64 of the Board of the National Bank of Ukraine of 11 June 2018 (as amended).

Risk management at the Bank is carried out by way of risk identification and assessment; continuous and qualitative risk analysis; identifying and setting an acceptable level of risk; risk forecasts; capital estimation based on the results of risk assessment and/or forecasting (including stress testing); continuous monitoring and control of risks, including of the amounts of the applicable indicators/ limits, preparation and implementation, where required, of measures to mitigate/reduce the level of risks; and risk reporting to the Bank management, including to the Supervisory Board, Risk Committee of the Supervisory Board, Management Board and other collegial bodies of the Bank (on a daily, monthly and quarterly basis).

The Bank uses effective tools and models for risk management, including risk assessment tools and models, in particular, limiting, statistical and mathematical models, analysis of actual values of indicators and the reasons for their significant changes, forecasting, etc. The Bank ensures constant monitoring of risks, their levels, as well as actual implementation of measures aimed at mitigating risks and their effectiveness.

#### *Risk measurement and reporting systems*

The tools and models, which are used to assess a particular type of risk, are determined based on the nature of this type of risk, the requirements of the NBU regulations and the banking practice of assessing/managing this type of risk, as well as with due consideration of the current situation and (where relevant) actual values and forecasts for the macroeconomic indicators.

The Bank risks are measured using methods which reflect both the expected loss under normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models and other approaches. The models and assumptions make use of probabilities derived from historical experience, adjusted to reflect the economic environment, including with due consideration of macro factors. The Bank also runs worse case scenarios reflecting the impact of emergency events with a low probability of occurrence. The Bank also carries out back-testing of the models and checks their adequacy.

Risks are monitored and controlled primarily based on the amounts/limits established by the Bank, which reflect the level of risk acceptable to the Bank. In addition, the Bank monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Risk reporting is provided at regular intervals is provided to the Bank’s Supervisory Board and the Risk Committee of the Bank’s Supervisory Board, the Bank’s Management Board and dedicated committees of the Bank’s Management Board (monthly), as well as other users. Risk reporting is made in such a way as to reflect accurate, complete, reliable, timely information on all significant risks of the Bank, the ongoing situation and the changes in exposures. The risk reporting shall include all necessary information to enable the appropriate collegial and management bodies of the Bank to assess, from the managerial point of view, the significant risks of the Bank and the effectiveness of their management, to make the appropriate conclusions and, if necessary, to take the adequate management decisions. Cases of violation of risk limits/amounts and significant increase in risk (at approximation of the actual risk levels to the established risk appetite limits) should be communicated to the authorised collegial bodies of the Bank, including the Management Board and Supervisory Board.

#### *Risk concentration*

Concentration arises when a number of counterparts are engaged in similar business activities, or activities in the same geographic region, or have similar economic characteristics, which determine their ability to meet contractual obligations that are equally affected by the changes in economic, political or other environment. The Bank also regards the transactions in

significant amounts with a single counterparty or a group of related counterparties as concentration risk. Concentration indicates the relative sensitivity of the Bank performance to the developments affecting a particular segment.

To avoid excessive concentrations of risks, the regulatory documents that outline the approaches to the Bank activities and procedures include specific guidelines to focus on maintaining a diversified portfolio. The identified concentration of risks is duly controlled and managed.

### **Credit risk**

The Bank takes on the exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Credit risk management is primarily aimed at ensuring the fulfilment of liabilities by the Bank debtors/ counterparties in the form, amount and within the time periods adequate for maintaining liquidity, yield and capital adequacy ratios within the limits fixed in the Bank.

The credit risk management includes the following:

- comprehensive and complete analysis of a debtor and a credit project, process of making conclusions by the dedicated departments of the Bank and considering them in the process of taking decisions to issue a loan/assume a credit-related commitment;
- proper support of the system of credit proxies, with the proxy levels being differentiated depending on the level of credit risk: the higher the risk, the higher the level of proxy at which the decision is taken to make a loan transaction / assume a credit-related commitment;
- providing loans or assuming credit-related commitments solely in accordance with the law, the approved credit policy and other regulations of the Bank;
- setting credit risk amounts/limits and continuous control of their observation;
- assessing credit risk within the established credit risk level in accordance with the requirements of the National Bank of Ukraine, and measuring the impairment of financial assets and charging allowances for active bank operations in accordance with IFRS and in adequate amounts;
- continuous monitoring of credit risk at the level of both individual loans/commitments and sub-portfolios and total credit portfolio, including over time with identification of significant changes and analysis of their causes;
- maintaining and regular updating of the Bank credit risk management methodology;
- support of the system of comprehensive and complete credit risk reporting with the frequency as required by law, including of the system for monitoring and escalation of any identified violations of credit risk limits with further decisions to be taken on measures to eliminate such violations and with control of their implementation in place.

#### *Individual credit risk*

Individual credit risk is the risk associated with a particular loan transaction or a debtor and the probability that the debtor will not be able to timely and fully meet its obligations to the Bank to repay the debt under the terms of the loan agreement. It can also be defined as the probability that the Bank will incur losses from the debtor failure to comply with the terms of the loan transaction.

The Bank manages its individual credit risk throughout the life cycle of the loan transaction, from assessing the risk acceptability in the analysis of the debtor and the credit project, which precedes the loan transaction, to full debtor performance under the loan transaction.

Individual credit risk management includes the following:

- proper analysis of a debtor, including the assessment of the debtor financial position and creditworthiness, due consideration of the group influence (if any) and assessment of the probability of the debtor default according to the system of the internal credit rating, which is based on the financial data (quantitative parameters) and non-financial data (qualitative parameters) on the Bank debtors/counterparties;
- proper analysis of a loan transaction, including comprehensive consideration of the risk factors attributable to this loan transaction, assessment of the feasibility of its outperformance and structuring of the loan transaction agreement in accordance with the Bank regulations;
- fixing and monitoring of the individual credit limits;
- assessment and monitoring of the loan transaction collateral and checking it for acceptability;



- continuous monitoring of the debtor fulfillment of its obligations to the Bank, including continuous monitoring of the credit risk factors (“CRF”) within the early response system and further work with the debtors, for which CRF is identified, making operational decisions on plans for further work with such debtors and control over the execution of those plans;
- regular credit review;
- establishment of a sufficient allowance for impairment of financial assets on loan transactions of debtors;
- continuous provision of effective work with non-performing debts of debtors by the Bank dedicated restructuring and recovery unit (respective reclassification of a debt into a non-performing one, if this debt has the evidence of a non-performing debt) for full repayment of debts on loan transactions (including the debts recorded off-balance), including the measures to repay the debt at the expense of collateral and other enforcement activity under the legal collection in progress.

#### *Portfolio credit risk*

Portfolio credit risk is the risk originating from the total debt on the Bank loan transactions. It is inherent in the group of loan transactions or debtors with similar credit profiles, in the sub-portfolio (in particular, portfolio of loans, securities, receivables, etc.) or in the total loan portfolio of the Bank (for all loan transactions).

The Bank manages its portfolio credit risk by performing the components of individual credit risk management, and this also includes:

- diversification of the loan portfolio and setting concentration limits to avoid the risk of portfolio deterioration in the quality of loan transactions;
- setting other limits and indicators of credit risk related to the portfolio/sub-portfolios to control the Bank credit risk;
- comprehensive monitoring of the loan portfolio, including the monitoring of the loan portfolio structure, control of credit risk limits and indicators and escalation in case of any violations in order to make decisions on mitigation/elimination of negative factors, as well as control and evaluation of their use;
- comprehensive, complete and regular credit risk reporting in accordance with law (including by sub-portfolio, group and category of a borrower, etc., in movement and with the identification and analysis of significant changes).

#### *Credit-related commitment risks*

The Bank issues financial guarantees to its customers, under which the Bank may be required to make payments on behalf of the relevant customers; the Bank undertakes to effect payment against presentation of complying documents under letters of credit. These guarantees expose the Bank to risks similar to credit risks which are mitigated by similar control procedures and principles. Where financial instruments are recorded at fair value, the carrying amount represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in value.

For more details on the maximum exposure to credit risk for each class of financial instrument, references shall be made to the specific notes. The effect of collateral and other risk mitigation techniques is shown below.

### **Impairment of financial assets**

#### *Assessment of expected credit losses*

The Bank recognises an allowance for expected credit losses (ECL) on all of its debt financial assets at amortised cost or FVOCI, as well as credit-related commitments and financial guarantees (collectively “financial instruments”). No impairment is recognized on equity instruments.

The allowance is based on the ECL associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, otherwise the allowance is based on the ECL over the life of the asset. The 12-month ECL is the portion of lifetime expected credit losses that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetime expected credit losses and 12 months ECL are calculated on either an individual basis or a collective basis.

Assessment of whether the credit risk has increased significantly by considering the change in the risk of default occurring over the remaining life of the financial instrument, identification of default events and calculation of ECL is made by the Bank at the end of each reporting period (monthly).

The Bank groups its financial instruments, for which ECL is measured, as described below:

Stage 1	On initial recognition of financial instruments, the Bank recognises an allowance based on 12 months ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from other Stages.
Stage 2	When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the lifetime expected credit losses. Stage 2 financial instruments also include financial instruments, for which the credit risk has improved and the loan has been reclassified from Stage 3.
Stage 3	Financial instruments considered credit-impaired. For such financial instruments, the Bank records an allowance for the lifetime expected credit losses.
Purchased or originated credit impaired (POCI)	Purchased or originated credit impaired financial assets are assets that are credit impaired on initial recognition. POCI financial assets are recorded at fair value at initial recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECL are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

#### *Calculation of expected credit losses*

The Bank uses certain lists of events that contain signs of an increase in credit risk, such as deterioration of the financial condition, which is expressed in the form of a significant (3 or more) reduction of the internal rating/class, restructuring without grace period of interest payments for more than 90 days, assignment of the management status of "preworkout action". Also, regardless of whether there are events that contain signs of an increase in credit risk, it is considered that a delay in the fulfilment of monetary obligations of more than 30 days is evidence of a significant increase in credit risk since the initial recognition of a financial instrument.

The Bank considers that an event of default has occurred on the financial instrument, and, accordingly, classifies such an asset as Stage 3 (credit-impaired asset) in cases where the debtor has delayed the fulfilment of monetary obligations for more than 90 days, as well as in the event of restructuring of the interest payment period (for more than 90 days), bankruptcy of the debtor, location of the main production assets in the temporarily occupied territory / territory of active hostilities (provided that that assets in the government-controlled territories do not generate cash flows sufficient to service the debtor's monetary obligations), assigning the debtor a default internal rating and/or the management status of "workout". Where the terms of a credit-impaired asset are reviewed and the modification does not result in derecognition of a financial asset, those assets remain in Stage 3 until the criteria for de-default are met below.

If the borrower financial position is improved and its solvency is restored, the asset may be excluded from default when the following major criteria are met:

- Repayment of liabilities overdue more than 90 days that resulted in the recognition of a default and the absence of overdue payments more than 7 days during the last six consecutive months as at the reporting date;
- Settlement of payments postponed as part of their restructuring (with respect to the accrued interest payment) or payment of income in the amount bigger than the amount of income that was restructured;
- Significant repayment of the principal..

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Probability of Default (PD)	The <i>Probability of Default</i> is an estimate of the likelihood of default over a given time horizon.
Exposure at Default (EAD)	The Exposure at Default is an estimate of the exposure at default. In the ECL calculation for the entire lifetime of a financial instrument, its expected changes after the reporting date are considered, including the granting/repayment of the debt principal, accrual and payment of interest.
Loss Given Default (LGD)	The Loss Given Default is an estimate of the loss arising in the case where a default occurs. LGD is based on the difference between the contractual cash flows due and the one that the Bank would expect to receive, including from the realisation of any collateral.

Depending on the qualities of a financial instrument, the Bank calculates ECL either on an individual basis (scenario analysis) or a collective (portfolio) basis.

The Bank calculates ECLs on an individual basis for all Stage 2 or Stage 3 assets of the borrowers whose debt to the Bank is significant (equivalent to over UAH 300,000 thousand), of bank borrowers, and the assets, which, at the moment of

derecognition of an initial instrument and recognition of a new one, were classified as POCI. As part of the scenario analysis, the Bank calculates ECL based on the forecast of the cash flows discounted using effective interest rate with due consideration of the period of cash flow proceeds. During calculation, the likelihood that the scenario will be implemented in an upside case, base and downside cases is considered.

The Bank calculates ECL on a collective (portfolio) basis for all other assets grouped by the respective features, including by the credit risk profile, and uses the models for calculation, which are relevant for the respective group, and relies on a broad range of forward looking information as economic inputs.

Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying amount.

For the off-balance sheet financial instruments, the allowance is calculated similar to that for the balance-sheet financial instruments, with due consideration of a conversion rate.

#### *Debt instruments at fair value through other comprehensive income*

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remain at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is reclassified to the profit and loss upon derecognition of the asset.

#### *Purchased or originated credit impaired financial assets*

For purchased or originated credit impaired assets, only changes in ECL accumulated from the initial recognition for the entire term are recognised by the Bank as the estimated ECL allowance.

#### *Internal rating and probability of default assessment process*

The Probability of Default (PD) is one of the credit risk components. The Bank applies an approach to assess of probability of default (PD) for corporate borrowers, which involves the calculation of probability of default (PD) and internal rating class (PD-Rate) ranging from 1 to 15 (15 grades). Rating class 1-14 corresponds to not default, rating class 15 corresponds to default (probability of default is 100%).

The following information is used to calculate the borrowers/Group rating:

- Financial statements data;
- Answers to non-financial questions;
- Warning signals in respect of the borrower (high risk factors);
- Information on the level of support from the Group (parent company support level, if any).

The estimated probability of default (PD) and rating class (PD-Rate) are determined on the basis of the quantitative (financial model) and qualitative (non-financial model) factors, the weight of the model factors is 80% and 20%, respectively. The estimated rating is modified (decreased) using the warning signals and taking into account the parent company support (increased or decreased), if any.

The rating system is revised (validation and adjustment, if required) on an annual basis.

The Bank uses the following levels of internal credit rating (rating class) to assess the assets of corporate borrowers.

#### ***Internal rating class (PD-Rate)***

<b><i>Internal rating class (PD-Rate)</i></b>	<b><i>Probability of default(PD)</i></b>	<b><i>Internal rating level description</i></b>
From 1 to 7	To 1.428%	High rating
From 8 to 9	From 1.429% to 2.86%	Standard rating
From 10 to 14	From 2.87% to 99.9%	Low rating
15	100%	Credit-impaired assets (default)

The determination of the internal credit rating level for loans to small and medium-sized business borrowers who do not have an internal rating class (PD-Rate), as well as for individuals, is based on the probability of default (PD).

The Bank determines the probability of default (PD) for Ukrainian government bonds, other securities issued by central and local authorities based on the statistical and analytical data of the international rating agency Fitch Ratings regarding sovereign defaults separately in national and foreign currencies and the corresponding long-term credit rating assigned to Ukraine by this agency, taking into account the life of the financial instrument. Based on the value of such rating as at 31 December 2024, Ukrainian government bonds and other securities issued by central authorities are classified as assets with a low rating. Determination of the probability of default for securities issued by local authorities is carried out on the basis of the rating assigned to them by an international rating agency (if necessary adjusted to the scale of the international rating agency Fitch Ratings). Probability of default for securities issued by corporate borrowers is determined based on the internal rating class (PD-Rate), as described above.

#### *Exposure at Default (EAD)*

For Stage 1, the exposure at default (EAD) is equal to the gross carrying amount of a financial instrument at the calculation date.

For Stages 2 and 3, EAD is calculated for the entire lifetime of the asset, with the principal, future interest and accumulated depreciation determined on the basis of the debt repayment schedule.

The EAD for credit-related commitments and other financial liabilities is calculated based on a credit conversion factor (CCF).

#### *Loss Given Default (LGD)*

Loss given default (LGD) is one of credit risk components on the basis of which the expected credit losses are estimated and shows a share of current loan debt which the bank would lose irrevocably in the event of default of a borrower with regard to the existing collateral for the loan and other characteristics of loan and borrower. The main acceptable repayment sources are as follows: repayment from the sale of collateral (whereby, in portfolio calculations, only cash collateral is considered, including the right to claim funds from a deposit account and funds placed on coverage accounts, guarantees of the central state authorities of Ukraine and guarantees of banks and financial organizations with an international long-term investment grade rating, being accepted for portfolio calculation) and other repayments (by borrower sub-portfolios). The LGD ratios are calculated based on the bank's own statistics for the period of at least 5 years. The statistics and ratios are reviewed and updated on an annual basis.

Loss given default for Ukrainian government bonds is determined by the Bank in accordance with the statistical and analytical data of the international rating agency Fitch Ratings.

#### *Impact of macroeconomic indicators*

Under IFRS 9, the Bank takes into account in its estimates of expected credit losses the forecasts of future economic conditions with regard to the link between macroeconomic factors and an integral index of the credit portfolio quality. The actual rate of defaults for the year (by segments) calculated as the ratio of the number of loans that became defaulted during the year to the number of loans that were not defaulted at the beginning of the year, is taken as an integral indicator of the loan portfolio quality. The following indicators and their modifications (change for the year, quarter, time lag) can be taken as macroeconomic factors: Consumer Price Index, GDP growth, export/import growth, etc. The following data serve as the sources of information on the actual and projected macroeconomic indicators: inflation report and other statistical reports of the NBU, the State Statistics Service of Ukraine, IMF and World Bank data, etc. The statistics and macro coefficients are reviewed and updated at least once every six months. Upon the results of review, the macro model coefficients (probability of default adjustment indicators) are determined.

The table below shows the current coefficients of the macro model with regard to segments (business units) as at 31 December 2024.

<i>Segment</i>	<i>2025</i>	<i>2026</i>	<i>2027 and subsequent years</i>
Corporate banking	0.68	0.55	0.63
Small and medium-sized businesses	0.33	0.28	0.31
Retail banking	0.59	0.69	0.62
State budget-financed institutions	0.68	0.55	0.63

The table below summarizes the coefficients of the macro model with respect to the segments (business lines) as at 31 December 2023.

<i>Segment</i>	<i>2024</i>	<i>2025</i>	<i>2026 and subsequent years</i>
Corporate banking	1.47	0.47	0.45
Small and medium-sized businesses	0.67	0.18	0.17
Retail banking	0.63	0.55	0.52
State budget-financed institutions	1.47	0.47	0.45

The Bank uses forecast values of macroeconomic indicators to build models under three scenarios: a scenario based on the NBU/CMU forecasts, a scenario based on the World Bank/IMF forecasts, and a scenario based on extrapolation of actual values of macroeconomic indicators for previous years (expert scenario). The final values of the adjusting coefficients by segment are calculated based on the coefficients under these scenarios with a weight of 50%, 30%, and 20%, respectively. Given the time lag in obtaining the projected values, the latest values are available as at October 30 of the respective year and are presented below.

The table below shows the projected values of macroeconomic indicators as at 30 October 2024.

<i>Indicators (forecast)</i>	<i>NBU/CMU (fraction 50%)</i>			<i>Word Bank/ IMF (fraction 30%)</i>			<i>EXPERT (fraction 20%)</i>		
<i>year</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>
GDP growth	4.0	4.3	4.6	3.2	2.0	7.0	3.6	3.5	3.9
inflation index	9.7	6.9	5.0	5.8	8.6	7.5	9.5	10.9	8.5
export	11.3	1.1	10.2	7.2	4.9	8.6	0.9	0.8	1.0
import	3.3	3.8	1.8	9.1	9.8	11.3	8.2	8.2	12.0
USD exchange rate	42.3	44.6	45.5	41.0	45.0	46.8	45.3	68.9	78.1
discount rate	13.6	12.1	10.3	13.6	12.1	10.3	14.3	22.5	14.3

The table below shows the forecast values of macroeconomic indicators as at 30 October 2023.

<i>Indicators (forecast)</i>	<i>NBU/CMU (fraction 50%)</i>			<i>Word Bank/ IMF (fraction 30%)</i>			<i>EXPERT (fraction 20%)</i>		
<i>year</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
GDP growth	4.5	3.8	7.0	3.5	4.0	6.5	8.2	12.0	4.8
inflation index	5.8	9.8	6.0	11.0	10.0	7.0	7.8	5.6	2.3
export	-7.2	33.4	8.1	-10.0	15.0	30.0	-1.0	-6.9	-4.9
import	27.9	26.4	0.8	3.0	10.0	15.0	42.6	32.4	23.6
USD exchange rate	41.2	41.9	42.6	37.5	41.4	46.0	41.4	42.8	42.2
discount rate	15.0	15.0	15.0	15.0	15.0	15.0	16.6	20.6	15.4

An increase and decrease in the current macro-model coefficients by 10% compared to the estimated ones (for 2024) will result in an increase in the amount of ECL by UAH 64,055 thousand and a decrease in the amount of ECL by UAH -98,853 thousand (2023: UAH +134,945 thousand and UAH -135,208 thousand), respectively.

#### *Credit quality by category of financial assets*

The Bank uses its internal credit ratings to manage the credit quality of financial assets, as described above. The table below shows the credit quality by class of asset for loan-related lines in the statement of financial position, based on the Bank credit rating system.

<i>At 31 December 2024</i>	<i>Note</i>	<i>Stage</i>	<i>High rating</i>	<i>Standard rating</i>	<i>Low rating</i>	<i>Credit-impaired</i>	<i>Total</i>
<b>Financial assets</b>							
Cash and cash equivalents (except for cash on hand)	6	1	99,088,712	11,821,482	3,840	—	110,914,034
		3				1,484	1,484
Loans and advances to banks	9	1	1,073,422	104,987	—	—	1,178,409
		3	—	—	—	128	128
Loans and advances to customers	10						
Legal entities		1	15,879,150	3,286,832	3,006,467	—	22,172,449
		2	502,967	100,866	1,536,128	—	2,139,961
		3	—	—	—	17,397,958	17,397,958
		POCI	—	—	—	13,953,326	13,953,326

<i>At 31 December 2024</i>	<i>Note</i>	<i>Stage</i>	<i>High rating</i>	<i>Standard rating</i>	<i>Low rating</i>	<i>Credit-impaired</i>	<i>Total</i>
Individuals		1	207,292	1,325	1,657	—	210,274
		2	485	—	1,521	—	2,006
		3	—	—	—	1,361,846	1,361,846
		POCI	—	—	—	2,116	2,116
State entities		1	30,270,241	—	301,647	—	30,571,888
		2	—	3,723,772	4,582,039	—	8,305,811
		3	—	—	—	3,518,515	3,518,515
		POCI	—	—	—	53,907	53,907
Investments in securities	11						
- at fair value through other comprehensive income		1	20,050	—	32,286,564	—	32,306,614
		2	—	—	4,177,168	—	4,177,168
- at amortised cost		1	16,450,317	—	9,793,667	—	26,243,984
		2	—	—	9,048,378	—	9,048,378
Other financial assets (except for transit accounts on transactions with payment cards)	16	1	2,323	80,115	28,884	—	111,322
		3	—	—	—	103,197	103,197
		POCI	—	—	—	10,393	10,393
<b>Total financial assets</b>			<b>163,494,959</b>	<b>19,119,379</b>	<b>64,767,960</b>	<b>36,402,870</b>	<b>283,785,168</b>
<b>Total loan commitments, financial guarantee contracts and performance guarantees</b>	25						
Financial guarantees		1	1,261,129	460,851	294,771	—	2,016,751
		2	1,537	4,204	—	—	5,741
Performance guarantees		1	4,552,771	134,929	956,918	—	5,644,618
		2	21,582	5,709	—	—	27,291
		3	—	—	—	36,082	36,082
Undrawn loan commitments		1	8,264,846	181,990	1,018,585	—	9,465,421
		2	206,019	—	351	—	206,370
		3	—	—	—	20,993	20,993
Letters of credit (except for coverage accounts)		1	2,819,238	—	—	—	2,819,238
Avals on promissory notes		1	130,807	—	—	—	130,807
<b>Total loan commitments, financial guarantee contracts and performance guarantees</b>			<b>17,257,929</b>	<b>787,683</b>	<b>2,270,625</b>	<b>57,075</b>	<b>20,373,312</b>
<b>Total</b>			<b>180,752,888</b>	<b>19,907,062</b>	<b>67,038,585</b>	<b>36,459,945</b>	<b>304,158,480</b>

<i>At 31 December 2023</i>	<i>Note</i>	<i>Stage</i>	<i>High rating</i>	<i>Standard rating</i>	<i>Low rating</i>	<i>Credit-impaired</i>	<i>Total</i>
<b>Financial assets</b>							
Cash and cash equivalents (except for cash in hand)	6	1	109,550,668	57,124	1,348	—	109,609,140
Loans and advances to banks	9	1	978,031	33,535	—	—	1,011,566
		3	—	—	—	72,083	72,083
Loans and advances to customers	10						
Legal entities		1	12,184,860	3,501,014	3,064,392	—	18,750,266
		2	136,714	1,088,428	1,783,975	—	3,009,117
		3	—	—	—	20,275,286	20,275,286
		POCI	—	—	—	14,460,048	14,460,048
Individuals		1	115,896	—	2,208	—	118,104
		2	1,310	781	1,849	—	3,940
		3	—	—	—	1,517,079	1,517,079
		POCI	—	—	—	2,334	2,334
State entities		1	9,672,264	377,875	4,102,700	—	14,152,839
		2	12,988,067	678,891	5,590,241	—	19,257,199
		3	—	—	—	3,730,426	3,730,426
		POCI	—	—	—	16,302	16,302
Investments in securities	11						
- at fair value through other comprehensive income		1	20,342	—	18,442,113	—	18,462,455
		2	—	—	9,960,341	—	9,960,341
- at amortised cost		1	100,022	—	7,484,031	—	7,584,053
		2	—	—	12,548,228	—	12,548,228
Other financial assets (except for transit accounts on transactions with payment cards)	16	1	—	127,752	1,607	—	129,359
		3	—	—	—	123,778	123,778

<i>At 31 December 2023</i>	<i>Note</i>	<i>Stage</i>	<i>High rating</i>	<i>Standard rating</i>	<i>Low rating</i>	<i>Credit-impaired</i>	<i>Total</i>
		POCI	–	–	–	579	579
<b>Total financial assets</b>			<b>145,748,174</b>	<b>5,865,400</b>	<b>62,983,033</b>	<b>40,197,915</b>	<b>254,794,522</b>
<b>Loan commitments, financial guarantee contracts and performance guarantees</b>	25						
Financial guarantees		1	2,453,193	162,409	622,277	–	3,237,879
		2	24,109	–	3,799	–	27,908
Performance guarantees		1	1,453,112	2,856,484	130,740	–	4,440,336
		3	–	–	–	16,816	16,816
Undrawn loan commitments		1	9,795,957	1,927,449	1,216,326	–	12,939,732
		2	8,087	2,316	195,270	–	205,673
		3	–	–	–	53,678	53,678
Letters of credit (except for coverage accounts)		1	–	2,626,909	50,143	–	2,677,052
Avals on promissory notes		1	199,035	41,326	–	–	240,361
<b>Total loan commitments, financial guarantee contracts and performance guarantees</b>			<b>13,933,493</b>	<b>7,616,893</b>	<b>2,218,555</b>	<b>70,494</b>	<b>23,839,435</b>
<b>Total</b>			<b>159,681,667</b>	<b>13,482,293</b>	<b>65,201,588</b>	<b>40,268,409</b>	<b>278,633,957</b>

The Bank internal rating system is supported by financial methods of analysis taking into account processed market information to establish the main assumptions for assessing the party risk during the conclusion of the agreement. The relevant risk ratings are regularly analysed and revised.

#### *Conditionally risk-free financial assets*

The Bank distinguishes a sub-portfolio of financial assets that it considers to be conditionally risk-free, as the debt on such assets is fully covered by deposits placed with the Bank for a term exceeding the term of the asset and/ or fully covered by guarantees of foreign investment grade banks. Thus, the transaction is not considered a credit transaction, but a payment transaction, since in the event of a delay in payment or other failure to fulfil the obligation, repayment is made at the cost of the collateral. For such assets, the Bank does not reclassify them by stages depending on changes in the borrower's financial condition, as the primary source of repayment is the collateral.

<i>At 31 December 2024</i>	<i>Stage</i>	<i>Book value</i>	<i>ECL</i>	<i>Deposits</i>	<i>Guarantees</i>	<i>Total collateral</i>
<b>Loans to legal entities</b>	1	1,412,882	–	1,651,823	9,111	1,660,934
	2	34,227	1,709	47,012	–	47,012
<b>Loans to buyers</b>	1	14,445	–	28,802	–	28,802
<b>Total</b>		<b>1,461,554</b>	<b>1,709</b>	<b>1,727,637</b>	<b>9,111</b>	<b>1,736,748</b>

<i>At 31 December 2023</i>	<i>Stage</i>	<i>Book value</i>	<i>ECL</i>	<i>Deposits</i>	<i>Guarantees</i>	<i>Total collateral</i>
<b>Loans to legal entities</b>	1	1,876,222	2	1,684,708	611,517	2,296,225
	2	161	–	4,178	–	4,178
	3	21,203	–	23,671	–	23,671
<b>Loans to state entities</b>	1	12,495	–	312,214	–	312,214
<b>Total</b>		<b>1,910,081</b>	<b>2</b>	<b>2,024,771</b>	<b>611,517</b>	<b>2,636,288</b>

#### **Analysis of collateral**

##### *Collateral valuation*

To mitigate its credit risks on financial assets, the Bank seeks to use collateral. The collateral comes in various forms, such as cash, securities, real estate, inventories, etc. The Bank accounting policy for collateral assigned to it through its lending arrangements did not change during the reporting year. Collateral, unless repossessed, is not stated in the Bank statement of financial position. However, the fair value of collateral affects the calculation of ECL (in case of portfolio calculation - only collateral in the form of cash, guarantees of the central government authorities of Ukraine and guarantees of banks and financial institutions with an international long-term investment grade rating). The fair value of collateral received is valued at inception with subsequent revaluation: real estate, land, vehicles, equipment are revalued at least once every twelve months, other property is revalued not less than once every six months.

The Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily available market values are valued using models.

The table below provides an analysis of the market value of collateral for credit-impaired assets (Stage 3) and purchased and originated credit-impaired assets (POCI) which is taken into account by the Bank for the purpose of asset impairment assessment in the amount not exceeding the maximum exposure at default of the loan.

At 31 December 2024	Collateral market value											
	Maximum exposure at risk	Cash/ deposits	Guarantees of the CMU/Investment banks					other movable property	Excessive collateral	Total collateral	Net exposure at risk	Relevant ECLs
			Real estate	Land	Vehicles	Equipment						
Loans to legal entities	31,351,284	31,317	218,217	11,132,512	522,426	726,246	4,831,431	321,278	(3,915,240)	13,868,187	17,483,097	17,552,392
Loans to individuals	1,363,962	—	—	—	—	—	—	—	—	—	1,363,962	1,363,799
Loans to state entities	3,572,422	—	—	—	—	—	—	—	—	—	3,572,422	1,295,736
Total	36,287,668	31,317	218,217	11,132,512	522,426	726,246	4,831,431	321,278	(3,915,240)	13,868,187	22,419,481	20,211,927

At 31 December 2023	Collateral market value											
	Maximum exposure at risk	Cash/ deposits	Guarantees of the CMU/Investment banks					Goods / other movable property	Excessive collateral	Total collateral	Net exposure at risk	Relevant ECLs
			Real estate	Land	Vehicles	Equipment						
Loans to legal entities	34,735,334	59,818	385,086	12,947,601	321,902	860,736	6,303,093	715,158	(4,836,529)	16,756,865	17,978,469	16,831,462
Loans to individuals	1,519,413	—	—	—	—	—	—	—	—	—	1,519,413	1,519,190
Loans to state entities	3,746,728	—	—	390	—	—	535	—	—	925	3,745,803	1,020,537
Total	40,001,475	59,818	385,086	12,947,991	321,902	860,736	6,303,628	715,158	(4,836,529)	16,757,790	23,243,685	19,371,189

#### Collateral repossessed

The Bank accounting policy for repossessed collateral remained the same during the reporting year. The Bank policy is to determine whether a repossessed asset can be best used for its internal operations, generation of lease payments, or such asset should be sold. Assets determined to be useful for the internal operations are transferred to the property, plant and equipment category, assets determined to be held for obtaining lease payments are transferred to investment property category and are recognised at fair value. Assets being repossessed for sale are accounted for in “Non-current assets held for sale” or “Repossessed pledged property”.

#### Write-offs

The Bank accounting policy for write-offs remained the same during the reporting year. In accordance with the Ukrainian law, loans may only be written off with the approval of the Management Board or Supervisory Board of the Bank. The Bank does not use any partial write-offs of assets. Financial assets are written off in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

A financial asset may be written off against provisions if the following conditions are met simultaneously:

- A) Full provisions has been formed for the financial asset in the amount of its gross carrying amount.
- B) At least one of the following criteria applies to the financial asset:
  - for the previous 36 months, the Bank did not receive significant (10 percent or more of the gross carrying amount) payments on the financial asset;
  - for a financial asset secured by collateral, the Bank did not receive significant (10 percent or more of the gross carrying amount) cash flows from the sale of collateral/foreclosure of collateral or the Bank did not have access/right to repurchase collateral/foreclose on collateral during the previous 36 months;
  - the Bank failed to sell the financial asset in three consecutive attempts through an open auction(s) using electronic trading systems or in another way;
  - the Bank has information that the debt on the financial asset in respect of the debtor has been written off by another bank, and such information is confirmed by a statement of the relevant bank, indicating the date, amount and grounds for writing off.

#### Restructured loans

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. The Bank considers the loan restructured if the modifications made as a result of existing or expected financial difficulties of the borrower are those that the Bank would not agree in the event of the borrower financial solvency. Restructuring may include extending repayment



terms and agreeing on new loan terms. Once the terms of a loan have been renegotiated, the loan is no longer considered overdue. The management continually analyses the restructured loans to make sure that all criteria and options for future payments are met.

### Geographical concentration

Geographical concentration of the Bank financial assets and liabilities is presented below:

	<b>31 December 2024</b>			
	<b>Ukraine</b>	<b>OECD countries</b>	<b>Other non-OECD countries</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	55,036,700	57,171,620	1,967	112,210,287
Loans and advances to banks	67,870	866,923	242,412	1,177,205
Loans and advances to customers	78,663,589	—	—	78,663,589
Investments in securities	78,091,761	16,361,560	—	94,453,321
Derivative financial assets	59,778	—	—	59,778
Other financial assets	159,170	2,664	2,357	164,191
	<b>212,078,868</b>	<b>74 402 767</b>	<b>246,736</b>	<b>286,728,371</b>
<b>Liabilities</b>				
Due to banks	2,265,577	982	52,524	2,319,083
Due to customers	240,567,936	2,611,073	915,411	244,094,420
Derivative financial liabilities	—	363	—	363
Other borrowed funds	433,946	25,008,636	—	25,442,582
Subordinated debt	—	4,302,222	—	4,302,222
Other financial liabilities	832,966	154,600	—	987,566
	<b>244,100,425</b>	<b>32,077,876</b>	<b>967,935</b>	<b>277,146,236</b>
<b>Net position</b>	<b>(32 021 557)</b>	<b>42 324 891</b>	<b>(721 199)</b>	<b>9 582 135</b>
<b>Loan commitments and financial guarantee contracts and performance guarantees (Note 25)</b>	<b>16 782 415</b>	<b>—</b>	<b>—</b>	<b>16 782 415</b>

	<b>31 December 2023</b>			
	<b>Ukraine</b>	<b>OECD countries</b>	<b>Other non-OECD countries</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	53,831,492	56 958 889	4 346	110 794 727
Loans and advances to banks	20	757 934	251 911	1 009 865
Loans and advances to customers	74,569,673	—	—	74 569 673
Investments in securities	69,994,403	—	—	69 994 403
Derivative financial assets	652,249	—	—	652 249
Other financial assets	544,283	1 188	53	545 524
	<b>199,592,120</b>	<b>57 718 011</b>	<b>256 310</b>	<b>257 566 441</b>
<b>Liabilities</b>				
Due to banks	6,334,895	5,447	50,742	6,391,084
Due to customers	211,385,693	1,731,993	831,677	213,949,363
Derivative financial liabilities	285	1,092	—	1,377
Other borrowed funds	324,116	28,406,671	—	28,730,787
Subordinated debt	—	3,805,882	—	3,805,882
Other financial liabilities	744,980	187,091	1	932,072
	<b>218,789,969</b>	<b>34,138,176</b>	<b>882,420</b>	<b>253,810,565</b>
<b>Net position</b>	<b>(19,197,849)</b>	<b>23,579,835</b>	<b>(626,110)</b>	<b>3,755,876</b>
<b>Loan commitments and financial guarantee contracts and performance guarantees (Note 25)</b>	<b>22,151,330</b>	<b>—</b>	<b>—</b>	<b>22,151,330</b>

## Liquidity risk

Liquidity risk is the risk that the Bank will incur damage or incremental loss or suffer shortfall in the expected profit as a result of its failure to finance the increase in assets and/or to discharge its obligations in due time.

The main purpose of liquidity risk management is to ensure the ability of the Bank to fulfil its obligations when they fall due by maintaining acceptable (manageable) liquidity gaps.

The key task of the liquidity risk management is as follows:

- determination and observance by the Bank of an acceptable level of liquidity risk in accordance with the Bank strategic objectives;
- availability of sufficient amount of highly liquid assets for the Bank to meet its obligations;
- thorough assessment of inflows and outflows of funds by contractual and expected maturities (including with due consideration of using different behavioural models);
- assessment of how the implementation of various stress case scenarios impacts the inflow and outflow of funds;
- planning and making timely decisions to prevent the occurrence and implementation of measures to mitigate the liquidity risk;
- compliance with liquidity ratios and liquidity risk limits.

Liquidity risk management is performed:

- Either on the long-term basis that is focused on ensuring appropriate liquidity levels over a horizon of more than one month; or
- On the long-term basis that is focused on ensuring appropriate level of instant and current liquidity over a horizon of up to one month, taking into consideration estimated and unpredictable cash flow changes.

Liquidity risk management includes determination of acceptable levels of maturity gaps (by currency) and also:

- Setting targeted (most appropriate and acceptable to the Bank), critical (undesirable but manageable) and maximum (requiring urgent measures) levels of key liquidity risk indicators;
- Permanent monitoring of actual key liquidity risk indicators;
- Undertaking adequate corrective actions if actual key liquidity risk indicators approach their critical and/or maximum levels.

In addition, the Bank assesses liquidity based on certain liquidity ratios established by the NBU.

## Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Bank financial liabilities based on contractual undiscounted repayment obligations. Liabilities on demand with the maturity up to 3 months are classified as liabilities on demand. However, the Bank expects that many customers will redeposit their deposited funds, and the table does not reflect the expected cash flow.

<b>Financial liabilities at 31 December 2024</b>	<b>Up to 3 months</b>	<b>From 3 to 12 months</b>	<b>From 1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Due to other banks	2,257,286	61,797	—	—	2,319,083
Customer accounts	217,277,308	24,447,511	1,256,135	1,441,016	244,421,970
Other borrowed funds	1,719,362	5,085,329	10,149,223	21,414,551	38,368,465
Subordinated debt	—	466,347	6,065,370	—	6,531,717
Derivative financial liabilities	363	—	—	—	363
Including:					
- <i>financial instruments settled on a gross basis</i>	363	—	—	—	363
- <i>Amounts to be received</i>	(1,399,637)	—	—	—	(1,399,637)
- <i>Amounts to be paid</i>	1,400,000	—	—	—	1,400,000
Other financial liabilities	895,116	31,919	1,422	168	928,625
Including:					
- <i>lease commitments</i>	1,592	3,075	20,516	21,928	47,111
Loan commitments and financial guarantee contracts and guarantee to fulfillment	12,019,996	—	—	—	12,019,996
<b>Total undiscounted financial liabilities</b>	<b>234,169,431</b>	<b>30,092,903</b>	<b>17,472,150</b>	<b>22,855,735</b>	<b>304,590,219</b>

<b>Financial liabilities as at 31 December 2023</b>	<b>Up to 3 months</b>	<b>From 3 to 12 months</b>	<b>From 1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Due to other banks	6,289,101	96,855	5,128	–	6,391,084
Customer accounts	173,389,776	37,282,223	2,605,819	1,069,361	214,347,179
Other borrowed funds	1,074,588	4,789,417	15,896,571	22,041,443	43,802,019
Subordinated debt	–	401,404	1,605,615	4,196,056	6,203,075
Derivative financial liabilities	5,561	–	–	–	5,561
Including:					
- <i>financial instruments settled on a gross basis</i>	5,561	–	–	–	5,561
- <i>Amounts to be received</i>	(2,523,785)	–	–	–	(2,523,785)
- <i>Amounts to be paid</i>	2,529,346	–	–	–	2,529,346
Other financial liabilities	477,636	27,278	4,906	100	509,920
Including:					
- <i>lease commitments</i>	36	3,999	–	–	4,035
Loan commitments and financial guarantee contracts and guarantee to fulfillment	12,045,365	–	–	–	12,045,365
<b>Total undiscounted financial liabilities</b>	<b>193,282,027,</b>	<b>42,597,177</b>	<b>20,118,039</b>	<b>27,306,960</b>	<b>283,304,203</b>

The above table shows the timing of expiry dates of letters of credit, financial guarantees and Banks avals on promissory notes as part of loan commitments and financial guarantee contracts, according to the respective agreements. Undrawn loan commitments can be executed on demand and are included with the maturity up to 3 months. The Bank expects that not all of the contingent liabilities or commitments will be drawn before their expiry. To limit the liquidity risk arising from asymmetric prepayment and early repayment of the term assets and liabilities, the Bank incorporates such conditions in standard client agreements that motivate customers not to use the options of prepayment and early repayment.

### Market risk

The Bank considers market risk as the aggregate of interest rate risk and currency risk, i.e. inability to secure excess of income (including interest income) over expenses (including interest expenses) by currency in volumes required to fulfil the Bank obligations and to maintain liquidity and capital adequacy risks within the range acceptable to the Bank.

### Interest rate risk

Interest rate risk is considered by the Bank as the inability to secure excess of interest income over interest expenses in volumes required to fulfil the Bank interest payment obligations and to maintain liquidity and capital adequacy risks within the range acceptable to the Bank. The Bank considers the mismatch of interest receipts and interest payments by volumes or dates to be the main source of interest rate risk.

The Bank considers interest rate risk management as an integral part of the Bank operations including the effect of negative impact by internal and external factors.

Interest rate risk management is aimed at securing the excess of interest income over interest expenses in volumes sufficient to fulfil the Bank interest payment obligations and to maintain liquidity and capital adequacy risks within the range acceptable to the Bank. Interest rate risk management is performed via:

- Setting targeted (most appropriate and acceptable to the Bank), critical (undesirable but manageable) and tmaximum(requiring urgent measures) key interest rate risk indicators;
- Permanent monitoring of actual key interest rate risk indicators;
- Taking efficient measures if the interest rate risk indicators approach their critical and/or maximum levels.

The key tasks of the interest rate risk management are as follows:

- determination and observance by the Bank of an acceptable level of interest rate risk in accordance with the Bank strategic objectives;
- ensuring the most acceptable interest rate gap based on the risk appetite;

- assessment of the interest rate gaps and sensitivity of the Bank to changes in interest rates;
- planning, making timely decisions to prevent the occurrence of the interest rate risk, implementation of measures to mitigate the interest rate risk;
- assessment of how the implementation of various stress case scenarios impacts the Bank sensitivity to changes in interest rates.

The sensitivity of the statement of profit or loss reflects the effect of the acceptable changes in interest rates on the Bank net interest income for one year determined based on the floating rate on non-trading financial assets and financial liabilities held at reporting date.

The table below demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Bank consolidated statement of profit or loss

<b>31 December 2024</b>					
<b>Currency</b>	<b>Interest rate basis</b>	<b>Increase in basis points</b>	<b>Effect on profit before tax</b>	<b>Decrease in basis points</b>	<b>Effect on profit before tax</b>
UAH	NBU	+300	162,525	-300	(162,525)
UAH	UIRD	+300	482,377	-300	(482,377)
USD	SOFR	+75	(60,716)	-75	60,716
USD	Fed Funds	+75	31,419	-75	(31,419)
USD	UIRD	+75	40,505	-75	(40,505)
EUR	Euribor	+100	11,372	-100	(11,372)
EUR	UIRD	+100	60,445	-100	(60,445)
EUR	ESTR	+100	78,322	-100	(78,322)
<b>Total</b>			<b>806,249</b>		<b>(806,249)</b>

<b>31 December 2023</b>					
<b>Currency</b>	<b>Interest rate basis</b>	<b>Increase in basis points</b>	<b>Effect on profit before tax</b>	<b>Decrease in basis points</b>	<b>Effect on profit before tax</b>
UAH	NBU	+300	306,263	-300	(306,263)
UAH	UIRD	+300	263,842	-300	(263,842)
USD	SOFR	+75	(56,204)	-75	56,204
USD	LIBOR	+75	34	-75	(34)
USD	UIRD	+75	73,044	-75	(73,044)
USD	Fed Funds	+75	36,551	-75	(36,551)
EUR	UIRD	+75	48,862	-75	(48,862)
EUR	ESTR	+75	23,862	-75	(23,862)
EUR	Euribor	+75	(8,168)	-75	8,168
<b>Total</b>			<b>688,086</b>		<b>(688,086)</b>

To assess the possible effects of the acceptable changes in interest rates, the equity sensitivity on investment securities with fixed rate measured at fair value through other comprehensive income and classified at the 2nd level of the fair value hierarchy of the asset, the method of modified duration is used with the following assumptions: for corporate bonds +/-300 b.p. (31 December 2023: +/- 300 b.p.), for Ukrainian government bonds denominated in local currency +/-300 b.p. (31 December 2023: +/- 300 b.p.), for Ukrainian government bonds in USD - +/-75 b.p. and in EUR - +/-100 b.p. (31 December 2023 for USD and EUR: +/- 75 b.p.). As at 31 December 2024, the total effect of changes on the Bank equity is: UAH (3,260,422) thousand / UAH 3,260,422 thousand (31 December 2023: UAH (2,954,459) thousand / UAH 2,954,459 thousand).

Sensitivity of net gain/(loss) on investment securities designated at fair value through profit or loss is calculated by the revaluation of financial instruments, which have a fixed interest rate and are revalued through profit/(loss), as at 31 December 2024 in terms of effects of acceptable changes in interest rates using the method of modified duration. The effect of changes in interest rate of +/-300 b.p. for Ukrainian government bonds in UAH (31 December 2023: +/-300 b.p.), +/-75 b.p. for Ukrainian government bonds in USD and +/-100 b.p. for Ukrainian government bonds in EUR (31 December 2023: +/-75 b.p. for Ukrainian government bonds in USD and EUR) on the Bank income is UAH (561,661) thousand / UAH 561,661 thousand (31 December 2023: UAH (872,607) thousand / UAH 872,607 thousand).

## Currency risk

The Bank considers currency risk as the inability to secure excess of foreign currency cash inflow over foreign currency cash outflow (by currency) in amounts required to maintain liquidity and capital adequacy risks within the range acceptable to the Bank. The Bank considers the inconsistency of fluctuations in foreign currency exchange rates to be the main source of currency risk

Currency risk management is aimed at securing an excess of foreign currency cash inflow over foreign currency cash outflow at the level acceptable for the Bank and necessary for maintaining liquidity and capital adequacy risks within the range acceptable to the Bank, and is performed via:

- Setting targeted (optimal and acceptable to the Bank), critical (undesirable but manageable) and maximum (requiring urgent measures) key currency risk indicators;
- Permanent monitoring of actual key currency risk indicators;
- Taking efficient measures if the actual key currency risk indicators approach their critical and/or maximum levels.

The key task of the currency risk management is as follows:

- determination and observance by the Bank of an acceptable level of currency risk in accordance with the Bank strategic objectives;
- assessment of the Bank sensitivity to currency risk (of the impact of changes in foreign exchange rates);
- assessment of how the implementation of various stress case scenarios impacts the level of the Bank currency risk;
- planning, making timely decisions to prevent the occurrence of the currency risk, implementation of measures to mitigate the currency risk;
- observance of the currency risk limits, including the regulatory ones.

The tables below indicate the currencies to which the Bank has significant exposure at 31 December 2024 on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against Hryvnia, with all other variables held constant on the statement of profit or loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities). The effect on equity does not differ from the effect on the statement of profit or loss. A negative amount in the table reflects a potential net reduction in statement of profit or loss or equity, while a positive amount reflects a net potential increase.

Currency	31 December 2024		31 December 2023	
	Change in currency rate, %	Effect on profit before tax	Change in currency rate, %	Effect on profit before tax
UAH/ USD	+15.10%	122,694	+8.70%	75,849
UAH/EUR	+20.8%	(194,322)	+9.40%	(96,810)
<b>Total</b>		<b>(71,628)</b>		<b>(20,961)</b>
UAH/ USD	-15.10%	(122,694)	-8.70%	(75,849)
UAH/EUR	-20.80%	194,322	-9.40%	96,810
<b>Total</b>		<b>71,628</b>		<b>20,961</b>

As at 31 December 2024, the table above presents the effect of the estimated change in the fair value of the embedded option of the long-term government debt securities in the amount of UAH 3,237,881 thousand with strengthening of the US dollar by 15.1% and in the amount of UAH (-3,237,881) thousand with weakening of the US dollar by 15.1% (as at 31 December 2023: in the amount of UAH 1,681,655 thousand with strengthening of the US dollar by 8.7% and in the amount of UAH (-1,681,654) thousand with weakening of the US dollar by 8.7%).

## Operational risk

The Bank establishes an effective operational risk management system to minimize the negative effect of losses resulting from operational risk events and minimize the likelihood of operational risk events in the future, ensure the Bank stable and continuous operations, interaction of the Bank divisions at all organisational levels on operational risk management and implementation of the operational risk management culture.

The Bank ensures the implementation and continuous support of the processes of operational risk identification, assessment, response and monitoring. To identify and assess the operational risk, the Bank uses mandatory and additional tools in accordance with the requirements of the National Bank of Ukraine and best practices on operational risk management. The Bank assesses operational risk with regard to its interrelation and impact on other risks inherent in the Bank activities.

The Bank has prepared a long list of internal regulatory documents that determine general requirements for the creation of the Operational Risk Management System within RMS and applied approaches to the use of specialized instruments.

The Bank uses following specialised tools for operational risk management:

- collection of internal data on operational risk events;
- collection of data related to legal aspects;
- collection of external data on operational risk events;
- key risk indicators;
- assessment of the processes and risks quality;
- analysis of operational risk scenarios;
- operational risk stress testing;
- analysis of the Bank's regulations;
- providing expert opinions.

To ensure the implementation of operational risk management culture and internal controls culture at all organisational levels, the Bank continuously trains employees and provides consulting support so that they obtain sufficient risk management related knowledge, including for correct and timely identification, analysis, taking measures and reporting on operational risk management.

The Bank is constantly working on improving the operational risk management system and internal control system, including the implementation/compliance with regulations of the National Bank of Ukraine, with regard to international standards and recommendations for operational risk management

In 2024, the Bank updated its approaches to managing legal risk events, particularly to ensure the reflection of legal events in the Bank's balance sheet and financial statements. During 2024, the Bank booked provisions to cover legal risk in the amount of UAH 11,365 thousand for two lawsuits against the Bank and disclosed information on significant legal risks in its financial statements.

The Bank's strategy for resilience to emergency events is based on proactive planning of measures to ensure the Bank's stability / business recovery, covering a defined range of potential disruptions to its operations.

This strategy is implemented by establishing requirements within the Bank to provide clients, creditors, the Bank's sole shareholder (the state), counterparties and regulatory authorities with well-grounded assurances of the Bank's ability to maintain its resilience or restore its processes to a predefined level of performance in the event of emergency events.

The achievement of the Bank's strategic goals regarding its ability to withstand emergency events is ensured through the implementation/compliance with the requirements of the corresponding strategic components:

The strategic components of the business continuity management system include:

- Identification of the Bank's critical processes and the divisions involved in them.
- Identification of key resources required to ensure the smooth continuation of the Bank's critical processes.
- Identification of key risks that pose a threat to the smooth continuation of the Bank's critical processes.

Implementation of the Bank key objectives to ensure its ability to withstand emergency events is based on the following priorities (in descending order):

- health and safety of the Bank employees;
- minimization of the Bank financial losses in case of a business continuity interruption event;
- protection of the Bank information and material resources;
- reducing the negative effects of a business interruption event on the Bank operations, including, but not limited to: its reputation, ability to carry out certain transactions, liquidity, asset quality, market position and the Bank ability to comply with the requirements of the Ukrainian effective law, including the NBU regulations

The Bank regulates the main approaches to resumption of operations after an emergency in the form of the Bank Business Continuity Plan. This Plan is a set of applied requirements for the resumption of the Bank operations, presented at three levels:

**Level 1.** Plans to restore the availability of the Bank resources

**Level 2.** Business continuity plans for the Bank divisions

**Level 3.** Business Recovery Plan (Business Continuity Plan of the Head Office and Operational Response Plan in case of expansion of the military conflict zone in the regions of Ukraine)

### 30. Fair value of assets and liabilities

#### Levels of the fair value hierarchy

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as shown below:

31 December 2024					
Fair value measurement applied					
			Valuation based on assumptions confirmed by observable data (Level 2)	Valuation based on assumptions not confirmed by observable data (Level 3)	
	Valuation date	Quoted prices of the active market (Level 1)			Total
Assets carried at fair value					
Loans and advances to banks in precious metals	31 December 2024	—	150,019	—	150,019
Investment securities at fair value through profit or loss:					
Ukrainian government bonds	31 December 2024	—	21,226,219	—	21,226,219
Securities held for trading:					
Ukrainian government bonds	31 December 2024	—	3,718,456	—	3,718,456
Investment securities at fair value through other comprehensive income:					
Ukrainian government bonds	31 December 2024	—	35,027,257	—	35,027,257
Corporate shares	31 December 2024	—	—	20,050	20,050
Derivative financial assets	31 December 2024	—	59,778	—	59,778
Investment property	01 December 2024	—	607,139	—	607,139
Buildings	01 December 2022	—	1,448,099	—	1,448,099
Land	01 December 2022	—	3,861	—	3,861
Liabilities carried at fair value					
Customer accounts in precious metals	31 December 2024	—	103,836	—	103,836
Derivative financial liabilities	31 December 2024	—	363	—	363
Assets for which fair value is disclosed					
Loans and advances to banks	31 December 2024	—	1,027,186	—	1,027,186
Loans and advances to customers	31 December 2024	—	—	78,815,097	78,815,097
Investment securities at amortised cost					
Ukrainian government bonds	31 December 2024	—	15,663,685	—	15,663,685
G7 government bonds	31 December 2024	16,363,719	—	—	16,363,719
Corporate shares	31 December 2024	—	2,051,538	—	2,051,538
Municipal bonds	31 December 2024	—	168,033	—	168,033
Other financial assets	31 December 2024	—	164,191	—	164,191
Liabilities for which fair value is disclosed					
Due to other banks	31 December 2024	—	2,319,083	—	2,319,083
Customer accounts	31 December 2024	—	244,048,280	—	244,048,280
Other borrowed funds	31 December 2024	—	25,432,488	—	25,432,488
including Eurobonds issued	31 December 2024	—	879,103	—	879,103
Subordinated debt	31 December 2024	—	3,347,948	—	3,347,948
Other financial liabilities	31 December 2024	—	987,566	—	987,566

	31 December 2023			
	Fair value measurement applied			
	Valuation date	Valuation based on assumptions confirmed by observable data (Level 2)	Valuation based on assumptions not confirmed by observable data (Level 3)	Total
Assets carried at fair value				
Loans and advances to banks in precious metals	31 December 2023	107,328	—	107,328
Investment securities at fair value through profit or loss:				
Ukrainian government bonds	31 December 2023	—	19,071,183	19,071,183
Securities held for trading:				
Ukrainian government bonds	31 December 2023	3,878,986	—	3,878,986
Investment securities at fair value through other comprehensive income:				
Ukrainian government bonds	31 December 2023	27,572,598	—	27,572,598
Corporate shares	31 December 2023	—	20,342	20,342
Derivative financial assets	31 December 2023	652,249	—	652,249
Investment property	01 December 2023	752,086	—	752,086
Buildings	01 December 2022	1,757,369	—	1,757,369
Land	01 December 2022	3,861	—	3,861
Liabilities carried at fair value				
Customer accounts in precious metals	31 December 2023	74,255	—	74,255
Derivative financial liabilities	31 December 2023	1,377	—	1,377
Assets for which fair value is disclosed				
Loans and advances to banks	31 December 2023	902,537	—	902,537
Loans and advances to customers	31 December 2023	—	74,024,396	74,024,396
Investment securities at amortised cost	31 December 2023	18,670,451	—	18,670,451
Other financial assets	31 December 2023	545,524	—	545,524
Liabilities for which fair value is disclosed				
Due to other banks	31 December 2023	6,391,084	—	6,391,084
Customer accounts	31 December 2023	213,871,691	—	213,871,691
Other borrowed funds	31 December 2023	28,601,479	—	28,601,479
including Eurobonds issued	31 December 2023	2,284,038	—	2,284,038
Subordinated debt	31 December 2023	2,812,757	—	2,812,757
Other financial liabilities	31 December 2023	932,072	—	932,072

When moving between levels of the fair value hierarchy, the Bank adheres to the policy of determining the time of transfers - at the end of the reporting period.

As at 31 December 2024, investment securities at fair value through profit or loss represented by Ukrainian government bonds with indexed value were transferred from Level 3 to Level 2 of the hierarchy due to insignificant effect of unobservable inputs of historical volatility of the UAH/USD exchange rate in the Garman-Kohlhagen model, used in the calculation of the fair value of Ukrainian indexed government bonds (the threshold for determining the significance of unobservable inputs to the fair value measurement is less than 10% (assumption for the impact of changes in unobservable inputs)).

#### **Investment securities at fair value through profit or loss and investment securities at fair value through other comprehensive income**

The fair value of investment securities at fair value through profit or loss is determined using the valuation model, which inputs are both observable in the market (exchange rate, coefficients of zero-coupon yield curve on Ukrainian government bonds in UAH (Nelson-Siegel model), interest rates) and unobservable in the market (historical exchange rate volatility). The fair value of Ukrainian indexed government bonds is determined using of the appropriate software complex and is controlled by the specialists of the back-office support of operations on the financial markets of the Operations Department.

The fair value of investment securities at fair value through other comprehensive income (excluding shares) is determined by quotations in the securities market or using the method of discounting cash flows based on the NBU yield curve. The fair value determination processes are controlled by the specialists of the back-office support of operations on the financial markets of the Operations Department.

The fair value of shares is determined using the models that include only unobservable market inputs, including the assumptions about the future financial performance of an investee. This calculation is performed using the data of the annual official information on the financial and economic activity of the issuers of securities, if it was made public in accordance with the requirements of the current legislation of Ukraine using the appropriate software complex and is controlled by the specialists of the back-office support of operations on the financial markets of the Operations Department.



## Derivative financial instruments

Market approach and open level 2 inputs are used to determine fair value, where possible. Generally, the market approach is used to determine the fair value of interest rate swaps, forwards and swaps in the foreign exchange market for the most liquid currencies.

The determination of the fair value of the interest rate swap is based on the model of the interest rate swap as a combination of two bonds, which is based on the fact that notional amounts of credits that are conditionally exchanged between the parties to the contract are equal, and therefore the interest rate swap can be represented as a combination of a long position in one bond and short position in another bond.

When determining the fair value of a currency swap, the method of determination of the fair value of a currency forward, which is a part of a currency swap, is used. The fair value of a currency forward is determined based on the assumption of a fair forward exchange rate, which is calculated based on the current exchange rate, the effective rate in the base and related currencies, and the terms to maturity.

## Fair value of financial assets and financial liabilities not measured at fair value

Set out below is a comparison by class of the carrying amounts and fair values of the Bank's financial instruments that are not measured at fair value in the statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents	112,210,287	112,210,287	110,794,727	110,794,727
Loans and advances to banks	1,027,186	1,027,186	902,537	902,537
Loans and advances to customers	78,663,589	78,815,097	74,569,673	74,024,396
Investment securities at amortised cost	34,461,339	34,246,975	19,451,294	18,670,451
Other financial assets	164,191	164,191	545,524	545,524
<b>Financial liabilities</b>				
Due to banks	2,319,083	2,319,083	6,391,084	6,391,084
Due to customers	243,990,584	244,048,280	213,875,108	213,871,691
Other borrowed funds	25,442,582	25,432,488	28,730,787	28,601,479
<i>including Eurobonds issued</i>	<i>889,197</i>	<i>879,103</i>	<i>2,413,346</i>	<i>2,284,038</i>
Subordinated debt	4,302,222	3,347,948	3,805,882	2,812,757
Other financial liabilities	987,566	987,566	932,072	932,072

The following describes the methodologies and assumptions used to determine fair values for the financial instruments that are not recorded at fair value in the annual financial statements.

## Assets which fair value approximates their carrying amount

For the financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months), it is assumed that their carrying amounts approximate their fair values. This assumption is also applied to on demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

## Fixed rate financial instruments

The fair values of fixed rate financial assets and financial liabilities measured at amortised cost are estimated by comparing the market interest rates at the date when they were first recognised with the current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using the prevailing money-market interest rates for debts with similar credit risk and maturity. For listed debt issued, the fair values are based on quoted market prices. For listed securities issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity.

### Movements in level 3 assets measured at fair value

The following table presents a reconciliation of the opening and closing amount of Level 3 assets which are measured at fair value:

	<i>At 1 January 2024</i>	<i>Gain/ (loss) recognised in the statement of profit or loss</i>	<i>Gain/ (loss) recognised in the statement of comprehensive income</i>	<i>Calculation</i>	<i>Transfer from level 3 to level 2 of the hierarchy</i>	<i>At 31 December 2024</i>
Investment securities at fair value through profit or loss	19,071,183	2,895,496 <sup>(a)</sup>	–	(740,460) <sup>(c)</sup>	(21,226,219)	–
Investment securities at fair value through other comprehensive income	20,342	2,166 <sup>(b)</sup>	(292)	(2,166) <sup>(d)</sup>	–	20,050
<b>Total assets</b>	<b>19,091,525</b>	<b>2,897,662</b>	<b>(292)</b>	<b>(742,626)</b>	<b>(21,226,219)</b>	<b>20,050</b>

	<i>At 1 January 2023</i>	<i>Gain/ (loss) recognised in the statement of profit or loss</i>	<i>Gain/ (loss) recognised in the statement of comprehensive income</i>	<i>Calculation</i>	<i>At 31 December 2023</i>
Investment securities at fair value through profit or loss	26,961,581	1,986,212 <sup>(a)</sup>	–	(9,876,610) <sup>(c)</sup>	19,071,183
Investment securities at fair value through other comprehensive income	22,179	958 <sup>(b)</sup>	(1,837)	(958) <sup>(d)</sup>	20,342
<b>Total assets</b>	<b>26,983,760</b>	<b>1,987,170</b>	<b>(1,837)</b>	<b>(9,877,568)</b>	<b>19,091,525</b>

- (a) Gains in the amount of UAH 2,895,496 thousand include: UAH 2,150,963 thousand of revaluation of investment securities at fair value through profit or loss included in “Net gain/(loss) on transactions with financial instruments at fair value through profit or loss” and UAH 744,533 thousand of accrued interest income included in “Other interest income”. (2023: Gains in the amount of UAH 1,986,212 thousand include: UAH 971,758 thousand of revaluation of investment securities at fair value through profit or loss included in “Net gain/(loss) on transactions with financial instruments at fair value through profit or loss” and UAH 1,014,454 thousand of accrued interest income included in “Other interest income”).
- (b) Accrued dividends in the amount of UAH 2,166 thousand included in “Other income” (2023: accrued dividends in the amount of UAH 958 thousand included in Article “Other income”).
- (c) Redemption in the amount of UAH 740,460 thousand include: UAH 740,460 thousand of coupon payments (2023: redemption in the amount of 9,876,610 thousand include: UAH 8,746,150 thousand of redemption of securities and UAH 1,130,460 thousand of coupon payments).
- (d) Dividend payments in the amount of UAH 2,166 thousand (2023: dividend payments in the amount of UAH 958 thousand).

Gains or losses on level 3 assets at fair value included in the profit or loss for the reporting period comprise:

	<b>2024</b>		
	<i>Realised gains</i>	<i>Unrealised gains/ (losses)</i>	<i>Total</i>
Investment securities at fair value through profit or loss	628,394	2,267,102	2,895,496
Investment securities at fair value through other comprehensive income	2,166	–	2,166
<b>Total</b>	<b>630,560</b>	<b>2,267,102</b>	<b>2,897,662</b>

	<b>2023</b>		
	<i>Realised gains</i>	<i>Unrealised gains/ (losses)</i>	<i>Total</i>
Investment securities at fair value through profit or loss	902,389	1,083,823,	1,986,212
Investment securities at fair value through other comprehensive income	958	–	958
<b>Total</b>	<b>903,347</b>	<b>1,083,823</b>	<b>1,987,170</b>

The tables below represents the quantitative information as at 31 December 2024 and 2023 about significant unobservable inputs used for the fair valuation of assets classified as those of Level 3 of the fair value hierarchy:

<i>At 31 December 2024</i>	<i>Carrying amount</i>	<i>Valuation technique</i>	<i>Unobservable parameter</i>	<i>Parameter values (%)</i>
Investment securities at fair value through other comprehensive income	20,050	Discounted cash flows	Expected profitability	13.9

<i>At 31 December 2023</i>	<i>Carrying amount</i>	<i>Valuation technique</i>	<i>Unobservable parameter</i>	<i>Parameter values (%)</i>
Investment securities at fair value through other comprehensive income	20,342	Discounted cash flows	Expected profitability	13.9
Investment securities at fair value through profit or loss	19,071,183	Garman - Kohlhagen model	Historical UAH/USD exchange rate volatility	24.498

### Sensitivity of fair value measurement for Level 3 to possible changes in the inputs used

As at 31 December 2023, if the historical exchange rate volatility increases/decreases by 1 percentage point the fair value of investment securities at fair value through profit or loss would increase by UAH 2,332.14 thousand / decrease by UAH 2,272.14 thousand.

As at 31 December 2023, the Bank assumes the impact of changes in exchange rate volatility as at December 31, 2023 when measuring the fair value of investment securities at fair value through profit or loss at +68.18 percentage points. The effect of such changes in the exchange rate volatility on Ukrainian government bonds with indexed value is UAH 365,643.34 thousand and will result in the profit increase.

## 31. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. See Note 29 for the Bank contractual undiscounted repayment obligations.

	<i>31 December 2024</i>			<i>31 December 2023</i>		
	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>
<b>Assets</b>						
Cash and cash equivalents	112,210,287	–	112,210,287	110,794,727	–	110,794,727
Loans and advances to banks	369,770	807,435	1,177,205	289,542	720,323	1,009,865
Loans and advances to customers	36,283,817	42,379,772	78,663,589	39,247,402	35,322,271	74,569,673
Investments in securities:						
- at fair value through profit or loss	10,753,328	10,472,891	21,226,219	112,066	18,959,117	19,071,183
- at fair value through other comprehensive income	16,329,138	18,718,169	35,047,307	12,560,449	15,032,491	27,592,940
- at amortised cost	19,075,440	15,385,899	34,461,339	11,047,160	8,404,134	19,451,294
- held for trading	1,438,482	2,279,974	3,718,456	3,878,986	–	3,878,986
Current tax assets	–	–	–	3,027	–	3,027
Derivative financial assets	22,137	37,641	59,778	409,516	242,733	652,249
Non-current assets classified as held for sale	1,794	–	1,794	61,585	–	61,585
Investment property	–	607,139	607,139	–	752,086	752,086
Property, plant and equipment	–	1,721,415	1,721,415	–	2,074,934	2,074,934
Intangible assets	–	203,791	203,791	–	50,822	50,822
Deferred tax asset	–	1,687,491	1,687,491	–	1,840,007	1,840,007
Other financial assets	164,191	–	164,191	545,524	–	545,524
Other non-financial assets	198,120	–	198,120	150,357	–	150,357
<b>Total</b>	<b>196,846,504</b>	<b>94,301,617</b>	<b>291,148,121</b>	<b>179,100,341</b>	<b>83,398,918</b>	<b>262,499,259</b>
<b>Liabilities</b>						
Due to other banks	2,319,083	–	2,319,083	6,385,956	5,128	6,391,084
Customer accounts	243,637,545	456,875	244,094,420	213,631,708	317,655	213,949,363
Derivative financial liabilities	363	–	363	1,377	–	1,377
Other borrowed funds	3,739,063	21,703,519	25,442,582	452,650	28,278,137	28,730,787

	31 December 2024			31 December 2023		
	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>
Subordinated debt	79,962	4,222,260	4,302,222	73,465	3,732,417	3,805,882
Allowance for loan commitments and financial guarantee contracts	36,065	–	36,065	246,447	–	246,447
Other financial liabilities	987,566	–	987,566	932,072	–	932,072
<i>Including lease commitments</i>	<i>4,667</i>	<i>42,444</i>	<i>47,111</i>	<i>4,035</i>	<i>–</i>	<i>4,035</i>
Other non-financial liabilities	507,562	–	507,562	474,210	–	474,210
Current tax liabilities	11,365	–	11,365	–	–	–
Due to other banks	2,077,213	–	2,077,213	596,600	–	596,600
<b>Total</b>	<b>253,395,787</b>	<b>26,382,654</b>	<b>279,778,441</b>	<b>222,794,485</b>	<b>32,333,337</b>	<b>255,127,822</b>
<b>Net amount</b>	<b>(56,549,283)</b>	<b>67,918,963</b>	<b>11,369,680</b>	<b>(43,694,144)</b>	<b>51,065,581</b>	<b>7,371,437</b>

The maturity analysis does not reflect the historical stability of current accounts. Such accounts are closed during a longer period than that specified in the tables above. These balances are included to amounts payable within one year.

Amounts due to customers include term deposits of individuals. In accordance with the Ukrainian law, the Bank is obliged to return term deposit on maturity date specified in the deposit agreement. The return of term deposit on customer's request prior to the date of maturity or occurrence of other events specified in the agreement could be done only in cases provided for by the deposit agreement. The Bank expects that customers will not request term deposits early, thus these balances are included in disclosures above in accordance with their contractual maturities. The Bank estimates that due to customers will not change significantly in 2025, taking into account the planned inflows of due to customers. However, according to the Bank's estimates, outflows of due to customers, excluding inflows, will not exceed UAH 90,245,988 thousand by the end of 2025, so the expected liquidity gap will be positive.

## 32. Presentation of financial instruments by measurement category

Assets by measurement categories as at 31 December 2024 are as follows:

	<i>Assets at fair value through other comprehensive income</i>	<i>Assets at fair value through profit or loss</i>	<i>Assets at amortised cost</i>	<i>Total</i>
Cash and cash equivalents	–	–	112,210,287	112,210,287
Loans and advances to banks	–	150,019	1,027,186	1,177,205
Loans and advances to customers	–	–	78,663,589	78,663,589
Investments in securities	35,047,307	24,944,675	34,461,339	94,453,321
Derivative financial assets	–	59,778	–	59,778
Other financial assets	–	–	164,191	164,191
<b>Total</b>	<b>35,047,307</b>	<b>25,154,472</b>	<b>226,526,592</b>	<b>286,728,371</b>

Assets by measurement categories as at 31 December 2023 are as follows:

	<i>Assets at fair value through other comprehensive income</i>	<i>Assets at fair value through profit or loss</i>	<i>Assets at amortised cost</i>	<i>Total</i>
Cash and cash equivalents	–	–	110,794,727	110,794,727
Loans and advances to banks	–	107,328	902,537	1,009,865
Loans and advances to customers	–	–	74,569,673	74,569,673
Investments in securities	27,592,940	22,950,169	19,451,294	69,994,403
Derivative financial assets	–	652,249	–	652,249
Other financial assets	–	–	545,524	545,524
<b>Total</b>	<b>27,592,940</b>	<b>23,709,746</b>	<b>206,263,755</b>	<b>257,566,441</b>

As at 31 December 2024, all financial liabilities of the Bank were accounted for at amortised cost, except the attracted gold-denominated deposits and derivative financial liabilities accounted for at FVTPL (31 December 2023: all financial liabilities of the Bank were accounted for at amortised cost, except the attracted gold-denominated deposits and derivative financial liabilities accounted for at FVTPL).

### 33. Related party transactions

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if they are under common control, or one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

The terms of all transactions with related parties are market terms.

Transactions and balances with related parties comprise transactions with entities controlled, directly or indirectly, or significantly influenced by the Ukrainian Government and with the key management personnel.

The outstanding balances with key management personnel as at 31 December 2024 and 2023 and related income and expense for 2024 and 2023, are as follows:

	<i>Key management personnel</i>	
	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Loans to and advances to customers, gross</b>	–	<b>1,110</b>
Less: Allowance for impairment	–	(10)
<b>Loans and advances to customers, net</b>	<b>–</b>	<b>1,100</b>
Other financial assets	3	3
Current accounts	2,630	6,326
Time deposits	215	5,636
<b>Due to customers</b>	<b>2,845</b>	<b>11,962</b>
Other non-financial liabilities	2	15
	<i>Key management personnel</i>	
	<i>2024</i>	<i>2023</i>
Interest income on loans	87	130
Interest expense on customer deposits	(70)	(269)
Fee income	197	174
Net gain/(loss) from foreign exchange translation	68	428

In 2024, the aggregate remuneration and other benefits paid to key management personnel amounted to UAH 124,899 thousand (UAH 42 thousand of payments to the non-state pension fund) (2023: UAH 83,990 thousand (UAH 51 thousand of payments to the non-state pension fund)).

In the normal course of business, the Bank enters into contractual agreements with the Government of Ukraine and entities controlled, either directly or indirectly, or significantly influenced by the state. The Bank provides the government-related entities with a full range of banking service including, but not limited to, lending, deposit-taking, issue of guarantees, transactions with securities, cash and settlement transactions.

Balances with entities controlled, directly or indirectly, or significantly influenced by the Ukrainian Government, which are individually significant in terms of the carrying amount as at 31 December 2024 are disclosed below:

<i>Client</i>	<i>Sector</i>	<i>Cash and cash equivalents</i>	<i>Loans and advances to banks</i>	<i>Loans and advances to customers</i>	<i>Derivative financial assets</i>	<i>Due to other banks</i>	<i>Due to customers</i>	<i>Other borrowed funds</i>	<i>Guarantees issued</i>
Client 1	State entities	–	–	–	–	–	21,209,452	–	–
Client 2	State entities	–	–	–	–	–	3,452,648	–	–
Client 3	Finance	53,696,588	67,870	–	59,537	–	–	–	–
Client 4	Finance	–	–	2,892,933	–	–	–	129,015	–
Client 5	Finance	–	–	–	–	–	–	304,931	–

<i>Client</i>	<i>Sector</i>	<i>Cash and cash equivalents</i>	<i>Loans and advances to banks</i>	<i>Loans and advances to customers</i>	<i>Derivative financial assets</i>	<i>Due to other banks</i>	<i>Due to customers</i>	<i>Other borrowed funds</i>	<i>Guarantees issued</i>
Client 6	Finance	–	–	–	–	68,712	–	–	–
Client 7	Finance	–	–	–	–	31,756	–	–	–
Client 8	Power engineering	–	–	3,654,012	–	–	9,486,860	–	–
Client 9	Power engineering	–	–	8,004,235	–	–	1,035,698	–	–
Client 10	Power engineering	–	–	–	–	–	2,296,258	–	–
Client 11	Extractive industry	–	–	6,340,013	–	–	5,013,927	–	–
Client 12	Extractive industry	–	–	7,517,575	–	–	95,808	–	–
Client 13	Transport and communications and technical activities	–	–	–	–	–	4,900,119	–	–
Client 14	Transport and communications and technical activities	–	–	422,949	–	–	3,638,523	–	–
Client 15	Trade	–	–	–	–	–	1,711,404	–	1,924,533
Client 16	Trade	–	–	–	–	–	1,450,409	–	1,853,876
Client 17	Mechanical engineering	–	–	2,040,730	–	–	1,325,402	–	–
Client 18	Mechanical engineering	–	–	–	–	–	2,498,992	–	–
Client 19	Professional, scientific and technical activities	–	–	4,481,326	–	–	–	–	–
Client 20	Road construction	–	–	3,811,855	–	–	–	–	–
Other		–	–	1,502,237	–	–	31,261,994	–	–

Balances with entities controlled, directly or indirectly, or significantly influenced by the Ukrainian Government, which are individually significant in terms of the carrying amount as at 31 December 2023 are disclosed below:

<i>Client</i>	<i>Sector</i>	<i>Cash and cash equivalents</i>	<i>Loans and advances to customers</i>	<i>Derivative financial assets</i>	<i>Due to other banks</i>	<i>Due to customers</i>	<i>Other borrowed funds</i>	<i>Guarantees issued</i>
Client 1	State entities	–	–	–	–	16,555,749	–	–
Client 2	State entities	–	–	–	–	2,733,669	–	–
Client 3	Finance	52,546,096	–	647,780	–	–	–	–
Client 4	Finance	–	–	–	–	2,193,265	–	–
Client 7	Finance	–	–	–	1,159,635	–	–	–
Client 21	Finance	–	–	–	827,851	–	–	–
Client 5	Finance	–	–	–	–	–	300,620	–
Client 6	Finance	–	–	–	291,408	–	–	–
Client 11	Extractive industry	–	5,701,115	–	–	4,183,134	–	–
Client 12	Extractive industry	–	7,222,152	–	–	–	–	–
Client 8	Power engineering	–	3,731,157	–	–	3,744,293	–	–
Client 9	Power engineering	–	7,149,455	–	–	–	–	–
Client 10	Power engineering	–	–	–	–	–	–	1,408,028
Client 14	Transport and communications and technical activities	–	803,809	–	–	6,417,893	–	–
Client 20	Road construction	–	5,609,958	–	–	–	–	–
Client 18	Mechanical engineering	–	–	–	–	3,611,491	–	–
Client 17	Mechanical engineering	–	2,193,779	–	–	–	–	–
Client 16	Trade	–	–	–	–	–	–	1,902,107
Client 15	Trade	–	–	–	–	–	–	1,846,388
Client 22	Professional, scientific and technical activities	–	754,649	–	–	–	–	–
Other		–	2,111,175	–	–	36,350,438	–	–

During the year ended 31 December 2024, the Bank recorded UAH 8,997,774 thousand of interest income under significant transactions with entities controlled, directly or indirectly, or significantly influenced by the Ukrainian Government (2023: UAH 8,266,145 thousand), including the interest income of UAH 4,315,715 thousand under transactions with the NBU deposit certificates with maturity up to 90 days (2023: UAH 3,846,170 thousand) of interest income and UAH 3,938,517 thousand (2023: UAH 5,096,947 thousand) of interest expenses.

As at 31 December 2024 the Bank's investments in securities issued by the Ukrainian Government or by entities controlled, directly or indirectly, or significantly influenced by the Ukrainian Government included the following:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Investment securities at fair value through profit or loss	21,226,219	19,071,183
Investment securities at fair value through other comprehensive income	35,046,364	27,589,928
Investment securities at amortised cost	17,851,204	19,133,225
Investment securities held for trading	3,718,456	3,878,986
<b>Total</b>	<b>77,842,243</b>	<b>69,673,322</b>

The carrying amount of Ukrainian government bonds is disclosed in Note 11.

During 2024, the Bank recognised income in the amount of UAH 7,517,781 thousand on transactions with Ukrainian government bonds (2023: UAH 5,819,759 thousand) and income in the amount UAH 457,360 thousand on transactions with other investment securities (2023: UAH 714,315 thousand).

As at 31 December 2024, guarantees received by the Bank from the Government or entities controlled, directly or indirectly, or significantly influenced by the Ukrainian Government, amounted to UAH 22,615,661 thousand (31 December 2023: UAH 31,698,959 thousand).

### 34. Capital adequacy

The Bank manages its capital adequacy to mitigate the risks inherent in its operations. The adequacy of the Bank capital is monitored using the ratios established by the NBU and 1988 Basel Accord.

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and proper capital ratios in order to support its business activities and maximise the value to the shareholder.

The Bank manages its capital structure and adjusts it accordingly in light of changes in economic conditions and the characteristics of the risks associated with its activities.

#### NBU capital adequacy ratios

Starting from August 5, 2024, the National Bank changed the requirements for the structure and calculation of capital, as well as for the calculation and limit values of capital adequacy ratios.

The National Bank of Ukraine has set the regulatory capital adequacy ratio at not less than 8.5% until December 31, 2024, 9.25% until June 30, 2025, and 10% from July 1, 2025), Tier 1 ratio at not less than 7.5%, and common equity Tier 1 ratio at not less than 5.625%.

As at 31 December 2024, the Bank operates under the Capitalization/Restructuring Program and complies with all capital adequacy ratios.

The Bank capital adequacy ratios were as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Common equity Tier 1 (for 31.12.2023 – main capital)	9,867,109	1,977,222
Tier 1 (for 31.12.2023 - additional capital, calculated)	9,867,109	9,571,930
Tier 2 (for 31.12.2023 - additional capital limited by the amount of main capital)	3,363,120	1,956,880
<b>Total regulatory capital</b>	<b>13,230,229</b>	<b>3,934,102</b>
<b>Exposure at risk (for 31.12.2023 - risk weighted assets)</b>	<b>92,228,737</b>	<b>94,609,317</b>
Common Equity Tier 1 ratio	10.70%	2.09%
Tier 1 ratio	10.70%	-
Regulatory capital ratio	14.35%	4.16%

Regulatory capital as at 31 December 2024 comprises common equity Tier 1 (CET1) consisting of own common equity Tier 1 instruments (charter capital), part of the profit that meets the NBU requirements for their inclusion in CET1, positive result of adjusting the value of financial instruments under transactions with the bank's shareholders at initial recognition less losses

of previous years, deferred tax asset, part of intangible assets and capital investments in intangible assets, part of the carrying amount of assets (non-current assets held for sale; repossessed pledged property, property, plant and equipment), which are not used by the bank at the time of executing the types of activities described in Article 47 of the Law of Ukraine “On Banks and Banking”, investment property, investments in financial sector institutions, overdue and unpaid income exceeding 30 days not covered by provisions, as well as Tier 2 capital, which consists of subordinated debt.

#### Capital adequacy ratio under 1988 Basel Accord

The Bank capital adequacy ratios computed in accordance with the Basel Capital Accord 1988 were as follows:

	<i><b>31 December 2024</b></i>	<i><b>31 December 2023</b></i>
Tier 1 capital	9,071,147	6,155,407
Tier 2 capital, calculated	5,661,652	4,293,734
Tier 2 capital, included in calculation of total equity	5,661,652	4,293,734
<b>Total equity</b>	<b>14,732,799</b>	<b>10,449,141</b>
<b>Risk weighted assets</b>	<b>102,552,862</b>	<b>100,999,561</b>
Tier 1 capital adequacy ratio	8.8%	6.1%
Total capital adequacy ratio	14.4%	10.3%

### 35. Events after the reporting date

In January 2025, the Bank made the final payment in the amount of USD 20,283 thousand (equivalent of UAH 855,401 thousand) according to the maturity schedule of Eurobonds in the form of loan participation notes with initial total nominal value of USD 600,000 thousand (note 21)

On March 6, 2025, the Board of the National Bank of Ukraine adopted the decision to raise the NBU discount rate up to 15.5%.