

PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK “UKRGASBANK”

Management report

Financial statements

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

Translation from Ukrainian

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Management report

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Management report of JSB "UKRGASBANK" for 2024

Translation from Ukrainian

Speech of the Chairperson of the Supervisory Board

In 2024, UGB (renewed Ukrgasbank) continued to operate smoothly in the face of Russia's full-scale armed aggression against Ukraine and remains efficient, liquid, operationally resilient and profitable. We improved our operations in all segments and strengthened our resilience. While focusing on supporting the Ukrainian economy, we also actively pursued areas that are important to our organisation, such as sustainable development, promotion of inclusion and transparency in the market.

The Bank presented to its clients, partners and investors the UGB Annual Report and Sustainability Report for 2023. These documents demonstrate our resilience, strategic progress and commitment even in the most challenging conditions. More information about the Reports is available here: https://ukrgasbank.com/upload/file/ugb_annualreport_2023.pdf

We continued to work in partnership with a variety of international financial institutions to support the Ukrainian economy, providing support for the country's exports as well as imports, thanks to our unique expertise in trade finance.

Recently, Fitch Ratings, one of the world's leading international rating agencies, upgraded the Bank's national long-term rating to AA+(ukr), with a stable outlook, which confirms our resilience.

As a leading sustainable development bank, UGB continued its systematic work to promote financial inclusion. This includes building an accessible environment, re-equipping bank branches, changing approaches to customer service, reintegrating veterans, and training employees to communicate correctly with military personnel, veterans, and people with disabilities.

UGB issued the first loan in Ukraine under the pilot project "Reintegration of Veterans and War Victims", which is being implemented jointly with the European Bank for Reconstruction and Development (EBRD). The aim of this project is to help veterans adapt to civilian life and encourage businesses to facilitate their adaptation.

The bank received the Europe Best Financier for Women Entrepreneurs award at the Global SME Finance Awards at the SME Finance Forum 2024, initiated by IFC.

In 2024, UGB became one of the first two banks in Ukraine to join the EBRD's Energy Security Support Facility (ESSF), which will enable the country's financial sector to improve access to finance for energy security investments in Ukraine. The EBRD has provided the bank with a €150 million portfolio guarantee to support lending to small and medium-sized enterprises (SMEs), private households, municipalities and medium-sized corporate clients for decentralised energy generation and energy efficiency projects. Such projects are key to Ukraine's energy security.

In addition, UGB joined the Memorandum on Transparency of the Payment Services Market. Its main goal is to strengthen the fight against shadow financial transactions and prevent fraudsters or malicious actors from using bank cards and payment infrastructure. The Memorandum will facilitate the implementation of European standards and requirements of the EU legislation, as well as the creation of a level playing field for all market participants.

UGB is committed to continuing to support the Ukrainian economy and improve the quality of service to our clients in these challenging times. We are committed to continuing to improve our operations, risk management and compliance practices in line with international best practice.

I am sincerely grateful to our customers, shareholders, partners and employees for their trust and support, and look forward to new achievements in the coming business year!

Chairperson of the Supervisory Board

Sanela PASIC

A handwritten signature in blue ink, appearing to read 'Sanela', with a long horizontal stroke extending to the left and a small mark to the right.

Speech of Acting Chairperson of the Management Board

Ladies and Gentlemen!

In 2024, UGB (renewed Ukrgasbank) continued to focus on supporting the country's economy, helping the military, and participating in charitable projects. Due to the challenges faced by the country, the bank directed funding to critical sectors of the economy, including infrastructure, energy, agriculture, and manufacturing. Due to the constant shelling of the energy sector by the Russian Federation, UGB has developed and implemented many energy-efficient programmes that help Ukrainians and businesses to be energy independent.

The bank actively financed eco-projects, helping businesses become more energy efficient - in total, the bank financed 100 projects worth UAH 2 billion with a total generation capacity of 135 MW in 2024 to support Ukraine's energy independence.

In 2024, the bank also launched accreditation of electricity traders. And we signed a cooperation agreement with NPC "Ukrenergo", under which we became an authorised bank in the ancillary services market.

A number of energy-independent programmes were implemented, which opened up new opportunities for Ukrainian businesses to store and accumulate energy. The bank's targeted efforts to ensure the country's energy independence were recognised by the reputable Banker magazine, which named UGB an Energy Independence Driver.

In 2024, UGB issued UAH 8 billion to small and medium-sized businesses to support the country's economy, as SME financing is also one of our priorities.

In 2024, the Bank also retained its leadership in supporting exporters under the Export Credit Agency's portfolio loan insurance programme.

We were the first to provide a loan to an agricultural enterprise in the de-occupied Kherson region. We were also the first bank to open accounts for clients under the new humanitarian demining programme.

I would like to note that in 2024, UGB's Black Sea ships' insurance deal was recognised as one of the best by the Global Trade Review. This is the second time that the most respected trade finance publication has recognised UGB as the best trade finance bank in Eastern Europe.

In 2024, UGB continued to systematically support the UNBROKEN National Rehabilitation Centre (UNBROKEN), which treats and rehabilitates servicemen, veterans and Ukrainians affected by the war. The bank's assistance to UNBROKEN reached UAH 40 million at the end of 2024. In addition, UGB provided a loan for the reconstruction of a hospital and the installation of unique medical equipment in Zhytomyr. And the bank signed a Memorandum of Cooperation with the Mykolaiv City Centre for Support of War Veterans.

The Bank strengthened and expanded its customer experience research: we doubled the number of customer feedback channels, increased the number of reviews and suggestions 10 times, updated our service standards to make our service more modern and comfortable, and continuously improved the skills of our employees. Our actions resulted in a +9% increase in the NPS (customer loyalty index).

We have worked hard to make banking services even more convenient and accessible for our customers: we have launched a virtual card "ECO-credit card", which can be opened in our mobile application "ECO-bank". By the way, this year it became possible to send bank cards not only within Ukraine but also around the world.

We developed and launched a terminal in the UGB TaP&Pay phone - an innovative solution for small businesses to accept contactless payments via a smartphone with an NFC module, so now entrepreneurs no longer need a physical terminal.

I would also like to mention the bank's restyling: we have updated the brand positioning, corporate identity, and updated the bank's communication platform. From now on, Ukrgasbank uses "UGB eco-bank of the country" and a new logo in its communications. The updated positioning of our brand takes into account the new meanings and challenges that emerged during the full-scale war and maintains the bank's unchanged environmental focus. I would like to note that Ukrgasbank has not changed its official name.

In the context of a full-scale invasion, Ukraine and Ukrainians have been forced to live and work in new realities for three years now. And we see our mission as helping the state to strengthen its economy, businesses to recover and continue to operate, and communities to rebuild and develop.

I am sincerely grateful to our customers, shareholders and partners for their trust, cooperation and support, especially in these difficult times for our country.

Glory to Ukraine!

Acting Chairperson of the Management Board



Rodion MOROZOV

Information on development and probable prospects for further development of JSB "UKRGASBANK" (hereinafter also referred to as the Bank)

In 2024, the Ukrainian banking system continues to operate in a crisis environment. Large-scale military operations in the country have significantly changed the operating environment of the banking sector.

In accordance with the decisions of the National Bank of Ukraine, public sector banks, including the Bank, are included in the list of critical infrastructure facilities in the banking system of Ukraine and the list of authorised banks of Ukraine involved in work (operations) during the special period.

By the decision of the Management Board of the Bank dated 24 February 2022, the Action Plan of JSB "UKRGASBANK" under the emergency mode of operation was approved, according to which during the special period the operational headquarters operated in the Bank, which took over the powers of collegial bodies and coordinated the actions of the Bank's employees in terms of work under the emergency mode. However, as at 06 March 2023, the Bank resumed the activities of the Management Board and collegial bodies of the Management Board.

In 2024, the number of operating banks decreased by 2 down to 62. According to the information on the performance indicators of the banking system of Ukraine as at 01 January 2025 published on the National Bank of Ukraine (hereinafter also referred to as the NBU) website in the relevant section (<https://bank.gov.ua/ua/statistic/supervision-statist> (hereinafter the information on the performance indicators of the banking system of Ukraine as a whole, as well as the Bank share in relation to other banks of the banking system of Ukraine are given according to the data of files 02X of statistical reporting as at 01 January 2025)), the market share of state financial institutions of the banking system of Ukraine as at 01 January 2025 was 53.3% and 63.3% in terms of net assets and retail deposits, respectively. The degree of concentration in the sector has remained almost unchanged over the past few years: as at 01 January 2025, 20 banks accounted for 93.4% of net assets.

As at 01 January 2025, the Bank share in the banking system assets is 5.8%. As at 01 January 2025, the loan portfolio of banking system customers amounted to UAH 823.8 billion, with the Bank share in the loan portfolio amounting to 8.2%. As at 01 January 2025, the portfolio of customer accounts of the banking system of Ukraine amounted to UAH 2,823 million, while the Bank share in the customer accounts portfolio was 5.9%. During 2024, the Bank fulfilled all its obligations on time and in full.

As at 1 January 2025, in accordance with the requirements of the NBU, the Bank successfully operated 121 hub branches (branches of the Bank equipped with generators and guaranteed backup communication lines and/or provided with Starlink satellite communication and able to operate in Blackout conditions), which is 56% of the Bank's network branches (215 branches). In addition to the hub branches, other branches of the Bank are also equipped with generators and backup communication channels.

The Bank is one of the market leaders in supporting priority sectors of the economy; it provides financial support to customers of priority sectors of critical infrastructure enterprises and participates in government programmes.

In 2023, the NBU conducted a wartime resilience assessment of banks and the banking system in April 2023, after a nearly two-year break caused by the full-scale war. The results of the bank-specific resilience assessment show that banks have sufficient capital, and the banking system as a whole has a high safety margin. Based on the results of the resilience assessment, only five banks, including the Bank, were assigned increased required capital levels. However, as at the reporting date, the Bank was among the two banks that already had a capital adequacy ratio in excess of the required level. The Bank developed an appropriate capitalisation programme, which provided for compliance with the capital adequacy ratios at the current regulatory level until 30 September 2024, and compliance with the increased required capital adequacy ratios until 31 March 2026. As at 31 December 2024, the Bank is in compliance with the current capitalisation programme.

According to the decision of the Board of the NBU (No.438-рнв dated 27 June 2019), the Bank was designated as a systemically important bank as at 01 January 2019, and according to decision of the Board of the NBU No. 70-рнв dated 29 February 2024, this status was confirmed within the annual review of the list of systemically important banks of Ukraine as at 01 January 2024. The status of

systemic importance determines the application of increased requirements to the credit risk ratio and the formation of an additional capital buffer in the future (when the capital buffers are put into effect by the regulator).

At the same time, military operations in the country have significantly changed the operating environment of the banking sector. In turn, the NBU took a number of measures to maintain the stability of the banking system during the martial law period. Thus, by Resolution of the Board of the NBU No. 23 dated 25 February 2022 "On Certain Issues of Activities of Ukrainian Banks and Banking Groups", the NBU decided not to apply any penalties for violations of economic standards and open currency position limits by banks if such violations occurred from 24 February 2022 and were caused by the negative impact of the military aggression of the Russian Federation against Ukraine.

In 2024, the Bank complied with all prudential standards and open currency position limits.

As at the end of the day on 31 December 2024, the Bank's regulatory capital amounted to UAH 13,016,218 thousand, the value of the regulatory capital adequacy ratio (N_{RC}) was 16.37%, with a regulatory value of not less than 8.5%, the value of the Tier 1 capital adequacy ratio (N_{C1}) was 16.37%, with a regulatory value of not less than 7.5% and the value of the Tier 1 core capital adequacy ratio (N_{CC1}) was 16.37%, with a regulatory value of not less than 5.625%. Based on the actual level of capital adequacy in 2024, the Bank is in compliance with capital ratios.

As at 20 December 2021, the Bank's Supervisory board approved JSB "UKRGASBANK" Development Strategy for 2022-2024 (Minutes of the Meeting No.37 dated 20 December 2021). However, the Cabinet of Ministers of Ukraine approved the Main (Strategic) Areas of Public Sector Banks' Activities for the Period of Martial Law and Post-War Economic Recovery (hereinafter - the Main Areas) by resolution No. 356-r dated 07 May 2022. The Main Areas provide for active participation of banks in ensuring the financial stability of Ukraine, support and stability of the banking sector, ensuring financing of priority sectors of the economy and uninterrupted operation of critical infrastructure enterprises (facilities), including those owned by the state.

In addition, the Main Areas stipulate that during the period of martial law, it is irrelevant and inappropriate to achieve the performance indicators of public sector banks expected in peacetime, as defined by the Principles of Strategic Reform of the Public Banking Sector (Strategic Principles) as at 02 September 2020, including the impossibility of fulfilling the key aspects, priorities and performance indicators defined by the development strategies of each public sector bank.

The Main Areas stipulate that within six months after the termination or cancellation of martial law or a state of war, the Ministry of Finance of Ukraine, together with public sector banks, should ensure the preparation and submission to the supreme governing body of the bank of updated main areas (strategic principles) of public sector banks and, accordingly, brought to date and updated own development strategies of public sector banks.

To date, the Bank continues to operate as a universal bank with a full range of banking services to all categories of customers and ensures the implementation of the strategic goals of public sector banks in accordance with the Bank's Main Areas and Budget for 2025, approved by the decision of the Bank Supervisory board No.43 dated 13 December 2024.

The budget envisages maintaining an adequate level of liquidity and continuing to optimise the structure of the balance sheet, with a preference for investments in low-risk assets.

In addition, the Bank has developed a three-year business model of JSB "UKRGASBANK" for 2025-2027 (Minutes of the Meeting of the Management Board of the Bank dated 31 December 2024 No.115). At the same time, due to the process of JSB "UKRGASBANK" Strategy development, it may be necessary to make changes to the indicators of JSB "UKRGASBANK" Business Model for 2025-2027, which will require its revision.

If security risks persist for longer than currently expected, they could lead to stronger inflationary pressures and additional losses in the potential of the Ukrainian economy as a whole and the banking sector in particular. The risks of a decline in the volume or loss of rhythm of international assistance; additional budgetary needs and significant quasi-fiscal deficits, in particular in the energy sector; significant damage to port and energy infrastructure; and negative migration trends remain relevant today.

In 2024, net hryvnia loans to businesses and households continued to grow for more than a year in a row. This was driven by a further decline in interest rates on loans to businesses, which have almost stabilised. Banks' investments in domestic government bonds grew, while the role of NBU certificates of deposit declined again. In September, hryvnia inflows from households resumed. At the same time, the growth in business deposits stalled. High operating efficiency and low provisioning resulted in consistently high profitability in the sector. This, together with a high available capital buffer, allowed banks to successfully transition to a three-tier capital structure and new capital adequacy ratios.

The quality of the loan portfolio has been improving for over a year. The share of NPLs continues to decline across the banking system, with the most rapid decline in state-owned banks. The decline in this indicator for state-owned and foreign-owned institutions is driven by an increase in new loans and NPL write-offs. At the same time, private banks saw their NPL ratio decline solely as a result of new lending.

A challenge for banks was the entry into force of legislative changes that provide for a repeated increase in the corporate income tax rate for banks to 50% in 2024.

Lending conditions will be further improved by the phased implementation of the Lending Development Strategy, which has already made energy loans more accessible. One of the next priorities will be to reduce the level of non-performing loans in the sector.

Next year, the NBU will return to its usual assessment of the banking system's resilience, including stress testing under an adverse scenario. Banks will have to ensure an adequate level of capital by the end of 2025.

The Bank's budget envisages a financial result for 2025 of UAH 3,123 million. At the same time, the profit before income tax provisions for 2025 is budgeted at UAH 8,253 million.

The amount of provisions by the end of 2025 is expected to reach UAH 1,738 million, which is mainly due to the increase in the loan portfolio and the forecasted reassessment of the national currency.

Operating income before changes in provisions is expected to reach UAH 14,329 million. The largest share in the structure of operating income before provisions is net interest income in the amount of UAH 11,927 million, or 83%, driven by corporate lending and securities transactions.

Non-interest income amounted to UAH 2,401 million or 17% of the Bank's operating income, including net fee and commission income of UAH 1,586 million, trading result of UAH 426 million (including negative result from reassessment of foreign currency position of UAH 52 million), and other income of UAH 340 million.

By the end of 2025, the Bank will accrue UAH 3,393 million of current income tax.

Information on the acquisition of shares.

During 2024, the Bank did not sell, repurchase and/or otherwise acquire its own shares.

Relations with related parties.

The Supervisory Board approved the Regulations on the Procedure for Transactions with Related Parties (hereinafter - the Regulations), which defines the following two criteria relatedness:

- Related party (NBU) - A person who meets the criteria specified in Article 52 of the Law of Ukraine "On Banks and Banking Activities" and meets the requirements of Regulation on identification of persons related to the bank, approved by the resolution of the Board of the NBU dated 05 December 2015 No. 315;

- Related Party (IFRS) - A person that meets the criteria in accordance with International Financial Reporting Standards and additional criteria specified in the loan agreement [Loan Agreement between the Bank and the International Finance Corporation dated 25 January 2021], but is not a Related Party (NBU).

A person is related to the Bank from the moment when the grounds for determining such person to be related to the Bank arise.

The criteria for determining whether a person is a related party (NBU) are:

1. Controllers of the Bank.
2. Persons who have a significant interest in the Bank and Persons through whom these Persons indirectly hold a significant interest in the Bank.

3. Managers of the Bank, the Director of the Bank's Internal Audit Department, chairmen, deputy chairmen and members of collegial bodies of the Supervisory Board and the Management Board, the Bank's Chief Risk Officer (CRO) and the Bank's Chief Compliance Officer (CCO).

4. Related and Affiliated persons of the Bank, including members of the banking group (if any).

5. Persons who have a significant interest in the Bank's Related and Affiliated Parties.

6. Heads of legal entities and heads of banks that are Related and Affiliated Parties of the Bank, the Head of Internal Audit, heads and members of committees of such entities.

7. Associates of individuals referred to in clauses 1-6 of this paragraph.

8. Legal entities in which the individuals referred to in clauses 1-7 of this paragraph are directors or owners of substantial participation.

9. Any Person through whom a transaction is conducted in the interests of the Persons referred to in clauses 1-10 of this paragraph and who is influenced in the course of such transaction by the Persons referred to in clauses 1-8 of this paragraph through labour, civil and other relations.

10. Persons who, in accordance with the criteria established by the NBU for the nature of the relationship and/or the nature of transactions, are defined as Related Parties (NBU).

The Bank ensures that the information on the Bank's related parties is up-to-date based on the information received on the persons identified as related to the Bank, and identifies new persons as related to the Bank.

The Bank shall take measures to ensure that transactions with Related Parties (NBU) comply with the requirements of the legislation from the moment the signs of a person's relationship with the Bank appear.

The Bank has the right to refuse to conduct transactions with Persons for whom it is difficult or impossible to determine the existence or absence of a relationship with the Bank.

Transactions with Related parties comprise:

1. Transactions that give rise to financial claims against Related Parties, i.e:

- placement of deposits and settlement funds with other banks;
- granting loans, including those under bills of exchange;
- factoring operations, financial leasing;
- purchase of debt securities;
- purchase of shares and other securities with non-fixed income;
- other transactions that give rise to receivables.

The requirements of this clause shall not apply to transactions with certificates of deposit of the NBU, Ukrainian government bonds and transactions on Nostro correspondent accounts.

2. Provision of financial commitments by the Bank to Related Parties, i.e:

- provision/issuance of guarantees, sureties, letters of credit, avalyses and acceptances by the Bank;
- the Bank's lending commitments.

3. Funds raising transactions (passive transactions) and other transactions carried out by the Bank within the statutory activities and not giving rise to credit risk in respect of Related Parties, except for transactions on current customer accounts, correspondent accounts Loro and Nostro.

4. Purchase/sale and/or lease of assets, business and other transactions.

Transactions with the Bank's related parties may not be made on terms that are not current market conditions. The Bank performs active transactions with related parties on terms that do not differ from the terms of active transactions with other parties. The lending eligibility criteria set out in the Credit Policy may not be adjusted to the requirements and needs of the Bank's related parties.

Transactions entered into by the Bank with its Related Parties (the NBU) on terms other than current market conditions are void from the date of their conclusion.

The following, in particular, shall not be considered as current market conditions:

- accepting less collateral than is required from other clients.
- purchase of property of poor quality or at an inflated price from a Related party.
- making an investment in securities of a Related party that the Bank would not make in another entity.
- payment for goods and services of a Related party at prices higher than usual or in circumstances where the same goods and services would not have been purchased from another party at all.
- sale of property to a Related party at a price lower than the price the Bank would have received

from the sale of such property to another party.

- accrual of interest and fees for services provided by the Bank to Related Parties that are lower than usual.
- accrual of interest on deposits attracted by the Bank from Related Parties that are higher than usual.

The Bank is obliged to take measures to ensure that transactions with Related Parties (NBU) comply with the requirements of the legislation of Ukraine from the moment the signs of a person's relationship with the Bank arise.

The Supervisory Board of the Bank decides on the Bank's active transactions with Related Parties (NBU) in cases and in accordance with the procedure provided for by the legislation of Ukraine.

The Management Board of the Bank makes decisions on the Bank's active transactions with Related Parties in accordance with the procedure established by the laws of Ukraine and within the limits (limits of the maximum credit risk exposure per Related Party) established by the Supervisory Board of the Bank.

The Management Board of the Bank, within the limits of its authority to enter into active transactions with Related Parties, may delegate its decision-making powers on entering into active transactions with Related Parties to collegial bodies of the Management Board of the Bank and authorised employees of the Bank.

Members of the Supervisory Board of the Bank, the Management Board of the Bank, collegial bodies of the Management Board of the Bank and employees of the Bank who have been delegated the authority to make decisions on active transactions by the Bank may not be involved in making decisions on active transactions in respect of themselves and/or related parties.

The Bank is prohibited from providing loans to any person to repay any obligations to a Related Party (NBU), acquiring assets of a Related Party (NBU), except for products manufactured by such person and securities placed or subscribed by a Related Party (NBU).

The Bank is prohibited from indirectly carrying out credit transactions with Related Parties, including placing funds in another bank for lending by that bank to Related Parties.

In 2024, the Bank strictly complied with the maximum credit risk exposure on transactions with related parties that meet the criteria set out in Article 52 of the Law of Ukraine "On Banks and Banking" and the requirements of Regulation 315 (related party (NBU)) - N9 and legal restrictions on transactions with related parties (NBU).

Liquidity risk and management of funding sources.

Liquidity risk is the risk that the bank will be unable to meet its obligations when they fall due without incurring unacceptable losses, or that it will be unable to manage unplanned outflows, changes in funding sources and/or meet off-balance sheet commitments. To limit this risk, management maintains a diverse funding base in addition to its core deposit base. The Management also manages the Bank's liquidity on a daily basis, taking into account correspondent account balances and plans for cash inflows and outflows; manages current liquidity for a period of up to 1 month by determining the Bank's liquidity needs and by determining the size of the liquidity gap during this period; manages liquidity for a period of more than 1 month by assessing the degree of mismatch between the term structure of assets and the term structure of liabilities and by developing measures to maintain an appropriate and sufficient level of liquidity of the Bank in the future.

Equity capital.

The Bank's financing policy is aimed at obtaining an acceptable level of risk-weighted return and improving operational efficiency. On 20 December 2021, the Bank's Supervisory Board approved JSB "UKRGASBANK" Development Strategy for 2022-2024 (Minutes of the Meeting No. 37 dated 20 December 2021). However, by its Resolution No. 356-p dated 07 May 2022, the Cabinet of Ministers of Ukraine approved the Main (Strategic) Areas of Activity of Public Sector Banks for the Period of Martial Law and Post-War Economic Recovery (hereinafter - the Main Areas). The Main Areas provide for active participation of banks in ensuring the financial stability of Ukraine, support and stability of the banking sector, ensuring financing of priority sectors of the economy and uninterrupted operation of critical infrastructure enterprises (facilities), including those owned by the state.

In addition, the Main Areas stipulate that during the period of martial law, it is irrelevant and

inappropriate to achieve the performance indicators of public sector banks expected in peacetime, as defined by the Principles of Strategic Reform of the Public Banking Sector (Strategic Principles) as at 2 September 2020, including the impossibility of fulfilling the key aspects, priorities and performance indicators defined by the development strategies of each public sector bank.

The Main Areas stipulate that within six months after the termination or cancellation of martial law or a state of war, the Ministry of Finance of Ukraine, together with public sector banks, should ensure the preparation and submission to the supreme governing body of the bank of updated main areas (strategic principles) of public sector banks and, accordingly, brought to date and updated own development strategies of public sector banks.

The Bank's policy is to maintain a strong capital base in order to maintain reasonable confidence of investors, creditors and other market participants and to sustain the Bank's business in the future. The impact of the level of capital on shareholders' return is also taken into account, and the Bank recognises the need to balance the potential for increased profitability from a higher gearing with the benefits and stability that come from a stronger financial position.

The NBU, as the primary supervisor, sets capital requirements for the Bank as a whole and monitors compliance with these requirements based on statutory reporting. The Bank and its individual operations are directly supervised by the national regulators.

Under the new capital calculation requirements introduced by the NBU for banks from 5 August 2024, a three-tier capital structure was introduced, which aims to strengthen their financial strength and ability to respond effectively to risks. The new structure provides for three main levels of capital, each of which has its own ratios calculated as a ratio of capital to total risk exposure:

- The regulatory capital adequacy ratio (NRK) must be at least 8.5% (until 31 December 2024; 9.25% until 30 June 2025; 10% from 01 July 2025);
- The Tier 1 capital adequacy ratio (NK1) is not less than 7.5%;
- The Tier 1 core capital adequacy ratio (NOK1) is not less than 5.625%;

As at 31 December 2024 and 2023, the Bank's minimum capital adequacy ratios were in compliance with the minimum regulatory requirements, i.e. 8.5% (for regulatory capital adequacy ratio), 7.5% (for Tier 1 capital adequacy ratio) and 5.625% (for Tier 1 core capital adequacy ratio) according to the new regulatory requirements that define a three-tier capital structure, and 10% (for regulatory capital adequacy ratio) and 7% (for core capital adequacy ratio) according to the old requirements that were in force until 06 August 2024. The Bank is in compliance with the regulatory capital adequacy ratios for the periods ended 31 December 2024 and 31 December 2023.

Key risks and uncertainties.

The main risks and uncertainties in the Bank activities are typical for all banking institutions of Ukraine and are standard risks of banking activities.

The main types of risks identified by the Bank in accordance with the current methodology for determining material risks and defined by the current Risk Management Strategy approved by the Supervisory Board of the Bank are: credit risk, liquidity risk, interest rate risk of the banking book, market risk, operational risk, compliance risk, AML/CFT risk, social and environmental risks.

Environmental and social aspects of the business.

The projects financed by the Bank are developed and implemented in accordance with the best Ukrainian and international practices and are subject to due diligence and assessment of compliance with the social and environmental requirements of the Bank's Environmental and Social Responsibility Policy. In order to mitigate environmental and social risks of lending projects and achieve compliance with Ukrainian and international sustainable practices, the Bank is guided by eight social and environmental requirements for project implementation developed by the International Finance Corporation.

The environmental and social risk management system is a part of the Bank's risk management system, where environmental and social risks are taken into account when assessing the risks of the Bank's clients' projects under lending procedures during their assessment, analysis and implementation, along with financial and other risks.

The assessment procedure includes identification and identification of social and environmental risks in the client's activities or in the implementation of the project planned for financing by the client, determination of the risk category (according to the three-level categorisation: where A is high, B is medium and C is low risk), assessment of risks by the degree of their acceptability to the Bank and risk management by providing proposals (conditions) for its minimisation with further monitoring.

The project review assesses the size of the project, location, type of activity and potential environmental and social impacts.

Based on the results of the analysis of lending projects, the Bank's specialists prepare project reports (conclusions). If the assessment reveals deviations from environmental and social standards or applicable laws, the borrower is provided with a corrective action plan and additional lending conditions are set. Failure to meet contractual requirements in a timely manner is subject to penalties. Compliance with loan conditions and action plans is monitored on a quarterly basis. In addition, the Bank's borrowers report on compliance with the requirements of loan agreements, recommendations and environmental and social aspects of their activities during the reporting period on an annual basis by submitting annual reports.

To assess projects of risk category A (high environmental and social risk), the Bank has accredited two independent expert companies, which are involved in the analysis of these lending projects, if necessary. No audits of lending projects by independent accredited expert companies were conducted in 2024.

In 2024, reports (conclusions) on all projects of risk category A were submitted to representatives of the International Finance Corporation for review and approval.

In 2024, 908 projects were analysed to identify environmental and social risks, including:

- 252 projects are projects with an outstanding amount of more than \$2 million;
- 175 sustainable development projects;
- 262 projects under the cooperation programme with the EBRD;
- 94 projects under the Entrepreneurship Development Fund (energy efficiency) programme;
- 22 projects under the programme of cooperation with the Fund for Partial Guarantee of Loans in Agriculture;
- 22 projects under the Affordable Loans 5-7-9% programme (agricultural producers);
- 81 projects under the programme for financing and supporting the sustainability of MSMEs in Ukraine II.

In 2024, one penalty was imposed for the borrower's failure to comply with the terms of the loan terms of environmental and social risks.

All of the above procedures, actions and methods are designed to control and minimise the issuer's risks.

In 2024, no new, significant and unmitigated social and environmental risks that may affect the use of the issuer's assets were identified.

Employment, respect for human rights, fighting corruption.

In order to ensure employees' rights and employment, the Bank has Regulations on HR Policy and HR Management Procedures.

In particular, in accordance with these Regulations, the Bank's HR policy is based on the principle of equal opportunities and mutual respect between all employees, regardless of the positions and departments in which they work. Each employee has the right to equal respect and dignified treatment of his/her work and personality by all employees and managers of the Bank. Any discrimination, including violation of the principle of equal rights and opportunities, direct or indirect restriction of rights based on race, skin colour, political, religious and other beliefs, gender, gender identity, sexual orientation, ethnic, social and foreign origin, age, health status, disability, suspected or actual HIV/AIDS marital and property status, family responsibilities, place of residence, membership in a trade union or other association of citizens, participation in a strike, applying or intending to apply to a court or other authorities for the protection of their rights or supporting other employees in protecting their rights, language or other grounds not related to the nature of work or conditions of work. In addition, the employees of the company formed the primary trade union organisation "JSB "UKRGASBANK" Employees' Trade Union".

The Bank's management pays special attention to employment of internally displaced persons, employees of the Bank who were forced to change their place of work and residence due to the military aggression of the Russian Federation. The Bank operates an internal job portal that provides opportunities for growth and professional development through alternative job offers to employees, including those who were internally displaced to other regions.

In 2024, the Bank developed the Veteran Policy "Veteran Support", which is building a culture of support for the reintegration of demobilised servicemen. The programme includes training for managers at all levels on reintegration and interaction with veterans, specialised legal advice, psychological support services for veterans and family members of mobilised employees, and retraining and professional development programmes for those who want to pursue a career in a new area within the bank.

The Bank is guided by the principle of "zero tolerance" to any manifestations of corruption and takes all measures provided for by law to prevent, detect and combat corruption and related actions (practices) in its internal activities, as well as in legal relations with customers, counterparties and other legal entities or individuals with whom business relations are established, public authorities, local governments.

The Bank has implemented a system of training for the Bank's employees, as well as a mechanism for preventing and controlling corruption and violations: restrictions on receiving/giving business gifts and hospitality expenses have been established; a mechanism for confidential reporting of potential and detected violations in the Bank's and its employees' activities ("whistleblowing") has been introduced, while maintaining the confidentiality of the report.

The Bank has implemented an Anti-Corruption Programme and appointed an authorised person to implement the Anti-Corruption Programme.

In order to ensure the implementation of the anti-corruption programme, identify legal, organisational and other measures aimed at minimising corruption, implementing effective control and management of identified corruption risks, the Bank conducts an annual assessment of corruption risks.

Availability of structural units.

As at 31 December 2024, the Bank had the following independent subdivisions in its structure: 46 independent structural subdivisions of the Head Office (including six subdivisions to be reduced after actual dismissal of employees); 21 regional directorates of the Bank; 1 regional directorate.

Remuneration received during the reporting period.

Remuneration of the Chairperson, Management Board Members and Chief Accountant of the Bank was made in 2024 based on the decisions of the Supervisory Board and in accordance with the Regulations on Remuneration of the Chairperson, Management Board Members and Key Executives of the Bank approved by the decision of the Supervisory Board of the Bank dated 28 June 2023 (Minutes of the Meeting No. 28), the Regulations on Remuneration of the Chairperson, Management Board Members and Key Executives of the Bank approved by the Supervisory Board Resolution dated 25 April 2024 (Minutes of the Meeting No. 15).

Human resources and intellectual capital

The number of employees at the end of the reporting period was 3,732, of whom 72% were women and 28% were men.

The number of the Bank employees decreased by 98 persons during the reporting period.

Over 72% of employees are aged 25 to 50, with an average age of 43 years. The average length of service at the Bank is over 7 years.

One of the Bank's key resources is people and intellectual capital. In 2024, considerable attention was paid to raising the professional level of the Bank's managers and employees. In order to develop and improve the knowledge, skills and expertise of the Management Board and heads of key departments, the Bank ensured the development and implementation of their personal development plans. As part of the implementation of the Succession Planning Policy, the Bank has formed a list of persons to succeed to the positions of key employees and managers of the Bank, for whom a number of training activities were implemented as part of individual development plans.

In order to learn best international practices and experience, and to represent the Bank and Ukraine at international events, the Bank's management and employees participated in international conferences and business events in 2024, in particular, on joint initiatives of the EBRD and partner financial institutions in the financial sector of Ukraine.

The Bank has created a distance learning system that includes 177 training programmes available to all employees. The system is constantly being improved, primarily through the latest methods and tools for interactive and remote learning. In 2024, the Bank initiated a newcomer adaptation programme, developed training for newcomers, and feedback mechanisms that will help retain newcomers and adapt them to work tasks and quality interaction with the team more quickly.

Technological resources.

The bank uses a wide range of digital communications with its customers: the Ecobank mobile application, a system of alternative communication channels (CRM), a client-bank for legal entities, social networks, its own ATM network and website, and a customer support contact centre.

In 2024, the Bank continued to invest heavily in digital development and the improvement and modernisation of service delivery processes both for customers and within the bank.

Thus, the development of the functionality of the updated Ecoboom 24/7 client-bank for legal entities continues. The improvement and implementation of new functionality did not end there, the bank is working closely with large customers to introduce personal services and improve the level of bank service. The implementation of the international standard ISO20022 (EPS-4) in the ECO BOOM 24/7 electronic banking system continues in order to expand the functionality of payment instruments for the bank's customers, and the integration of the ECO BOOM 24/7 electronic banking system into the instant payment functionality is being worked out;

In order to increase the flexibility of frontline systems and speed up their deployment or upgrade, the Group has started using the AWS public cloud, which has a wide range of modern services in terms of both functionality and security.

Measures were taken to ensure the uninterrupted operation of the IT infrastructure under martial law:

- testing of the recovery and operation of the Bank's ICT customer service systems on AWS facilities was carried out, and the comments recorded during the testing were processed;
- testing of the recovery and operation of the Bank's ICT System at the data centre facilities, and processing of the comments recorded during the testing;
- modernisation of the network infrastructure to ensure timely and adequate protection against real and potential threats to the Bank's information security, organisation of information security and cyber defence measures as required by the NBU;
- JSB "UKRGASBANK"'s core data centre was migrated to its own equipment in geographically distributed Main and Reserve Data Centres of JSB "UKRGASBANK";
- a backup connection channel to the NBU from the Amazon cloud was built;
- a backup connection channel to the Amazon cloud from the Backup Data Centre was built;
- additional 0-800 numbers are connected for the Contact Centre;
- data transmission channels to UPI, Prostir, Mastercard IPS from AWS were set up and successfully tested;
- a centralised WiFi network was built to provide controlled access to the Internet for the bank's customers at its main branches and to provide wireless access to the Internet and corporate network for the bank's employees;
- measures were implemented according to the plan based on the results of the operational safety audit;
- MFA access control systems were deployed for privileged users (administrators);
- regular automated patching of servers to strengthen cybersecurity has been set up.

Completed in 2024:

- implementation of SWIFT data flow protection in accordance with the requirements of the SWIFT Customer Security Programme;
- introducing automated customer fraud screening through the EMA service into the industrial environment;

- development, testing and implementation of a new card limit management scheme - PSP module for IBAN-IBAN payments within the bank;
- implementation of the Diia.Sharing functionality for remote account opening for legal entities;
- expanding the functionality of the eHouse product for lending to the primary market and single-family households (houses);
- development of a single consolidated "reference store" of all information available to the bank about customers of all types and their characteristics - the "Single Customer Base";
- introducing automated customer fraud screening through the EMA service into the industrial environment;
- a number of additional controls were automated in accordance with the requirements of the legislation on prevention and counteraction to legalisation (laundering) of proceeds from crime, terrorist financing and financing of proliferation of weapons of mass destruction. (creation of dashboards that allow to identify and control financial transactions of merchant and internet acquiring based on information/data available in the Bank. Controls have been created to ensure that users enter data on the volume of financial transactions that the client plans to conduct with the Bank during the month: A report was created to search for and identify "drops");
- implemented a mechanism for changing a customer's financial number, which includes checking for duplicates in the database and deleting duplicate phone numbers in customer profiles, contracts, etc;
- additional measures were taken to strengthen business continuity and compliance with ISMS requirements, and a plan for future cybersecurity enhancements was developed and implemented;
- development of a single consolidated "reference store" of all information available to the bank about customers of all types and their characteristics - the "Single Customer Base";
- implementation of the Webbank integration module with the USR;
- implementation of a Business Intelligence (BI) platform based on Qlik Sense with a well-established integration into the IT infrastructure;
- development and testing of the EPS instant credit transfer functionality 4.1;
- a comprehensive solution for automating the reading of ID passports was implemented;
- ERP Budget software was improved: a module for automating the calculation of local taxes was implemented; integration with EDMS Dox was set up;

The following projects are among the planned digital projects:

- expanding the functional content of payment instruments in the ECO BOOM 24/7 electronic payment system for the bank's customers in accordance with ISO20022;
- development of a new corporate website that will emphasise the Bank's image in order to increase the number of visits from existing and potentially new customers, which will further lead to an increase in sales of banking products and services;
- development of the functionality of instant credit transfers by SEP 4.1;
- development and implementation of a unified application repository (documents of the Bank's clients).

References, additional explanations of the amounts recognised in the annual financial statements.

Information about the financial position is presented in the annual financial statements with additional explanations in the notes to the annual financial statements.

Information on entering into derivative contracts or transactions with derivative securities by the Bank, if this affects the measurement of its assets, liabilities, financial position and income or expenses, including information on the following:

The Bank's objectives and policies for financial risk management, including policies for insuring each major type of forecast transaction for which hedging transactions are used.

In the normal course of business, the Bank enters into various derivative financial instruments, including forward contracts and swaps in the foreign exchange markets, primarily with Ukrainian banks. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Changes in the fair value of derivative instruments are recognised immediately in the result from derivative financial instruments in the Statement of Profit or Loss and Other Comprehensive Income. The Bank measures and calculates the fair value of forward contracts and recognises significant changes in fair value through profit or loss.

Although the Bank trades in derivative instruments for risk hedging purposes, these instruments do not qualify for hedge accounting.

Embedded derivatives:

Derivatives embedded in other financial liabilities or other combined arrangements are treated as separate derivatives if their characteristics and risks are not closely related to those of the host contract and the host contract is not designated as at fair value through profit or loss.

The Bank's exposure to price, credit, liquidity and/or cash flow risks.

The Bank determines (declares) aggregate risk appetite by setting aggregate risk limits and risk appetite for individual risks by setting risk limits for material risks as defined by the current JSB "UKRGASBANK" Risk Management Strategy:

- Credit risk;
- Liquidity risk;
- Interest rate risk of the banking book;
- Market risks;
- Operational risk;
- Compliance risk;
- AML/CFT risk (prevention and counteraction to legalisation (laundering) of proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction);
- Social and environmental risks.

For a description of the risk management system, see Note "Risk Management" to the financial statements for the year ended 31 December 2024.

During 2024, the Bank did not enter into any derivative contracts or transactions with derivative securities.

1) Corporate governance report

Part 1: Information on the corporate governance code and/or corporate governance practices of the entity applied in addition to the requirements set by law

By the decision of the Annual General Meeting of Shareholders dated 16 December 2022 (Minutes of the Meeting No. 2), the Corporate Governance Code of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" was approved in a new version and put into effect on 17 May 2023 - the date of registration by the state registrar of the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the general meeting of shareholders of the Bank on 16 December 2022

The Bank in its activities strictly adhered to the Corporate Governance Code of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the period from 01 January 2024 to 31 December 2024, available at the web address:

[https://www.ukrgasbank.com/upload/file/kku_\(1\).pdf](https://www.ukrgasbank.com/upload/file/kku_(1).pdf)

The Bank did not deviate from the provisions of the Corporate Governance Code of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the decision of the General Meeting of Shareholders of the Bank dated 16 December 2022 (Minutes of the Meeting No. 2).

Corporate governance at the Bank is carried out in accordance with the requirements of Ukrainian legislation and taking into account the Recommendations on the practice of applying corporate governance legislation approved by the National Securities and Stock Market Commission Resolution No. 118 dated 12 March 2020 and the Methodological Recommendations on Corporate Governance in Ukrainian Banks approved by the Board of the NBU Resolution No. 814-pm dated 03 December 2018 (as amended).

The Bank does not apply corporate governance practices beyond the requirements set by law.

Table 1.

Information on the corporate governance code of the entity

	Decision made to apply a different code
Name of the governing body that made the decision to approve the use of another code	General Meeting of Shareholders of JSB "UKRGASBANK"
Date of decision to approve the application of another code	16 December 2022
URL with the code text	https://www.ukrgasbank.com/upload/file/kku_(1).

Part 2. Information about the general meeting of shareholders (participants) and a general description of the decisions taken at such meetings

Two general meetings of shareholders were convened (two general meetings of shareholders were held).

Date of the meeting	22 April 2024
Method of conducting	<input type="checkbox"/> in-person voting, venue: _____ <input type="checkbox"/> electronic voting <input checked="" type="checkbox"/> survey (remotely)
Who called the meeting	The Supervisory Board
Agenda items and decisions taken:	
Item 1: Regarding approval of the results of financial and economic activities for 2023 and distribution of JSB "UKRGASBANK" profit or approval of the procedure for covering JSB "UKRGASBANK" losses, consideration of the conclusions of the audit report of the audit entity and approval of measures based on the results of consideration of such report.	A decision has been made: 1. Take note of the conclusions of the audit report of PJSC "KPMG Audit" based on the results of the audit of JSB "UKRGASBANK" financial statements for the year ended 31 December 2023. 2. approve the results of JSB "UKRGASBANK" financial and economic activities for 2023 as follows: – Annual financial statements of JSB "UKRGASBANK" for 2023. – Governance report (Governance report) for 2023. 3. Based on the results of the work in 2023, establish the following procedure for profit distribution: 3.1. 10% of the profit shall be allocated to the reserve fund of JSB "UKRGASBANK". 3.2. The balance of the profit is used to cover losses from previous years. 4. Approve the annual report (annual issuer information) of JSB "UKRGASBANK" for 2023.
Item 2: Regarding a decision to pay dividends on JSB "UKRGASBANK" ordinary shares, approval of the amount of annual dividends in accordance with the requirements stipulated by the law and the method of their payment.	A decision has been made: 1. Taking into account the prohibition/restrictions established in accordance with Article 35 of the Law of Ukraine "On Banks and Banking Activities", clause 38 of Section IV of the Rules for Assessing the Stability of Banks and the Banking System of Ukraine in 2023, approved by Resolution of the Board of the NBU No. 56 dated 25 April 2023 (as amended), no dividends shall be paid on JSB "UKRGASBANK" shares for 2023.
Item 3: Regarding consideration of the report of the Supervisory Board of JSB "UKRGASBANK" for 2023, decision-making based on the results of its consideration.	A decision has been made: 1. Approve the report of JSB "UKRGASBANK" Supervisory Board for 2023. 2. Recognise the work of JSB "UKRGASBANK" Supervisory Board for 2023 as effective and in the interests of shareholders, depositors, investors and promoting further development of JSB "UKRGASBANK".
Item 4: Regarding approval of the report on remuneration of the Supervisory Board members for 2023.	A decision has been made: 1. Approve the report on remuneration of JSB "UKRGASBANK" Supervisory Board members for 2023.

Item 5: Regarding the expediency of amending the Regulations on Remuneration of the Supervisory Board Members of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK".	A decision has been made: 1. Approve the Regulations on Remuneration of Members of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in a new version.
Item 6: Regarding approval of amendments to the terms and conditions of civil law contracts concluded with the Chairperson and members of the Supervisory Board of JSB "UKRGASBANK".	A decision has been made: 1. Approve amendments to the terms and conditions of civil law contracts concluded by JSB "UKRGASBANK" with the Chairperson and members of the Supervisory Board of JSB "UKRGASBANK". 2. Select the Chairperson of the Management Board of JSB "UKRGASBANK", and in his/her absence - the Acting Chairperson of the Management Board of JSB "UKRGASBANK", as the person authorised to sign additional agreements to civil law contracts concluded with the Chairperson and members of the Supervisory Board of JSB "UKRGASBANK" on behalf of JSB "UKRGASBANK".
Item 7: Regarding the expediency of amending the Regulations on Remuneration of the Chairperson, Members of the Management Board and Key Executives of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK".	A decision has been made: 1. Establish that the Regulations on Remuneration of the Chairperson and Members of the Management Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" requires revision and amendment, in particular, bringing it in line with Resolution of the Board of the NBU dated 27 December 2023 No. 189 (hereinafter - Resolution No. 189). 2. Entrust the Supervisory Board of JSB "UKRGASBANK" to ensure that the Regulations on Remuneration of the Chairperson and Members of the Management Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" are updated within the period established by Resolution #189. 3. Cancel clause 2 of the decision of the Annual General Meeting of Shareholders of JSB "UKRGASBANK" dated 23 April 2023 (Minutes of the Meeting No. 2) on item No. 7 on the agenda.
URL of the minutes of the general meeting:	https://ukrgasbank.com/about/corporate_management/protokols/

Date of the meeting	18 November 2024
Method of conducting	<input type="checkbox"/> in-person voting, venue: _____ <input type="checkbox"/> electronic voting <input checked="" type="checkbox"/> survey (remotely)
Who called the meeting	The Supervisory Board
Agenda items and decisions taken:	
Item 1:	A decision has been made:

Regarding amendments to the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" by approving its new version.	<ol style="list-style-type: none"> 1. Amend the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the decision of the Extraordinary General Meeting of Shareholders of JSB "UKRGASBANK" dated 11 December 2023 (Minutes of the Meeting No. 4), and, taking into account the above amendments, approve the new version of the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" and submit it for state registration in accordance with the procedure established by the legislation of Ukraine.
Item 2: Regarding amending the Regulations on the General Meeting of Shareholders of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" by approving its new version.	<p>A decision has been made:</p> <ol style="list-style-type: none"> 1. Amend the Regulations on the General Meeting of Shareholders of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the decision of the Extraordinary General Meeting of Shareholders of JSB "UKRGASBANK" dated 11 December 2023 (Minutes of the Meeting No. 4), and, taking into account the above changes, approve and enact from the date of registration by the state registrar of the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the extraordinary general meeting of shareholders of JSB "UKRGASBANK" on 18 November 2024, the Regulations on the General Meeting of Shareholders of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the new version.
Item 3: Regarding amending the Regulations on the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" by approving its new version.	<p>A decision has been made:</p> <ol style="list-style-type: none"> 1. Amend the Regulations on the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the decision of the Extraordinary General Meeting of Shareholders of JSB "UKRGASBANK" dated 11 December 2023 (Minutes of the Meeting No. 4), and, taking into account the above changes, to approve and enact from the date of registration by the state registrar of the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the extraordinary general meeting of shareholders of JSB "UKRGASBANK" on 18 November 2024, the Regulations on the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in a new version.
Item 4: Regarding amendments to the Regulations on Shares and Dividend Policy of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" by approving its new version.	<p>A decision has been made:</p> <ol style="list-style-type: none"> 1. Amend the Regulations on Shares and Dividend Policy of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the decision of the Extraordinary General Meeting of Shareholders of JSB "UKRGASBANK" dated 11 December 2023 (Minutes of the Meeting No. 4), and, taking into account the above changes, approve and enact from the date of registration by the state registrar of the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the Extraordinary General

	Meeting of Shareholders of JSB "UKRGASBANK" on 18 November 2024, the Regulations on Shares and Dividend Policy of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the new version.
URL of the minutes of the general meeting:	https://ukrgasbank.com/about/corporate_management/protokols/

Part 3. Information on the meetings of bondholders and a general description of the decisions adopted at such meetings

JSB "UKRGASBANK" is not an issuer of bonds.

Part 4. Board

Table 1.

Membership of the Board and its committees

Name of the board member, term of office in the reporting period	Tax ID code	Unique registry entry number	Chairperson / Deputy Chairperson of the Board	Chairperson / member of a committee		
				Audit Committee	Risk Management Committee	Remuneration, Nomination and Corporate Governance Committee
			X / Y ¹	X / V ²	X / V ²	X / V ²
PAŠIĆ Sanela (from 01 January 2024 to 31 December 2024)	-	-	X		V	X
Buhrimova Yana Isaakivna (from 01 January 2024 to 31 December 2024)	-	-	Y	V		V
Lazebna Maryna Volodymyrivna (from 01 January 2024 to 31 December 2024)	-	-			V	V
Blashchuk Yuriy Oleksandrovych (from 01 January 2024 to 31 December 2024)	-	-		V	X	V
Fasth Per Anders (from 01 January 2024 to 31 December 2024)	-	-		X	V	V
Rimoldi Enrica (from 30 January 2024 to 31 December 2024)	-	-				

December 2024)						
Elashvili Irakliy (from 01 January 2024 to 28 October 2024)	-	-				

Table 1. (Continued of page 1)

Name of the board member, term of office in the reporting period	Tax ID code	Unique registry entry number	Chairperson / Deputy Chairperson of the Board	Chairperson / member of the committee		
				Investment Attraction and Development Strategy Committee	Committee on raising funds on the international capital market through the mechanism of issuing green bonds	Committee on Information Technology Development
			X / Y ¹	X / V ²	X / V ²	X / V ²
PAŠIĆ Sanela (from 01 January 2024 to 31 December 2024)	-	-	X	V, X	X	V, X
Buhrimova Yana Isaakivna (from 01 January 2024 to 31 December 2024)	-	-	Y	V		
Lazebna Maryna Volodymyrivna (from 01 January 2024 to 31 December 2024)	-	-				V
Blashchuk Yuriy	-	-		V		V

Oleksandrovych (from 01 January 2024 to 31 December 2024)						
Fasth Per Anders (from 01 January 2024 to 31 December 2024)	-	-		X, V		
Rimoldi Enrica (from 30 January 2024 to 31 December 2024)	-	-				X
Elashvili Irakliy (from 01 January 2024 to 28 October 2024)	-	-		X		V

¹ X to indicate the Chairperson of the board; Y to indicate the deputy Chairperson of the board.

² X to indicate the Chairperson of the committee; V to indicate a member of the committee.

Table 2.

Information about the meetings of the board and a general description of the decisions taken

Number of board meetings in the reporting period:	46
of them in-person meetings:	15
of them on line meetings:	31
Description of key decisions of the Board:	<p>In 2024, the Bank's Supervisory Board made decisions, in particular, on:</p> <ul style="list-style-type: none"> - approving and monitoring the implementation of the Bank's Budget; - nominations and termination of powers of the Management Board members; - changes to the Bank's organisational structure; - reviewing and approving reports of the Supervisory Board committees and reports of the Corporate Secretary; - review and approval of the reports on remuneration of the Chairperson and members of the Management Board; reports of the Management Board; reports on performance assessment of the Supervisory Board and the Management Board, assessment of key employees, assessment of the collective suitability of the Management Board and the Supervisory Board, assessment of the performance of risk management and compliance units; key performance indicators (KPIs) of the Management Board, CRO, CCO, Internal Audit Department; report on the results of compliance audit of the Bank's managers, the employee responsible for financial monitoring, chief risk officer, chief compliance officer and director of the Bank's internal audit department to the requirements established by the legislation of Ukraine for the respective position; other Governance reports on risk management, internal control system, etc. - reviewing and controlling the implementation of audit plans and work plans of the Internal Audit Department, action plans for the implementation of recommendations provided by the NBU. - approval of new internal documents and amendments to existing internal documents, in particular, on risk management, internal control system, etc - approval of JSB "UKRGASBANK" annual performance results (annual report) for 2023, as well as consideration of the report (conclusions) of the external independent auditor (audit firm); report of the Supervisory Board of JSB "UKRGASBANK" for 2023; report on remuneration of the Supervisory Board members for 2023; - approval of the Bank's active operations in accordance with the established authority limits;

- selecting an internationally recognised recruitment services company to search for applicants and conduct a competitive selection process for certain the Bank executives, approving the terms of the contract and setting the amount of the company's services;
- other matters within the competence of the Supervisory Board in accordance with the law and the Articles of Association.

Table 3.

Information on meetings of the Board's committees and a general description of the decisions taken

	Audit Committee	Risk Management Committee
Number of meetings of the board committee in the reporting period:	18	43
of them in-person meetings:	12	29
of them on line meetings:	6	14
Description of the key decisions of the board committee:	<p>Review and provide appropriate recommendations to the Supervisory Board regarding:</p> <ul style="list-style-type: none"> - reports on the results of audits conducted by the Internal Audit Department, reports on the results of monitoring the implementation of audit recommendations, and work plans of the Internal Audit Department; - independent auditor's reports; - Setting targets for KPIs and SLAs and the amount of remuneration for employees of the Internal Audit Department; - internal documents of the Bank; - annual financial statements of the Bank and the report (conclusions) of the external independent auditor (audit firm) PJSC "KPMG Audit" based on the results of the audit of JSB "UKRGASBANK" annual financial statements for the year ended 31 December 2023. - the main components of the budget of the Supervisory Board and the Supervisory Board Support Service and the Internal Audit Department; - other topics. 	<p>Review and appropriate recommendations to the Supervisory Board regarding:</p> <ul style="list-style-type: none"> - the Bank's current credit risk profile, liquidity risk, interest rate risk, market risk and operational risk; - the results of implementation of the Operational Plan for Management of Non-performing Assets and Repossessed Property of JSB "UKRGASBANK" for 2024; - action plans to implement the recommendations provided by the NBU; - internal documents of the Bank; - reports on management of risks of legalisation (laundering) of proceeds from crime, terrorist financing and/or financing of proliferation of weapons of mass destruction;

		<p>on JSB "UKRGASBANK" compliance risks assessment;</p> <ul style="list-style-type: none"> - a general report on the preliminary assessment of the effectiveness of the risk management and compliance departments; - drafts of the main budget components of the Risk Management, Social and Environmental Risk Management and Compliance Departments; - other topics.
Assessment of the independence of audit entities providing statutory audit services ¹	<p>Taking into account the criteria for the selection of the audit firm, as well as the assurances of PJSC "KPMG Audit" regarding compliance with the independence criteria in accordance with the requirements of the Law of Ukraine "On Audit of Financial Statements and Auditing Activities" and International Standards on Quality Control, Auditing, and Review Engagements, other assurance and related services during the audit of JSB "UKRGASBANK" annual financial statements for 2023, as set out in the Independent Auditor's Report dated 15 March 2024, the Audit Committee of the Supervisory Board of JSB "UKRGASBANK" concluded that the external audit of JSB "UKRGASBANK" was independent, in particular, the independence of the audit firm - PJSC "KPMG Audit".</p>	

Table 3. (Continued of 1)

	Remuneration, Nomination and Corporate Governance Committee	Investment Attraction and Development Strategy Committee
Number of meetings of the board committee in the reporting period:	17	1
of them in-person meetings:	7	-
of them on line meetings:	10	1

Description of the key decisions of the board committee:	<p>Review and provide appropriate recommendations to the Supervisory Board regarding:</p> <ul style="list-style-type: none"> - internal documents of the Bank; - reports on the assessment of the performance and collective suitability of the Supervisory Board and the Management Board; - reports of the Corporate Secretary; - report on the results of verification of compliance of JSB "UKRGASBANK" managers, employee, Bank's employee - acting responsible for financial monitoring, chief risk manager, acting chief compliance officer and director of internal audit department of JSB "UKRGASBANK" with the requirements established by the legislation of Ukraine for the respective position; - reports on the remuneration of the Chairperson, members of the Management Board and Key Executives and the Supervisory Board; - key performance indicators (KPIs) of the Management Board, CRO and CCO; - selecting an internationally recognised recruitment services company to search for candidates and conduct a competitive selection process for certain JSB "UKRGASBANK" executives; - information for analysing market indicators of fixed remuneration amounts and conditions for positions comparable to those of JSB "UKRGASBANK" Chairperson and Management Board members; - election/re-election of JSB "UKRGASBANK" Management Board members and approval of terms/amendments to the contracts/employment agreements with Management Board members, JSB "UKRGASBANK" officials/termination of a contract with a Management Board member; - other topics. 	<p>Review and provide appropriate recommendations to the Supervisory Board regarding:</p> <ul style="list-style-type: none"> - the report of the Investment Attraction and Development Strategy Committee of JSB "UKRGASBANK" on the results of its work for 2023; - New version of the Regulations on the Investment Attraction and Development Strategy Committee of JSB "UKRGASBANK", etc.
Assessment of the independence of audit entities providing statutory audit services ¹		

Table 3. (Continued of 2)

	Committee on raising funds on the international capital market through the mechanism of issuing green bonds	Committee on Information Technology Development
Number of meetings of the board committee in the reporting period:	-	4
of them in-person meetings:	-	3
of them on line meetings:	-	1
Description of the key decisions of the board committee:	The Committee did not meet in 2024. By the decision of the Supervisory Board of the Bank dated 07 February 2024 (Minutes of the Meeting No. 3), the Supervisory Board Committee on raising funds in the international capital market through the mechanism of "green" bonds issue was terminated.	Review and make appropriate recommendations to the Supervisory Board regarding: <ul style="list-style-type: none"> - the report of the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK" on the results of work for 2023; - Regulations on the Supervisory Board Committee on Information Technology Development of UKRGASBANK in a new version, etc. - The Committee also reviewed information: <ul style="list-style-type: none"> - on the status of JSB "UKRGASBANK" information technologies as at 01 April 2024: status, projects and development directions; - on the structure of the report to be submitted to the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK", including additions proposed by the members of the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK"; - on the status of the Bank information security as at 01 April 2024: strategy, projects, challenges.
Assessment of the independence of audit entities providing statutory audit services ¹		

⁽¹⁾ information shall be provided only by the audit committee of the board (the audit committee).

Board report:

1) assessment of the composition, structure and activities of the board as a collegial body (collective suitability of the Board)

As of 01.01.2024, the composition of the Supervisory Board of JSB "UKRGASBANK" according to the decision of the General Meeting of Shareholders held remotely on 06.11.2023 (Minutes No. 3) was as follows:

1. Sanela PAŠIĆ, the Chairperson of the Supervisory Board, independent member of the Supervisory Board.
2. Yana BUGRIMOVA, a member of the Supervisory Board, representative of the shareholder - the State of Ukraine.
3. Maryna LAZEBNA, a member of the Supervisory Board, representative of the shareholder - the State of Ukraine.
4. Per Anders FASTH, an independent member of the Supervisory Board.
5. Yuriy BLASHCHUK, an independent member of the Supervisory Board.
6. Irakli ELASHVILI, an independent member of the Supervisory Board.
7. Enrica RIMOLDI, an independent member of the Supervisory Board.

Enrica RIMOLDI took up the position of an independent member of the Supervisory Board after her approval by the National Bank of Ukraine (letter of approval of the National Bank of Ukraine dated 30.01.2024 No. 27-0014/7356 (inbound dated 30.01.2024 No. 02/5264)).

As at 30.01.2024, the Bank's Supervisory Board consisted of 5 independent members and 2 members - representatives of the shareholder - the State of Ukraine.

The term of office of the members of the Supervisory Board of the Bank elected in accordance with the decision of the General Meeting of Shareholders held remotely on 06.11.2023 (Minutes No. 3) is 3 (three) years.

In 2024, the following changes were made to the Supervisory Board.

JSB "UKRGASBANK" received an application from Irakli ELASHVILI, an independent member of the Bank's Supervisory Board (in. dated 15.10.2024 No. 20/45399) to terminate his powers and resign from the Bank's Supervisory Board at his own request.

In accordance with the Law of Ukraine "On Joint Stock Companies" and the Bank's Articles of Association, the powers of a member of the Supervisory Board may be terminated at his/her request without a decision of the general meeting, provided that he/she gives two weeks' written notice to the company.

Since 28.10.2024, the Supervisory Board has acted in the following composition:

- Sanela PAŠIĆ – the Chairperson of the Supervisory Board, independent member of the Supervisory Board.
- Yana BUGRIMOVA – the Deputy Chairperson of the Supervisory Board, member of the Supervisory Board - representative of the shareholder - the State of Ukraine.
- Maryna LAZEBNA – a member of the Supervisory Board, representative of the shareholder - the State of Ukraine.
- Per Anders FASTH - an independent member of the Supervisory Board.
- Yuriy BLASHCHUK - an independent member of the Supervisory Board.
- Enrica RIMOLDI - an independent member of the Supervisory Board.

As at 31.12.2024, the Bank's Supervisory Board consisted of 4 independent members and 2 members - representatives of the shareholder - the State of Ukraine.

In 2024, members of the Bank's Supervisory Board were members of the following committees of the Bank's Supervisory Board: Audit Committee, Risk Management Committee, Remuneration, Nomination and Corporate Governance Committee, Investment Attraction and Development Strategy Committee, Supervisory Board Committee on the Bank's Information Technology Development, Supervisory Board Committee on JSB "UKRGASBANK"'s fundraising in the international capital market through the green bonds issue mechanism (which was terminated by the Supervisory Board decision dated 07.02.2024 (Minutes No. 3)).

In addition, in June 2024, the Supervisory Board of the Bank held a face-to-face multi-day working meeting with the management of the Bank and key structural divisions in Lviv, during which a number of important matters of the Bank's activities regarding the Bank's strategy and capital adequacy, NPL, retail business, IT, etc. were discussed.

Pursuant to the requirements of the current legislation of Ukraine, internal documents of the Bank, as well as on the basis of the decision of the Supervisory Board of the Bank, the effectiveness of the Bank's Supervisory Board for 2024 and the collective suitability of the Bank's Supervisory Board (hereinafter - the assessment) was assessed.

The performance assessment of the Supervisory Board for 2024 was carried out by LLC "Executives Search Ukraine", a member of the global Amrop partnership (hereinafter referred to as Amrop). The Executive Report on Performance Assessment of the Supervisory Board of JSB "UKRGASBANK" in 2024, prepared by Amrop, was approved by the Supervisory Board decision dated 12.02.2025 (Minutes No. 7). The report on the assessment of the collective suitability of the Bank's Supervisory Board was approved by the Board's decision dated 12.02.2025 (Minutes No. 7).

Based on the results of the assessment of the composition, structure and activities of the Supervisory Board as a collegial body (collective suitability of the Board), the following was determined:

- the composition of the Supervisory Board of the Bank is collectively suitable, balanced and represented by professionals with the necessary skills, distinctive characteristics and significant experience in the banking and financial sector, who together have the necessary level of qualifications, professional experience and experience in management positions in all areas of the Bank's activities to understand all aspects of the Bank's activities, adequately assess the risks to which the Bank may be exposed, make decisions, and ensure effective management and control of the Bank's activities in general;

- the collective suitability of the Bank's Supervisory Board is appropriate for the size of the Bank, its business model, specifics of the Bank's activities, nature and scope of banking and other financial services, the Bank's risk profile and systemic importance;

- the members of the Supervisory Board of the Bank jointly have knowledge and proper understanding of the Bank's activities, as well as skills and experience necessary for the Supervisory Board to exercise its powers;

- The Bank's Supervisory Board has a sufficient number of members who have knowledge, skills and experience in all areas of the Bank's activities;

- 5 members of the Supervisory Board of the Bank, including the Chairperson of the Supervisory Board of the Bank, have both managerial and professional experience in the banking and/or financial sector for more than 5 years. 1 member of the Bank's Supervisory Board has over 3 years of managerial experience in the banking and/or financial sector, 1 member of the Supervisory Board has over 3 years of professional experience in the banking and/or financial sector.

An external evaluation of the effectiveness of the Supervisory Board's activities for 2024 was conducted by Amrop through individual interviews with members of the Supervisory Board, an online questionnaire, a review of the records of the Board's meetings, a review of the materials and Meeting minutes of the Board and Committees of the Board, and a detailed analysis of the survey results.

Based on the results of the external evaluation, Amrop concluded that the Board has a satisfactory composition to meet future strategic objectives, as well as in terms of diversity and inclusiveness, functional competencies, industry and management experience.

2) assessment of competence and efficiency of each member of the board, including information on his/her activities as an official of other legal entities or other activities - paid and unpaid

Sanela PASIC - Chairperson of the Supervisory Board, independent member of the Supervisory Board, born in 1975, higher education, PhD in risk management, over 30 years of experience. As the Chairperson of the Supervisory Board, he is responsible for all areas of the Supervisory Board's activities.

Chairperson of the Remuneration, Nomination and Corporate Governance Committee of the Supervisory Board.

Member of: a Member of the Committee on Investment Attraction and Development Strategy Implementation of JSB "UKRGASBANK", the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK".

During 2024, she also held the following positions: University Professor at the School of Science and Technology in Sarajevo, Bosnia and Herzegovina, teaching the course "Risk and Finance"; Member of the Supervisory Board, Chairperson of the Risk Management Committee of Addiko Bank dd Sarajevo, Bosnia and Herzegovina, Deputy Chairperson of the Supervisory Board, Chairperson of the Audit Committee of Addiko Bank dd Zagreb, Croatia, Deputy Chairperson of the Supervisory Board, Deputy Chairperson of the Audit Committee of Addiko Bank Beograd, Serbia.

Sanela PASIC has extensive experience in risk management, having held the positions of Chairperson/Deputy Chairperson of the Risk Committee in leading European banks, and holds a PhD in risk management, which enables her to apply the best European practices during her tenure as a member of the Bank's Supervisory Board.

Professional suitability of Sanela PASIC in terms of her education, knowledge, skills, professional and managerial experience (taking into account the main activities, strategy and business plan of the Bank, as well as the functional load and responsibilities of the Bank's head) allows her to hold the position of the Chairperson of the Supervisory Board, an independent member of the Supervisory Board of the Bank.

Sanela PASIC devoted sufficient time to performing the duties of the Chairperson of the Supervisory Board, personally participated in meetings of the Supervisory Board and its committees, as well as consideration of issues raised at them, and managed the work of the collegial body.

Sanela PASIC has extensive experience in the financial sector, excelling in portfolio diversification, strategic planning and operational efficiency. She contributes to the effectiveness of the Supervisory Board and management by leveraging her knowledge of international banking standards.

Based on the results of the external evaluation, Amrop company noted that:

- the Chairperson of the Board is praised for her effective management of the Board, ensuring that discussions are inclusive, focused on key issues and lead to unanimous decisions, promoting cohesion within the Board;

- the Chairperson shall act as a role model and set the tone for the Board and shall chair Board meetings appropriately and effectively. The Chairperson of the Board promotes an open and transparent environment at meetings. The Chairperson ensures that decisions of previous Board meetings are implemented, and strengthens the working relationship between the Board, the Chairperson of the Management Board and the Management Board. She has played an important role in diversifying the Bank's portfolio and embedding a culture of compliance and risk awareness. Her ability to lead through trust-building, cultural change and stakeholder engagement is a key strength that ensures organisational alignment and long-term sustainability.

Yana BUGRIMOVA - Deputy Chairperson of the Supervisory Board, born in 1977, university degree, over 20 (twenty) years of experience. Responsible for internal and external audit of the Bank; investment attraction and implementation of the JSB "UKRGASBANK" development strategy; remuneration, nomination and corporate governance.

She does not chair any committee of the Supervisory Board.

Member of: Audit Committee of the Supervisory Board; Investment Attraction and Development Strategy Implementation Committee of JSB "UKRGASBANK"; Remuneration, Appointments and Corporate Governance Committee of the Supervisory Board.

During 2024, she also held the position of Director of LLC "U4 Ukraine", provided legal advisory services on reforming the heat supply system on the basis of a civil law contract to TETRA TECH ES, INC (legal advisor), provided legal advisory services on the basis of a civil law contract to the All-Ukrainian Agrarian Council (legal counsel), provided legal support services to High Street Solutions LLC (legal counsel), acted as an individual entrepreneur.

Professional suitability of Yana BUGRIMOVA in terms of her education, knowledge, skills, professional and managerial experience (taking into account the main activities, strategy and business plan of the Bank, as well as the functional load and responsibilities of the Bank's head) allows her to hold the position of Deputy Chairperson of the Supervisory Board.

Yana BUGRIMOVA devoted sufficient time to performing her duties as a member of the Supervisory Board, personally participated in meetings of the Supervisory Board and its committees, as well as consideration of issues raised at them, and acted as the Chairperson of the Supervisory Board in her absence.

Based on the results of the external evaluation, Amrop company noted that Yana BUGRIMOVA, with her experience in government, provides valuable insight into the expectations and requirements of state-owned banks. Her expertise in governance and policy interpretation ensures that the objectives of the state are met. She advocates for transparency and openness on the Supervisory Board and provides a critical perspective on the Bank's role in supporting government programmes and aligning strategic priorities with broader government goals, such as privatisation and improving compliance.

Per Anders FASTH is an independent member of the Supervisory Board, born in 1960, has a university degree and over 30 years of experience. He is responsible for the Bank's internal and external audit; investment attraction and development strategy; risk management.

Chairperson of the Audit Committee of the Supervisory Board, the Investment Raising and Development Strategy Committee of JSB "UKRGASBANK".

Member of: a Member of the Risk Management Committee of the Supervisory Board.

During 2024, he also held the following positions: Independent Chairperson of the Supervisory Board of Lyra Financial Wealth AB, Sweden; Independent Non-Executive Director, Member of the Supervisory Board of Atle Investment Management/Services AB, Sweden; Independent Non-Executive Director, Member of the Supervisory Board of TBC Bank Group Plc, Georgia, UK.

His experience in the financial sector in the area of loan portfolio management and analysis enables him to apply the best European practices during his tenure as a member of the Bank's Supervisory Board.

The professional suitability of Per Anders FASTH in terms of his education, knowledge, skills, professional and managerial experience (taking into account the main activities, strategy and business plan of the Bank, as well as the functional load and responsibilities of the Bank's manager) allows him to hold the position of an independent member of the Supervisory Board.

Per Anders FASTH devoted sufficient time to his duties as a member of the Supervisory Board, personally participated in the meetings of the Supervisory Board and its committees and considered the issues raised at them.

Based on the results of the external evaluation, Amrop company noted that Per Anders FASTH is well versed in international governance and compliance standards. His experience allows him to guide the Bank towards achieving global standards, especially in preparation for privatisation. He has played a key role in strengthening the Bank's governance and internal control structures, particularly in the areas of compliance and internal audit. Per Anders also advocates the importance of the Supervisory Board's alignment on strategic priorities while addressing cultural and operational challenges arising from the Bank's context in Ukraine.

Yuriy BLASHCHUK - independent member of the Supervisory Board, born in 1958, higher education, PhD in Economics, over 40 (forty) years of experience. Responsible for risk management; internal and external audit of the Bank; remuneration, appointments and corporate governance.

Chairperson of the Risk Management Committee of the Supervisory Board.

Member of: a Member of the Audit Committee of the Supervisory Board; the Committee of the Supervisory Board of JSB "UKRGASBANK" on Remuneration, Nomination and Corporate Governance.

His experience of working for the National Bank of Ukraine at a time when the banking supervision system was being formed, currency control was being developed, and monetary policy was being established, provides him with a deep understanding of the principles and mechanisms of bank operations.

Yuriy BLASHCHUK's professional suitability in terms of his education, knowledge, skills, professional and managerial experience (taking into account the Bank's main activities, strategy and business plan, as well as the functional load and responsibilities of the Bank's manager) allows him to hold the position of an independent member of the Bank's Supervisory Board.

Yuriy BLASHCHUK has 42 years of experience in the banking and/or financial sector.

Yuriy BLASHCHUK devoted sufficient time to performing his duties as a member of the Supervisory Board, personally participated in meetings of the Supervisory Board and its committees and considered issues raised at them.

Based on the results of the external evaluation, Amrop company noted that Yuriy BLASHCHUK has in-depth knowledge of risk management and compliance, which is a critical area of development for the Bank. His experience spans both the public and private sectors, giving him a detailed perspective on operational and strategic priorities. He spends a great deal of time and effort supporting the Bank and draws on his extensive network and experience in the Ukrainian financial sector whenever necessary. He actively supports the development of the Bank's ESG principles and risk management framework, advocating long-term strategies to attract international investors while overcoming the challenges of war.

Maryna LAZEBNA - Member of the Supervisory Board - representative of the shareholder of the State of Ukraine, born in 1975, higher education, PhD in Economics, over 20 (twenty) years of experience. Responsible for risk management and information technology development.

She does not chair any committee of the Supervisory Board.

Member of: a Member of the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK"; the Risk Management Committee of the Supervisory Board of JSB "UKRGASBANK".

During 2024, she also served as a member of the Supervisory Board (on a voluntary basis) at the Charitable Organisation "Unforgettable Foundation".

Her experience of working for the Government of Ukraine and her PhD in Economics, specialising in the organisation, planning and regulation of the economy, provides her with an understanding of the principles of the economy as a whole, including the financial sector.

Marina LAZEBNA's professional suitability in terms of her education, knowledge, skills, professional and managerial experience (taking into account the Bank's main activities, strategy and business plan, as well as the functional load and responsibilities of the Bank's manager) allows her to hold the position of a member of the Supervisory Board.

Maryna LAZEBNA devoted sufficient time to performing her duties as a member of the Supervisory Board, personally participated in meetings of the Supervisory Board and its committees, as well as in consideration of issues raised at them.

Based on the results of the external evaluation, Amrop company noted that Maryna LAZEBNA, through her knowledge and commitment, makes a significant contribution to the achievement of the strategic goals of the Supervisory Board and governance processes. Her focus on promoting open communication and identifying potential gaps in the Board's dynamics underlines its commitment to continuous improvement. M. Lazebna advocates the importance of using the Board assessment process to increase transparency and cooperation, ensuring maximum efficiency of the Board's work.

Enrica RIMOLDI - independent member of the Supervisory Board, born in 1968, higher education, doctorate in economics and commerce, over 30 (thirty) years of experience. Responsible for the development of information technology.

The Chairperson of the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK";

During 2024, she also held the positions of Deputy Member of the Statutory Auditors Committee of UniCredit SpA (Italy), Deputy Member of the Statutory Auditors Committee of UniQlegal SpA (Italy), Member of the Board of the Association of Italian INSEAD Alumni Association (Italy), Member of the Supervisory Board of UniCredit Bank Czech Republic and Slovakia a.s. (UniCredit Bank Czech Republic and Slovakia a.s.) (Czech Republic), member of the Supervisory Board pursuant to Legislative Decree 231/2001 of Acque Minerali d'Italia SpA (Italy), member of the Board of Directors of ICCREA Banca SpA (Italy), Chairperson of the Statutory Auditors Committee and the Supervisory Board pursuant to D. Lgs. 231/2001 UniCredit Subito Casa SpA (Italy), Deputy Member of the Statutory Auditors Committee. UniCredit leased Asset Management SpA (Italy), member of the statutory auditors' committee of Istituto della Enciclopedia Italiana fondata da Giovanni Treccani SpA (Italy).

Erica RIMOLDI has extensive experience in the field of bank auditing (from 2008 to 2017 at Ernst & Young).

The professional suitability of Enrica RIMOLDI in terms of her education, knowledge, skills, professional and managerial experience (taking into account the main activities, strategy and business plan of the Bank, as well as the functional load and responsibilities of the Bank's manager) allows her to hold the position of an independent member of the Supervisory Board.

Erika RIMOLDI devoted sufficient time to performing the duties assigned to a member of the Supervisory Board, personally participated in the meetings of the Supervisory Board and considered the issues raised at them

Based on the results of the external evaluation, Amrop company noted that Enrica RIMOLDI has experience in management, IT strategy and digital transformation. Her experience on international boards helps her to provide a global perspective. As Chair of the IT Committee, she focuses on aligning technology initiatives with the bank's strategic goals, ensuring progress in areas such as digitalisation and operational efficiency. She also advocates for increased transparency and trust between the Supervisory Board and the Management Board.

The Bank's Supervisory Board has a sufficient number of members with knowledge, skills and experience in all areas of the Bank's activities. The Supervisory Board has members with significant experience in the financial and banking sector of foreign countries, including in the areas of risk management and loan portfolio management, which makes it possible to use the best practices in the work of the Bank's Supervisory Board.

Based on the results of the external evaluation, Amrop company noted that the Supervisory Board combines local and international experience, bringing diverse perspectives to the table to drive progress. Foreign members provide important knowledge in the areas of governance standards, compliance and risk management. They encourage the improvement of the compliance culture and bring a more global perspective to the Board's decisions. Local members, especially those with government experience, provide invaluable insight into government policies and expectations, ensuring that the Bank's strategy is aligned with government objectives, especially with respect to privatisation and government-supported programmes.

3) assessment of the independence of each of the independent members of the Board

In accordance with the requirements of the current legislation and internal documents of the Bank, in December 2024, the compliance of the independent members of the Bank's Supervisory Board with the independence requirements (hereinafter referred to as the audit) was checked.

Based on the results of the said audit, the Bank's Supervisory Board approved a report on the results of the audit of compliance of the Bank's managers, the Bank's employee - acting financial monitoring officer, chief risk officer, acting chief compliance officer and director of the internal audit department with the qualification requirements established by the legislation of Ukraine for the relevant position by the decision of the Supervisory Board of the Bank dated 30.12.2024 (Minutes No. 46) and established that in 2024 the independent members of the Supervisory Board met the requirements of the legislation of Ukraine. In particular, none of the independent members of the Supervisory Board:

1) has been a member of the management bodies of the Bank and/or its affiliated legal entities for the previous five years;

2) receives and/or has received during the previous three years from the Bank and/or its affiliated legal entities additional remuneration in an amount exceeding 5 per cent of the total annual income of such person for each of such years;

3) owns (directly or indirectly) 5 percent or more of the Bank's authorized capital or is an official or a person performing managerial functions in the Bank, or is an individual entrepreneur who has had significant business relations with the Bank and/or its affiliated legal entities during the past year (the term "significant business relations" shall mean relations of a person regarding the supply of goods or provision of services (including financial legal, consulting), or consumption of goods or services supplied by the Bank and/or its affiliated legal entities, if the value of such goods/services for the year is equal to or exceeds 0.5 per cent of the value of the Bank's assets, according to the latest annual financial statements, or if such relations resulted in a change in the Bank's strategy or development plans, the Bank's policies in certain areas of activity or a significant change in the Bank's financial position);

4) is and/or has been within the previous three years a key partner, officer or employee of an audit

entity that participated in the provision of services for the statutory audit of the financial statements of the Bank and/or its affiliated legal entities;

5) is and/or has been an employee of an audit firm that has provided audit services to the Bank and/or its affiliated legal entities within the previous three years;

6) is and/or has been an employee of the Bank and/or its affiliated legal entities for the previous three years;

7) is a shareholder holding a controlling stake and/or a representative of a shareholder holding a controlling stake in the Bank in any civil relations;

8) has been a member of the Supervisory Board for more than 12 years in total;

9) is a person related by kinship to the persons referred to in sub-clauses 1-8;

10) is a shareholder of the Bank;

11) is and has not been for the previous three years the owner of a substantial interest in the Bank and/or a representative of the owner of a substantial interest in the Bank in any civil relations;

12) is one of the 10 largest ultimate key participants in the Bank's ownership structure and/or a representative of one of the 10 largest ultimate key participants in the Bank's ownership structure in any civil relations (the requirement applies if the amount of the person's aggregate participation in the Bank exceeds one percent);

13) there is no information on the person's exercise of powers of an independent member of the supervisory board of a legal entity in the interests of persons other than this legal entity and/or at the direction of the governing bodies of this legal entity, owners of substantial participation in it (except for instructions provided by decisions of the general meeting of shareholders (sole shareholder) of such legal entity adopted in accordance with the procedure established by law).

4) assessment of the competence and efficiency of each of the board's committees, their functional powers. At the same time, the audit committee of the board must separately indicate information about its conclusions regarding the independence of the conducted external audit of the person, in particular the independence of the auditor (audit firm)

In 2024, the following committees of the Bank's Supervisory Board were in operation:

The Audit Committee, the Risk Management Committee, the Remuneration, Nomination and Corporate Governance Committee (hereinafter referred to as the Remuneration and Nomination Committee), the Investment Raising and Development Strategy Committee (hereinafter referred to as the Investment Raising Committee), the Supervisory Board Committee on Information Technology Development (hereinafter referred to as the IT Committee), the Supervisory Board Committee on Raising Funding in the International Capital Market through the Green Bonds Issue Mechanism (whose activities were terminated by the decision of the Supervisory Board dated 07.02.2024 (Minutes No. 3)).

The Audit Committee: Established by the decision of the Supervisory Board dated 11.11.2014 (Minutes No. 13).

In 2024, the Audit Committee duly performed its functions and powers to ensure control over the implementation of an adequate internal control system, the formation of internal audit, accounting and financial reporting policies, and external audit, effectively studied the issues under consideration and provided recommendations to the Supervisory Board for making informed decisions, used the methods and procedures set out in the Regulations on the Audit Committee, which allowed to effectively organise the process of exercising the powers assigned.

In 2024, the Audit Committee held 18 meetings and considered 70 issues. In particular, the Audit Committee preliminarily reviewed the issues submitted to the Supervisory Board and falling within its competence, provided its recommendations to the Supervisory Board on:

- reports on the results of audits conducted by the Internal Audit Department, reports on the results of monitoring the implementation of audit recommendations, and work plans of the Internal Audit Department;
- independent auditor's reports;
- setting targets for KPIs and SLAs and the amount of remuneration for the Internal Audit Department;
- internal documents of the Bank;

- annual financial statements of the Bank and the report (conclusions) of the external independent auditor (audit firm) PJSC "KPMG Audit" based on the results of the audit of JSB "UKRGASBANK" annual financial statements for the year ended 31 December 2023.
- the main components of the budget of the Supervisory Board and the Supervisory Board Support Service, the Internal Audit Department, etc.

To ensure the productive work of the Audit Committee and comprehensive preparation for making informed decisions, the Chairperson and members of the Audit Committee actively interacted with the Management Board, the Director of the Internal Audit Department, the external auditor, PJSC "KPMG Audit", and the Supervisory Board.

Pursuant to paragraph 2 of part 10 of Article 76 and paragraph 2) of part 2 of Article 79 of the Law of Ukraine "On Joint Stock Companies", it should be noted that in 2024, there were no comments from the Audit Committee on the independence of the external audit (audit firm/audit entity) providing statutory audit services. Taking into account the criteria for the selection of the audit firm, as well as the assurances of PJSC "KPMG Audit" on compliance with the independence criteria in accordance with the requirements of the Law of Ukraine "On Audit of Financial Statements and Auditing Activities" and International Standards on Quality Control, Auditing, Review other assurance and related services during the audit of JSB "UKRGASBANK" annual financial statements for 2023, as set out in the Independent Auditor's Report dated 15 March 2024, the Audit Committee of the Supervisory Board of JSB "UKRGASBANK" concluded that the external audit of JSB "UKRGASBANK" was independent, in particular, the independence of the audit firm - PJSC "KPMG Audit". According to Amrop assessment, the Audit Committee plays an important role in transforming the Bank's internal audit into a more proactive function, promotes a culture of accountability and transparency in the organisation, helps the Supervisory Board understand financial and compliance risks, and provides recommendations for strengthening internal controls.

The Risk Management Committee: established by the decision of the Supervisory Board dated 11.03.2016 (Minutes No. 3).

In 2024, the Risk Management Committee duly performed its functions and powers to ensure the functioning and control over the effectiveness of the Bank's risk management system, effectively studied the issues under consideration and provided recommendations to the Supervisory Board for making informed decisions, used the methods and procedures set out in the Regulations on the Risk Management Committee, which allowed to effectively organise the process of exercising its powers.

In 2024, the Risk Management Committee held 43 meetings and considered 180 issues. In particular, the Risk Management Committee preliminarily reviewed the issues submitted to the Supervisory Board and falling within its competence, provided its recommendations to the Supervisory Board on

- the Bank's current credit risk profile, liquidity risk, interest rate risk, market risk and operational risk;
- the results of implementation of the Operational Plan for Management of Non-performing Assets and Repossessed Property of JSB "UKRGASBANK" for 2024;
- action plans to implement the recommendations provided by the National Bank of Ukraine;
- internal documents of the Bank on risk management;
- reports on management of risks of legalisation (laundering) of proceeds of crime, terrorist financing and/or financing of proliferation of weapons of mass destruction; on assessment of JSB "UKRGASBANK" compliance risks;
- assessing the performance of risk management and compliance departments;
- drafts of the main budget components of the Risk Management, Social and Environmental Risk Management and Compliance Departments, etc.

The Chairperson and members of the Committee actively interacted with the Management Board, Risk Management Department, Compliance Department, Internal Audit Department and Supervisory Board to ensure the efficient operation of the Risk Management Committee and comprehensive preparation for making informed decisions. According to Amrop assessment, the Risk Management Committee focuses on creating a culture of risk awareness in the Bank, emphasises compliance with local and international risk management standards, and strengthens the Bank's ability to operate effectively in an environment of uncertainty and instability.

The Remuneration and Nomination Committee: established by the Supervisory Board's decision of 18.05.2017 (Minutes No. 9).

In 2024, the Remuneration and Nomination Committee duly performed its functions and powers regarding remuneration, appointments and corporate governance at the Bank, effectively studied the issues under consideration and provided recommendations to the Supervisory Board for making informed decisions, used the methods and procedures set out in the Regulations on the Remuneration, Nomination and Corporate Governance Committee of JSB "UKRGASBANK" Supervisory Board, which allowed to effectively organise the process of exercising its powers.

In 2024, the Remuneration and Nomination Committee held 17 meetings, at which 53 issues were considered. In particular, the Remuneration and Nomination Committee preliminarily considered issues submitted to the Supervisory Board and falling within its competence, and provided its recommendations to the Supervisory Board on

- internal documents of the Bank;
- reports on the assessment of the performance and collective suitability of the Supervisory Board and the Management Board;
- reports of the Corporate Secretary;
- report on the results of verification of compliance of JSB "UKRGASBANK" managers, employee, Bank's employee - acting responsible for financial monitoring, chief risk manager, acting chief compliance officer and director of internal audit department of JSB "UKRGASBANK" with the requirements established by the legislation of Ukraine for the respective position;
- reports on the remuneration of the Chairperson, members of the Supervisory Board, the Management Board and influential persons;
- key performance indicators (KPIs) of the Management Board, CRO and CCO;
- selecting an internationally recognised recruitment services company to search for candidates and conduct a competitive selection process for certain JSB "UKRGASBANK" executives;
- information for analysing market indicators of fixed remuneration amounts and conditions for positions comparable to those of JSB "UKRGASBANK" Chairperson and Management Board members;
- election/re-election of JSB "UKRGASBANK" Management Board members and approval of terms/amendments to the terms of contracts/employment agreements with Management Board members, JSB "UKRGASBANK" officials/termination of a contract with a Management Board member, etc.

The Chairperson and members of the Remuneration and Nomination Committee actively interacted with the Management Board and the Supervisory Board to ensure the productive work of the Committee and to prepare for making informed decisions.

According to Amrop assessment, the Remuneration Committee helps to align management structures with best international practices, enhances the trust and accountability of the Bank's management, and oversees fair and transparent recruitment and management processes.

The Investment Attraction Committee: established by the Supervisory Board's decision of 18.05.2017 (Minutes No. 9).

In 2024, the Investment Raising Committee duly performed its tasks and functions as defined in the Regulations on the Investment Raising and Strategy Implementation Committee of JSB "UKRGASBANK", which allowed to effectively organise the process of exercising its powers.

In 2024, the Investment Raising Committee held 1 meeting, where 2 issues were preliminarily considered. The Investment Raising Committee provided its recommendations to the Supervisory Board on the report of JSB "UKRGASBANK" Investment Raising and Development Strategy Committee on the results of its work for 2023 and on the new version of the Regulations on the Investment Raising and Development Strategy Committee of JSB "UKRGASBANK", etc.

Separately, it should be noted that by its Resolution No. 356-r dated 07 May 2022, the Cabinet of Ministers of Ukraine approved the Main (Strategic) Areas of Activity of Public Sector Banks for the Period of Martial Law and Post-War Economic Recovery (hereinafter - the Main Areas). The Main Areas envisage active participation of banks in ensuring financial stability of Ukraine, support and stability of the banking sector, ensuring financing of priority sectors of the economy and uninterrupted operation of critical infrastructure enterprises (facilities), including those owned by the state. In 2024, the Bank was guided in its activities by the Main Areas. According to Amrop assessment, the Investment

Committee is the driving force behind the Bank's privatisation strategy, increasing the Bank's attractiveness to international investors by addressing gaps in governance, compliance and operational efficiency. The Committee provides a long-term strategic vision even in the face of wartime uncertainty.

The IT Committee: established by the decision of the Supervisory Board dated 18.12.2018 (Minutes No. 33).

In 2024, the IT Committee duly performed its functions and powers to control the strategic development and improvement of the Bank's information technologies, in particular, digital automation of processes, creation of the Bank's digital (digital) strategy, effectively studied the issues under consideration and provided recommendations to the Supervisory Board for making informed decisions, used the methods and procedures defined in the Regulations on the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK", which allowed to effectively organise the process of exercising the powers assigned.

In 2024, the IT Committee held 4 meetings, at which 7 issues were preliminarily considered. The IT Committee preliminarily reviewed issues submitted to the Supervisory Board and falling within its competence, provided its recommendations to the Supervisory Board on the IT Committee's report on the results of its work for 2023 and on the new version of the Regulations on the Supervisory Board IT Committee of JSB "UKRGASBANK", etc.

The Committee also reviewed information:

- on the status of JSB "UKRGASBANK" information technologies as of 01.04.2024: status, projects and development directions;
- on the structure of the report to be submitted to the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK", including additions proposed by the members of the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK";
- on the status of JSB "UKRGASBANK" information security as of 01.04.2024: strategy, projects, challenges.

The Chairperson and members of the IT Committee actively interacted with the Bank's Management Board and Supervisory Board to ensure the productive work of the IT Committee and to prepare for making informed decisions.

According to Amrop assessment, the IT Committee supports the Bank's evolution towards modern banking practices with the help of technology, aligns IT investments with strategic goals, ensuring the competitiveness and reliability of the Bank's systems, and eliminates operational inefficiencies through process automation and the use of technology.

The assessment of the competence and effectiveness of the Supervisory Board Committees shows the following:

- the Committees play a crucial role in strengthening governance, risk management and strategic planning;
- The Committees focus on their respective areas based on Board directives and current legal requirements;
- The Committees participate in discussions and decision-making of the Board;
- high involvement and a significant part of the Board's work is carried out through the Committees;
- the Board members have the appropriate competencies to lead and participate in the Committees;
- All members of the Board are free to join, even if they are not members of a Committee, which increases transparency and information flow; the structure and purpose of the Committees meet the Bank's needs;
- significant progress was made in improving compliance, transparency and operational efficiency of the Committees.

5) assessment of the implementation of the entity's goals by the board. This item includes information on the impact of decisions taken by the Board during the reporting period in order to ensure the achievement of the strategic goals set for the entity. In this case, information on the entity's strategic goals should contain a general description of such strategic goals and does not

require the disclosure of information (indicators) that, according to the entity's internal documents, is classified as restricted information (confidential information and trade secrets)

The full-scale war that began on 24 February 2022 has definitely affected the operation of the entire banking system of Ukraine. The Bank faced serious challenges due to the war and the need to ensure prompt and efficient operation of the Bank in extreme conditions, which required prompt decision-making. In 2024, the Supervisory Board, within the powers defined by the legislation, the Articles of Association and the Regulations on the Supervisory Board, operated in difficult conditions to ensure stable and efficient operation of the Bank, standing side by side with the Management Board and providing round-the-clock communication and support to the Bank to promptly consider and resolve all urgent issues within the competence of the Supervisory Board.

The JSB "UKRGASBANK" Development Strategy for 2022-2024 was approved by the Board on 20.12.2021 (Minutes No. 37). However, by its Resolution No. 356-r dated 07.05.2022, the Cabinet of Ministers of Ukraine approved the Main (Strategic) Areas of Public Sector Banks' Activities for the Period of Martial Law and Post-War Economic Recovery (hereinafter referred to as the Main Areas). The Main Areas provide for active participation of banks in ensuring the financial stability of Ukraine, support and stability of the banking sector, ensuring financing of priority sectors of the economy and uninterrupted operation of critical infrastructure enterprises (facilities), including those owned by the state.

In 2024, the Bank's Supervisory Board made decisions aimed at achieving the strategic goals set out in the Main Areas.

The strategic goals for the period of martial law and post-war economic recovery have been defined:

- providing financial support to priority economic sectors and critical infrastructure enterprises (facilities);
- accessibility of banking services to ensure consumer protection, in particular within the framework of social protection of the population, provided that there is no physical threat to bank employees;
- creating conditions for the rapid resumption of banking services in full and ensuring the functionality and continuity of public sector banks;
- establishing, setting up and maintaining an effective system of physical security (of the central office and separate subdivisions of such a bank, including security of bank employees), security of operating systems, including the use of cloud solutions, and cybersecurity;
- implementation of measures aimed at mitigating risks, including the implementation of possible threats, implementation of bank security measures, including control over security risks (including physical, financial, cyber and operating system security), elimination and/or minimisation of consequences of implemented threats and crisis situations;
- uninterrupted effective work of the bank's managers to ensure that the necessary management decisions are made;
- maintaining the financial stability of the bank, identifying possible threats to such stability, as well as promptly responding to threats to financial stability and/or avoiding them.

In 2024, the Bank took measures to ensure the implementation of its strategic goals. The Bank is one of the market leaders in supporting priority sectors of the economy, provides financial support to customers of priority sectors of critical infrastructure enterprises and participates in government programmes. The Bank ensured the uninterrupted operation of its IT infrastructure, expanded the use of cloud technologies, and took a number of measures to improve information security. The Bank is actively working to ensure compliance with the regulator's prudential requirements and improve operational efficiency, which allowed it to generate a net profit of UAH 3,416,471,453.26 in 2024, with pre-tax profit for 2024 amounting to UAH 5,913,156,473.93.

Based on the results of an external evaluation of the activities of the Bank's Supervisory Board, the independent company Amrop concluded that the Supervisory Board is coherent and shares a common understanding of the company's mission, vision and goals, devotes sufficient time to strategic work, effectively addresses strategic objectives, ensures the implementation of business strategies, evaluates and monitors business activities and results, and ensures that the executive management team is able to fulfil its obligations in accordance with the business strategy.

6) information about the internal structure of the board, the procedures used in its decision-

making, including an indication of how the board's activities led to changes in the person's financial and economic activity

As at 31.12.2024, the Supervisory Board consisted of 4 independent members and 2 members representing the shareholder - the State of Ukraine. An independent member was elected the Chairperson of the Supervisory Board.

In making decisions, the Supervisory Board in 2024 followed the procedures set out in the Bank's Articles of Association and the Regulations on the Supervisory Board.

The Supervisory Board exercises its power over the Bank's financial and business activities by effectively performing its functions and powers in accordance with the Articles of Association and the Regulations on the Supervisory Board, by monitoring the activities of the Management Board and the Bank's control units.

In 2024, the Supervisory Board approved a number of internal documents, in particular, on risk management, the functioning of the internal control system, the activities of the Bank's independent structural units, and others.

In addition, during 2024, the Supervisory Board regularly and promptly considered other issues within its competence, in particular, reports of the Management Board, control units, and others.

The Supervisory Board monitored the activities of the Management Board and the implementation of action plans to eliminate deficiencies identified by the National Bank of Ukraine, the Internal Audit Department, the Compliance Department, as well as the timely response of the Bank's management to the recommendations (proposals) of the Internal Audit Department and the Compliance Department.

All the decisions taken by the Supervisory Board, in particular, on controlling the activities of the Bank's Management Board, taking measures to prevent conflicts of interest in the Bank, ensuring improvement of the efficiency of the internal control system, monitoring the functioning of the Bank's risk management system and making management decisions on the Bank's activities within its competence, contributed to the Bank's efficient operation and qualitative positive changes in the Bank's financial and economic activities.

Thus, despite the difficulties of operating in a time of war, the overall financial performance reflects the Bank's improvement in 2024. The Bank demonstrated better profit before tax and better net profit, improved margins, and stabilised productivity and cost management.

Part 5. The executive body

Table 1.

Personal composition of the collegial executive body and its committees

Name of the member of the executive body, term of office in the reporting period	Tax ID code	Unique registry entry number	Chairperson / Deputy Chairperson of the executive body	Chairperson / member of the committee of the executive		
				Credit Council	Credit Committee	Business Committee
			X / Y ¹	X / V ²	X / V ²	X / V ²
Morozov Rodion Valerievich (Acting Chairperson from 01.01.2024 to 31.12.2024)	-	-	X	V		V
Ponomarev Volodymyr Nikolaevich (from 01.01.2024 to 31.12.2024)	-	-	Y			X
Vasilets Natalia Yevhenivna (from 01.01.2024 to 31.12.2024)	-	-	Y	V		V
Vashchuk Maksym Volodymyrovych (from 01.01.2024 to 14.07.2024 - Director of the Compliance Department, from 15.07.2024 to 30.08.2024 - Deputy Chairperson of the Management Board)	-	-	Y			V
Savoshchenko Tamara Yurievna (from 01.01.2024 to 31.12.2024)	-	-	Y	X		V
Samokhvalov Andrey Viktorovich (from 29.01.2024 to 31.12.2024)	-	-	Y			V

Shcherbakha Oleksandr Serhiyovych (from 11.03.2024 to 31.12.2024)	-	-	Y			V
Chernyshev Denis Viktorovich (from 01.01.2024 to 31.12.2024)	-	-	Y			

Table 1. (Continued of 1)

Name of the member of the executive body, term of office in the reporting period	Tax ID code	Unique registry entry number	Chairperson / Deputy Chairperson of the executive body	Chairperson / member of the committee of the executive		
				Committee on methodological support for risk management of retail, small and microbusinesses	Assets and Liabilities Management Committee	Operational Risk Management Committee
			X / Y ¹	X / V ²	X / V ²	X / V ²
Morozov Rodion Valerievich (Acting Chairperson from 01.01.2024 to 31.12.2024)	-	-	X		V	
Ponomarev Volodymyr Nikolaevich (from 01.01.2024 to 31.12.2024)	-	-	Y		X	V
Vasilets Natalia Yevhenivna (from 01.01.2024 to 31.12.2024)	-	-	Y	X	V	X
Vashchuk Maksym Volodymyrovych (from 01.01.2024 to 14.07.2024 - Director of the Compliance Department, from 15.07.2024 to 30.08.2024 - Deputy Chairperson of the Management Board)	-	-	Y			

Savoshchenko Tamara Yurievna (from 01.01.2024 to 31.12.2024)	-	-	Y		V	V
Samokhvalov Andrey Viktorovich (from 29.01.2024 to 31.12.2024)	-	-	Y			V
Shcherbakha Oleksandr Serhiyovych (from 11.03.2024 to 31.12.2024)	-	-	Y	V	V	V
Chernyshev Denis Viktorovich (from 01.01.2024 to 31.12.2024)	-	-	Y			

Table 1. (Continued of 2)

Name of the member of the executive body, term of office in the reporting period	Tax ID code	Unique registry entry number	Chairperson / Deputy Chairperson of the executive body	Chairperson / member of the committee of the executive		
				Tender Committee	Technology Committee	Information Security Management Committee
			X / Y ¹	X / V ²	X / V ²	X / V ²
Morozov Rodion Valerievich (Acting Chairperson from 01.01.2024 to 31.12.2024)		-	X			
Ponomarev Volodymyr Nikolaevich (from 01.01.2024 to 31.12.2024)	-	-	Y	X	V	
Vasilets Natalia Yevhenivna (from 01.01.2024 to 31.12.2024)	-	-	Y			
Vashchuk Maksym Volodymyrovych (from 01.01.2024 to 14.07.2024 -	-	-	Y			V

Director of the Compliance Department, from 15.07.2024 to 30.08.2024 - Deputy Chairperson of the Management Board)						
Savoshchenko Tamara Yurievna (from 01.01.2024 to 31.12.2024)	-	-	Y		X, V	X, V
Samokhvalov Andrey Viktorovich (from 29.01.2024 to 31.12.2024)	-	-	Y		X	X, V
Shcherbakha Oleksandr Serhiyovych (from 11.03.2024 to 31.12.2024)	-	-	Y			
Chernyshev Denis Viktorovich (from 01.01.2024 to 31.12.2024)	-	-	Y			

Table 1. (Continued of 3)

Name of the member of the executive body, term of office in the reporting period	Tax ID code	Unique registry entry number	Chairperson / Deputy Chairperson of the executive body	Chairperson / member of the committee of the executive		
				Marketing Commission	Commission for monitoring customer credit operations	Committee for the management of non-performing assets
			X / Y ¹	X / V ²	X / V ²	X / V ²
Morozov Rodion Valerievich (Acting Chairperson from 01.01.2024 to 31.12.2024)		-	X	X		
Ponomarev Volodymyr Nikolaevich (from 01.01.2024 to 31.12.2024)	-	-	Y	V		
Vasilets Natalia Yevhenivna (from 01.01.2024 to 31.12.2024)	-	-	Y		X	X

Vashchuk Maksym Volodymyrovych (from 01.01.2024 to 14.07.2024 - Director of the Compliance Department, from 15.07.2024 to 30.08.2024 - Deputy Chairperson of the Management Board)	-	-	Y			
Savoshchenko Tamara Yurievna (from 01.01.2024 to 31.12.2024)	-	-	Y	V		
Samokhvalov Andrey Viktorovich (from 29.01.2024 to 31.12.2024)	-	-	Y			
Shcherbakha Oleksandr Serhiyovych (from 11.03.2024 to 31.12.2024)	-	-	Y	V		
Chernyshev Denis Viktorovich (from 01.01.2024 to 31.12.2024)	-	-	Y			

Table 1. (Continued of 4)

Name of the member of the executive body, term of office in the reporting period	Tax ID code	Unique registry entry number	Chairperson / Deputy Chairperson of the executive body	Chairperson / member of the committee of the executive		
				Committee on International Financial Assistance	Motivation Committee	Commission for Cooperation with Non- Banking Institutions
			X / Y ¹	X / V ²	X / V ²	X / V ²
Morozov Rodion Valerievich (Acting Chairperson from 01.01.2024 to 31.12.2024)		-	X	X		V
Ponomarev Volodymyr Nikolaevich	-	-	Y	V	X	

(from 01.01.2024 to 31.12.2024)						
Vasilets Natalia Yevhenivna (from 01.01.2024 to 31.12.2024)	-	-	Y		V	
Vashchuk Maksym Volodymyrovych (from 01.01.2024 to 14.07.2024 Director of the Compliance Department, from 15.07.2024 to 30.08.2024 Deputy Chairperson of the Management Board)	-	-	Y		V	
Savoshchenko Tamara Yurievna (from 01.01.2024 to 31.12.2024)	-	-	Y			
Samokhvalov Andrey Viktorovich (from 29.01.2024 to 31.12.2024)	-	-	Y			
Shcherbakha Oleksandr Serhiyovych (from 11.03.2024 to 31.12.2024)	-	-	Y			
Chernyshev Denis Viktorovich (from 01.01.2024 to 31.12.2024)	-	-	Y			

Table 1. (Continued of 5)

Name of the member of the executive body, term of office in the reporting period	Tax ID code	Unique registry entry number	Chairperson / Deputy Chairperson of the executive body	Chairperson / member of the committee of the executive	
				Dedicated credit committee	Risk Management Committee for Prevention and Counteraction to Legalisation (Laundering) of Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction
			X / Y ¹	X / V ²	X / V ²

Morozov Rodion Valerievich (Acting Chairperson from 01.01.2024 to 31.12.2024)	-	-	X	X	
Ponomarev Volodymyr Nikolaevich (from 01.01.2024 to 31.12.2024)	-	-	Y	V	V
Vasilets Natalia Yevhenivna (from 01.01.2024 to 31.12.2024)	-	-	Y	V	V
Vashchuk Maksym Volodymyrovych (from 01.01.2024 to 14.07.2024 - Director of the Compliance Department, from 15.07.2024 to 30.08.2024 - Deputy Chairperson of the Management Board)	-	-	Y		X
Savoshchenko Tamara Yurievna (from 01.01.2024 to 31.12.2024)	-	-	Y		V
Samokhvalov Andrey Viktorovich (from 29.01.2024 to 31.12.2024)	-	-	Y		
Shcherbakha Oleksandr Serhiyovych (from 11.03.2024 to 31.12.2024)	-	-	Y		V
Chernyshev Denis Viktorovich (from 01.01.2024 to 31.12.2024)	-	-	Y		

¹ X to indicate the Chairperson of the board; Y to indicate the deputy Chairperson of the board.

² X to indicate the Chairperson of the committee; V to indicate a member of the committee.

Table 2.

Information on meetings of the collegial executive body and a general description of the decisions taken

1	2
Number of meetings in the reporting period	115
of them in-person meetings:	115
of them on line meetings:	0
Description of key solutions:	<p>In 2024, the Management Board of the Bank made decisions, in particular, on:</p> <ul style="list-style-type: none"> - conducting active operations; - changes in the organisational structure of the parent institution; - of the Bank's branches; - financing of capital investments; - the results of audits conducted by the Internal Audit Department and the status of implementation of the Internal Audit Department's recommendations; - review and approval of the Bank's internal documents, etc.

Table 3.

Information on the meetings of the committees of the collegial executive body and a general description of the decisions taken

	Credit Council	Credit Committee	Business Committee
Number of committee meetings in the reporting period	296	139	143
Of them in-person meetings:	126	112	65
Of them on line meetings:	170	27	78
Description of key committee decisions:	Carrying out active operations with corporate, retail, small and medium-sized business clients and	Performing active operations with retail, small and medium-sized business clients and certain other issues in accordance	On approval of tariffs for customers and tariff plans.

	<p>certain other issues in accordance with the powers of the Credit Council.</p>	<p>with the defined powers of the Credit Committee.</p>	<p>Consideration of information on key performance indicators of the Bank's structural units of the Bank's head office and certain categories of employees.</p> <p>On the installation and dismantling of self-service software and hardware systems,</p> <p>On the procurement of lease of premises to accommodate branches/directorates and self-service software and hardware complexes.</p> <p>Consideration of monthly reporting on the Bank's trading result;</p> <p>On approval of the maximum tariff levels/conditions for cash purchase/sale transactions for non-cash currency.</p> <p>Determining the feasibility of the bank's participation in partnership and government programmes;</p> <p>On approval of banking products, modified banking products, their suspension and closure.</p> <p>On the review of the performance assessment of the sales branch network.</p> <p>Approval of the decision to outsource a function within the list of functions that may be outsourced, approved by the Bank's Supervisory Board.</p> <p>On review and approval of reports of business process owners (function owners) on the effectiveness of the outsourcer's performance of functions.</p> <p>On approval of the register of outsourcing agreements and amendments thereto.</p> <p>On preliminary consideration of the issue (if the issue requires further consideration by the Management Board) or decision-making on</p>
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			<p>expediency of procurement of goods, works and services, determination of expediency of which is not within the powers of other collegial bodies of the Management Board, and within the amounts stipulated by the Regulations on organisation and implementation of procurement of goods, works and services in JSB "UKRGASBANK".</p> <p>Consideration of other issues in accordance with the defined powers of JSB "UKRGASBANK".</p>
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Table 3. (Continued of 1)

	Committee on methodological support for risk management of retail, small and microbusinesses	Assets and Liabilities Management Committee
Number of committee meetings in the reporting period	34	182
Of them in-person meetings:	9	23
Of them on line meetings:	25	159
Description of key committee decisions:	<p>Decisions were made:</p> <ul style="list-style-type: none"> - on approval of the methodology for managing credit risks of retail, small and microbusinesses; - reviewing reports on the quality of the loan portfolio of retail, small and microbusinesses; - on the results of the Watch List loan application quality control system; - on making credit decisions on the banking product under the active operation "Energy 	<p>Analysing and monitoring liquidity gaps and structural indicators of the Bank's assets and liabilities, optimising the structure of assets and liabilities from a liquidity perspective.</p> <p>Distribution of risk-weighted assets by business segments;</p> <p>Setting internal limits on liquidity, interest rate and market risk.</p> <p>Setting and reviewing limits on bank transactions with securities and certificates of deposit issued by the NBU.</p> <p>Approval of transfer rates, individual transfer rates, and decisions on the application of transfer pricing.</p>

	<p>Independence" and the product "Energy Independence of Individuals - Household Owners";</p> <ul style="list-style-type: none"> - to ensure the process of lending to individuals under the banking product under the active operation "Credit Card" via a mobile application; - on the process of quarterly review of credit limits; - on the current status of the Committee's assignments; <p>and certain other decisions in accordance with the Committee's terms of reference.</p>	<p>Monitoring of the cost of liabilities and return on assets, environmental conditions and trends, analysis of interest rate spreads and margins, analysis of the market of competing banks in terms of rates.</p> <p>Analysis of the dynamics and value of liabilities.</p> <p>Decisions on the possibility of conducting passive transactions on non-standard terms are within the Committee's competence.</p> <p>Approval of standard conditions and parameters of passive transactions, the marginal rate range for certain passive transactions, and the list of conditions and parameters for its application.</p> <p>Implementation/modification of banking products, pricing parameters of banking products for the Bank's passive operations, determination of approaches to pricing for banking products for the Bank's active operations.</p> <p>Approval of profitability, interest rates and commissions on the Bank's active operations by lending products.</p> <p>Determining the terms and conditions of certain transactions, resource campaigns and promotions on passive transactions, with the possibility to establish/amend/cancel promotional terms and conditions for early repayment of funds by the Bank on passive transactions and promotional terms and conditions for interest rate increases.</p> <p>Approval of cash balance limits in cash desks and ATMs.</p> <p>Analysis of the calculation of the break-even rate and recommended effective interest rates for lending.</p> <p>Consideration of the results of validation of existing risk assessment models and decision-making on the possibility of using such models, consideration of judgements, recommendations and conclusions based on the results of model analysis and decision-making on the use of models for risk assessment within the competence of the Committee.</p> <p>Other matters within the competence of the Committee.</p>
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Table 3. (Continued of 2)

	Operational Risk Management Committee	Tender Committee
Number of committee	33	85

meetings in the reporting period		
Of them in-person meetings:	30	80
Of them on line meetings:	3	5
Description of key committee decisions:	<p>149 issues were considered, the key ones being the following:</p> <ul style="list-style-type: none"> - regarding the unavailability/failure of banking systems; - to identify critical business areas in the Bank's operations; - on reimbursement of accrued interest for unauthorised overdrafts to corporate, medium and small business clients; - to develop effective rules for the reconstruction and monitoring of payment transactions made using EPS; - amending the list of key operational risk indicators and their thresholds; - on changing the limits for cash withdrawals in the Bank ATM network using electronic payment instrument issued by the Bank; - on the current status of the Committee's assignments; - consideration of the Report on the operational risk profile, operational risk incidents and results of monitoring of key operational risk indicators; - consideration of the Report on the results of the operational risk self-assessment; - review of the Report on the results of stress testing of operational risk and scenario analysis of operational risk; - consideration of the CI Risk Assessment Report and the list of measures required to mitigate (minimise) the CI risk; - reviewing the IS Risk Assessment Report and the IS Risk Management Plan; - on consideration of the Report on fraudulent transactions with JSB "UKRGASBANK" cards; - consideration of the Report on the results of testing the components of the business continuity management system <p>other issues in accordance with the defined powers of the CEB.</p>	<p>The Committee held 85 meetings, of which:</p> <ul style="list-style-type: none"> - 78 meetings of the Committee in the form of joint attendance, video conferencing via Google Meet; - 2 meetings of the Committee in the form of joint presence, in a combined mode: in person - Head Office, Parus Business Centre, Agile room and video conference in Google Meet; - 5 meetings of the Committee without the joint presence of the members of the tender committee (working procedure). <p>The decisions concerned the procurement of goods, works and services, in particular, but not exclusively: selection of the procurement procedure, approval of the composition of the working group, approval of tender documents, consideration and assessment of bidders' proposals (winner's documents), acceptance, rejection of bidders' proposals, approval of the conclusion of contracts, approval of the procurement plan/temporary procurement plan and amendments thereto, amendments to procurement contracts, and certain other issues within the competence of the tender committee.</p>

Table 3. (Continued of page 3)

	Technology Committee	Information Security Management Committee
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Number of committee meetings in the reporting period	55	14
Of them in-person meetings:	51	12
Of them on line meetings:	4	2
Description of key committee decisions:	Decisions were made on the expediency of obtaining and purchasing (within the limits of the Technology Committee's authority) software, consulting services, software technical support services, modifications of software modules and purchase of other goods and services in the field of information technology; approval of the implementation of new versions of SCROOGE, WebBank, AS, Cash&Billing software; expediency of implementation, implementation and closure of information technology development projects; quarterly reports on the status of implementation	Approval of the Action Plan to strengthen JSB "UKRGASBANK" cybersecurity/information security/cyber defence measures of the Bank, including the expediency of purchasing the "Independent Information Security Audit in accordance with NBU Resolution No. 178" service; audit of SWIFT system infrastructure and processes for compliance with the SWIFT User Security Concept and information security principles, certification of the Bank according to Payment Card Industry Data Security Standard (PCI DSS), approval of the Action Plan to restrict the use of messaging Approval/coordination of documents on the information security management system.

Table 3. (Continued of page 4)

	Marketing Commission	Commission for monitoring customer credit operations
Number of committee meetings in the reporting period	28	27
Of them in-person meetings:	8	27
Of them on line meetings:	20	0
Description of key committee decisions:	The total number of issues considered at the meetings was 50, including: - 39 issues on approval of charitable/sponsorship assistance;	103 issues were considered, the key ones being: - identification and assessment of individual credit risk factors; - prospects for repayment of clients' debts overdue for more than 1 day; - monitoring the Bank's customer watch list;

	<ul style="list-style-type: none"> - 4 questions on quarterly reports on the status of implementation of the marketing committee's decisions; - 1 issue Regarding the necessity to register the trademark for goods and services "Friendly card" in Ukraine for the purpose of its further use by the Bank; - 1 issue on approval of the Action Plan for handling systemic customer issues for July-October 2024. - 1 issue on cancellation of the decision of the Marketing Commission of the Bank; - 1 issue on amending the instructions of the Marketing Commission regarding the provision of charitable assistance; - 3 issues of approval of the expediency of procurement of goods, works and services. 	approving action plans/orders to address credit risk factors and monitoring their implementation.
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Table 3. (Continued of page 5)

	Committee for the management of non-performing assets	Committee on International Financial Assistance
Number of committee meetings in the reporting period	82	10
Of them in-person meetings:	67	3
Of them on line meetings:	15	7
Description of key committee decisions:	<p>Decisions were made:</p> <ul style="list-style-type: none"> - on settling the debt of the Bank's Borrowers, which has acquired the management status of "Restructuring"; - on settling the debts of the Bank's borrowers, which have acquired the management status of "Problematic Debt"; - on reviewing reports on the timeliness and completeness of the implementation of measures set out in the restructuring plan/action plans for the settlement of bad 	<p>The total number of issues considered at the meetings was 16, including:</p> <ul style="list-style-type: none"> - on attracting international financial assistance - 2 questions; - on quarterly reports on the status of implementation of decisions of the Committee on International Financial Assistance - 4 issues; - on the expediency of the Bank representatives participation in international events aimed at attracting resources to support the

	debts and other issues in accordance with the defined powers. - and certain other decisions in accordance with the Committee's terms of reference.	Ukrainian economy during martial law and post-war recovery of Ukraine - 10 issues.
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Table 3. (Continued of page 6)

	Motivation Committee	Commission for Cooperation with Non-Banking Institutions
Number of committee meetings in the reporting period	25	23
Of them in-person meetings:	23	15
Of them on line meetings:	2	8
Description of key committee decisions:	<p>The main issues were considered by the motivation committee:</p> <ul style="list-style-type: none"> - identification of persons whose professional activities have a significant impact on the Bank's risk profile; - determining the list of the Bank's significant structural units; - preliminary consideration of issues related to the remuneration of employees of the first or second line of defence; - Determining the terms of employment contracts with Key Executives; - on the application of disciplinary measures to the Bank's employees who have committed violations. 	<p>Considered 97 issues on accreditation / extension of accreditation / suspension of accreditation / cancellation of accreditation / review of accreditation of Partners and other issues, in accordance with the defined powers</p>

Table 3. (Continued of page 7)

	Dedicated credit committee	Risk Management Committee for Prevention and Counteraction to Legalisation (Laundering) of Proceeds of
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		Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction
Number of committee meetings in the reporting period	-	4
Of them in-person meetings:	-	3
Of them on line meetings:	-	1
Description of key committee decisions:	The dedicated credit committee has not commenced its activities	<p>Decisions were made:</p> <ul style="list-style-type: none"> - establishing a business relationship with the client; - to continue business relations with clients; - refusal to maintain business relations with the client by terminating business relations, closing the account in accordance with the third paragraph of the first part of Article 15 of the Law of Ukraine "On Prevention and Counteraction to Legalisation (Laundering) of Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction"; - on consideration of the Report on the functioning of the internal bank AML/CFT risk management system for the 3rd quarter of 2024.

Report of the executive body:

1) Assessment of the composition, structure and activities of the executive body

Members of the Management Board of the Bank as of 01.01.2024:

- Morozov Rodion Valerievich - Acting Chairperson of the Management Board;
- Vasilets Nataliia Yevhenivna - Deputy Chairperson of the Management Board;
- Ponomarov Volodymyr Mykolayovych - Deputy Chairperson of the Management Board;
- Savoshchenko Tamara Yurievna - Deputy Chairperson of the Management Board;
- Chernyshov Denys Viktorovych - Deputy Chairperson of the Management Board;
- Vashchuk Maksym Volodymyrovych - Director of the Compliance Department.

Members of the Management Board of the Bank as of 31.12.2024:

- Morozov Rodion Valerievich - Acting Chairperson of the Management Board;
- Ponomarov Volodymyr Mykolayovych - First Deputy Chairperson of the Management Board;
- Vasilets Nataliia Yevhenivna - Deputy Chairperson of the Management Board;
- Savoshchenko Tamara Yurievna - Deputy Chairperson of the Management Board;
- Samokhvalov Andriy Viktorovych - Deputy Chairperson of the Management Board;
- Chernyshov Denys Viktorovych - Deputy Chairperson of the Management Board;
- Shcherbakha Oleksandr Serhiiovych - Deputy Chairperson of the Management Board..

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

There were terminated powers of:

- VASHCHUK Maksym Volodymyrovych, a member of the Management Board on 30.08.2024 in accordance with the decision of the Supervisory Board dated 30.08.2024 (Minutes No. 29);
- VASYLETS Nataliia Yevhenivna, a member of the Management Board, effective 11.11.2024 due to the expiration of her term of office, in accordance with the decision of the Supervisory Board dated 04.11.2019 (Minutes No. 22).

There were elected:

- SAMOKHVALOV Andriy Viktorovich as a member of the Management Board of JSB "UKRGASBANK" for a term of 5 (five) years from 29.01.2024 in accordance with the decision of the Supervisory Board of JSB "UKRGASBANK" dated 28.12.2023 (Minutes No. 57);
- SHERBAKHA Oleksandr Serhiiovych as a member of the Management Board of JSB "UKRGASBANK" for a term of 5 (five) years from 11.03.2024 in accordance with the resolution of the Supervisory Board of JSB "UKRGASBANK" dated 08.03.2024 (Minutes No. 6);
- VASYLETS Nataliia Yevhenivna as Deputy Chairperson of the Management Board of JSB "UKRGASBANK" for a term of 5 (five) years from 12.11.2024 in accordance with the decision of the Supervisory Board of JSB "UKRGASBANK" dated 11.11.2024 (Minutes No. 39).

In addition, pursuant to the order No. 362-P dated 18.04.2024, Deputy Chairperson of the Management Board PONOMAROV Volodymyr Mykolayovych was promoted to the position of First Deputy Chairperson of the Management Board effective 19.04.2024.

In addition, according to the order No. 783-P dated 15.07.2024, VASHCHUK Maksym Volodymyrovych, the Director of the Compliance Department, was promoted to the position of the Deputy Chairperson of the Management Board effective 15.07.2024.

Functional responsibilities of the Chairperson and members of the Management Board are defined by the current legislation, JSB "UKRGASBANK" Articles of Association, the Regulations on the Management Board of JSB "UKRGASBANK", regulations on relevant committees and other collegial bodies of the Management Board, employment contracts concluded with the Chairperson and members of the Management Board.

When making decisions in 2024, the Management Board applied the procedures provided for in the Articles of Association and Regulations on the Management Board of JSB "UKRGASBANK".

In 2024, the Management Board of the Bank held 115 meetings, at which 1376 issues were considered, including in accordance with the Work Plan, during which decisions were made, in most cases, regarding

- conducting active operations;

- changes in the organisational structure of the parent institution;
- the Bank's branches;
- financing of capital investments;
- the results of audits conducted by the Internal Audit Department and the status of implementation of the Internal Audit Department's recommendations;
- review and approval of the Bank's internal documents, etc.

All members of the Management Board regularly attended the Management Board meetings (except for cases of absence due to business trips, vacation, illness), except for Chernyshov Denys Viktorovich, Deputy Chairperson of the Management Board, who was suspended from performing his duties from 10.10.2022 (decision of the Supervisory Board of JSB "UKRGASBANK" dated 08.11.2022 (Minutes No. 29) on the item of the first agenda of the meeting).

In 2024, the following collegial bodies of the Management Board were in operation:

- the Credit Council of JSB "UKRGASBANK";
- the Credit Committee of JSB "UKRGASBANK";
- the Business Committee of JSB "UKRGASBANK";
- the Committee on Methodological Support of Retail, Small and Micro Business Risk Management of JSB "UKRGASBANK";
- the Assets and Liabilities Management Committee of JSB "UKRGASBANK";
- the Operational Risk Management Committee of JSB "UKRGASBANK";
- the Bidding Committee of JSB "UKRGASBANK";
- the Technology Committee of JSB "UKRGASBANK";
- the Information Security Management Committee of JSB "UKRGASBANK";
- the Commission on cooperation with non-banking institutions of JSB "UKRGASBANK";
- the Marketing Commission of JSB "UKRGASBANK";
- the Commission for monitoring credit operations of JSB "UKRGASBANK" clients;
- the Committee on non-performing assets management of JSB "UKRGASBANK";
- the Committee on International Financial Assistance of JSB "UKRGASBANK";
- the Motivation Committee of JSB "UKRGASBANK" (since 25.04.2024);
- the Risk Management Committee for Prevention and Counteraction to Legalisation (Laundering) of Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction of JSB "UKRGASBANK" (since 25.07.2024);
- Separate credit committee of JSB "UKRGASBANK" (from 24.12.2024);
- Credit committees of directorates.

Pursuant to the requirements of the Law of Ukraine "On Banks and Banking", the Regulations on Bank Licensing approved by Resolution of the Board of the National Bank of Ukraine No. 149 dated 22.12.2018 (as amended), the Methodological Recommendations on Corporate Governance in Ukrainian Banks approved by the Resolution of the Board of the National Bank of Ukraine No. 814-rsh dated 03.12.2018 No. 814-rsh, as well as the Regulations on Assessment of the Collective Aptitude and Performance of the Management Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the decision of the Supervisory Board of JSB "UKRGASBANK" dated 27.01.2025 (Minutes No. 4) (hereinafter - the Regulations on Assessment), an annual internal assessment of the Management Board was conducted at JSB "UKRGASBANK" (hereinafter - the Bank).

The assessment included a review of the compliance of the collective suitability of the Management Board of the Bank with the requirements set forth in the legislation of Ukraine (hereinafter referred to as the collective suitability assessment) and the effectiveness of the Management Board of the Bank in general, its committees and other collegial bodies (hereinafter referred to as the Committees), as well as the Chairperson and members of the Management Board in particular (hereinafter referred to as the performance assessment) for 2024 (hereinafter referred to as the collective suitability assessment and the performance assessment).

The assessment was conducted in respect of the Acting Chairperson of the Management Board Rodion MOROZOV and members of the Management Board: Volodymyr PONOMAROV, Natalia VASYLETS, Tamara SAVOSHENKO, Andrey SAMOKHVALOV, and Olexander SHCHERBAKHA.

The performance assessment was carried out by questionnaire survey of the acting Chairperson of the Management Board (hereinafter also referred to as the Chairperson of the Management Board) and members of the Management Board, as well as the Chairperson and members of the Supervisory Board, who filled in the relevant questionnaires in accordance with the appendices to the Assessment Regulations.

When assessing the collective suitability of the Management Board and compliance of its members with the qualification requirements, the Supervisory Board took into account the results of the latest (including annual) verification of compliance of the Management Board members with the requirements of the law, in particular the qualification requirements, the Matrix of the Management Board Profile, as well as the results of the latest assessment of the collective suitability of the Management Board approved by the Supervisory Board.

The assessment was carried out on the basis of a combined approach in accordance with the Regulations on valuation by means of:

- Conducting an assessment (self-assessment) by the Management Board/Chairperson and members of the Management Board, namely
 - assessing (self-assessing) the effectiveness of the Management Board's activities in general;
 - assessing the performance of the Management Board's committees;
 - individual assessment (self-assessment) of the performance of the Chairperson of the Management Board and members of the Management Board in particular (carried out by the Chairperson and members of the Management Board in relation to themselves (self-assessment) and in relation to other members of the Management Board (cross-assessment)).
- The Supervisory Board's assessment of the Management Board, namely:
 - assessing the collective suitability of the Management Board;
 - assessing the performance of the Management Board in general, the Chairperson and members of the Management Board in particular.

The assessment of the Management Board's collective suitability in accordance with the Assessment Regulations was carried out by the Bank's Supervisory Board on the basis of the Matrix of the Bank's Management Board Profile (assessment of collective suitability) of JSB "UKRGASBANK" Management Board approved by the decision of the Supervisory Board of JSB "UKRGASBANK" dated 22.11.2024 (Minutes No. 41).

The assessment of the collective suitability of the Management Board of the Bank took into account the following factors:

- the results of the last (annual) audit of compliance of the Management Board members with the requirements of the legislation, in particular, the qualification requirements set out in the Report on the results of the audit of compliance of the Bank's managers, the Bank's employee - acting responsible for financial monitoring, the Chief Risk Manager, the Acting Chief Compliance Officer and the Director of the Internal Audit Department with the qualification requirements established by the legislation of Ukraine for the relevant position, approved by the decision of the Supervisory Board of the Bank dated 30.12.2024 (Minutes No. 46) on item fifteen of the meeting's agenda);
- the results of the latest assessment of the collective suitability of the Management Board of the Bank, as set out in the Report on the Assessment of the Collective Suitability of the Management Board of JSB "UKRGASBANK", approved by the decision of the Bank's Supervisory Board dated 30.12.2024 (Minutes No. 46) on the item of the sixteenth meeting agenda). In addition, during 2024, by the decision of JSB "UKRGASBANK" Supervisory Board, in accordance with the requirements of the Ukrainian legislation and internal documents of the Bank, the collective suitability of JSB "UKRGASBANK" Management Board was assessed.

The assessment of the collective suitability of the Management Board was carried out on the basis of the information on the experience and education of the Chairperson and members of the Management Board in the following areas of the Bank's activities, as reflected in the Matrix of the Management Board Profile:

- Risk management;
- Finance;
- Retail business;
- Corporate business;

- Payment services;
- Capital markets;
- Security;
- Information technology;
- Work with distressed assets;
- Investment activities;
- Treasury;
- Corporate governance (including experience and education in the areas necessary to ensure effective decision-making in key areas of activity (legal, HR, etc.)).

The generalised results of the questionnaire of the acting Chairperson of the Management Board and members of the Management Board, Chairperson and members of the Supervisory Board, as well as analysis of other materials considered during the assessment of collective suitability of JSB "UKRGASBANK" Management Board and efficiency of the Bank's Management Board in general, its Committees, Chairperson and members of the Management Board in particular, show the following assessment results:

- the acting Chairperson of the Management Board and members of the Management Board of the Bank meet the qualification requirements established by the applicable laws, the composition of the Management Board of the Bank meets the requirements of the laws of Ukraine and ensures the collective suitability of the Management Board of the Bank;
- the activities of the Acting Chairperson of the Management Board and each of the members of the Management Board of the Bank are carried out at a level that ensures the effective performance of their functions, tasks and goals, as well as the effective performance of the Management Board of the Bank as a whole.

Based on the results of the assessment, it was recognised:

- the activities of JSB "UKRGASBANK" Management Board in general, its Committees, Acting Chairperson of the Management Board and Management Board members in particular in 2024 - effective;
- the level of collective suitability of JSB "UKRGASBANK" Management Board members is such that it allows to ensure efficient management of the Bank's activities taking into account its size, complexity, volumes, types, nature of operations performed by the Bank, organisational structure and risk profile, as well as peculiarities of the Bank's activities as a systemically important one;
- no measures are required to improve the mechanisms of JSB "UKRGASBANK" Management Board activity.

2) assessment of the competence and efficiency of the head and deputy heads/chairperson and members of the collegial executive body, including information on his/her activities as an official of other legal entities or other activities - paid and unpaid

The performance of the Chairperson and members of the Management Board was determined by assessing the individual contribution of the Chairperson and members of the Management Board to the Bank's operations.

The assessment (self-assessment) of the performance of the Chairperson and members of the Management Board was based on the results of a questionnaire:

- self-assessment of the Chairperson and members of the Management Board of the Bank - on their own performance in accordance with the questionnaire for individual performance assessment of the Chairperson of the Management Board of JSB "UKRGASBANK" and questionnaires for individual performance assessment of the member of the Management Board of JSB "UKRGASBANK";
- cross-assessment of the Chairperson and members of the Management Board - on the performance of other Management Board members (colleagues) in accordance with the questionnaires of individual self-assessment of the Chairperson of the Management Board of JSB "UKRGASBANK" and questionnaires of individual self-assessment of the Management Board member's performance;
- The Chairperson and members of the Supervisory Board of the Bank according to the questionnaires for assessment of the Management Board performance in general and the Chairperson and members of the Management Board in particular.

Based on the results of the performance assessment of the Chairperson and members of the

Management Board, the performance of the Acting Chairperson of the Management Board and members of the Management Board was assessed as excellent.

3) Assessment of the executive body's fulfilment of the company's goals. This item shall include information on the impact of decisions taken by the executive body during the reporting period on the achievement of the company's strategic goals. At the same time, information on the company's strategic goals should contain a general description of such strategic goals and does not require disclosure of information (indicators) that, according to the company's internal documents, is classified as restricted information (confidential information and trade secrets)

The JSB "UKRGASBANK" Development Strategy for 2022-2024 was approved by the Supervisory Board on 20.12.2021 (Minutes No. 37). However, by its Resolution No. 356-r dated 07.05.2022, the Cabinet of Ministers of Ukraine approved the Main (Strategic) Areas of Public Sector Banks' Activities for the Period of Martial Law and Post-War Economic Recovery (hereinafter - the Main Areas). The Guidelines envisage active participation of banks in ensuring financial stability of Ukraine, support and stability of the banking sector, ensuring financing of priority sectors of the economy and uninterrupted operation of critical infrastructure enterprises (facilities), including those that are in state ownership.

The strategic goals for the period of martial law and post-war economic recovery have been defined:

- providing financial support to priority economic sectors and critical infrastructure enterprises (facilities);
- accessibility of banking services to ensure consumer protection, in particular within the framework of social protection of the population, provided that there is no physical threat to bank employees;
- creating conditions for the rapid resumption of banking services in full and ensuring the functionality and continuity of public sector banks;
- establishing, setting up and maintaining an effective physical security system (of the central office and separate subdivisions of such a bank, including security of bank employees), operating system security, including the use of cloud solutions, and cybersecurity;
- Implementation of measures aimed at mitigating risks, including the implementation of possible threats, implementation of bank security measures, including control over security risks (including physical, financial, cyber and operating system security), elimination and/or minimisation of consequences of implemented threats and crisis situations;
- uninterrupted effective work of the bank's managers to ensure that the necessary management decisions are made;
- maintaining the financial stability of the bank, identifying possible threats to such stability, as well as promptly responding to threats to financial stability and/or avoiding them.

In 2024, the Bank took measures to ensure the implementation of its strategic goals. The Bank is one of the market leaders in supporting priority sectors of the economy, provides financial support to customers of priority sectors of critical infrastructure enterprises and participates in government programmes. The Bank ensured the uninterrupted operation of its IT infrastructure, expanded the use of cloud technologies, and took a number of measures to improve information security. The Bank is actively working to ensure compliance with the prudential requirements of the regulator and improve operational efficiency, which allowed it to generate a net profit of UAH 3,416,471,453.26 in 2024, with a profit before tax of UAH 5,913,156,473.93 in 2024.

4) information on how the activities of the executive body led to changes in the financial and economic activities of the company

The Bank's assets as of 01 January 2025 (according to the A4X file of statistical reporting) amounted to UAH 198.9 billion, having increased by UAH 23.0 billion or 13% in 2024.

As of 01 January 2025:

- customer loan portfolio was UAH 67.6 billion, including:
 - corporate loan portfolio was UAH 48.5 billion;
 - The loan portfolio of small and medium-sized businesses was UAH 11.2 billion;
 - The retail loan portfolio was UAH 7.9 billion;
- customer accounts - UAH 166.6 billion, including:
 - The corporate customer portfolio was UAH 96.8 billion;

- the portfolio of small and medium-sized business clients was UAH 36.0 billion;
- retail customer accounts portfolio was UAH 33.8 billion.

The portfolio of investments valued at fair value through other comprehensive income amounted to UAH 59.5 billion as at 1 January 2025, having increased by UAH 12.6 billion in 2024 or 26.9%. As of 01 January 2025, the NBU's portfolio of certificates of deposit amounted to UAH 18.0 billion, having decreased by UAH 5.5 billion or 24% in 2024.

As of 01 January 2025, the portfolio of funds from international and other financial organisations amounted to UAH 8.5 billion.

According to the results of 2024, the Bank made a profit of UAH 3,416.5 million. In 2024, the Bank's operating income amounted to UAH 11,444.8 million, including net interest income after credit loss expenses of UAH 9,036.4 million (interest income amounted to UAH 20,756.7 million, interest expenses amounted to UAH 10,625.2 million, allocation to credit loss provisions amounted to UAH 1,095.1 million), total net non-interest income amounted to UAH 2,393.2 million. The largest share in non-interest income is comprised of: net fee and commission income in the amount of UAH 1,363.5 million (including UAH 2,312.3 million of fee and commission income), net gains from investments at fair value through other comprehensive income of UAH 373.9 million net gains from operations with foreign currencies and derivative financial instruments of UAH 336.8 million, recovery of previously written-off assets of UAH 46.0 million, and other income of UAH 273.0 million. At the same time, the largest share in the bank's net fee and commission income is made up of income from settlement operations (60%).

The largest share in the structure of the Bank's operating income is traditionally occupied by interest income, which increased by UAH 3,387 million (+19%) in 2024 and reached UAH 20,756.7 million as of 01 January 2025. The largest share in interest income is accounted for by income from treasury and investment securities business (55%) and corporate income (29%).

The net interest spread for 2024 was 6.4%, and the interest margin was 6.3%.

The Bank's return on assets and balance sheet capital as of 01 January 2025 was 1.6% and 19.0%, respectively.

Part 6: Information on the corporate secretary and report on the results of his/her activities

Name	Richnyak Yulia Serhiivna
Tax ID code	-
Unique registry entry number	-
Documents regulating the activities of the corporate secretary	The Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", the Regulations on the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", the Regulations on the Corporate Secretary of JSB "UKRGASBANK" of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", Employment Agreement dated 15.07.2022
The management body that made the decision to appoint the corporate secretary	The Supervisory Board of JSB "UKRGASBANK"
Date and number of the resolution on the appointment of the corporate secretary	15.07.2022 Minutes of the Meeting No. 19
Date and number of the resolution approving the corporate secretary's report for the reporting period	Minutes of the Meeting of the Supervisory Board dated 01.05.2024 No. 16, Minutes of the Meeting of the Supervisory Board dated 04.10.2024 No. 35, and Minutes of the Meeting of the Supervisory Board dated 17.01.2025 No. 3.
Main provisions of the report on the performance of the corporate secretary for the reporting period	<p>The Bank's Supervisory Board is authorised to regulate and control the activities of the Corporate Secretary by approving the Corporate Secretary's report. The Corporate Secretary reports to the Bank's Supervisory Board on a quarterly basis on the results of his/her activities.</p> <p>The reports contain information on meetings and decisions of the Supervisory Board and Supervisory Board Committees, holding of the General Meeting of Shareholders and decisions taken, disclosure of special and regular information in accordance with the established procedure, coordination of interaction between the Bank's management and control bodies, provision of information in the framework of inspections of regulatory authorities and requests of IFC and other organisations, information on the status of implementation of decisions, instructions of the General Meeting and Supervisory Board, direction and coordination of the Corporate Governance Service.</p>

¹ Taxpayer registration number or series (if any) and passport number (for individuals who, due to their religious beliefs, refuse to accept the taxpayer registration number and have notified the relevant supervisory authority and have a note in their passport). At the same time, such information is not subject to placement on the person's website and in the database of the person who publishes the regulated information.

² Unique record number in the Unified State Demographic Register (if any) Such information shall not be posted on the person's website and in the database of the person who publishes the regulated information.

Part 7. Description of the main characteristics of the entity's internal control systems, as well as a list of structural units of the entity that perform key duties to ensure the operation of internal control systems

1	2
The internal control system provides for a three-line defence model Yes/No	Yes
Description of the functions of the first line of defence units and a list of key units	Business units and support units of the Bank. These units initiate, perform or record transactions, take risks in the course of their activities and are responsible for the ongoing management of those risks, and implement internal control measures.
List of units and description of functions of the second line of defence units	Risk management units defined by JSB "UKRGASBANK" Risk Management Strategy and Compliance Department, requirements for which are set out in the Regulation on Organisation of Risk Management System in Ukrainian Banks and Banking Groups approved by Resolution of the Board of the NBU No. 64 dated 11 June 2018. These units provide assurance to the Bank's management that the risk control and management measures implemented by the first line of defence have been designed and are functioning properly. Functions of the compliance department: - implementing an efficient and effective compliance control and compliance risk management system; - ensuring internal control over the compliance of the Bank's activities with the requirements of the laws of Ukraine, regulations of the NBU, internal/regulatory and methodological documents of the Bank, standards of professional associations applicable to the Bank, ensuring improvement of the control environment; - monitoring the effectiveness of internal control procedures on the first line of defence as part of the independent control functions of the second line of defence; summarising the results of monitoring the ICS functioning, reporting and communicating the results to the Management Board and the Supervisory Board of the Bank.
List of units and description of functions of the third line of defence units	Internal Audit Department The functions of the Internal Audit Department include: 1. Review and assessment of the processes that support the Bank's activities, including those that carry potential risk and are performed by engaging legal entities and individuals on a contractual basis (outsourcing). 2. Assessment of the effectiveness of the Bank's corporate governance, internal control system, including the risk management system, and their compliance with the Bank's size, complexity, volume, types, nature of operations, organisational structure and risk profile of the Bank, taking into account the peculiarities of the Bank's activities as a systemically important one, organisation of the internal system for preventing and combating money

laundrying/terrorist financing, and the system for managing money laundering risks

3. Review of the Bank's management processes, including assessment of capital and liquidity adequacy, and means of ensuring the safety of assets, taking into account the Bank's risks.
4. Review of compliance by the Bank's managers and employees with the requirements of the law and internal documents of the Bank.
5. Reviewing the correctness and reliability of accounting, financial and other reports prepared by the Bank, their completeness and timely submission, including to the NBU, state authorities and governments that supervise the Bank's activities within their competence.
6. An independent assessment of the control system implemented by the Bank's management, in particular, with respect to:
 - compliance by the Bank's managers and employees who provide banking and other financial services with the requirements of the legislation of Ukraine, including regulations of the NBU, and internal documents of the Bank, fulfilment of professional duties and rules established by the Bank's Articles of Association and internal documents, including those on compliance and risk management;
 - identifying and analysing facts of violations by the Bank's employees of the requirements of the current legislation of Ukraine, internal audit standards, and internal documents governing the Bank's activities;
 - timely elimination of deficiencies identified by the NBU and other governmental authorities that supervise the Bank's activities within their competence.
7. Verification of compliance with qualification requirements and performance of professional duties by the Bank's employees during inspections of the processes that support the Bank's activities.
8. Assessment of information and technical support for management and operations.
9. Independent assessment of the reliability, efficiency and integrity of the management of information systems and business processes in the Bank (including the relevance, accuracy, completeness, accessibility, confidentiality and complexity of data).
10. Review of the Bank's financial and economic activities.
11. Provide an opinion on the effectiveness and feasibility of the Bank's business recovery plan (based on the results of its review, if necessary).
12. Review of the procedure for transactions with related parties.
13. Assessment of the activities of risk management and compliance risk units, committees established by the Bank and the quality of risk reports submitted to the Supervisory Board and the Management Board.

	<p>14. Identification and verification of cases of abuse of authority by the Bank's officials and emergence of conflicts of interest in the Bank.</p> <p>15. Provide advisory services within the Bank and in the absence of a threat to independence, without compromising the objectivity of internal audit, within the scope of authority and without affecting the performance of the Department's direct functional responsibilities.</p> <p>16. Other functions related to the supervision of the Bank's activities and provided for by the laws of Ukraine.</p>
Availability of approved document(s) defining the internal control system policy (including the compliance and internal audit system)	Yes
List of the main internal documents on the internal control system (including the compliance and internal audit system)	<p>The Policy on Organisation of Internal Control System at JSB "UKRGASBANK" approved by the decision of the Supervisory Board of JSB "UKRGASBANK" dated 26 July 2024 (Minutes of the Meeting No. 25),</p> <p>The Compliance Risk Management Policy at JSB "UKRGASBANK" approved by the decision of the Supervisory Board of JSB "UKRGASBANK" dated 15 May 2024 (Minutes of the Meeting No. 18).</p> <p>The Regulations on the Internal Audit Department of JSB "UKRGASBANK" approved by the decision of the Bank's Supervisory Board dated 28 December 2023 (Minutes of the Meeting No. 57).</p> <p>The Regulations on conducting audits and organisation of the Internal Audit Department at JSB "UKRGASBANK" approved by the decision of the Bank's Supervisory Board dated 29 November 2023 (Minutes of the Meeting No. 53).</p>
Date and number of the decision to approve the report on the internal control system (including compliance risks)	<p>Reports on the internal control system (ICS):</p> <p>Report on the results of ICS monitoring of JSB "UKRGASBANK" for the first quarter of 2024 (decision of the Supervisory Board of JSB "UKRGASBANK" dated 29 May 2024, Minutes of the Meeting No. 19);</p> <p>Report on the results of ICS monitoring of JSB "UKRGASBANK" for the second quarter of 2024 (decision of the Supervisory Board of JSB "UKRGASBANK" dated 04 September 2024, Minutes of the Meeting No. 30);</p> <p>Report on monitoring the effectiveness of the internal control system (control measures) of JSB "UKRGASBANK" for the third quarter of 2024 (decision of the Supervisory Board of JSB "UKRGASBANK" dated 13 December 2024, Minutes of the Meeting No. 43).</p> <p>Compliance risk assessment reports:</p> <ol style="list-style-type: none"> 1. Report on JSB "UKRGASBANK" compliance risk assessment for the first quarter of 2024 (decision of the Supervisory Board dated 29 May 2024, Minutes of the Meeting No. 19); 2. Report on JSB "UKRGASBANK" compliance risk assessment for the second quarter of 2024 (decision of the

	<p>Supervisory Board dated 04 September 2024, Minutes of the Meeting No. 30);</p> <p>3. Report on JSB "UKRGASBANK" compliance risk assessment for the third quarter of 2024 (Supervisory Board decision dated 17 December 2024, Minutes of the Meeting No. 44).</p>
<p>Main provisions of the report on the internal control system (including compliance risks)</p>	<p>The reports on the results of JSB "UKRGASBANK" ICS monitoring for the first and second quarters of 2024 reflect the following information:</p> <ul style="list-style-type: none"> – regarding the regulation (description) of business processes in the Bank's internal/regulatory and methodological documents; – regarding the relevance and compliance of the regulated (described) business processes with internal/ – regarding regulatory and methodological documents of the Bank, legal requirements and absence of contradictions with other internal/regulatory and methodological documents of the Bank; – regarding defining internal control procedures/measures for business processes; – regarding appeals regarding non-compliance with business processes; – regarding the training of employees in accordance with the Bank's internal/regulatory documents. Results of the training sessions; – regarding the implementation of action plans and on the implementation of measures to establish additional control measures over transactions/actions that caused a compliance risk event (incident); – regarding identified ICS deficiencies in business processes and eliminated ICS deficiencies in business processes, analysis of the causes of deficiencies, possible consequences that may result from these deficiencies, a list of measures to minimise the identified ICS deficiencies; – regarding the assessment of ICS monitoring activities by the Compliance Department; – recommendations/proposals to improve the efficiency of the ICS functioning by business processes, mechanisms for monitoring the implementation of previously approved recommendations. <p>The report on monitoring the effectiveness of the internal control system (control measures) for the third quarter of 2024 contains information regarding</p> <ul style="list-style-type: none"> – monitoring the effectiveness of the SIC; – assessing the level of impact of ICS monitoring indicators on JSB "UKRGASBANK" activities; – analysis of measures taken in response to compliance risk events (incidents); – analysing the implementation of changes in legislation in the Bank's internal and regulatory documents; – analysis of substantiated complaints;

	<ul style="list-style-type: none"> – monitoring of control measures established by the first line of defence for transactions for which restrictions are established by Resolution of the Board of the NBU No. 18 "On the Operation of the Banking System during the Period of Martial Law" dated 24 February 2022 (as amended); – efficiency of outsourcing functions; – control measures taken and deficiencies identified by the procurement and controlling department; – conclusions based on the results of ICS monitoring. <p>The JSB "UKRGASBANK" compliance risk assessment reports include information regarding:</p> <ul style="list-style-type: none"> – products, activities, processes that expose the Bank to significant compliance risk and affect the Bank in the event of its realisation, as well as proposals for avoiding or mitigating this risk; – cases of violations of the laws of Ukraine (tax, banking, consumer protection, labour, antitrust, anti-monopoly, anti-money laundering, anti-terrorist financing and proliferation of weapons of mass destruction, other laws, regulations of the NBU and other regulatory authorities) and internal documents in the course of the Bank's activities, as well as sanctions imposed on the Bank – cases of violations of the JSB "UKRGASBANK" Code of Conduct (Ethics) by the Bank's employees, results of investigation of their causes and measures to prevent such events in the future; – cases of false reporting to regulatory and supervisory authorities, as well as sanctions imposed on the Bank; – significant changes in legislation and their potential impact on the Bank; – external information on compliance risk (fines imposed on other banks, events that led to deterioration of reputation of other banks) and their potential consequences for the Bank; – cases of conflict of interest; – training of the Bank's employees on issues related to the functions of the Compliance Department; – other information on compliance risk; – compliance risk profile; <p>Other information.</p>
Availability of an approved risk appetite statement Yes/No	Yes
Description of the main provisions of the risk appetite statement	<p>The risk appetite statement defines the total amount of JSB "UKRGASBANK" risk appetite, types of risks that the Bank will accept or avoid in order to achieve business goals and the level of risk appetite for material risks.</p> <p>In addition, the Bank determines (declares) aggregate risk appetite by setting aggregate risk thresholds and risk appetite for material risks as defined by JSB "UKRGASBANK" Risk Management Strategy by setting risk thresholds.</p> <p>The Risk appetite statement was developed taking into</p>

	account the current martial law in the country, in accordance with the assumptions underlying JSB "UKRGASBANK" Budget for 2025, taking into account the prudential requirements of the NBU.
Name of the body that made the decision to approve the risk appetite statement	Supervisory Board
Date and number of the decision to approve the risk appetite statement	<p>The JSB "UKRGASBANK" Risk appetite statement for 2024, approved by the decision of JSB "UKRGASBANK" Supervisory Board dated 28 December 2023 (Minutes of the Meeting No. 57).</p> <p>The JSB "UKRGASBANK" Risk appetite statement for 2025, approved by the decision of the Supervisory Board of JSB "UKRGASBANK" dated 13 December 2024 (Minutes of the Meeting No. 43).</p>

Part 8: Information on persons who directly or indirectly own a significant shareholding in the company

Name or full name of the shareholder	Tax ID code	Unique registry entry number	Size of significant shareholding	Size of the shareholding in direct and (indirect) ownership
The State of Ukraine represented by the Ministry of Finance of Ukraine (USREOU - 00013480)	-	-	94,940948	94,940948

¹ Taxpayer registration number or series (if any) and passport number (for individuals who, due to their religious beliefs, refuse to accept the taxpayer registration number and have notified the relevant supervisory authority and have a note in their passport). At the same time, such information is not subject to placement on the person's website and in the database of the person who publishes the regulated information.

² Unique record number in the Unified State Demographic Register (if any) Such information shall not be posted on the person's website and in the database of the person who publishes the regulated information.

Part 9: Information on any restrictions on the rights of participation and voting of shareholders (participants) at the general meeting

Name or full name of the shareholder (participant) whose participation and/or voting rights are restricted	Tax ID code	Unique registry entry number	Description of the existing restriction
1399 people	-	-	<p>According to the lists of shareholders entitled to participate in the Annual General Meeting of JSB "UKRGASBANK" held on 22 April 2024, compiled as at 17 April 2024:</p> <ul style="list-style-type: none"> - total number of shares - 13,837,000,000; - the total number of shares with restrictions on participation and voting rights on all issues is 521,045,236; - the number of shareholders with restrictions is 1,399, holding 1,647,534 shares, including: <ul style="list-style-type: none"> 1,155 persons holding 1,038,574 ordinary shares and 242 persons holding 206,459 preferred shares, restriction in accordance with clause 10 of Section VI of the Final and Transitional Provisions of the Law of Ukraine "On the Depository System of Ukraine", date of restriction: 11 October 2014; 1 person owning 402,499 ordinary registered shares - restriction: in accordance with the decision of the National Security and Defence Council, the account holder was subject to the "asset freeze" sanction, the date of the restriction: 17 April 2024; 1 person owning 2 ordinary registered shares - restriction: in accordance with the decision of the National Security and Defence Council, the account holder was subject to sanctions of "blocking assets" and "suspension of economic and financial obligations", date of restriction: 19 October 2022. <p>The accounts with the Central Securities Depository include</p> <p>519,327,025 ordinary registered shares, including:</p> <ul style="list-style-type: none"> - 518,439,305 ordinary registered shares - restriction in accordance with Article 105 of the Law of Ukraine "On Joint Stock Companies", date of restriction: 2013-2014; - 875,220 ordinary registered shares - on accounts with the Central Securities Depository - Authorised for safekeeping; - 12,500 ordinary registered shares - there is no information on the owners whose accounts are opened by depository institutions.

			<p>70,000 ordinary registered shares - the depository institution did not provide information.</p> <p>269,942 registered preferred shares - restricted in accordance with Articles 28, 40, 41 of the Law of Ukraine "On Joint Stock Companies", date of restriction: 17 April 2024.</p> <p>677 shares of registered preferred stock - on account with the Central Securities Depository - Authorised for safekeeping.</p>
1399 people	-	-	<p>According to the lists of shareholders entitled to participate in the Extraordinary General Meeting of the Bank held on 18 November 2024, compiled as at 13 November 2024:</p> <ul style="list-style-type: none"> - total number of shares - 13,837,000,000; - the total number of shares with restrictions on participation and voting rights is 521,045,236; - the number of shareholders with restrictions is 1,399, holding 1,647,534 shares, including: <ul style="list-style-type: none"> 1,155 persons holding 1,038,574 ordinary shares and 242 persons holding 206,459 preferred shares, restriction in accordance with clause 10 of Section VI of the Final and Transitional Provisions of the Law of Ukraine "On the Depository System of Ukraine", date of restriction: 11 October 2014; 1 person owning 402,499 ordinary registered shares - restriction: in accordance with the decision of the National Security and Defence Council, the account holder was subject to the "asset freeze" sanction, the date of the restriction: 17 April 2024; 1 person owning 2 ordinary registered shares - restriction: in accordance with the decision of the National Security and Defence Council, the account holder was subject to sanctions of "blocking assets" and "suspension of economic and financial obligations", date of restriction: 19 October 2022. <p>The accounts with the Central Securities Depository include</p> <p>519,327,025 ordinary registered shares, including:</p> <ul style="list-style-type: none"> - 518,439,305 ordinary registered shares - restriction in accordance with Article 105 of the Law of Ukraine "On Joint Stock Companies", date of restriction: 2013-2014; - 875,220 ordinary registered shares - on accounts with the Central Securities Depository - Authorised for safekeeping; - 12,500 ordinary registered shares - there is no information on the owners whose accounts are opened by depository institutions. <p>70,000 ordinary registered shares - the depository institution did not provide information.</p>

			<p>269,942 registered preferred shares - restricted in accordance with Articles 28, 40, 41 of the Law of Ukraine "On Joint Stock Companies", date of restriction: 13 November 2024.</p> <p>677 shares of registered preferred stock - on account with the Central Securities Depository - Authorised for safekeeping.</p>
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¹ Taxpayer registration number or series (if any) and passport number (for individuals who, due to their religious beliefs, refuse to accept the taxpayer registration number and have notified the relevant supervisory authority and have a note in their passport). At the same time, such information is not subject to posting on the person's website and in the database of the person who publishes the regulated information.

² Unique record number in the Unified State Demographic Register (if any) Such information shall not be posted on the person's website and in the database of the person who publishes the regulated information.

Part 10. Information on the procedure for appointment/dismissal of officials (other than the board and executive body) of the entity

Name of the official	Tax ID code	Unique registry entry number	Position title, name of the body that made the decision to appoint the official, date and number of the decision	Description of the key powers of the official	Procedure for appointment and dismissal of an official
Ilnytska Nataliia Gennadiievna	-	-	Chief Accountant, by Order of the Chairperson of the Management Board No. 386-P dated 24 December 2010, N.G. Khrustaleva was appointed for an unlimited term. According to the order No. 616-P dated 11 November 2020, the name of JSB "UKRGASBANK" Chief Accountant Khrustaleva was changed to Ilnytska from 11 November 2020 in all documents.	The Chief Accountant ensures control over the accounting treatment of all transactions performed by the bank. General supervision of the bank's divisions in accordance with the Order on distribution of powers. Preparation and submission of financial statements in due time.	In accordance with the applicable labour laws of Ukraine and the requirements of the Law of Ukraine "On Banks and Banking Activities".
Vaschuk Maxim Volodymyrovich (in the period from 01.01.2024 to 30.08.2024)	-	-	Chief Compliance Officer (CCO) Supervisory Board (decision No. 20 dated 05 May 2023 on appointment) Supervisory Board (decision No. 29 dated 30 August 2024 on dismissal)	Chief Compliance Officer: submits reports on compliance risk to the Bank's Supervisory Board, Risk Management Committee and the Management Board; ensures coordination of work on compliance risk management between the Bank's structural units; informs the Bank's Supervisory Board, Risk Management Committee and the Management Board of excessive risks to which the Bank may be exposed; notifies the NBU of confirmed facts of unacceptable behaviour in the Bank/violations in the Bank's activities and conflicts of interest arising in the Bank, if the Bank's Supervisory Board has not taken measures to eliminate them; ensures development of, and participates in the development of, internal bank documents.	Appointed and dismissed by the Supervisory Board.

Alekseeva Maria Vadimivna (from 02.09.2024 to 31.12.2024)	-	-	Acting Chief Compliance Officer (CCO), Supervisory Board (decision No. 29 dated 30 August 2024)	Chief Compliance Officer: submits reports on compliance risk to the Bank's Supervisory Board, Risk Management Committee and the Management Board; ensures coordination of work on compliance risk management between the Bank's structural units; informs the Bank's Supervisory Board, Risk Management Committee and the Management Board of excessive risks to which the Bank may be exposed; notifies the NBU of confirmed facts of unacceptable behaviour in the Bank/violations in the Bank's activities and conflicts of interest arising in the Bank, if the Bank's Supervisory Board has not taken measures to eliminate them; ensures the development of, and participates in the development of, internal banking documents.	Appointed and dismissed by the Supervisory Board.
Vasilets Natalia Yevhenivna	-	-	CRO, Supervisory Board (Resolution No. 32 of 11 December 2018)	Chief Risk Officer: submits risk reports to the Bank's Supervisory Board, the Bank's Risk Management Committee and the Management Board; informs the Bank's Supervisory Board, the Bank's Risk Management Committee and the Management Board of excessive risks to which the Bank may be exposed; ensures coordination of risk management activities between the Bank's structural units; submit proposals to the Supervisory Board and the Management Board of the Bank on the necessary measures to mitigate the impact of risks (by type) on the financial position, capital and liquidity of the Bank, including	Appointed and dismissed by the Supervisory Board.

				initiating the establishment of risk limits and/or reviewing their values; develops and participates in the development of internal banking documents.	
Liuta Yevheniia Oleksandrivna	-	-	Director of the Internal Audit Department, Supervisory Board (Resolution No. 19 of 10 October 2019)	The Head of the Internal Audit Unit: draws up annual and long-term plans of the Internal Audit Department and ensures their implementation. She/he ensures compliance, adequacy and efficiency of the Internal Audit Department's resources for the implementation of the annual plan of audits (inspections) of the Bank. He/she determines the policy and audit procedures used by the internal auditors to conduct the audit (inspection) in accordance with the requirements of the Bank's internal documents on conducting the audit (inspection) and internal audit standards. He/she shall prepare a report on the work of the Internal Audit Department and submit He/she for approval to the Supervisory Board and the Audit Committee of the Bank not later than the last day of the first month of the year following the reporting year, providing confirmation of the organisational independence of the Internal Audit Department. He/she submits reports on the results of audits (audits) to the heads of structural units (participants of the processes subject to audit (audit)), the Management Board and the Supervisory Board of the Bank (Audit Committee) for them to take appropriate organisational (corrective) measures. He/she shall submit to the Bank's	Appointed and dismissed by the Supervisory Board.

				Supervisory Board (Audit Committee) at least once a quarter information (report) on the status of implementation, including failure of the Management Board and heads of the Bank's divisions to implement recommendations (proposals) to eliminate violations and deficiencies in the Bank's activities identified by the audit. He/she prepares and submits to the NBU a report on the work of the Internal Audit Department and other documents based on the results of the Bank's internal audit. He/she ensures periodic audits of the Bank's compliance with the requirements of the legislation on prevention of money laundering / terrorist financing (including the adequacy of the measures taken by the Bank to manage the risks of money laundering / terrorist financing). He/she ensures, within his/her powers, on an ongoing basis, cooperation with external auditors, public authorities and management bodies that supervise the Bank's activities within their competence, including the NBU.	
Richnyak Yulia Serhiivna	-	-	Corporate Secretary, Supervisory Board (Resolution No. 19 of 15 July 2022)	The Corporate Secretary ensures: exchange of information between the Bank's management and control bodies, other persons interested in the Bank's activities, and - within the powers of the Corporate Secretary, together with the Investment and Share Capital Department - between the Bank and shareholders, in accordance with the procedures for providing information established by the Bank;	Appointed and dismissed by the Supervisory Board.

				<p>providing information to shareholders and/or investors, other interested parties on the Bank's activities; providing the Bank's Articles of Association and its internal regulations, including amendments thereto, for review by persons entitled to do so; participating in the preparation or drafting explanations for shareholders or investors on the exercise of their rights, responding to shareholders' or investors' requests</p> <p>Participation in the development of drafts of the Articles of Association, regulations on the General Meeting of Shareholders, the Supervisory Board, the Supervisory Board Committees and other internal documents of the Bank in the field of corporate governance, as well as amendments and additions thereto; monitoring compliance by the Supervisory Board and its committees with internal corporate procedures provided for by the laws of Ukraine, the Articles of Association of the Bank, internal documents of the Bank and resolutions of the General Meeting of Shareholders and the Supervisory Board of the Bank. Informing the Bank's Supervisory Board of any identified deficiencies and violations. Submitting proposals to the Bank's Supervisory Board for improvement of internal corporate procedures;</p> <p>coordinating the work of the Bank's Supervisory Board and its committees with the relevant structural units of the Bank during corporate events;</p> <p>ensuring preparation, convening and holding</p>	
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			<p>of the general meeting of shareholders of the Bank, acting as the secretary of the general meeting of shareholders of the Bank and drawing up the minutes of the general meeting;</p> <p>Preparing a draft resolution of the Bank's Supervisory Board on convening the general meeting of shareholders and drafting its agenda;</p> <p>ensuring, in accordance with the procedure prescribed by the laws of Ukraine, the Articles of Association and the Regulations on the General Meeting of Shareholders of the Bank, that the relevant structural unit of the Bank notifies shareholders personally and publishes the notice of the General Meeting of Shareholders of the Bank; notifying persons who are not shareholders but whose participation in the General Meeting of Shareholders of the Bank is necessary or appropriate;</p> <p>coordinating the preparation of draft resolutions, materials and documents on the agenda of the General Meeting of Shareholders; ensuring the maintenance, preparation, execution, signing and storage of minutes (copies of minutes) of the meetings of the Supervisory Board of the Bank and its committees, preparation and submission of extracts from minutes of the meetings of the Supervisory Board of the Bank and its committees in accordance with the Bank's internal documents, preparing extracts from the minutes of the meetings of the Bank's governing bodies and certifying</p>	
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				<p>them; ensuring control over the implementation of decisions of the Supervisory Board and its committees, providing the said collegial bodies with information on the implementation or non-implementation of their decisions, as well as on violations committed in their implementation; performing other functions provided for by the Law of Ukraine "On Joint Stock Companies", the Bank's Articles of Association, and participating in resolving other issues related to corporate governance in the Bank.</p>	
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¹ Taxpayer registration number or series (if any) and passport number (for individuals who, due to their religious beliefs, refuse to accept the taxpayer registration number and have notified the relevant supervisory authority and have a note in their passport). At the same time, such information is not subject to placement on the person's website and in the database of the person who publishes the regulated information.

² Unique record number in the Unified State Demographic Register (if any) Such information shall not be posted on the person's website and in the database of the person who publishes the regulated information.

Part 11: Information on remuneration of members of the executive body and/or the board of the entity

Management body	Executive body
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Acting Chairperson of the Management Board
Date of taking office	13.02.2023
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 11,613,873.58.
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 11,613,873.58.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
Performance evaluation criteria used to calculate the variable part of remuneration	-
Information about remuneration or compensation to be paid in the event of dismissal	Any remuneration or compensation to be paid to the Chairperson and members of the Management Board of the Bank in case of their dismissal is defined in the Regulations on Remuneration of the Chairperson, members of the Management Board and Key Executives of JSB "UKRGASBANK" approved by the decision of the Supervisory Board dated 25 April 2024 (Minutes of the Meeting No. 15).
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/boards_of_bank/zvity

Management body	Executive body
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-

Position	Deputy Chairperson of the Management Board / First Deputy Chairperson of the Management Board
Date of taking office	03.04.2023 / 19.04.2024
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 12,346,082.08.
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 12,346,082.08.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
Performance evaluation criteria used to calculate the variable part of remuneration	-
Information about remuneration or compensation to be paid in the event of dismissal	Any remuneration or compensation to be paid to the Chairperson and members of the Management Board of the Bank in case of their dismissal is defined in the Regulations on Remuneration of the Chairperson, members of the Management Board and Key Executives of JSB "UKRGASBANK" approved by the decision of the Supervisory Board dated 25 April 2024 (Minutes of the Meeting No. 15).
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/boards_of_bank/zvity

Management body	Executive body
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Deputy Chairperson of the Management Board
Date of taking office	10.00311.2017
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 9,364,268.43.
Forms of payment of remuneration that was	Paid: in cash in the national currency of Ukraine

paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 9,364,268.43.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
Performance evaluation criteria used to calculate the variable part of remuneration	-
Information about remuneration or compensation to be paid in the event of dismissal	Any remuneration or compensation to be paid to the Chairperson and members of the Management Board of the Bank in case of their dismissal is defined in the Regulations on Remuneration of the Chairperson, members of the Management Board and Key Executives of JSB "UKRGASBANK" approved by the decision of the Supervisory Board dated 25 April 2024 (Minutes of the Meeting No. 15).
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/boards_of_bank/zvity

Management body	Executive body
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Deputy Chairperson of the Management Board
Date of taking office	12.11.2014
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 8,278,632.04.
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 8,278,632.04.
The amount of variable parts of remuneration that were paid and/or are to be paid in the	-

reporting period and/or the decision to pay which was made in the reporting period	
Performance evaluation criteria used to calculate the variable part of remuneration	-
Information about remuneration or compensation to be paid in the event of dismissal	Any remuneration or compensation to be paid to the Chairperson and members of the Management Board of the Bank in case of their dismissal is defined in the Regulations on Remuneration of the Chairperson, members of the Management Board and Key Executives of JSB "UKRGASBANK" approved by the decision of the Supervisory Board dated 25 April 2024 (Minutes of the Meeting No. 15).
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/boards_of_bank/zvity

Management body	Executive body
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name *
Tax ID code	-
Unique registry entry number	-
Position	Chief Compliance Officer/Deputy Chairperson of the Management Board
Date of taking office	08.05.2023 / 15.07.2024
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 5,234,653.41.
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 5,234,653.41.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
Performance evaluation criteria used to calculate the variable part of remuneration	-
Information about remuneration or compensation to be paid in the event of dismissal	Any remuneration or compensation to be paid to the Chairperson and members of the Management Board of the Bank in case of their dismissal is defined in the Regulations on Remuneration of the

	Chairperson, members of Management Board and Key Executives of JSB "UKRGASBANK" approved by the decision of the Supervisory Board dated 25 April 2024 (Minutes of the Meeting No. 15).
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/boards_of_bank/zvity

* terminated his powers on 30 August 2024 in accordance with the decision of the Supervisory Board dated 30 August 2024 (Minutes of the Meeting No. 29)

Management body	Executive body
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Deputy Chairperson of the Management Board
Date of taking office	29.01.2024
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 8,082,289.96.
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 8,082,289.96.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
Performance evaluation criteria used to calculate the variable part of remuneration	-
Information about remuneration or compensation to be paid in the event of dismissal	Any remuneration or compensation to be paid to the Chairperson and members of the Management Board of the Bank in case of their dismissal is defined in the Regulations on Remuneration of the Chairperson, members of the Management Board and Key Executives of JSB "UKRGASBANK" approved by the decision of the Supervisory Board dated 25 April 2024 (Minutes of the Meeting No. 15).
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/boards_of_bank/zvity

Management body	Executive body
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position.	Deputy Chairperson of the Management Board
Date of taking office	11.03.2024
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 7,049,317.37.
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: UAH 7,049,317.37.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
Performance evaluation criteria used to calculate the variable part of remuneration	-
Information about remuneration or compensation to be paid in the event of dismissal	Any remuneration or compensation to be paid to the Chairperson and members of the Management Board of the Bank in case of their dismissal is defined in the Regulations on Remuneration of the Chairperson, members of the Management Board and Key Executives of JSB "UKRGASBANK" approved by the decision of the Supervisory Board dated 25 April 2024 (Minutes of the Meeting No. 15).
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/boards_of_bank/zvity

Management body	Executive body
Name of the member of the executive body / board of the person	Chernyshov Denis Viktorovich *.
Tax ID code	-
Unique registry entry number	-
Position.	Deputy Chairperson of the Management Board
Date of taking office	25.03. 2020

The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	-
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	-
Performance evaluation criteria used to calculate the variable part of remuneration	-
Information about remuneration or compensation to be paid in the event of dismissal	Any remuneration or compensation to be paid to the Chairperson and members of the Management Board of the Bank in case of their dismissal is defined in the Regulations on Remuneration of the Chairperson, members of the Management Board and Key Executives of JSB "UKRGASBANK" approved by the decision of the Supervisory Board dated 25 April 2024 (Minutes of the Meeting No. 15).
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/boards_of_bank/zvity

* Based on the decision of the Supervisory Board dated 08 October 2022 (Minutes of the Meeting No. 27) (as amended) and the order of the Chairperson of the Management Board dated 10 October 2022 No. 1061-P (as amended), the Deputy Chairperson of the Management Board was suspended from performing his duties as Deputy Chairperson of the Management Board, without pay, effective 10 October 2022

Management body	Supervisory Board
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Chairperson of the Supervisory Board, independent member of the Supervisory Board
Date of taking office	10.11.2023
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	5,704,701.60 UAH, of which: Paid: 5,275,851.66 UAH. To be paid: UAH 428,849.94 (payable in 2025).
Forms of payment of remuneration that was	Paid: in cash in the national currency of Ukraine

paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: 5,275,851.66 UAH.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	To be paid: UAH 428,849.94 (payable in 2025).
Performance evaluation criteria used to calculate the variable part of remuneration	<p>The performance evaluation criteria under which a variable part of remuneration was accrued to Chairperson and members of the Supervisory Board for the period from 01.01.2024 to 29.04.2024 are defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the wording approved by the decision of the General Meeting of shareholders of JSB "UKRGASBANK" dated 23.04.2021 (Minutes No. 1).</p> <p>The new version of the Regulation on remuneration of members of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", approved by the decision of the general meeting of shareholders of JSB "UKRGASBANK" dated 22.04.2024 (Minutes No. 1), does not provide for variable remuneration.</p>
Information about remuneration or compensation to be paid in the event of dismissal	Information on remuneration or compensation to be paid in the event of dismissal is defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK".
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/supervisory_council/zvity

Management body	Supervisory Board
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Independent member of the Supervisory Board
Date of taking office	10.11.2023
The amount of remuneration in national or foreign currency that was paid (to be paid) in	4,827,055.20 UAH, of which: Paid: 4,684,105.22 UAH.

the reporting period and/or the decision to pay which was made in the reporting period	To be paid: UAH 142,949.98 (payable in 2025).
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: 4,684,105.22 UAH.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	To be paid: UAH 142,949.98 (payable in 2025).
Performance evaluation criteria used to calculate the variable part of remuneration	<p>The performance evaluation criteria under which a variable part of remuneration was accrued to Chairperson and members of the Supervisory Board for the period from 01.01.2024 to 29.04.2024 are defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the wording approved by the decision of the General Meeting of shareholders of JSB "UKRGASBANK" dated 23.04.2021 (Minutes No. 1).</p> <p>The new version of the Regulation on remuneration of members of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", approved by the decision of the general meeting of shareholders of JSB "UKRGASBANK" dated 22.04.2024 (Minutes No. 1), does not provide for variable remuneration.</p>
Information about remuneration or compensation to be paid in the event of dismissal	Information on remuneration or compensation to be paid in the event of dismissal is defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK".
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/supervisory_council/zvity

Management body	Supervisory Board
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Member of the Supervisory Board -representative of the shareholder - the state of Ukraine

Date of taking office	10.11.2023
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	4,827,055.20 UAH, of which: Paid: 4,684,105.22 UAH. To be paid: UAH 142,949.98 (payable in 2025).
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: 4,684,105.22 UAH.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	To be paid: UAH 142,949.98 (payable in 2025).
Performance evaluation criteria used to calculate the variable part of remuneration	<p>The performance evaluation criteria under which a variable part of remuneration was accrued to Chairperson and members of the Supervisory Board for the period from 01.01.2024 to 29.04.2024 are defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the wording approved by the decision of the General Meeting of shareholders of JSB "UKRGASBANK" dated 23.04.2021 (Minutes No. 1).</p> <p>The new version of the Regulation on remuneration of members of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", approved by the decision of the general meeting of shareholders of JSB "UKRGASBANK" dated 22.04.2024 (Minutes No. 1), does not provide for variable remuneration.</p>
Information about remuneration or compensation to be paid in the event of dismissal	Information on remuneration or compensation to be paid in the event of dismissal is defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK".
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/supervisory_council/zvity

Management body	Supervisory Board
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-

Unique registry entry number	-
Position	Independent member of the Supervisory Board
Date of taking office	12.12.2023 ¹
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	3,828,573.43 UAH, of which: Paid: 3,795,329.25 UAH To be paid: UAH 33,244.18 (payable in 2025).
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: 3,795,329.25 UAH
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	To be paid: UAH 33,244.18 (payable in 2025).
Performance evaluation criteria used to calculate the variable part of remuneration	The performance evaluation criteria under which a variable part of remuneration was accrued to Chairperson and members of the Supervisory Board for the period from 01.01.2024 to 29.04.2024 are defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the wording approved by the decision of the General Meeting of shareholders of JSB "UKRGASBANK" dated 23.04.2021 (Minutes No. 1). The new version of the Regulation on remuneration of members of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", approved by the decision of the general meeting of shareholders of JSB "UKRGASBANK" dated 22.04.2024 (Minutes No. 1), does not provide for variable remuneration.
Information about remuneration or compensation to be paid in the event of dismissal	Information on remuneration or compensation to be paid in the event of dismissal is defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK".
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/supervisory_council/zvity

¹ The authority of a member of the management body were terminated on 28.10.2024 (at their own request)

Management body	Supervisory Board
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	member of the Supervisory Board -representative of the shareholder - the state of Ukraine
Date of taking office	10.11.2023
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	4,827,055.20 UAH, of which: Paid: 4,684,105.22 UAH. To be paid: UAH 142,949.98 (payable in 2025).
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: 4,684,105.22 UAH.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	To be paid: UAH 142,949.98 (payable in 2025).
Performance evaluation criteria used to calculate the variable part of remuneration	The performance evaluation criteria under which a variable part of remuneration was accrued to Chairperson and members of the Supervisory Board for the period from 01.01.2024 to 29.04.2024 are defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the wording approved by the decision of the General Meeting of shareholders of JSB "UKRGASBANK" dated 23.04.2021 (Minutes No. 1). The new version of the Regulation on remuneration of members of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", approved by the decision of the general meeting of shareholders of JSB "UKRGASBANK" dated 22.04.2024 (Minutes No. 1), does not provide for variable remuneration.
Information about remuneration or compensation to be paid in the event of dismissal	Information on remuneration or compensation to be paid in the event of dismissal is defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK".

URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/supervisory_council/zvity
Management body	Supervisory Board
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Independent member of the Supervisory Board
Date of taking office	10.11.2023
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	4,827,055.20 UAH, of which: Paid: 4,684,105.22 UAH. To be paid: UAH 142,949.98 (payable in 2025).
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: 4,684,105.22 UAH.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	To be paid: UAH 142,949.98 (payable in 2025).
Performance evaluation criteria used to calculate the variable part of remuneration	The performance evaluation criteria under which a variable part of remuneration was accrued to Chairperson and members of the Supervisory Board for the period from 01.01.2024 to 29.04.2024 are defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" in the wording approved by the decision of the General Meeting of shareholders of JSB "UKRGASBANK" dated 23.04.2021 (Minutes No. 1). The new version of the Regulation on remuneration of members of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", approved by the decision of the general meeting of shareholders of JSB "UKRGASBANK" dated 22.04.2024 (Minutes No. 1), does not provide for variable remuneration.
Information about remuneration or compensation to be paid in the event of dismissal	Information on remuneration or compensation to be paid in the event of dismissal is defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-

	STOCK COMPANY JOINT STOCK BANK “UKRGASBANK”.
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/supervisory_council/zvity

Management body	Supervisory Board
Name of the member of the executive body / board of the person	A member of the governing body forbade disclosing his name
Tax ID code	-
Unique registry entry number	-
Position	Independent member of the Supervisory Board
Date of taking office	30.01.2024
The amount of remuneration in national or foreign currency that was paid (to be paid) in the reporting period and/or the decision to pay which was made in the reporting period	4,351,663.40 UAH, of which: Paid: 4,318,419.22 UAH. To be paid: 33,244.18 UAH (payable in 2025).
Forms of payment of remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: in cash in the national currency of Ukraine
The amount of fixed part of the remuneration that was paid and/or must be paid in the reporting period and/or the decision to pay which was made in the reporting period	Paid: 4,318,419.22 UAH.
The amount of variable parts of remuneration that were paid and/or are to be paid in the reporting period and/or the decision to pay which was made in the reporting period	To be paid: 33,244.18 UAH (payable in 2025).
Performance evaluation criteria used to calculate the variable part of remuneration	The performance evaluation criteria under which a variable part of remuneration was accrued to Chairperson and members of the Supervisory Board for the period from 01.01.2024 to 29.04.2024 are defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK “UKRGASBANK” in the wording approved by the decision of the General Meeting of shareholders of JSB "UKRGASBANK" dated 23.04.2021 (Minutes No. 1). The new version of the Regulation on remuneration of members of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK “UKRGASBANK”, approved by the decision of the general meeting of shareholders of JSB "UKRGASBANK" dated 22.04.2024 (Minutes No. 1), does not provide for variable remuneration.
Information about remuneration or	Information on remuneration or compensation to be

compensation to be paid in the event of dismissal	paid in the event of dismissal is defined in the Regulation on remuneration of members of the SUPERVISORY BOARD OF PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK “UKRGASBANK”.
URL of the website of the entity where the remuneration report is posted	https://www.ukrgasbank.com/about/corporate_management/supervisory_council/zvity

The ratio of the average remuneration of a member of the Management Board to the average remuneration of the company's employees: 12

The ratio of the average remuneration of a member of the Supervisory Board to the average remuneration of the company's employees: 6.

Part 12: Information on the entity's disclosure policy

Name of the internal document defining the disclosure policy	The Information policy of "UKRGASBANK"
Name of the body that made the decision to approve the document defining the disclosure policy	The Supervisory Board of JSB "UKRGASBANK"
Date and number of the decision to approve the document defining the disclosure policy	Minutes of the Meeting of the Supervisory Board of JSB "UKRGASBANK" dated 21 December 2023 No.
Description of the key provisions of the internal document defining the disclosure policy	<p>The JSB "UKRGASBANK" Information Policy (hereinafter referred to as the Policy) defines the main communication principles and principles of interaction between the Bank and the public, media, customers, counterparties, partners, etc. and the list of information and documents that may be disclosed to the public, media representatives, depositors, customers, creditors, potential investors, professional securities market participants, shareholders and other interested parties, as well as establishes the procedure for providing such information and documents and the procedure for interaction between the Bank and the interested parties.</p> <p>The policy provides for:</p> <ul style="list-style-type: none"> - implementation of the Bank unified and coordinated policy in the field of communications and public relations; - enabling stakeholders to exercise their right to receive up-to-date and objective information about the Bank, its products and services; - preventing the dissemination of intentionally false/fake information about the Bank as a threat to its business reputation and stable operations in the financial and banking services market.

Part 13: Information about an adviser

JSB "UKRGASBANK" does not have a corporate rights adviser.

Part 14: Information from the auditing entity, taking into account the requirements stipulated by clause 45 of the Regulation on Disclosure of Information by Securities Issuers and Persons Providing Security for Such Securities, approved by the decision of the National Securities and Stock Market Commission dated 06.06.2023 No. 608

Information from the auditing entity regarding the Governance report is provided in the Independent Auditors' Report.

Part 15: Information provided for by the legislation on activities and regulation of activities in the financial market

Purpose of the financial institution's activities

In accordance with the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" approved by the General Meeting of Shareholders of the Bank dated 18 November 2024 (Minutes of the Meeting No. 2), the Bank was established to provide banking and other financial services on the basis of a banking licence, as well as to carry out other activities in accordance with the current legislation of Ukraine. The purpose of the Bank's activities is to generate profit for its own development and in the interests of shareholders.

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

JSB "UKRGASBANK" in its activities strictly complied with the Corporate Governance Code of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", available at the web address, from 01 January 2024 to 31 December 2024:

[https://www.ukrgasbank.com/upload/file/kku_\(1\).pdf](https://www.ukrgasbank.com/upload/file/kku_(1).pdf)

During 2024, the Bank did not deviate from the provisions of the above Code.

Corporate governance at the Bank is carried out in accordance with the requirements of Ukrainian legislation and taking into account the Recommendations on the practice of applying corporate governance legislation approved by the National Securities and Stock Market Commission Resolution No. 118 dated 12 March 2020 and the Methodological Recommendations on Corporate Governance in Ukrainian Banks approved by the Board of the NBU Resolution No. 814-pm dated 03 December 2018 (as amended).

Owners of significant interest (including persons exercising control over a financial institution), their compliance with the requirements established by law and changes in their composition during the year

The owner of significant interest in the Bank is the State of Ukraine represented by the Ministry of Finance of Ukraine, which owns 94.940948% of the Bank share capital, which was acquired in accordance with the requirements of the current legislation of Ukraine.

During 2024, there were no changes in the composition of owners of significant interest in the Bank.

Composition of the supervisory board of a financial institution and its changes during the year, including committees formed by it

As at 31 December 2024, the Supervisory Board of the Bank consists of 4 independent members and 2 members representing the shareholder - the State of Ukraine, with the Chairperson of the Supervisory Board being an independent member.

Membership of the Bank's Supervisory Board as at 31 December 2024:

1. Sanela PAŠIĆ - Chairperson of the Supervisory Board, independent member of the Supervisory Board.
2. Yana BUHRIMOVA - Deputy Chairperson of the Supervisory Board, member of the Supervisory Board - representative of the shareholder - the State of Ukraine.
3. Maryna LAZEBNA - member of the Supervisory Board, representative of the shareholder - the State of Ukraine.
4. Per Anders FASTH - an independent member of the Supervisory Board.
5. Yuriy BLASHCHUK - an independent member of the Supervisory Board.
6. Enrica RIMOLDI - an independent member of the Supervisory Board.

The following changes took place during the reporting year.

As at 01 January 2024, the composition of the Supervisory Board in accordance with the decision of the General Meeting of Shareholders of the Bank dated 06 November 2023 (Minutes of the Meeting

No. 3) held remotely on 06 November 2023, according to the vote count on 10 November 2023, was as follows:

1. Sanela PAŠIĆ, the Chairperson of the Supervisory Board, independent member of the Supervisory Board.
2. Yana BUHRIMOVA, a member of the Supervisory Board, representative of the shareholder - the State of Ukraine.
3. Maryna LAZEBNA, a member of the Supervisory Board, representative of the shareholder - the State of Ukraine.
4. Per Anders FASTH, an independent member of the Supervisory Board.
5. Yuriy BLASHCHUK, an independent member of the Supervisory Board.
6. Irakli ELASHVILI, an independent member of the Supervisory Board.
7. Enrica RIMOLDI, an independent member of the Supervisory Board.

At the same time, due to the fact that in accordance with part 12 of Article 42 of the Law of Ukraine "On Banks and Banking Activities", the Chairperson and members of the bank's board take office after their approval by the NBU, Enrica RIMOLDI took office as an independent member of the Supervisory Board after her approval by the NBU. The letter of the NBU dated 30 January 2024 #27-0014/7356 (inbound dated 30 January 2024 #02/5264) informed about the approval of Enrica RIMOLDI for the position of an independent member of the Supervisory Board of JSB "UKRGASBANK".

Accordingly, as at 30 January 2024, the Bank's Supervisory Board consisted of 5 independent members and 2 members representing the shareholder - the State of Ukraine, with the Chairperson of the Supervisory Board being an independent member.

The Bank received an application from Irakli ELASHVILI, an independent member of the Bank's Supervisory Board (in. dated 15 October 2024 No. 20/45399), to terminate his powers and resign from the Bank's Supervisory Board of his own free will in accordance with clause 12.13.1. 12.13. Article 12 of the Articles of Association of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" (as amended as at 15 October 2024) and sub-clause 6.2.4 of clause 6.2 of section 6 of the Agreement with the Independent Member of the Supervisory Board of PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" dated 12 December 2023.

Pursuant to the third paragraph of the first part of Article 80 of the Law of Ukraine "On Joint Stock Companies", without a decision of the general meeting, the powers of a member of the supervisory board are terminated at his/her request, provided that he/she gives two weeks' written notice to the company.

In accordance with sub-clause 12.13.1 of cl. 12.13 of Article 12 of JSB "UKRGASBANK" Articles of Association (as amended as at 15 October 2024), without a decision of the General Meeting of Shareholders, the powers of a member of the Supervisory Board with simultaneous termination of the agreement shall be terminated at his/her request subject to two weeks' written notice to the Bank - the powers shall be terminated after two weeks from the date of receipt of the relevant written application by the Bank.

Irakli ELASHVILI served as an independent member of the Bank's Supervisory Board for 10 months up to 28 October 2024.

Accordingly, from 28 October 2024, the Supervisory Board acted in the following composition:

- Sanela PAŠIĆ – the Chairperson of the Supervisory Board, independent member of the Supervisory Board.
- Yana BUHRIMOVA – the Deputy Chairperson of the Supervisory Board, member of the Supervisory Board - representative of the shareholder - the State of Ukraine.
- Maryna LAZEBNA – a member of the Supervisory Board, representative of the shareholder - the State of Ukraine.
- Per Anders FASTH - an independent member of the Supervisory Board.
- Yuriy BLASHCHUK - an independent member of the Supervisory Board.
- Enrica RIMOLDI - an independent member of the Supervisory Board.

Information on the personal composition of the Audit Committee of the Supervisory Board of JSB "UKRGASBANK"

Members as at 31 December 2024:

The Committee was chaired by Per Anders FASTH, an independent member of the Supervisory Board;

Yuriy BLASHCHUK, an independent member of the Supervisory Board, was a member of the Committee;

Yana BUHRIMOVA, a member of the Supervisory Board, was a member of the Committee.

Information on the members of the Risk Management Committee of the Supervisory Board of JSB "UKRGASBANK"

Members as at 31 December 2024:

The Committee was chaired by Yuriy BLASHCHUK, an independent member of the Supervisory Board;

Per Anders FASTH, an independent member of the Supervisory Board, was the Committee's member;

Marina LAZEBNA, a member of the Supervisory Board, was a member of the Committee.

Changes in the Committee's composition in 2024:

- As at 05 May 2023 (Minutes of the Meeting No. 20), the composition of the Committee:

The Committee was chaired by Yuriy BLASHCHUK, an independent member of the Supervisory Board;

Per Anders FASTH, an independent member of the Supervisory Board, was the Committee's member;

Sanela PAŠIĆ, an independent member of the Supervisory Board, was the Committee member;

Marina LAZEBNA, a member of the Supervisory Board, was a member of the Committee.

- In accordance with the decision of the Supervisory Board dated 07 February 2024 (Minutes of the Meeting No. 3), changes were made to the composition of the Committee:

The Committee was chaired by Yuriy BLASHCHUK, an independent member of the Supervisory Board;

Per Anders FASTH, an independent member of the Supervisory Board, was the Committee's member;

Marina LAZEBNA, a member of the Supervisory Board, was a member of the Committee.

Information on the personal composition of the Bank's Supervisory Board Committee on Remuneration, Nomination and Corporate Governance

Members as at 31 December 2024:

The Committee was chaired by Sanela PAŠIĆ, an independent member of the Supervisory Board;

Yuriy BLASHCHUK, an independent member of the Supervisory Board, was a member of the Committee;

Yana BUHRIMOVA, a member of the Supervisory Board, was a member of the Committee.

Changes in the Committee's composition in 2024:

- As at 05 May 2023 (Minutes of the Meeting No. 20), the composition of the Committee:

The Committee was chaired by Sanela PAŠIĆ, an independent member of the Supervisory Board;

Yuriy BLASHCHUK, an independent member of the Supervisory Board, was a member of the Committee;

Per Anders FASTH, an independent member of the Supervisory Board, was the Committee's member;

Marina LAZEBNA, a member of the Supervisory Board, was a member of the Committee.

- In accordance with the decision of the Supervisory Board dated 07 February 2024 (Minutes of the Meeting No. 3), changes were made to the composition of the Committee:

The Committee was chaired by Sanela PAŠIĆ, an independent member of the Supervisory Board;

Yuriy BLASHCHUK, an independent member of the Supervisory Board, was a member of the Committee;

Yana BUHRIMOVA, a member of the Supervisory Board, was a member of the Committee.

Information on the members of the Investment Attraction and Development Strategy Committee of JSB "UKRGASBANK"

Members as at 31 December 2024:

The Committee was chaired by Per Anders FASTH, an independent member of the Supervisory Board;

The Committee was chaired by Sanela PAŠIĆ, an independent member of the Supervisory Board;

Yana BUHRIMOVA, a member of the Supervisory Board, was a member of the Committee.

Changes in the Committee's composition in 2024:

– In accordance with the decision of the Supervisory Board dated 05 May 2023 (Minutes of the Meeting No. 20), the Committee acted as follows:

The Committee was chaired by Sanela PAŠIĆ, an independent member of the Supervisory Board;

Yuriy BLASHCHUK, an independent member of the Supervisory Board, was a member of the Committee;

Per Anders FASTH, an independent member of the Supervisory Board, was the Committee's member;

Yana BUHRIMOVA, a member of the Supervisory Board, was a member of the Committee.

– In accordance with the decision of the Supervisory Board dated 07 February 2024 (Minutes of the Meeting No. 3), the composition of the Committee was changed to:

The Committee was chaired by Irakli ELASHVILI, an independent member of the Supervisory Board;

Yuriy BLASHCHUK, an independent member of the Supervisory Board, was a member of the Committee;

Per Anders FASTH, a member of the Supervisory Board, was the Committee's member.

– In accordance with the decision of the Supervisory Board dated 11 November 2024 (Minutes of the Meeting No. 39), the composition of the Committee was changed to:

The Committee was chaired by Per Anders FASTH, an independent member of the Supervisory Board;

Sanela PAŠIĆ, an independent member of the Supervisory Board, was the Committee member;

Yana BUHRIMOVA, a member of the Supervisory Board, was a member of the Committee.

Committee of the Supervisory Board on raising funds on the international capital market through the mechanism of "green" bonds issue

The Committee did not meet in 2024. By the decision of the Supervisory Board of the Bank dated 07 February 2024 (Minutes of the Meeting No. 3), the Supervisory Board Committee on raising funds in the international capital market through the mechanism of "green" bonds issue was terminated.

Information on the personnel composition of the Supervisory Board Committee on Information Technology Development of JSB "UKRGASBANK"

Members as at 31 December 2024:

The Committee was chaired by an independent member of the Supervisory Board, Enrica RIMOLDI;

Sanela PAŠIĆ, an independent member of the Supervisory Board, was the Committee member;

Marina LAZEBNA, a member of the Supervisory Board, was a member of the Committee.

Changes in the Committee's composition in 2024:

– As at 05 May 2023, in accordance with the decision of the Supervisory Board dated 05 May 2023 (Minutes of the Meeting No. 20), the Committee was composed of the following members:

The Committee was chaired by Sanela PAŠIĆ, an independent member of the Supervisory Board;

Marina LAZEBNA, an independent member of the Supervisory Board, was a member of the Committee;

Yuriy BLASHCHUK, an independent member of the Supervisory Board, was a member of the Committee.

– In accordance with the decision of the Supervisory Board dated 07 February 2024 (Minutes of the Meeting No. 3), changes were made to the composition of the Committee:

The Committee was chaired by an independent member of the Supervisory Board, Enrica RIMOLDI;

Irakli ELASHVILI, an independent member of the Supervisory Board, was a member of the Committee;

Marina LAZEBNA, a member of the Supervisory Board, was a member of the Committee.

– In accordance with the decision of the Supervisory Board dated 11 November 2024 (Minutes of the Meeting No. 39), changes were made to the composition of the Committee:

The Committee was chaired by an independent member of the Supervisory Board, Enrica RIMOLDI;

Sanela PAŠIĆ, an independent member of the Supervisory Board, was the Committee member; Marina LAZEBNA, a member of the Supervisory Board, was a member of the Committee.

Composition of the executive body of a financial institution and its changes during the year

Members of the Management Board of the Bank as at 01 January 2024:

1. Morozov Rodion Valerievich - Acting Chairperson of the Management Board.
2. Vasilets Nataliia Yevhenivna - Deputy Chairperson of the Management Board.
3. Ponomarev Volodymyr Mykolayovych - Deputy Chairperson of the Management Board.
4. Savoshchenko Tamara Yurievna - Deputy Chairperson of the Management Board.
5. Chernyshov Denys Viktorovych - Deputy Chairperson of the Management Board.
6. Vashchuk Maksym Volodymyrovych - Director of the Compliance Department.

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

Powers of the following were terminated:

- VASHCHUK Maksym Volodymyrovych, a Member of the Management Board on 30 August 2024 in accordance with the decision of the Supervisory Board dated 30 August 2024 (Minutes of the Meeting No. 29);

- VASYLETS Nataliia Yevhenivna, a member of the Management Board, effective 11 November 2024 due to the expiration of her term of office, in accordance with the decision of the Supervisory Board dated 04 November 2019 (Minutes of the Meeting No. 22).

The following were selected:

- SAMOKHVALOV Andriy Viktorovich as a member of the Management Board of JSB "UKRGASBANK" for a term of 5 (five) years from 29 January 2024 in accordance with the decision of the Supervisory Board of the Bank dated 28 December 2023 (Minutes of the Meeting No. 57);

- SHERBAKHA Oleksandr Serhiyovych as a member of the Management Board of JSB "UKRGASBANK" for a term of 5 (five) years from 11 March 2024 in accordance with the resolution of the Supervisory Board of the Bank dated 08 March 2024 (Minutes of the Meeting No. 6);

- VASYLETS Nataliia Yevhenivna as Deputy Chairperson of the Management Board of JSB "UKRGASBANK" for a term of 5 (five) years from 12 November 2024 in accordance with the decision of the Supervisory Board of the Bank dated 11 November 2024 (Minutes of the Meeting No. 39).

In addition, pursuant to the order No. 362-P dated 18 April 2024, Deputy Chairperson of the Management Board PONOMAREV Volodymyr Mykolayovych was promoted to the position of First Deputy Chairperson of the Management Board effective 19 April 2024.

In addition, according to the order No. 783-P dated 15 July 2024, VASHCHUK Maksym Volodymyrovych, the Director of the Compliance Department, was promoted to the position of Deputy Chairperson of the Management Board effective 15 July 2024.

Members of the Management Board of the Bank as at 31 December 2024 are as follows:

1. Morozov Rodion Valerievich - Acting Chairperson of the Management Board
2. Ponomarev Volodymyr Mykolayovych - First Deputy Chairperson of the Management Board

3. Vasilets Nataliia Yevhenivna - Deputy Chairperson of the Management Board
4. Savoshchenko Tamara Yurievna - Deputy Chairperson of the Management Board
5. Samokhvalov Andriy Viktorovich - Deputy Chairperson of the Management Board
6. Chernyshov Denis Viktorovich - Deputy Chairperson of the Management Board
7. Shcherbakha Oleksandr Serhiiovych - Deputy Chairperson of the Management Board

Enforcement actions taken during the year by public authorities against a financial institution, including members of its supervisory board and executive body

1) In accordance with the decision of the Committee on Supervision and Regulation of Banks, Oversight of Payment Infrastructure dated 12 June 2023 No. 24/1096-rk/BT (based on the results of an unscheduled inspection of the Bank in accordance with the Order of the NBU dated 25 January 2023 No. 85-no), until 01 June 2024, the Bank was subject to restrictions on certain types of operations performed by the Bank, namely

- carrying out active transactions with related parties in terms of entering into new loan agreements and agreements on granting financial liabilities by the bank, entering into agreements on amendments to loan agreements to extend the terms of use of assets and/or increase the amount of loans and financial liabilities;

- increase in salary/fixed remuneration and/or severance payments to the current bank's executives, their advisors and Key Executives of the bank (except for agreements in force on the date of restrictions);

- accrual and payment of bonuses, bonuses and other additional material remuneration to the bank's managers (except for the costs of ensuring their functional duties), their advisors and Key Executives of the bank;

- increase capital investments in fixed assets and intangible assets that are not involved in banking operations, except for real estate that became the bank's property on the basis of exercising the rights of a pledgee in accordance with the terms of the pledge agreement and/or real estate acquired by the bank to prevent losses;

- replacement and/or release of collateral for credit transactions, if such replacement/release will lead to an increase in credit risk, except for transactions specified in clause 1 of the Resolution of the Board of the NBU No. 121-рш/БТ "On Certain Issues of Activities of Ukrainian Banks and Banking Groups" dated 10 March 2023;

- granting new loans to business entities if such loans will be used to repay existing credit indebtedness (directly or indirectly), including repayment of accrued interest, except for loans to legal entities in which the state represented by the Cabinet of Ministers of Ukraine or its authorised bodies directly and/or indirectly owns 51 per cent or more of the authorised capital and at the same time has the right to exercise decisive influence on the debtor's business activities; refinancing of debtor loans in other banks (provided that the debtor does not have signs of high credit risk and default as defined by Regulation No. 351²); lending to debtors under the Bank's cooperation programmes with international financial organisations. The NBU notified the Bank of the restoration of the Bank's right to start conducting transactions in full on the next business day after the expiration of the period specified in the decision (the deadline for which the relevant transactions were restricted) by letter No. 24-0006/42302/BT dated 31 May 2024.

2) In accordance with the letter of the NBU No. 25-0012/21926/BT dated 20 March 2024 "On Application/Non-Application of Measures of Influence to PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK", and the decision of the Committee on Supervision and Regulation of Banks, Payment Infrastructure Oversight dated 18 March 2024 No. 24/220-рк/БТ On imposing a fine on PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" (Decision No. 24/220-рк/БТ), the bank was imposed a penalty in the form of a fine for violation of the requirements of paragraph 16¹ of Annex 9 to the Regulation on Financial Monitoring by Banks, approved by Resolution of the Board of the NBU No. 65 dated 19 May 2020 in the amount of UAH 500,000.00 (five hundred thousand).

² Regulation on Determining the Amount of Credit Risk for Active Banking Operations by Ukrainian Banks, approved by Resolution of the Board of the NBU No. 351 dated 30 June 2016.

3) In accordance with the letter of the NBU dated 31 July 2024 No. 24-0006/58051 (inc. No. 02/35331 dated 01 August 2024) regarding the implementation of the decision of the Committee on Supervision and Regulation of Banks, Payment Infrastructure Oversight dated 29 July 2024 No. 24/917-пк "On Imposing a Fine on PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" (hereinafter referred to as the Decision) for violation of the requirements of the regulatory legal act of the NBU", the identification code in the Unified State Register: 23697280 (registration address: Ukraine, 03087, Kyiv, 1 Yerevanska St., building 1) was imposed a sanction in accordance with the Regulation on Application of Sanctions by the National Bank of Ukraine approved by Resolution of the Board of the NBU dated 17 August 2012 No. 346 "On Approval of the Regulation on Application of Sanctions by the National Bank of Ukraine" (as amended) for violation of the following requirements: paragraph 15 of Chapter 2 of Section I of the Regulation on Organisation of Risk Management System in Banks of Ukraine and Banking Groups approved by Resolution of the Board of the NBU dated 11 June 2018 No. 64 (hereinafter - Regulation No. 64), subparagraph 11 of paragraph 37 of Chapter 7 of Section I of Regulation No. 64 and paragraph 147 of Chapter 17 of Section II of Regulation No. 64, by imposing a fine in the total amount of UAH 5,534,800.00 (five million five hundred thirty-four thousand eight hundred)."

4) In accordance with the letter of the NBU dated 21 August 2024 No. 25-0012/63630/BT (inc. No. 1191-BT dated 22 August 2024), the Committee on Supervision and Regulation of Banks, Payment Infrastructure Oversight decided to impose a fine on PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" dated 19 August 2024 No. 24/1087-пк/БТ in the total amount of UAH 10,051,000.00 (ten million fifty-one thousand) for violation of the requirements of parts one and two of Article 7, paragraph 4 of part two of Article 8 of the AML/CFT Law by the Bank.

5) In accordance with the letter of the NBU dated 21 August 2024 No. 25-0012/63630/BT (inc. No. 1191-BT dated 22 August 2024), the Committee on Supervision and Regulation of Banks, Payment Infrastructure Oversight decided to impose a fine on PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" dated 19 August 2024 No. 24/1086-пк/БТ for violation of the requirements of part seven of Article 11 of the Currency Law, subparagraphs 1, 2 of paragraph 3, paragraph 7 of Regulation No. 8, paragraph 6 of Section I of Regulation No. 2 and paragraph 8 of Section I of Regulation No. 13 in the amount of UAH 400,000.00 (four hundred thousand).

6) In accordance with the letter of the NBU dated 17 December 2024 No. 57-0008/94652/BT (inc. No. 02/54969 dated 18 December 2024), the Committee on Supervision and Regulation of Banks, Payment Infrastructure Oversight decided to impose a fine on PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" dated 16 December 2024 No. 24/1780-пк for violation of the requirements of the third paragraph of the fourteenth part of Article 82 of the Law on Payment Services, requirements of paragraph 5 of Section II of the Rules No. 140 regarding the late submission of statistical reporting data to the NBU, the provision of which is required by the legislation of Ukraine, a fine of UAH 51,000.00 (fifty-one thousand).

Significant risk factors that affected the financial institution's operations during the year

In 2024, the biggest impact on the Bank's capital and earnings was the realisation of credit risk, which was reflected in the formation of a valuation allowance for the Bank's active operations, as well as unexpected changes in the state tax policy (increase in the income tax rate for banks to 50%).

Availability of a risk management system in a financial institution and its key characteristics

The Risk Management Strategy defines the following objectives of the risk management process in the Bank:

- building an effective risk management system to achieve the Bank's current and strategic goals using appropriate policies, methods and tools for managing and controlling risks that are material to the Bank based on its size, business model, scale of operations, types and complexity of operations;
- ensuring effective processes for identifying, measuring (assessing), monitoring, reporting, controlling and mitigating all material risks of the bank in order to determine the amount of capital

required by the bank to cover all material risks inherent in its activities (internal capital);

- establishing requirements for the separation of functions and responsibilities of risk management entities;
- establishing requirements to ensure the independence of the risk management function;
- implementing an effective system to support management decision-making, taking into account the level of risks to which the Bank is exposed;
- ensuring the Bank's viability in crisis situations.

The JSB "UKRGASBANK" risk management Strategy defines the following list of significant risks:

No.	Type of risk	Definition
1.	Credit risk	The probability of losses or additional losses, or a shortfall in planned income as a result of the debtor/counterparty's failure to fulfil its obligations in accordance with the terms of the contract.
2.	Liquidity risk	The possibility of losses or additional losses, or shortfall in income as a result of the Bank's inability to finance asset growth and/or meet its liabilities in due time.
3.	Interest rate risk of the banking book	The possibility of losses or additional losses or shortfall in planned income as a result of unfavourable changes in interest rates. Interest rate risk affects both the Bank's profitability and the economic value of its assets, liabilities and off-balance sheet instruments.
4.	Market risk	The probability of losses or additional losses or shortfall in planned income due to adverse impact of market risk factors (foreign exchange rates, interest rates and/or other factors) on the value/price of instruments.
5.	Operational risk	<p>The possibility of losses or additional losses or failure to receive planned income as a result of deficiencies or errors in the organisation of internal processes, intentional or unintentional actions of the bank's employees or other persons, failures in the operation of the bank's systems or due to external factors.</p> <p>Operational risk includes legal risk, i.e. the possibility of losses or additional losses, or shortfall in planned income as a result of unexpected application of legal provisions due to the possibility of their ambiguous interpretation or as a result of invalidation of contractual terms due to their non-compliance with the requirements of Ukrainian legislation.</p> <p>The components of operational risk are:</p> <ul style="list-style-type: none">- information and communication technology risk (ICT risk), i.e. the probability of losses or additional losses or shortfall in planned income due to malfunction or inconsistency of information and communication technologies with the bank's business needs, which may lead to disruption of their sustainable functioning, or shortcomings in the organisation of management of such technologies,- and information security risk, i.e. the likelihood of losses or additional losses, or failure to receive planned income as a result of breaches of confidentiality, integrity, availability of data in the bank's information systems, deficiencies or errors in the organisation of internal processes or the occurrence of external events, including cyber attacks or inadequate physical security. <p>Information security risk includes cyber risk.</p> <p>Operational risk excludes reputational risk and strategic risk.</p>
6.	Compliance risk	The likelihood of losses/sanctions, additional losses or shortfall in planned income or loss of reputation as a result of the bank's failure to comply with the requirements of laws, regulations, market standards,

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| | | fair competition rules, corporate ethics rules, conflict of interest, and internal bank documents. |
| 7. | ML/TF risk | The risk of the Bank being used for legalisation (laundering) of proceeds of crime, terrorist financing and/or financing of proliferation of weapons of mass destruction |
| 8. | Social risk | The likelihood of damage, additional losses, or revenue shortfalls due to hazards to human health and safety, negative impacts on local communities, cultural and archaeological heritage. |
| 9. | Environmental risk | The likelihood of damage, additional losses, or revenue shortfalls as a result of environmental pollution and biodiversity hazards. |

The Bank's risk management system is designed to take into account its size, business model, scale of operations, types and complexity of transactions and ensures:

- detection,
- measurement (assessment),
- monitoring,
- reporting,
- control,
- mitigation

of all material risks of the Bank in order to determine the amount of capital required to cover all material risks inherent in its activities (internal capital).

The risk management system complies with the following principles:

- efficiency - ensuring an objective assessment of the Bank's risks and completeness of risk management measures with optimal use of financial resources, personnel and information systems for risk management;
- timeliness - ensuring timely (early) identification, measurement, monitoring, control, reporting and mitigation of all types of risks at all organisational levels;
- structured organisation - a clear division of functions, responsibilities and powers in risk management among all structural units and employees of the Bank, and their responsibility in accordance with such division;
- separation of duties (separation of the control function from the Bank's operations) - avoiding a situation where the same person performs the Bank's operations and performs control functions;
- comprehensiveness and complexity - coverage of all types of the Bank's activities at all organisational levels and in all its divisions, assessment of the mutual impact of risks;
- proportionality - compliance of the risk management system with the Bank's business model, its systemic importance, and the level of complexity of the Bank's operations;
- independence - freedom from circumstances that pose a threat to the impartial performance of the CRO and the risk management, CCO and compliance departments;
- confidentiality - preventing the dissemination of information that is not subject to disclosure by persons who are not authorised to receive it;
- transparency - disclosure of information on the risk management system and risk profile by the Bank.

The Bank considers concentration risk in its assessment of all types of risks. The Bank considers concentration risk in the following areas:

- by the largest debtors/depositors and their groups;
- by business lines and products;
- by types of economic activity (industries) and geographical regions, counterparties of entities whose financial results depend on the same type of activity or main product;
- by classes of debtors/counterparties determined in accordance with the NBU regulations on credit

- risk assessment;
- by the types of collateral securing the performance of obligations by debtors and counterparties;
- by type of currency.

The Bank assesses risks for financial instruments held in both trading and banking books.

Information on risk management is disclosed in the Bank's annual and interim financial statements.

The risk management system is based on the division of responsibilities between the Bank's divisions using the three lines of defence model:

- the first line is at the level of business units and support units of the Bank;
- The second line is at the level of risk management units, including the risk management and social and environmental risk management departments, and the compliance department;
- the third line is at the level of the Internal Audit Department to review and assess the effectiveness of the risk management system.

The risk appetite statement is developed in accordance with the assumptions underlying the Bank's budget, taking into account the current martial law in the country, the current prudential requirements of the NBU (including those established for systemically important banks), and covenants that the Bank is obliged to comply with in accordance with agreements with international financial organisations.

The aggregate risk appetite includes requirements to comply with capital ratios, including expected changes in prudential requirements and the regulatory environment.

The risk appetite for credit risk includes a system of indicators for monitoring the quality of the loan portfolio (share of non-performing assets and foreclosed properties), the cost of credit risk, limiting concentration risk by major borrowers, industries, indicators of geographical and product concentration, etc.

The risk appetite for liquidity risk includes minimum values of the liquidity coverage ratio (LCR) in all currencies and separately in foreign currencies, the duration of the period of full and timely fulfilment by the Bank of its payment (settlement) obligations under stress, the net stable funding ratio (NSFR), and limitation of concentration indicators in liabilities.

The risk appetite for interest rate risk of the banking book includes indicators of sensitivity of net interest income and economic cost of capital to parallel/non-parallel shifts in yield curves in major currencies.

The risk appetite for market risks for banking book instruments includes compliance with prudential limits for open long and short foreign currency positions, the amount of the total risk position in commodities for commodity risk, for trading book instruments the limit for negative cumulative reassessment of fair value of swap financial instruments for interest rate risk of the trading book, and expected losses for foreign currency risk calculated using a parametric model based on the Student's t-distribution with 7 degrees of freedom with a 99% confidence interval over a horizon of 10 trading days. The risk appetite for operational risk is set as the maximum amount of direct losses from operational risk at the end of the year. At the same time, regardless of the cost of the incident and the amount of potential damage, the Bank has established zero tolerance to operational risks associated with incidents of internal fraud, professional negligence, and disruption of the continuity of critical business processes.

The results of the internal audit (control) system functioning during the year, as well as the data disclosed in the notes to the financial and consolidated financial statements in accordance with the accounting regulations (standards)

Guided by the three lines of defence model, the Bank has established a comprehensive, adequate and effective risk management system that meets the following principles:

- efficiency - ensuring an objective assessment of the Bank's risks and completeness of risk management measures with optimal use of financial resources, personnel and information systems for risk management;
- timeliness - ensuring timely (early) identification, measurement, monitoring, control, reporting and mitigation of all types of risks at all organisational levels;

- structured organisation - a clear division of functions, responsibilities and powers in risk management among all structural units and employees of the Bank, and their responsibility in accordance with such division;
- separation of duties (separation of the control function from the Bank's operations) - avoiding a situation where the same person performs the Bank's operations and performs control functions;
- comprehensiveness and complexity - coverage of all types of the Bank's activities at all organisational levels and in all its divisions, assessment of the mutual impact of risks;
- proportionality - compliance of the risk management system with the Bank's business model, its systemic importance, and the level of complexity of the Bank's operations;
- independence - freedom from circumstances that pose a threat to the impartial performance of the CRO and the risk management, CCO and compliance departments;
- confidentiality - preventing the dissemination of information that is not subject to disclosure by persons who are not authorised to receive it;
- transparency - disclosure of information on the risk management system and risk profile by the Bank.

The main objectives of the risk management process are:

- achievement of the Bank's budget targets, taking into account possible risks, by ensuring an optimal risk/return ratio;
- ensuring compliance with the risk appetite and risk limits set by the Supervisory Board;
- ensuring the Bank's stable development within the framework of the overall development strategy determined by the Supervisory Board;
- ensuring effective capital and liquidity management of the Bank.

The risk management system ensures that:

- risks are identified and adequately assessed in a timely manner;
- the Bank complies with the established risk appetite, thresholds and internal risk limits;
- risk-taking decisions are consistent with the Bank's strategic and current objectives;
- risk-taking decisions are transparent and clear;
- decisions on risk taking are made taking into account available resources (capital, liquidity, etc.);
- the expected return on operations compensates for the risks taken;
- early diagnostics of both idiosyncratic (crisis conditions of the Bank as a whole or in certain areas of activity) and system-wide crises is ensured.

The Bank's Supervisory Board ensures the functioning and control over the effectiveness of the risk management system and is responsible for the organisation and effective functioning of the internal control system in the Bank.

The Bank has a permanent internal audit department that performs functions defined by the legislation of Ukraine and relevant internal documents. The Bank's Internal Audit Department is an integral part of the Bank's internal control system and performs the following main functions:

- assessing the effectiveness of the Bank's corporate governance, internal control system, including risk management system, and their compliance with the Bank's size, complexity, volumes, types, nature of operations, organisational structure and risk profile, taking into account the specifics of the Bank's activities as a systemically important bank;
- providing the Supervisory Board (Audit Committee), the Management Board and the heads of the audited structural units with conclusions on the results of the audits and recommendations for improving the Bank's existing internal control systems.

The activities of the Internal Audit Department are based on comprehensive risk-based planning (including an assessment of the Bank's business processes in accordance with the Audit Universe risk map).

Thus, in 2024, the Internal Audit Department conducted thematic audits in accordance with the Long-Term Audit Plan for 2024-2026 and the Internal Audit Department Work Plan for 2024, approved by the Bank's Supervisory Board on 28 December 2023 (Minutes of the Meeting No. 57), and in the new version (Decision of 29 May 2024, Minutes of the Meeting No. 19 and Decision of 04 September 2024, Minutes of the Meeting No. 30).

In order to improve the internal control system, based on the results of the audits conducted in

2024, the audit provided relevant recommendations, and the responsible structural units of the Bank developed corrective action plans with appropriate deadlines. Thus, the Internal Audit Department regularly monitors the implementation of corrective action plans within the established timeframe. Based on the results of the audits, the Bank assessed the level of risk in the areas of banking activities (processes), including by risk categories, as well as the effectiveness of the internal control system.

In addition, the Internal Audit Department independently assesses the effectiveness of the first and second lines of defence and the overall assessment of the internal control system effectiveness at least once a year, the results of which are submitted by the Internal Audit Department to the Supervisory Board as part of the Report on the work of the Internal Audit Department of JSB "UKRGASBANK" for 2024.

In addition, the Internal Audit Department provides an opinion on the effectiveness of the Bank's risk management and compliance units at least once a year, based on the reports on the results of audits during the reporting period, during which the risk management and compliance units were reviewed.

It should also be noted that the Bank's internal audit system (function) generally meets the requirements of the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors, as evidenced by the results of internal and external assessments. This assessment represents the highest level of assessment and means that the structure, policies and procedures, as well as the processes of the Internal Audit Department meet the requirements of individual international standards of internal audit and elements of the Code of Ethics in all material aspects, which is confirmed by the external assessment of the effectiveness and quality of the internal audit function in the Bank, which was conducted in 2021 by a qualified independent expert - an audit company belonging to the recognised international Big Four companies providing audit services.

International Financial Reporting Standards do not require disclosure of information on the internal audit (control) system in the notes to the annual financial statements.

Transactions with related parties, including those within the same industrial and financial group or other association, conducted during the year. Such information is not a commercial secret

The amount of all the Bank's claims granted to the Bank's related parties (defined in accordance with the requirements of Article 52 of the Law of Ukraine "On Banks and Banking") as at the end of 2024 was UAH 15.1 million. During 2024, the Bank complied with the maximum credit risk exposure on transactions with related parties (N9), so the value of the standard as at the end of the day on 31 December 2024 was 0.12% (the standard value is not more than 25%).

Information on the activities of the external auditor, in particular:

- Total length of audit experience

The date of registration of PJSC "KPMG Audit" is 17 August 2001, the date of issuance of the ACU certificate is 26 January 2001 (22 years).

- number of years of providing audit services to such financial institution

PJSC "KPMG Audit" provided services for the audit of the Bank's financial statements for 2022-2024.

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

PJSC "KPMG Audit" did not provide any other audit services to the Bank during the last year.

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

There are no cases of conflicts of interest and/or overlapping of internal audit functions.

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

Auditor rotation at the Bank over the past five years:

- 2020 - 2021 - LLC "Ernst & Young Audit Services" - provision of audit services for the annual financial statements prepared in accordance with International Financial Reporting Standards.

- 2022 - 2024 - PJSC "KPMG Audit" - provision of services for the Bank's financial statements for 2022-2024 prepared in accordance with International Financial Reporting Standards (IFRS), taking into account the requirements of the National Securities and Stock Market Commission and the current legislation of Ukraine, including the requirements for reporting in the iXBRL format determined by the central executive body that ensures the formation and implementation of state policy in the field of

accounting, for further submission to public authorities and other users for

- penalties imposed on the auditor by the Audit Chamber of Ukraine during the year and facts of submission of false financial statements of the financial institution, confirmed by the auditor's report, revealed by the authorities that carry out state regulation of financial services markets

During the last year, the Audit Chamber of Ukraine did not impose any penalties on PJSC "KPMG Audit", and there is no information on the facts of submission of inaccurate financial statements of a financial institution, confirmed by the auditor's report, revealed by the authorities responsible for state regulation of financial services markets.

Information about the services provided by PJSC "KPMG Audit" during 2024 and the amount of remuneration for the provision of services

During 2024, PJSC "KPMG Audit" provided the following services:

- review of the financial statements for the 1st quarter of 2024. The amount of remuneration paid to PJSC "KPMG Audit" for the review of the financial statements for the 1st quarter of 2024 is UAH 5,555,808.05 (including VAT);
- audit of the annual financial statements for 2024. The amount of remuneration paid to PJSC "KPMG Audit" for the audit of the annual financial statements for 2024 is UAH 12,616,768.93 (including VAT);
- the first stage stability assessment of the Bank as at 1 January 2025.

Information on the protection by a financial institution of the rights and interests of financial services consumers, in particular:

- Availability of a complaints mechanism

Complaints are reviewed in accordance with the Regulations on the Procedure for Handling Appeals to JSB "UKRGASBANK" approved by the decision of the Management Board of JSB "UKRGASBANK" dated 02 May 2023 (Minutes of the Meeting No. 18), as amended by the Minutes of the Meeting of the Management Board of JSB "UKRGASBANK" dated 20 February 2024 No.14 as amended by the Minutes of the Meeting of the Management Board of JSB "UKRGASBANK" dated 25 June 2024 No. 53.

- surname, name and patronymic of the employee of the financial institution authorised to consider complaints

Tytova Yaroslava Oleksandrivna, the Director of Corporate Communications Department, is the authorised person for complaints handling at JSB "UKRGASBANK".

- the status of the financial institution's consideration of complaints regarding the provision of financial services during the year (nature, number of complaints received and number of complaints satisfied)

In 2024, the Corporate Communications Department received 108 complaints regarding the provision of financial services by the bank. The issues raised in such requests included: return of funds due to their non-receipt in the ATM network; return of erroneously or incorrectly transferred funds from the account; early return of deposits; disagreement with the amount of funds credited/deducted from the account in accordance with the tariffs, etc. The number of satisfied complaints related to financial services in 2024 was 25.

- existence of lawsuits against the financial institution for the provision of financial services and the results of their consideration

During the period from 1 January 2024 to 31 December 2024, 112 lawsuits (including counterclaims) were pending in the courts in relation to the provision of financial services by the Bank, of which 72 were non-property lawsuits (mainly for invalidation of loan and security agreements) and 40 were property lawsuits.

Based on the results of these court cases, as of the end of the reporting year 2024, 24 court cases were won by the Bank, 7 court cases were lost by the Bank and 81 cases are in the process of litigation.

Information on corporate governance in a financial institution, the submission of which is required by laws on the regulation of certain financial services markets and/or regulations adopted in accordance with such laws by the bodies that carry out state regulation of financial services markets

Corporate governance at the Bank is carried out in accordance with the requirements of Ukrainian legislation and taking into account the Recommendations on the practice of applying corporate governance legislation approved by the National Securities and Stock Market Commission Resolution No. 118 dated 12 March 2020 and the Methodological Recommendations on Corporate Governance in Ukrainian Banks approved by the Board of the NBU Resolution No. 814-р/III dated 03 December 2018 (as amended).

2) Sustainability report

1	Assessment of environmental protection and social responsibility activities for the reporting period:
	<p>In 2024, the military aggression by the Russian Federation continues to be the key factor determining the socio-economic development of Ukraine, starting from 24 February 2024. The enemy continues to use aggressive methods of warfare, trying to cause maximum damage to local communities and critical infrastructure, make it impossible for businesses and state-owned enterprises (including the military-industrial complex) to operate, disrupt Ukraine's export and import capabilities, and create the most critical conditions for the country's existence and the lives of Ukrainians. It can be predicted that such a terror strategy, aimed specifically at intimidating the civilian population, was in 2024 and will remain in 2025 and until the end of the war no less important to the enemy than the direct conduct of hostilities. Accordingly, the task of maintaining economic activity and production, repair, and logistics capabilities to fully support the Armed Forces of Ukraine remains critical for Ukraine.</p> <p>The priority targets for the aggressor country were critical infrastructure facilities, primarily energy and related energy infrastructure. In contrast to the first two years of the full-scale invasion, when the enemy's priority targets were the related electrical infrastructure (distribution and transmission), in the reporting year of 2024, the enemy focused on destroying generating equipment to either completely stop or significantly reduce electricity and heat production.</p> <p>As a result of targeted attacks and terrorist acts, most of the country's system TPPs and CHPs, as well as some hydroelectric power plants, were put out of commission. As at 01 January 2025, 14.5 GW or more than 36% of the country's key power generating capacities were destroyed or occupied. The level of actual generation during the year was 25-40% of the pre-war level. At the same time, the enemy did not cause systemic damage to renewable energy generation, mainly solar and partially wind generation in the territories not occupied by the enemy.</p> <p>An important factor in ensuring energy security during the war was the systematic development of distributed generation. The Distributed Generation Development Strategy approved by the Cabinet of Ministers defines the need to modernise the country's energy system, which is represented by a small number of systemic power plants built during the Soviet era, by partially replacing it with a large number of relatively small power plants distributed across the country, which are much more difficult to disable. This strategy identifies the introduction of highly manoeuvrable gas-fired generation/co-generation, continued development of renewable energy sources and energy storage facilities as priority and promising (in terms of construction speed and short timeframes for commissioning).</p> <p>It was the active development of distributed generation in 2024, together with systemic efforts by the state, communities and businesses to restore damaged power generation facilities and export electricity from the neighbouring EU countries within ENTSO-e, that minimised the existing systemic electricity shortage and supported the continuity of operations of enterprises and the sustainability of economic and social processes in Ukraine.</p> <p>Under the auspices of the NBU and with the active participation of the Independent Association of Banks of Ukraine (IABU), the restoration of power generation and further development of distributed generation was identified as a key priority area for lending, and a Memorandum on Bank Lending for Energy Infrastructure Restoration Projects (hereinafter referred to as the Memorandum) was signed on 25 June 2024, which made it possible to combine the efforts of the leading banks of Ukraine in this area and achieve significant progress, financing more than 400 MW of distributed generation in June-December 2024 and generally strengthening the country's energy security and its resilience to threats from the aggressor country.</p>

In pursuance of the Lending Development Strategy (hereinafter referred to as the Strategy), which was developed by the NBU to support Ukraine's macroeconomic stability under martial law jointly with the Ministry of Finance and the Ministry of Economy and approved by the Financial Stability The Board on 06 June 2024, the restoration of critical infrastructure is a strategic task, including the restoration of critical infrastructure. Given that in 2024, the enemy implemented the most negative scenario for Ukraine's energy sector - namely, destroying not only energy infrastructure facilities, but also the targeted destruction of power generating equipment - the country's banking system was aimed at minimising the consequences of this and creating a sufficient reserve of generating capacities to replace those destroyed to provide the country with electricity and heat in the autumn and winter.

With this in mind, as the leading bank in Ukraine in financing alternative energy, the Bank has set the main priority of its sustainable development activities in 2024 to finance distributed generation, restoration and sustainable modernisation of critical (including energy infrastructure) with the introduction of the best modern technologies and solutions (BATS).

During the reporting year, the Bank financed 98 projects in the priority area (energy) for a total of UAH 2.08 billion (39.4% of the total amount of sustainable development projects financed by the Bank in 2024), which exceeded the planned level of energy financing set for the reporting year (as the actual damage caused by the enemy significantly exceeded the forecasted amount and negative consequences).

In particular, 58% or UAH 1.21 billion was provided under the terms of the Memorandum, and 36% under the «Affordable Loans 5-7-9» programme (including through international financial mechanisms).

The total capacity of new power generation financed by the Bank in 2024 exceeded 135 MW, which means that the Bank was one of the leaders in financing energy recovery and development among the leading Ukrainian and international banks in Ukraine in the reporting year. Thus, as at 01 December 2024, according to the NBU, the signatory banks financed 0.4 GW of new distributed generation capacities.

As at 31 December 2024, according to the Ministry of Energy of Ukraine, a total of 967 MW of new distributed generation capacities were invested in the reporting year 2024 (the share of projects financed by the Bank was almost 14%).

At the same time, 835 MW of distributed generation capacity was actually commissioned (which is almost two times less than the minimum estimated amount required to stabilise electricity and heat supply to critical infrastructure (≈ 1500 MW) and is less than 1/5 of the distributed generation capacity required to fully guarantee the stability of energy supply and ensure the country's energy security.

Taking into account the need for further financing of distributed generation, the Bank aims to finance energy projects even more actively, increasing support for RES - primarily by financing wind power plants and solar power plants, activating financing of energy storage facilities (ESP), which are critical for balancing the Ukrainian energy system, where a significant share of electricity is provided by RES. Gas-fired generation and cogeneration projects will also account for a significant share of distributed generation in 2025, although their development may be significantly limited if the aggressor country intensifies its attacks on the Ukrainian gas transmission system, gas shortages and rising gas prices. At the same time, the number of generators (diesel and petrol) is expected to decrease, being replaced by projects of EPS and energy storage systems.

In 2024, the Bank's Technical Office reviewed 1,042 sustainable development projects (3 times more than in 2023), including 495 projects that met the sustainable banking criteria.

In addition to the priority area, to ensure and support the sustainability of the country's social and economic processes, in 2024 the Bank financed 337 sustainable development projects totalling UAH 5.28 billion (credit limits), which is 76% more than the total amount of financing

provided by the Bank for sustainable development projects in 2023. In particular (excluding energy projects), the following were financed:

- The projects are aimed at ensuring food security and counteracting the risk of famine during the war in Ukraine, totalling UAH 1.21 billion (22.9%);
- Restoration and reconstruction projects, as well as projects for the relocation and subsequent resumption of business in the regions where military operations are underway, totalling UAH 0.86 billion (16.3%);
- Projects for the social development of local communities, implementation of barrier-free accessibility, ensuring a decent standard of living and equal opportunities for local residents; including healthcare and waste management projects, totalling UAH 0.43 billion (8.1%);
- The projects are aimed at energy and resource efficient modernisation of businesses and communities, totalling UAH 0.39 billion. This area remains important in terms of ensuring the country's energy security (7.4%);
- Environmental projects aimed at reducing negative emissions into the environment, manufacturing environmental products and providing environmental services, as well as minimising the effects of environmental damage caused by military operations, preparing sites for reconstruction, demining, etc., totalling UAH 0.31 billion (5.9%).

When implementing sustainable recovery and development projects, the Bank gives priority to projects that involve the implementation of the best available technologies and available solutions (BATS) that optimise resource consumption, provide the best modern services and reduce negative environmental impacts.

In 2024, as a result of the implementation of projects in the areas of renewable energy and energy-efficient business modernisation, we reduced CO₂ emissions by more than 20 thousand tonnes. It should be noted that, given the critical situation in the energy sector due to the war, in 2024, the reduction of greenhouse gas emissions, including CO₂, was not a priority, as maintaining the country's security and stability required the active development of fast distributed generation that could be deployed and commissioned as soon as possible, based on fossil fuels (gas, petrol, diesel).

In 2024, in order to optimise the accounting and monitoring of sustainable banking projects, a new unified procedure for the identification and parameterisation of loan agreements and documentary transactions related to sustainable banking was developed and implemented. This includes, among other things, the development and implementation of the internal parameter "Sustainable Banking Type" in the Bank's databases, which allows identifying sustainable development projects and classifying them by type and subtype and using this data for the purpose of generating management and other forms of reporting.

In 2024, within the framework of the sustainable banking concept, the criteria for evaluating loan projects financed by the Bank and the implementation of which will potentially contribute to the achievement of the Sustainable Development Goals set out in the Decree of the President of Ukraine "On the Sustainable Development Goals of Ukraine for the period up to 2030" of 30 September 2019 No. 722/2019, based on UN General Assembly Resolution No. 70/1 of 25 September 2015 on the definition of the Global Sustainable Development Goals, namely the following key changes were made:

1. As a result of the analysis of the Bank's work during the COVID19 pandemic and during the full-scale invasion phase of the Ukrainian-russian war, the Bank has identified a separate area of sustainable development that does not belong to the social and environmental areas, but is aimed at ensuring resilience and security. Starting from 2025, the Bank plans to expand the concept of Sustainable Development to Resilience Development, reflecting new global challenges related to military threats, social instability and economic risks, and the negative

effects of climate change. This area is a tool for minimising negative factors and rapid recovery only in times of crisis and securing the overall direction of sustainable development.

2. Projects aimed at implementing barrier-free access and gender inclusion are included;

3. The categorisation of transport and special equipment aimed at performing special tasks and social work has been expanded;

4. The previously approved criteria were reviewed and amended to minimise the risk of incorrectly classifying loan projects as sustainable banking, including greenwashing and bluewashing.

In 2024, the Bank continues to actively implement inclusiveness both within the Bank (approved and implemented a plan to create a barrier-free space for the Bank's stakeholders in accordance with the National Strategy

on creating a barrier-free space in Ukraine and NBU Guidelines on the rules of inclusive financial services provision in Ukrainian institutions. the Bank actively implements and promotes the principles of barrier-free environment, equality and diversity in Ukraine aimed at avoiding any form of discrimination and bias.

In 2024, the Bank continued its active work to support the reintegration of veterans (by joining the Articles of Association on Financial Inclusion and Reintegration of Veterans initiated by the NBU and the European Bank for Reconstruction and Development (EBRD) under the joint Memorandum of Understanding) and internally displaced persons from the regions where hostilities are taking place, including by developing financial mechanisms for economic independence of veterans, internally displaced persons from the war-affected areas or their families.including by developing financial mechanisms to ensure the economic independence of veterans, internally displaced persons from war-affected areas or their family members, including by facilitating their employment or setting up their own businesses.

Thus, in 2024, JSB "UKRGASBANK", together with EBRD and EU, launched a programme to support energy independence with special conditions (additional cashback) for veterans, war victims and IDPs. In 2025, the Bank plans to continue active work in this area.

The main goals set by the Bank for financing sustainable development projects in 2024, taking into account the extension of martial law and further escalation of the war by the aggressor country, were achieved, including the priority goal of ensuring the country's energy security and maintaining the sustainability of social and economic processes in Ukraine.

Projects financed by the Bank are developed and implemented in accordance with the best Ukrainian and international practices and are subject to due diligence and assessment of compliance with the social and environmental requirements of the Bank's Environmental and Social Responsibility Policy.

In order to reduce environmental and social risks of lending projects and achieve compliance with Ukrainian and international sustainable practices, the Bank is guided by 8 requirements (standards) in the social and environmental sphere for the implementation of projects developed by the International Finance Corporation.

In 2024, 908 projects were analysed to identify environmental and social risks, including:

- 252 projects are projects with an outstanding amount of more than \$2 million;
- 175 sustainable development projects;
- 262 projects under the cooperation programme with the EBRD;
- 94 projects under the Entrepreneurship Development Fund (energy efficiency) programme;
- 22 projects under the programme of cooperation with the Fund for Partial Guarantee of Loans in Agriculture;
- 22 projects under the Affordable Loans 5-7-9% programme (agricultural producers);
- 81 projects under the programme for financing and supporting the sustainability of MSMEs in Ukraine II.

	<p>In 2024, one penalty was imposed for the borrower's failure to comply with the terms of the loan in terms of environmental and social risks.</p> <p>In 2024, the Bank's Environmental and Social Responsibility Policy and Regulations on Assessment, Monitoring, and Reporting on Environmental and Social Risks of Projects at UKRGASBANK were updated.</p> <p>The main goals set by the Bank to identify, assess and minimise environmental and social risks were achieved.</p>	
2	Key risks and challenges related to environmental protection and social responsibility, plans to address them, and their impact on the achievement of strategic goals:	
	1. List of environmental and social responsibility risks that affect the individual:	1) Environmental 2) Social
	2. Measures planned/implemented to minimise/eliminate each risk:	1) Exclusion from funding of the most harmful types and areas of activity (list of exclusions). 2) Assessment and analysis of environmental and social risks. 3) Minimising environmental and social risks. 4) Monitoring of environmental and social risks.
3	Main provisions of the environmental and social responsibility policy	
	A list of environmental and social responsibility policies and a description of the issues that such policies are intended to address	1) The Environmental and Social Responsibility Policy of JSB "UKRGASBANK" - defines standards, principles and approaches to achieve sustainable development goals by the Bank, main tools for environmental and social risk management of projects financed by the Bank, general reporting requirements, as well as interaction of structural units and collegial bodies of the Bank in the process of environmental and social risk management, list of types and areas of activities excluded from Bank financing. 2) The Regulations on Assessment, Monitoring, Reporting on Environmental and Social Risks of Projects at the Bank - regulates the procedure for assessing environmental and social risks of projects financed by the Bank, monitoring and compiling and reporting on environmental and social risks of projects.
4	List of issues and decisions on environmental protection and social responsibility considered by the Board and the executive body:	
	1. The list of issues considered by the executive body and a summary of the decisions taken:	1) Amendments to the Bank Sustainable Banking Criteria were made, the main changes relate to the expansion of the list of activities and areas of activity, implementation of which will contribute to achievement of the UN Sustainable Development Goals, namely - Resilience Development projects, including those aimed at security and measures aimed at counteracting the negative effects of military operations, natural disasters (including those caused by climate change), pandemics/epidemics, etc;

		<p>- projects aimed at implementing inclusiveness are highlighted as a separate item.</p> <p>2) Regulations on analysis of loan projects and banking products for compliance with the Sustainable Banking Criteria in JSB "UKRGASBANK", on analysis and assessment of the Bank's loans and products for compliance with the current Sustainable Banking Criteria in JSB "UKRGASBANK" were approved and adopted; Methodology for analysis of loan project and banking product for compliance with the Sustainable Banking Criteria, which is an integral part and annex to the Regulations, was approved and adopted.</p> <p>3) Changes were made to the organisational structure of the Bank: instead of the Department of Environmental Reengineering and Implementation of Resource Saving Projects, the Sustainable Banking Department was established, whose activities were expanded, in addition to renewable energy projects and resource saving and resource efficiency, to all areas of sustainable development in accordance with the UN Sustainable Development Goals by 2030.</p>
	2. The list of issues considered by the board and a summary of the decisions taken:	<p>1) Changes were made to the organisational structure of the Bank: instead of the Department of Environmental Reengineering and Implementation of Resource Saving Projects, the Sustainable Banking Department was established, whose activities were expanded, in addition to renewable energy projects and resource saving and resource efficiency, to all areas of sustainable development in accordance with the UN Sustainable Development Goals by 2030.</p>
5	A list of key stakeholders affected by the company's activities, including a justification of the impact:	
	<p>The Bank assesses the impact on related stakeholder groups in accordance with the ESG model of sustainable development management, in accordance with the Policy on Sustainable Finance Development for the period up to 2025, approved by the NBU on 25 November 2021, namely in accordance with environmental protection (E), social development (S) and corporate governance (G) factors.</p> <ul style="list-style-type: none"> ● Clients. Individuals, legal entities, municipal and state-owned enterprises, local communities and municipalities. <p><u>Environmental aspects:</u></p> <p>The Bank finances projects and offers banking services to its customers in the field of energy and resource efficient modernisation of business, housing, local communities and municipalities, and renewable energy projects. In addition, the Bank promotes the implementation of the best available technologies that provide the best possible natural resource savings and are designed to ensure safety for the environment, employees, etc. The Bank offers its clients to participate in financing green projects by placing funds on eco-deposits.</p> <p><u>Social aspects:</u></p> <p>The Bank finances and comprehensively promotes the development of sustainable social development projects (healthcare, waste management, modern educational process for local communities, etc.), social support (including financing of agriculture and agricultural production projects to ensure food security and prevent the risk of famine during the war,</p>	

projects for restoration of local communities, business relocation, population protection, counteraction to negative social consequences of wars, natural disasters, etc. The implementation of sustainable development projects helps to create new jobs for local communities, improve living standards, and, in the event of situations that adversely affect the existence of communities and their population, minimise such negative factors and provide the necessary protection for the population. The Bank implements barrier-free principles in its activities in order to provide all customers with equal opportunities to receive banking services and products (including people with disabilities, hearing or visual impairment, people who use wheelchairs, etc.) The Bank offers its clients to contribute to the financing of the restoration of cities and local communities that have suffered damage as a result of military aggression or terrorist actions of the Russian Federation by placing funds on specialised deposits.

The Bank is a member of Power banking programme, which allows its branches to operate during power outages using their own power generators.

Management aspects:

The Bank develops the best modern corporate governance practices, taking into account the principles of sustainable development, integrating the Sustainable Development Goals into its corporate strategies. In addition, cooperation with the Bank in implementing sustainable development projects contributes to the formation of a positive ESG image of the client, which in turn contributes to the growth of attractiveness for potential, primarily international, investors. The Bank has implemented a policy on prevention and counteraction to legalisation (laundering) of proceeds from crime, terrorist financing and financing of proliferation of weapons of mass destruction in order to comply with the relevant legislation of Ukraine.

- **Employees.** The Bank is one of the largest employers in the banking sector of the country, providing its employees with decent working conditions and social guarantees, barrier-free opportunities for work and professional development.

Environmental aspects:

The Bank to implement environmental and energy management elements aimed at creating environmentally safe working conditions for employees, including separate waste collection system, energy efficient modernisation of bank buildings, and use of hybrid vehicles.

Social aspects

The Bank guarantees its employees a full package of social guarantees in accordance with the Labour Code of Ukraine, including paid holidays and sick leave. The Bank implements health protection measures for its employees, including measures to combat epidemic/pandemic diseases, including COVID19 (vaccination, disinfection of premises, enhanced requirements for sanitary and hygienic protection of employees, etc.) The Bank adheres to the principles of diversity, equality and inclusiveness of all employees (including people with visual and hearing impairments, people with disabilities, etc.) The Bank pays special attention to equal and impartial treatment of each employee, comprehensive development of professional knowledge and skills of employees, conducting both internal training and training with the involvement of external experts on an ongoing basis.

Management aspects:

JSB "UKRGASBANK", as a sustainable development bank, has specialised units in its structure aimed at development, analysis and control of sustainable banking implementation, environmental and social risks assessment, as well as internal technical office for technical and technological risks assessment of sustainable, including "green" projects. The Bank prepares periodic public reports to disclose information on its sustainability activities.

- **The State.** JSB "UKRGASBANK", as one of the public sector banks, carries out its activities in the field of sustainable development in order to implement the state strategy of "green" transition, state environmental policy and UN Sustainable Development Goals, taking into account the specifics of national development of Ukraine.

Environmental aspects:

	<p>The Bank activities are aimed at promoting environmental protection, including preservation of local ecosystems, by financing projects aimed at: (1) reducing harmful emissions into the environment; (2) optimising natural resources consumption; (3) reducing greenhouse gas emissions; (4) promoting ecological production in Ukraine.</p> <p><u><i>Social aspects:</i></u></p> <p>The Bank activities, as a major taxpayer, are aimed at supporting the Ukrainian economy during the war, including maintaining stability and continuity of the financial sector and providing financial services to the bank's customers for the population, business, local and state authorities. During the war and the post-war reconstruction period, the Bank focuses its activities on financing sustainable recovery projects, security and social support of local communities during the war, business relocation, financing projects aimed at ensuring food security, rebuilding critical infrastructure, ensuring the clean-up of the remains of damaged buildings, etc. the bank acts as an agent for the implementation of state programmes for the introduction of energy efficient technologies and solutions, as well as the affordable housing lending programme "eOselya". The bank finances projects aimed at social development and improving the living standards of local communities, including in the areas of healthcare, waste management, water purification, modernisation of the educational process, etc.</p> <p><u><i>Management aspects:</i></u></p> <p>JSB "UKRGASBANK", as a state-owned bank, submits periodic reports on its activities to the state authorities and complies with regulatory requirements, including the implementation of the Policy on Sustainable Finance Development for the period up to 2025 and other goals and objectives set by the state authorities for the implementation of the "green" transition in Ukraine. The Bank provides specialised reporting to the authorised state authorities, including information on the implementation of sustainable banking, as well as feedback on the main trends, obstacles and prospects for financing sustainable development projects in Ukraine, primarily in areas that are strategically important for the State (renewable energy sources, energy efficient modernisation, restoration and reconstruction projects, including critical infrastructure, business relocation and ensuring the sustainability and continuity of its operations, etc.</p> <ul style="list-style-type: none"> ● Banking sector (other banks). JSB "UKRGASBANK" activity as a sustainable development bank, both in terms <i>of environmental and social</i> aspects of sustainable development management, encourages other banks to reformat their activities and reorientation by its own example. The Bank promotes competition in the banking market to further ensure the best banking practices for individuals and businesses in the area of sustainable banking. ● International organisations and financial institutions. By implementing sustainable banking programmes under international programmes, the Bank's reports on its activities related to implementation of these programmes. This allows international organisations and financial institutions to receive feedback on the status of joint programmes implementation and use it to better understand the financial sector of Ukraine, as well as take such information into account when planning further cooperation in the area of sustainable development.
6	<p>A list of stakeholders that have an impact on the achievement of strategic goals by the company, with justification of how such an impact is manifested:</p>
	<ul style="list-style-type: none"> ● The State. The state, being the main stakeholder and owner of 94.9409% of JSB "UKRGASBANK" shares, defines and forms long-term development goals of the country as a whole, including environmental protection, sustainable social development and corporate governance. At the same time, the state regulates financial services markets in Ukraine, using, among other things, the banking sector as an effective mechanism for achieving the defined strategic development goals of the country. The state influences the Bank by adopting laws, by-laws, orders and other regulatory acts that define the Bank interaction with the country's regulatory authorities, including the Verkhovna Rada of Ukraine, the Cabinet of Ministers of

Ukraine, the NBU, other state and local executive authorities. As a public sector bank, the Bank was included in the list of critical infrastructure facilities in the banking system of Ukraine and the list of authorised banks of Ukraine involved in work (operations) during the special period (Ukraine has been under martial law since 24 February 2022) by the decision of the NBU No. 9/DSC dated 24 April 2022 "On Approval of the List of Banks of Ukraine Involved in Work (Operations) in the Special Period".

The state determines strategic directions and regulates the development of social and economic relations in the country.

Environmental aspects:

The state influences JSB "UKRGASBANK" through legislative acts, environmental policies aimed at supporting sustainable development. JSB "UKRGASBANK" develops and implements new products and services in the area of sustainable development in accordance with the documents implemented by the State.

JSB "UKRGASBANK" involvement in governmental concessional financing programmes to support financing of micro, small and medium-sized enterprises (MSMEs) and small business development contributes to the implementation of its sustainable development strategy and environmental protection.

Social aspects:

The state regulates the Bank activities in the area of social responsibility. This helps the Bank to comply with social norms and standards, provide financial instruments relevant to support the state and the population.

The Bank implements preferential lending programmes for the restoration of housing, business and social infrastructure.

The Government of Ukraine has simplified the terms of lending under the "Affordable Loans 5-7-9%" programme to support the domestic agricultural sector under martial law. In particular, the interest rate on loans to farmers was reduced to 0%, and state guarantees for loans were increased to 80%.

Amendments were made to the terms of support for companies operating in areas with a high military risk. In particular, companies that had been operating in the territories where hostilities were ongoing or under temporary occupation until 22 February 2022 were given the opportunity to extend the terms of working capital loans until 31 December 2026. This will allow businesses to have more time and resources to recover. In addition, the basic remuneration of banks and lessors under financial leasing agreements has been reduced from 35% to 28%, which will contribute to a more efficient use of the programme's funds. The NBU has also unified the requirements for the participation of banks, lessors and factoring companies, taking into account the current provisions of the sanctions legislation, which expands the range of programme participants and increases its accessibility for businesses.

To facilitate the development of distributed generation projects, small and medium-sized businesses have been granted access to concessional loans 5-7-9 to finance the purchase and installation of gas piston, gas turbine, and biogas generating units.

The NBU Training Centre conducted training for the Bank's employees under the training and professional development programme for Ukrainian banks.

Management aspects:

The state regulates the Bank activities in the field of corporate governance, which contributes to the Bank's transparency and accountability.

The NBU is the main regulator of the financial sector in Ukraine and interacts with all banks, including JSB "UKRGASBANK". The state, through its legislative and regulatory authorities, has an influence on the Bank.

As a state-owned bank, the Bank is responsible and accountable to the state authorities for its activities and compliance with regulatory requirements.

The Bank also provides specialised reports to the authorised state bodies on the implementation of sustainable banking. This reporting includes information on the main trends, obstacles and

	<p>prospects for financing sustainable development projects in Ukraine, primarily in areas that are strategically important for the country.</p> <ul style="list-style-type: none"> ● International organisations. International organisations provide support to the Bank in the form of financial resources, guarantees and other banking instruments as well as consultations, training and methodological support. The Bank cooperates with international organisations such as International Finance Corporation, European Bank for Reconstruction and Development (EBRD), United Nations Industrial Development Organization (UNIDO), European Bank for Reconstruction and Development, Black Sea Trade and Development Bank, Nordic Environment Finance Corporation (NEFCO), European Investment Bank (EIB), United Nations Environment Finance Initiative, German State Development Bank (KfW), etc. <p><u>Environmental aspects:</u></p> <p>The Bank cooperates with international organisations in implementing programmes aimed at reducing resource consumption and CO2 emissions by enterprises, which contributes to environmental protection.</p> <p><u>Social aspects:</u></p> <p>International organisations help to improve the skills of bank employees by providing training and advice on joint financing programmes, resource efficiency, renewable energy and sustainable development projects.</p> <p><u>Management aspects:</u></p> <p>IFIs and FIs: require the Bank to comply with international corporate governance standards, which contributes to the Bank's transparency and accountability.</p> <ul style="list-style-type: none"> ● NGOs encourage the Bank to create new areas of financing or adjust existing financial instruments. ● The banking sector of Ukraine is a competitive environment in which the Bank operates. Competition with other banks is an incentive for the bank's development and achievement of its strategic goals, creation of new banking products. ● Partnership with non-governmental organisations can contribute to the Bank social responsibility, support sustainable development and solve social problems. This, in turn, may have a positive impact on the bank's image and competitiveness. ● Bank customers. <p><u>Social aspect:</u></p> <p>Customers have a significant social impact on the Bank's activities. Analysing the customers' requests, The Bank develops new banking products or improves existing ones:</p> <p><u>Management aspect:</u></p> <p>Customers influence the Bank's decisions to operate in a transparent and accountable manner. This includes requirements for public reporting of the bank's ESG activities. Customer satisfaction with banking products contributes to JSB "UKRGASBANK" profit growth and market share increase.</p>
7	<p>Main provisions of the policy on stakeholder engagement, including shareholders/participants:</p>
	<p>Stakeholder engagement plan.</p> <p>The purpose of the Stakeholder Engagement Plan (hereinafter referred to as the SEP) is to identify and describe consultation and disclosure requirements, identify key stakeholder groups, provide strategies and tools for information sharing and consultation for each stakeholder group, describe resources and responsibilities for implementing the SEP, and detail reporting and record keeping on consultation and disclosure related to the Bank's activities.</p> <p>The SEP has been developed taking into account that all stakeholders have been identified and</p>

	<p>consulted throughout the development and implementation of new projects. The SEP has also been developed in accordance with the IFC Guidelines: Stakeholder Engagement - A Guide for Companies on Good Practices for Doing Business in Emerging Markets.</p> <p>In 2025, in order to regulate the Bank's interaction with stakeholders, including on issues related to sustainable banking, it is planned to develop and implement a Policy that will determine the Bank's interaction with stakeholders.</p>
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Authorized and signed on behalf of the Bank's management by:

Acting Chairman of the Management Board

Rodion MOROZOV

Chief Accountant

Nataliia ILNYTSKA

15 March 2025

Онлайн сервіс створення та перевірки кваліфікованого та удосконаленого електронного підпису

ПРОТОКОЛ
створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 15:35:12 15.03.2025

Назва файлу з підписом: Звіт про управління 2024 eng.pdf.p7s
Розмір файлу з підписом: 17.8 КБ

Перевірені файли:

Назва файлу без підпису: Звіт про управління 2024 eng.pdf
Розмір файлу без підпису: 1.7 МБ

Результат перевірки підпису: Підпис створено та перевірено успішно. Цілісність даних підтверджено

Підписувач: Ільницька Наталія Геннадіївна

П.І.Б.: Ільницька Наталія Геннадіївна

Країна: Україна

РНОКПП: 2565005064

Організація (установа): ПУБЛІЧНЕ АКЦІОНЕРНЕ ТОВАРИСТВО АКЦІОНЕРНИЙ БАНК
"УКРГАЗБАНК"

Код ЄДРПОУ: 23697280

Посада: Головний бухгалтер

Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 15:35:11
15.03.2025

Сертифікат виданий: АЦСК Національного банку України

Серійний номер: 3E0E4EA9F723F863040000002218000022A90000

Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

Тип контейнера: Підпис та дані в окремих файлах (CAdES detached)

Формат підпису: З повними даними ЦСК для перевірки (CAdES-X Long)

Сертифікат: Кваліфікований

Версія від: 2025.02.05 13:00

ПРОТОКОЛ
створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 15:35:49 15.03.2025

Назва файлу з підписом: Звіт про управління 2024 eng.pdf.p7s

Розмір файлу з підписом: 17.0 КБ

Перевірені файли:

Назва файлу без підпису: Звіт про управління 2024 eng.pdf

Розмір файлу без підпису: 1.7 МБ

Результат перевірки підпису: Підпис створено та перевірено успішно. Цілісність даних підтверджено

Підписувач: Морозов Родіон Валерійович

П.І.Б.: Морозов Родіон Валерійович

Країна: Україна

РНОКПП: 2883002798

Організація (установа): АБ "УКРГАЗБАНК"

Код ЄДРПОУ: 23697280

Посада: в.о.Голови Правління

Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 15:35:48 15.03.2025

Сертифікат виданий: КНЕДП АБ "УКРГАЗБАНК"

Серійний номер: 5FF6271A312E3339A49EA956670A4CE901637B39

Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

Тип контейнера: Підпис та дані в окремих файлах (CAAdES detached)

Формат підпису: З повними даними ЦСК для перевірки (CAAdES-X Long)

Сертифікат: Кваліфікований

Версія від: 2025.02.05 13:00

ПРОТОКОЛ
створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 15:36:30 15.03.2025

Назва файлу з підписом: Звіт про управління 2024 eng.pdf.p7s
Розмір файлу з підписом: 16.8 КБ

Перевірені файли:

Назва файлу без підпису: Звіт про управління 2024 eng.pdf
Розмір файлу без підпису: 1.7 МБ

Результат перевірки підпису: Підпис створено та перевірено успішно. Цілісність даних підтверджено

Електронна печатка: ПУБЛІЧНЕ АКЦІОНЕРНЕ ТОВАРИСТВО АКЦІОНЕРНИЙ БАНК "УКРГАЗБАНК"
П.І.Б.:

Країна: Україна

Організація (установа): ПУБЛІЧНЕ АКЦІОНЕРНЕ ТОВАРИСТВО АКЦІОНЕРНИЙ БАНК
"УКРГАЗБАНК"

Код ЄДРПОУ: 23697280

Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 15:36:30
15.03.2025

Сертифікат виданий: КНЕДП АБ "УКРГАЗБАНК"

Серійний номер: 7AAA9A37B256DD31288243DD061E8CC04B42C0DC

Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

Тип контейнера: Підпис та дані в окремих файлах (CAAdES detached)

Формат підпису: З повними даними ЦСК для перевірки (CAAdES-X Long)

Сертифікат: Кваліфікований

Версія від: 2025.02.05 13:00



Independent Auditors' Report

To the Shareholders of Public Joint-Stock Company Joint Stock Bank “UkrGasbank”

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Public Joint-Stock Company Joint Stock Bank “UkrGasbank” (the “Bank”), which comprise:

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

In our opinion, the accompanying 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 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 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Notes 2 and 3 of the financial statements, which describe the negative impact of the Russian Federation’s military invasion of Ukraine on 24 February 2022, on the Bank’s operations. As also stated in Note 3, these events or conditions, along with other matters set forth in Notes 2 and 3,

Private Joint-Stock Company “KPMG Audit”

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Website: <https://home.kpmg.ua/uk/home.html>
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.

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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 matter described below to be the key audit matter 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 78 053 964 thousand and UAH 12 398 004 thousand, respectively; impairment loss for the year then ended: UAH 557 586 thousand (31 December 2023: UAH 75 866 174 thousand and UAH 12 533 227 thousand, respectively; gain on reversal of impairment loss for the year then ended: UAH 504 671 thousand).

Please refer to the Notes 4, 5, 9, 26 and 29 in the financial statements.

Key audit matter	Our response
<p>The measurement of loss allowances for loans and advances to customers represents management's best estimate of the expected credit losses ("ECLs") within loans and advances to customers (collectively, "loans", "exposures") at amortized cost at the reporting date.</p> <p>The loss allowances for individually significant non-performing exposures (Stage 3) are determined on an individual basis by means of a discounted cash flows analysis. The process involves subjectivity and reliance on a number of significant assumptions, including those in respect of the expected proceeds from the sale of the related collateral ("expected credit losses estimated individually").</p> <p>The loss allowances for other non-performing and performing exposures are determined by modelling techniques relying on key parameters such as the probability of default (PD) and loss given default (LGD), taking into account historical experience, identification of exposures with a significant increase in credit risk, forward-looking information ("expected credit losses estimated collectively").</p>	<p>Our procedures in the area performed, where applicable, with the assistance of our financial risk-management, information technology (IT) and valuation specialists, included:</p> <ul style="list-style-type: none"> Inspecting the Bank's ECL methodology and models and assessing their compliance with the relevant requirements of the financial reporting standards. Assessing whether the level of the sophistication in the model is appropriate given the nature, size and complexity of the Banks' loan portfolio. Testing the design, implementation and, where appropriate, operating effectiveness, of selected key controls within the loan impairment process. Independent Evaluation of Forward-Looking Information and Macroeconomic Projections: Recalculated key macroeconomic parameters used in the Bank's expected credit loss (ECL) assessment to assess the mathematical accuracy and consistency of applied assumptions. Corroborated forward-looking information by comparing macroeconomic inputs against external

We focused on this area as the measurement of expected credit losses requires the Management Board to make complex and subjective judgements and assumptions. In the light of the above factors and the uncertainty caused by military invasion launched by the Russian Federation on the territory of Ukraine, we considered expected credit losses for loans and advances to customers to be associated with a significant risk of material misstatement in the financial statements.

Therefore, the area required our increased attention in the audit and as such was determined to be a key audit matter.

market data and publicly available economic forecasts.

- Evaluating the reasonableness of management adjustment to the PD model for military-related risk factors;
- Challenging the LGD and PD parameters through sample-based testing of historical defaults and recoveries.
- For a sample of loans, testing the EAD parameter by reference to the Bank's accounting system, external confirmations obtained independently from the borrowers, and to primary documents, as applicable.
- For a sample of loans, testing the determination of segment and internal rating parameter by reference to the Bank's methodology and to primary documents and by performing recalculation, as applicable.
- Challenging, on a sample basis, the appropriateness of the Bank's staging of exposures, including identification of exposures meeting significant increase in credit risk and default criteria.
- Comparing valuations to publicly available data to assess their reasonableness.
- On a sample basis, assessing whether the definition of default and the standard's staging criteria were applied consistently and appropriately by reference to the underlying loan files and through inquiries of responsible loan officers and credit risk management personnel.

In addition, specifically for expected credit losses estimated individually, for a sample of loans:

- Challenging the Bank's cash flow projections and key assumptions used therein, by reference to our knowledge of the relevant industry and of the borrower.
- We also involved valuation specialist to independently assess on a sample basis the reasonableness of the collateral valuations by inspecting valuation reports obtained by the Bank, and also by comparing them to publicly available data.

	<p>For loan exposures in totality:</p> <ul style="list-style-type: none"> Examining whether the Bank's allowance for expected credit losses and credit risk-related disclosures in the financial statements appropriately include and describe the relevant quantitative and qualitative information required by the applicable financial reporting framework.
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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,
- Annual Information of the Issuer of Securities (including the Management Report),

but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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, 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.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 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 22 March 2024 (Minutes of the Supervisory Board №9 dated 22 March 2024) to audit the financial statements of the Bank as at and for the year ended 31 December 2024. Our total uninterrupted period of audit engagements is three 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 have not provided any other services to the Bank which are not disclosed in the Management Report or in the 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 Public Joint-Stock Company Joint Stock Bank “UkrGasbank” (Registration number 23697280 in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations) was conducted in accordance with the Engagement Contract No 37-SA/2024 dated 26 April 2024. The audit was performed from 3 October 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 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*”.
- As at 31 December 2024, the Bank does not have subsidiaries.
- The Revision committee did not perform examination of the Bank’s financial performance for the year ended 31 December 2024 as it was liquidated on 16 December 2022.

Reporting on the Management Report

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

- is consistent, in all material respects, with the 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:

Anna Parkhomenko
Registration No. 101539 in the Register of Auditors and Auditing Entities
Deputy Director

PJSC “KPMG Audit”

15 March 2025

Kyiv, Ukraine

Онлайн сервіс створення та перевірки кваліфікованого та удосконаленого електронного підпису

ПРОТОКОЛ

створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 20:05:04 15.03.2025

Назва файлу з підписом: AR ENG_UGZB.pdf.p7s

Розмір файлу з підписом: 213.5 КБ

Перевірені файли:

Назва файлу без підпису: AR ENG_UGZB.pdf

Розмір файлу без підпису: 195.0 КБ

Результат перевірки підпису: Підпис створено та перевірено успішно. Цілісність даних підтверджено

Підписувач: ПАРХОМЕНКО ГАННА ВАЛЕРІЇВНА

П.І.Б.: ПАРХОМЕНКО ГАННА ВАЛЕРІЇВНА

Країна: Україна

РНОКПП: 2726108945

Організація (установа): ПРИВАТНЕ АКЦІОНЕРНЕ ТОВАРИСТВО "КПМГ АУДИТ"

Код ЄДРПОУ: 31032100

Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 20:05:03
15.03.2025

Сертифікат виданий: КНЕДП ТОВ "Центр сертифікації ключів "Україна"

Серійний номер: 1119090800000000000000000000000000000001

Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

Тип контейнера: Підпис та дані в одному файлі (CAdES enveloped)

Формат підпису: 3 повними даними ЦСК для перевірки (CAdES-X Long)

Сертифікат: Кваліфікований

Версія від: 2025.02.05 13:00

Онлайн сервіс створення та перевірки кваліфікованого та удосконаленого електронного підпису

ПРОТОКОЛ

створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 20:27:38 15.03.2025

Назва файлу з підписом: AR ENG_UGZB.pdf.p7s

Розмір файлу з підписом: 213.4 КБ

Перевірені файли:

Назва файлу без підпису: AR ENG_UGZB.pdf

Розмір файлу без підпису: 195.0 КБ

Результат перевірки підпису: Підпис створено та перевірено успішно. Цілісність даних підтверджено

Електронна печатка: ПРИВАТНЕ АКЦІОНЕРНЕ ТОВАРИСТВО "КПМГ АУДИТ"

П.І.Б.:

Країна: Україна

Організація (установа): ПРИВАТНЕ АКЦІОНЕРНЕ ТОВАРИСТВО "КПМГ АУДИТ"

Код ЄДРПОУ: 31032100

Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 20:27:37
15.03.2025

Сертифікат виданий: КНЕДП ТОВ "Центр сертифікації ключів "Україна"

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Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

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Версія від: 2025.02.05 13:00

STATEMENT OF FINANCIAL POSITION**as at 31 December 2024***(UAH thousands)*

	<i>Notes</i>	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	7	67,276,990	49,749,451
Loans and other balances with banks	8	1,424,266	1,633,211
Loans and advances to customers	9	67,649,476	63,332,947
Investments in securities	10	59,491,216	55,728,665
Derivative financial assets	11	1,827	2,933
Investment property	12	346,362	154,269
Current tax assets		–	1,070,155
Deferred tax assets	13	230,531	54,449
Property, equipment and intangible assets	14	1,217,319	1,225,785
Right-of-use assets	15	110,731	138,631
Other financial assets	16	738,138	2,112,157
Other non-financial assets	16	414,093	664,730
Total assets		198,900,949	175,867,383
Liabilities			
Due to banks	17	3,495,409	2,794,957
Due to customers	18	166,650,480	154,133,564
Derivative financial liabilities	11	1,285	20,376
Other borrowed funds	19	8,452,594	5,579,937
Provisions	21		
Provisions for loan commitments and financial guarantee contracts		528,777	677,152
Other provisions		149,786	153,335
Other financial liabilities	16	1,372,557	648,999
Other non-financial liabilities	16	1,122,918	613,411
Current tax liabilities		917,254	–
Total liabilities		182,691,060	164,621,731
Equity			
Issued capital	20	13,837,000	13,837,000
Share premium		135,942	135,942
Result from transactions with the shareholder		(1,102,304)	(1,102,304)
Treasury shares		(518,439)	(518,439)
Reserve and other funds of a bank		1,161,419	967,777
Other reserves	20	3,059,044	1,528,277
Retained earnings		(362,773)	(3,602,601)
Total equity		16,209,889	11,245,652
Total equity and liabilities		198,900,949	175,867,383

Authorized and signed on behalf of the Bank's management by:

Acting Chairman of the Management Board

Rodion MOROZOV

Chief Accountant

Nataliia ILNYTSKA

15 March 2025

V. Usenko
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**for the year ended 31 December 2024***(UAH thousands)*

	Notes	2024	2023
Interest income		20,756,717	17,369,733
Interest revenue calculated using effective interest method	24	20,641,557	17,300,343
Other interest income		115,160	69,390
Commission income	22	2,312,281	2,260,965
Interest expense	25	(10,625,247)	(10,690,068)
Commission expense	22	(948,789)	(964,194)
Net gain (loss) on operations with financial instruments at fair value through profit or loss		22,453	267,157
Net gain on operations with debt financial instruments, at fair value through other comprehensive income		373,908	72,374
Net gain (loss) from trading in foreign currencies		311,780	260,318
Net gain from revaluation of foreign exchange		135	274,865
Net (loss) gain from revaluation of investment property		(19,853)	(2,097)
Impairment loss determined in accordance with IFRS 9	7, 8, 9, 10, 26	(1,124,142)	(167,519)
Other gains	23	324,024	448,147
Employee benefits expense	28	(3,757,852)	(2,941,919)
Depreciation and amortisation expense	14, 15	(480,528)	(427,404)
Other administrative and operating expense	28	(1,274,911)	(1,068,390)
Impairment gain (impairment loss) for non-financial assets	27	43,290	(24,010)
Profit from operating activities		5,913,266	4,667,958
Loss arising from derecognition of financial assets measured at amortised cost		(110)	(7,055)
Profit before income tax		5,913,156	4,660,903
Tax income (expense)	13	(2,496,685)	(2,724,477)
Profit		3,416,471	1,936,426

The accompanying notes on pages 6 to 79 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**(continued)**

	Notes	2024	2023
Statement of Comprehensive Income			
Other comprehensive income			
<i>Components of other comprehensive income that will not be reclassified to profit or loss, before income tax</i>			
Other comprehensive income, before income tax, (losses) gains on revaluation of property, plant and equipment, right-of-use assets and intangible assets	20	10,460	(24,092)
Total other comprehensive income (loss) that will not be reclassified to profit or loss, before income tax		10,460	(24,092)
<i>Components of other comprehensive income that will be reclassified to profit or loss, before income tax</i>			
Net change in fair value of debt instruments at fair value through other comprehensive income	20	1,675,648	2,056,063
Reclassification of cumulative (gain)/loss on disposal of debt instruments at fair value through other comprehensive income to profit or loss	20	(373,908)	(72,374)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	20	550,200	306,476
Net change in fair value of investments in equity instruments at fair value through other comprehensive income	20	7	(1,480)
Total other comprehensive income that will be reclassified to profit or loss, before income tax		1,851,947	2,288,685
Total other comprehensive income, before income tax		1,862,407	2,264,593
Income tax relating to changes in revaluation surplus of property, plant and equipment, right-of-use assets and intangible assets included in other comprehensive income	20	(8,403)	(6,451)
Income taxes (expense) / reimbursement related to financial assets measured at fair value through other comprehensive income included in other comprehensive income	20	(306,238)	134,962
Total other comprehensive income		1,547,766	2,393,104
Total comprehensive income		4,964,237	4,329,530
Weighted average number of shares (in thousands)		13,837,000	13,837,000
Basic earnings/(loss) per share (in UAH)		0.25	0.14

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Acting Chairman of the Management Board

Rodion MOROZOV

Chief Accountant

Nataliia ILNYTSKA

15 March 2025

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STATEMENT OF CHANGES IN EQUITY**for the year ended 31 December 2024***(UAH thousands)*

	Notes	Issued capital	Share premium	Result from transactions with the shareholder	Treasury shares	Reserve and other funds of a bank	Revaluation surplus	Other reserves		Retained earnings	Total equity
								Reserve of gains and losses on financial assets measured at fair value through other comprehensive income	Reserve of gains and losses from investments in equity instruments		
As at 1 January 2023		13,837,000	135,942	(1,102,304)	(518,439)	967,777	233,920	(1,096,436)	(1,925)	(5,539,413)	6,916,122
Profit		-	-	-	-	-	-	-	-	1,936,426	1,936,426
Other comprehensive income	20	-	-	-	-	-	(30,543)	2,425,127	(1,480)	-	2,393,104
Comprehensive income		-	-	-	-	-	(30,543)	2,425,127	(1,480)	1,936,426	4,329,530
Increase (decrease) through other changes, equity	20	-	-	-	-	-	(386)	-	-	386	-
As at 31 December 2024		13,837,000	135,942	(1,102,304)	(518,439)	967,777	202,991	1,328,691	(3,405)	(3,602,601)	11,245,652
Profit		-	-	-	-	-	-	-	-	3,416,471	3,416,471
Other comprehensive income	20	-	-	-	-	-	2,057	1,545,702	7	-	1,547,766
Comprehensive income		-	-	-	-	-	2,057	1,545,702	7	3,416,471	4,964,237
Increase (decrease) through other changes, equity	20	-	-	-	-	-	(16,999)	-	-	16,999	-
Distribution of previous year's profit		-	-	-	-	193,642	-	-	-	(193,642)	-
As at 31 December 2025		13,837,000	135,942	(1,102,304)	(518,439)	1,161,419	188,049	2,874,393	(3,398)	(362,773)	16,209,889

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Acting Chairman of the Management Board

Rodion MOROZOV

Chief Accountant

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15 March 2025

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STATEMENT OF CASH FLOWS (direct method)**for the year ended 31 December 2024***(UAH thousands)*

	<i>Notes</i>	2024	2023
Cash flows from (used in) operating activities			
Interest received		21,893,916	17,160,741
Interest paid		(10,734,642)	(10,434,164)
Fees and commissions received		2,318,558	2,301,100
Fees and commissions paid		(948,789)	(964,195)
Net gain (loss) from trading in foreign currencies		311,780	260,318
Result on operations with derivative financial instruments		5,571	301,799
Other gains received		357,858	359,104
Employee benefits expense		(3,294,820)	(2,799,220)
Other administrative and operating expense		(1,282,216)	(1,049,553)
Cash flows from (used in) operating activities before changes in operating assets and liabilities		8,627,216	5,135,930
<i>Net increase/(decrease) in operating assets</i>			
Loans and other balances with banks		282,014	820,557
Loans and advances to customers		(3,074,417)	2,511,647
Other assets		128,889	(1,042,486)
<i>Net increase/(decrease) in operating liabilities</i>			
Due to banks		592,230	(2,854,665)
Due to customers		9,228,014	38,747,368
Other liabilities		1,250,675	169,723
Net cash flows from (used in) operating activities before income taxes		17,034,621	43,488,074
Income taxes paid		(1,000,000)	(1,000,000)
Net cash flows from (used in) operating activities		16,034,621	42,488,074
Cash flows from (used in) investing activities			
Acquisition of securities		(78,432,240)	(92,830,478)
Proceeds on sale and repayment of securities		76,020,702	62,678,031
Acquisition of property and equipment and intangible assets		(367,703)	(354,403)
Proceeds on disposal of property and equipment		209	1,434
Proceeds on investment property		58,923	12,654
Proceeds on disposal of other property	16	21,633	2,012
Net cash flows from (used in) investing activities		(2,698,476)	(30,490,750)
Cash flows from (used in) financing activities			
Proceeds of borrowed funds from credit institutions	34	4,065,410	2,360,603
Repayment of borrowed funds from credit institutions	34	(1,307,833)	(439,957)
Repayment of borrowed funds from the National Bank of Ukraine	34	–	(1,000,000)
Repayment of lease liability principal amount	34	(76,686)	(81,305)
Net cash flows from (used in) financing activities		2,680,891	839,341
Effect of exchange rate changes on cash and cash equivalents		1,509,108	1,567,582
Effect of expected credit losses on cash and cash equivalents		1,395	(1,583)
Net increase/(decrease) in cash and cash equivalents		17,527,539	14,402,664
Cash and cash equivalents at the beginning of the period		49,749,451	35,346,787
Cash and cash equivalents at the end of the period	7	67,276,990	49,749,451

Authorized and signed on behalf of the Bank's management by:

Acting Chairman of the Management Board

Rodion MOROZOV

Chief Accountant

Nataliia ILNYTSKA

15 March 2025

V. Usenko
+380 (050) 508-97-97*The accompanying notes on pages 6 to 79 are an integral part of these financial statements.*

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

1. General information

Organizational structure and operations

PUBLIC JOINT-STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" (the "Bank") was established on 21 July 1993 based on the merger of several commercial banks. Since September 2009, the Government of Ukraine exercises control over the Bank by holding a majority stake of its share capital.

The Bank is engaged in accepting deposits from individuals and legal entities and extending loans, transferring payments in Ukraine and abroad, exchanging currencies and providing other banking services to its corporate and retail customers. The Bank's Head Office is located in Kyiv. As at 31 December 2024, the Bank's network consisted of 215 registered outlets (including 214 operating outlets) (2023: 223 registered outlets, including 220 operating outlets) in different regions of Ukraine. The registered address of the Bank is : 1 Yerevanska St., Kyiv, Ukraine. The Bank's mailing address: 19, 21,23 Staronavodnytska St., Kyiv, Ukraine.

As at 31 December 2024 and 31 December 2023, the Bank's issued shares were held by the following shareholders:

Shareholder	31 December 2024, 31 December 2023,	
	%	%
Ministry of Finance of Ukraine	94.94	94.94
Other	5.06	5.06
Total	100.00	100.00

As at 31 December 2024 and 31 December 2023, the Bank's ultimate controlling party was the state of Ukraine represented by the Ministry of Finance of Ukraine.

The Bank has no subsidiaries.

The Supervisory Board of JSB "UKRGASBANK" is a collegial body responsible for protecting the rights of depositors, other creditors, and shareholders of JSB "UKRGASBANK" and, within its competence, overseeing and regulating the activities of the Bank's Management Board.

The Supervisory Board of JSB "UKRGASBANK" consists of 4 independent members and 2 members representing the shareholder - the State of Ukraine, with the Chairman of the Supervisory Board being an independent member. In accordance with Part 12 of Article 42 of the Law of Ukraine "On Banks and Banking Activity," the chairman and members of the bank's board are appointed after their approval by the National Bank of Ukraine. The Supervisory Board of JSB "UKRGASBANK" reports on its activities to the general meeting of shareholders. The functional responsibilities of each member of the Supervisory Board are defined by current legislation", the Articles of Association of JSB "UKRGASBANK" the Regulations on the Supervisory Board of JSB "UKRGASBANK" the regulations on the relevant committee of the Supervisory Board, and the civil contract concluded with such member of the Supervisory Board.

All members of the Supervisory Board have economic and/or legal education and are proficient in English. Two members of the Supervisory Board hold academic degrees: the academic title of Candidate of Economic Sciences (Yurii BLASHCHUK and Marina LAZEBNA), a Ph.D. in Risk Management (Sanela PAŠIĆ), doctor of economic sciences and commerce (Enrica RIMOLDI). All members of the Supervisory Board have experience in senior positions in government bodies and/or the banking and financial sector. The Supervisory Board includes members who have significant experience working in the financial and banking sectors of foreign countries, including risk management and credit portfolio management, allowing for the adoption of best practices in the work of the Supervisory Board.

These interim condensed financial statements have been authorized for issue and signed by the Bank's management 15 March 2025.

2. Operating environment

The Bank is exposed to the economic and financial markets of Ukraine, which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, 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 thousands of Ukrainian hryvnias, unless otherwise indicated)

On 24 February 2022, the Russian Federation launched a full-scale military invasion to Ukraine. The ongoing war has led to significant civilian casualties, massive displacement of the population, damage to infrastructure, electricity outages, and overall significant disruption to economic activity in Ukraine. This had a detrimental and long-lasting impact on the political and business environment in Ukraine, including on the ability of many entities to continue business as usual. In response to the military invasion, the President of Ukraine introduced the state of martial law, which is currently extended until 9 May 2025.

In 2023 and 2024, active military actions remain intense, albeit concentrated in eastern and southern Ukraine, and the Autonomous Republic of Crimea and the major parts of Donetsk, Luhansk, Kherson and Zaporizhzhia regions under occupation. In addition, from October 2022, the Russian Federation began missile and drone attacks affecting the power grid and other critical civilian infrastructure all over Ukraine.

Despite the ongoing war, the economy remains resilient. In January 2024, the National Bank of Ukraine (hereinafter also referred to as the NBU) downgraded its forecast for real GDP growth for 2024 to 3.4%. Annual inflation increased to 12% in 2024. There were also some reductions in the NBU discount rate from 15% to 14.5%. However, economic growth is expected to slow in 2025 due to a tightening labor market, ongoing attacks by the Russian Federation on Ukraine's energy infrastructure, and a budget deficit. The overall outlook is subject to significant risks, primarily stemming from the exceptionally high uncertainty caused resulting from war, potential delays or shortfalls in external financing, and results of peace negotiations.

With the beginning of war, the NBU introduced certain administrative restrictions on currency conversion transactions and capital movements, including restrictions on interest and dividend payments abroad. Due to these restrictions, the Ukrainian hryvnia (UAH) lacks exchangeability and is not freely convertible.

After invasion, all global rating agencies lowered Ukraine's ratings. As at 31 December 2024, the ratings are as follows:

- ▶ Fitch: Long-term foreign currency issuer default rating is RD and long-term local currency issuer default rating is CCC+;
- ▶ Moody's: Long-term foreign and local currency issuer default rating is Ca;
- ▶ S&P: Long-term foreign currency issuer default rating - SD and long-term local currency issuer default rating is CCC+.

In December 2024, amendments were made to the Tax Code of Ukraine, which set the profit tax rate for banks based on the results of 2024 at 50%, and starting from 2025, the profit tax rate at 25%. The profit tax rate for the 2023 results was set at 50%.

In accordance with the decisions of the NBU, public sector banks, including JSC "UKRGASBANK", are included in the list of critical infrastructure facilities in the banking system of Ukraine and the list of authorized banks of Ukraine involved in work (operations) in the conditions of a special period.

3. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS accounting standards issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" regarding the preparation of financial statements.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for buildings that are carried at revalued amount, investment property carried at fair value, assets held for sale, which are carried at the lower of carrying amount or fair value less cost to sell, and financial instruments measured at fair value, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable in the market or is assessed using a different valuation technique. In measuring the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability as if the market participants took those characteristics into account when pricing the asset or liability at the measurement date.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

(c) Going concern

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

As at 31 December 2024, in accordance with the requirements of the National Bank of Ukraine, 121 support outlets are successfully operating within JSC "UKRGASBANK" (outlets of the Bank that are equipped with generators and have guaranteed backup communication lines and/or are equipped with Starlink satellite communication and are able to work in blackout conditions), which is 56% of the Bank's network of operating outlets (215 outlets). In addition to the main outlets, other outlets of the Bank are equipped with generators and backup communication channels (220 operating outlets).

Currently, the Bank does not plan to change its business model due to martial law and will continue to function as a universal bank with a full range of banking services for all categories of clients in accordance with the Main (strategic) areas of activity of public sector banks for the period of martial law and post-war economic recovery, approved by the Government in May 2022, and the Bank's Budget for 2025.

In 2024, the Bank developed a three-year business model of JSC "UKRGASBANK" for 2025-2027, and currently, the Bank is developing the Strategy of JSC "UKRGASBANK" for 2025-2030 with the involvement of an internationally recognized consulting company.

As at 31 December 2024, the total amount of cash and cash equivalents is UAH 67,276,990 thousand.

The Bank has breached covenants for loans received from credit institutions, which provide for the event of default and cross-default under loan agreements in the amount of UAH 8,452,594 thousand. The Bank has received all the necessary waiver letters from 2 creditors until the end of 2024 in which the creditors stated that they will not claim the loans for early repayment (Note 19 and 29). As at 31 December 2024, the Bank did not receive waiver letters from the other 4 creditors for the loans in the amount of UAH 2,126,219 thousand. As at the date of approval of these financial statements, the lenders have provided neither claims for early repayment of debt. The Bank is in constant communication with creditors and does not expect to receive from creditors demand letters for early repayment of received loans. But the Bank has sufficient funds to continue its uninterrupted activities and will not require additional financing for settlement of these loans.

The Bank received a letter of refusal from the request for early repayment of the loan due to non-compliance with the terms of the loan agreement from 1 creditor for the period until 31 December 2025 for a loan in the amount of UAH 293,206 thousand. The bank also received a letter of refusal from another creditor to demand early repayment of the loan due to non-compliance with the terms of the loan agreement, for the period until the end of the loan agreement, for a loan in the amount of UAH 6,033,169 thousand.

Based on the results of the Bank's stability assessment conducted by the NBU in 2023, the necessary level of capital adequacy was determined for the Bank. In accordance with the requirements of the legislation, the Bank has developed an appropriate capitalization program, which provides for compliance with capital adequacy standards at the current regulatory level until 30 September 2024, and compliance with the increased necessary threshold levels of capital adequacy standards until 31 March 2026. The developed capitalization program was approved by the NBU on 26 March 2024. As at 31 December 2024, the Bank complies with the capitalization program.

As at 31 December 2024 the Bank complies with all prudential regulations and currency position limits.

The Management of the Bank monitors the development of the current situation in Ukraine caused by the armed conflict, and takes measures, if necessary, to minimize any negative consequences as much as possible and provide a full range of banking services. Further negative development of events and macroeconomic conditions may adversely affect the Bank's financial condition and results of operations in a manner that is not currently determinable.

However, the continuation of military operations may have negative consequences for the Bank's activities. Furthermore, the hostilities can also lead to extension of the current or introduction of additional administrative restrictions from the NBU, which may pose a threat to the Bank's operations and cause further disruption of the financing for both the Bank and its customers.

As of the date of authorisation of these financial statements for issuance, further developments regarding the Minerals Agreement between Ukraine and the United States, as well as future military, financial and non-financial aid from the United States, remain uncertain.

Therefore, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not include any adjustments that would be necessary had the Bank been unable to continue as a going concern.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

These financial statements reflect management's current assessment of the impact of the Ukrainian business environment on the Bank's operations and financial position. Future operating conditions may differ from management's assessments.

(d) Functional and presentation currency

These financial statements are presented in thousands of Ukrainian hryvnias, unless otherwise indicated. The Bank's functional and presentation currency is the Ukrainian hryvnia ("UAH").

4. Summary of accounting policies

Changes in accounting policies

The Bank applied certain amendments that became effective for the annual reporting periods beginning on or after 1 January 2024. The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

New standards, interpretations and amendments that entered into force on 1 January 2024

- ▶ Amendments to IAS 1 "Presentation of Financial Statements" – "Classification of Liabilities as Current and Non-Current";
- ▶ Amendments to IAS 1 "Presentation of Financial Statements" – "Non-current Liabilities with Special Terms";
- ▶ Amendments to IFRS 16 "Leases" – "Lease Liabilities in Sale and Leaseback Transactions";
- ▶ Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" – "Supplier Financing Arrangements".

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current and Non-Current. It is clarified that a liability is classified as non-current if the entity has the right to defer settlement of the liability for at least 12 months – this right must exist at the end of the reporting period. The right to defer settlement of the liability for at least 12 months after the end of the reporting period must be real and must exist at the end of the reporting period, regardless of whether the entity plans to exercise this right. If the right to defer settlement of the liability is conditional on the entity fulfilling certain conditions, then such a right exists at the end of the reporting period only if the entity has fulfilled those conditions at the end of the reporting period. It is necessary to fulfill those conditions at the end of the reporting period, even if the creditor checks their fulfillment later. The classification of a liability is not affected by the probability that the entity will exercise its right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Amendments to IAS 1 "Presentation of Financial Statements" – "Non-current Liabilities with Special Conditions" provide that an entity may classify liabilities arising from a loan agreement as non-current if the entity's right to defer repayment of those liabilities is conditional on the entity fulfilling special conditions within twelve months after the end of the reporting period. In particular, the notes will need to disclose information that enables users of financial statements to understand the risk that liabilities may become recoverable within 12 months after the end of the reporting period: a) information about the special conditions (including the nature of the special conditions and when the entity is required to fulfill them) and the carrying amount of the related liabilities; (b) facts and circumstances, if any, that indicate that it may be difficult for the entity to comply with the special conditions: for example, that the entity has taken actions during or after the reporting period to avoid or limit the effects of a potential breach.

These changes did not have a significant impact on the Bank's financial statements for 2024.

Foreign currency translation

Foreign currency transactions are initially recognized in the Bank's functional currency at the exchange rates prevailing as at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates effective at the reporting date. The foreign currency gains or losses are recognized in the statement of profit or loss and other comprehensive income as a net result of foreign exchange operations. Non-monetary assets and liabilities in foreign currencies at fair value are translated into UAH at the exchange rates effective at the fair value measurement date. Non-monetary items at historical cost in a foreign currency are translated using the exchange rates prevailing at the transaction dates.

The differences between a contractual exchange rate on a specific transaction in a foreign currency and the official exchange rate established by the National Bank of Ukraine at the date of such a transaction are also included in the result of trading activities in foreign currencies.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The official exchange rates of the National Bank of Ukraine used in the preparation of these financial statements are as follows:

Currency	31 December 2024	31 December 2023
USD	42.0390	37.9824
EUR	43.9266	42.2079

Financial assets and liabilities

Initial recognition

Date of recognition

All regular way purchases and sales of financial assets and liabilities are recognized on the date of transaction, i.e. the date that the Bank makes a commitment to purchase the asset or liability. Regular way purchases or sales are purchases or sales of financial assets and liabilities that require the delivery of assets and liabilities within the period generally established by regulation or convention in the marketplace.

Initial measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at fair value, including transaction costs, except when financial assets and financial liabilities are measured at fair value through profit or loss.

Measurement categories of financial assets and liabilities

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- ▶ amortized cost;
- ▶ fair value through other comprehensive income (FVOCI);
- ▶ fair value through profit or loss (FVTPL).

The Bank classifies and measures its derivative and trading portfolio at FVTPL. The Bank may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Loans and other balances with banks, loans and advances to customers, and other financial investments

The Bank measures amounts loans and other balances with banks, loans and advances to customers and other financial investments at amortized cost only if both of the following conditions are met:

- ▶ the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- ▶ 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 (SPPI).

The details of these conditions are outlined below.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its certain business objectives.

Rather than on an instrument-by-instrument basis, the Bank's business model is assessed at a higher level of aggregated portfolios and is based on observable factors such as:

- ▶ how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- ▶ the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- ▶ how managers of the business are remunerated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- ▶ the expected frequency, value and timing of sales are also important aspects of the Bank's business model assessment.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a manner different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest test (SPPI test)

As a second step of its classification process, the Bank assesses the contractual terms of financial asset to identify whether there are cash flows relating thereto exclusively in payments against principal and interest on the principal amount outstanding (the so-called SPPI test).

"Principal" for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than a minor influence exposure to risks or volatility in the contractual cash flows that are related to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Debt instruments at FVOCI

In accordance with IFRS 9, the Bank measures debt instruments at FVOCI when both of the following conditions are met:

- ▶ the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- ▶ the contractual terms of the financial asset match the criteria of the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position. Instead, an amount equal to the allowance for expected losses that would arise if the assets were measured at amortized cost is recognised in OCI as accumulated impairment, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is reclassified to the net profit or loss upon derecognition of the asset.

Financial guarantees, letters of credit and undrawn loan commitments

The Bank issues financial guarantees, letters of credit and undrawn loan commitments.

Financial guarantees are initially recognized in the financial statements at fair value, being the premium received. Subsequently to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less accumulated depreciation recognized in the statement of profit or loss, and expected credit losses allowance.

Undrawn loan commitments and letters of credit are commitments under contracts, over the terms of which the Bank is required to provide a loan to the customer at predetermined conditions. These contracts fall within the scope of the expected credit losses requirements.

The Bank occasionally issues loan commitments at below market interest rates drawdown. Such commitments are initially recognized at fair value and subsequently measured at the higher of the expected credit losses allowance amount and the initially recognised amount less, where appropriate, the amortisation of accumulated income.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted cash balances with the National Bank of Ukraine, loans and other balances with banks that are free from contractual encumbrances, and the overnight deposit certificates issued by the National Bank of Ukraine, except for balances of precious metals on the correspondent accounts.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Balances in precious metals

Balances in precious metals on the correspondent accounts in Banks are recognized at fair value through profit or loss. The value of assets changes on a daily basis depending on the prices for precious metals and the official exchange rates for precious metals in the Ukrainian market and recognized as part of Loans and other balances with banks.

Loans and other balances with banks

In the normal course of business, the Bank grants loans or maintains deposits for various periods of time with other credit institutions. Loans and advances to banks is initially measured at fair value. Loans and advances to banks with fixed maturities is measured at amortized cost using the effective interest rate method and is accounted net of expected credit losses.

Precious metals

Precious metals are stated at the lower of net realizable value or cost. The net realizable value of precious metals is based on quoted market prices. Foreign currency revaluation effect is recognized as exchange differences on transactions with precious metals within Net gain from revaluation of foreign exchange of the Statement of profit or loss and other comprehensive income.

Repurchase and reverse repurchase agreements

Sale and repurchase agreements of securities ("repo") are treated as secured financing transactions. Securities sold under sale and repurchase agreements are retained in the statement of financial position and, in case the counterparty has the right by contract or common practice to sell or re-pledge them, reclassified as securities pledged under sale and repurchase agreements. The corresponding liability is presented within due to credit banks or customers. Securities purchased under agreements to resell (reverse repurchase agreements or "reverse repo") are recorded as due from other credit institutions, or loans and advances to customers, as appropriate. The difference between sale and repurchase price is treated as interest income or expense and accrued over the life of repo agreements using the effective interest method.

Securities lent to counterparties are retained in the financial statements. Securities borrowed are not recorded in the financial statements, unless sold to third parties, in which case the purchase and sale is recorded within gains less losses from investments at fair value through profit/loss. The obligation to return them is recorded at fair value as a trading liability.

Derivative financial instruments

In the course of its ordinary activities, the Bank uses various derivative financial instruments, including forward contracts and swaps in foreign exchange markets, which are concluded predominantly with Ukrainian banks. Derivative instruments are initially recognized at fair value at the date of the contract, after which they are revalued at fair value. All derivative instruments are recognized as assets when their fair value is positive and as liabilities if their fair value is negative.

Changes in the fair value of derivative instruments are recognized immediately within article "Net gain (loss) on operations with financial instruments at fair value through profit or loss" of the statement of profit or loss and other comprehensive income. The Bank estimates and calculates the fair value of forward contracts and recognizes its material changes in profit or loss.

Though the Bank performs trade operations with derivative instruments for hedging purposes, these instruments do not meet the hedge accounting criteria.

Borrowed funds

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 banks and due to customers. Upon initial recognition, borrowed funds are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the borrowed funds are derecognized, as well as through the amortization process.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Leases

i. The Bank as a lessee

The Bank applies a single approach to the recognition and measurement of all leases other than short-term and low-value asset leases. The Bank recognizes a lease liability in respect of the lease payments and right-of-use assets that are rights to use the underlying assets.

Right-of-use assets

The Bank recognizes the right-of-use assets at the commencement date of a lease (i.e., the date on which the underlying asset becomes available for use). The right-of-use assets are measured at initial cost, less accumulated depreciation and accumulated impairment losses, and adjustments for the revaluation of the lease liability. The initial cost of the right-of-use assets consists of the amount of the initial measurement of the lease liability, the initial direct costs and the lease payments made at or before the commencement date of a lease, less the received lease incentives. If the Bank does not have sufficient confidence that it will acquire title to the underlying asset at the end of the lease term, the recognized right-of-use asset is amortized on a straight-line basis to the earlier of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are tested for impairment.

Lease liability

At the commencement date, the Bank recognizes the lease liability at the present value of the lease payments that will be made during the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives to be received; variable lease payments that depend on the index or rate; and the amounts to be payable under residual value guarantees. Lease payments also include the cost of exercising the option to purchase, if the Bank is reasonably certain that it will take advantage of that option, and the lease termination penalties if the lease term reflects the Bank's ability to terminate the lease. Variable payments that do not depend on any index or rate are recognized as expenses in the period, in which the event or condition occurs that gives rise to such payments.

To calculate the present value of the lease payments, the Bank applies the lessee's incremental borrowing rate at the commencement date, if the interest rate implicit in the lease cannot be easily determined. After the lease takes effect, the lease liability increases to reflect the interest accrual and decreases to reflect the lease payments made. Also, in the event of modification, change of the lease term, change in the substance of fixed lease payments or change of option of purchase of the underlying asset, the carrying value of the lease liabilities is revalued.

Short-term and low-value asset leases

The Bank applies a recognition exemption to short-term leases (that is, to the agreements where the lease term, as at the lease commencement date, is less than 12 months and which do not include purchase option). The Bank also applies a recognition exemption with respect to low-value assets to office equipment leases and other asset leases (i.e. up to USD 5 thousand according to the official exchange rate of the NBU on the date of the conclusion of the lease agreement). Lease payments under short-term leases and under low-value asset leases are recognized as lease expenses on a straight-line basis over the lease term.

ii. Operating leases — Bank as a lessor

Leases for which the Bank does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income is recognized on a straight-line basis over the lease term and is included in other gains in the statement of profit or loss and other comprehensive income. Initial direct costs incurred in the process of negotiating and concluding operating leases are included in the carrying amount of the leased asset and are recognized over the lease term on the same basis as rental income. Contingent lease payments are recognized as income in the period in which they were received.

iii. Finance leases — Bank as a lessor

Lease payments receivable are recognized in the amount equal to net lease investments starting from the lease commencement date. Finance income is calculated using a method that reflects a constant periodic rate of return on the carrying amount of net investments. Initial direct costs are included in the initial amount of lease payment receivables.

Expected credit losses

The Bank estimates the impairment for asset-related transactions measured at amortized cost or at fair value through other comprehensive income, for financial guarantees, letters of credit and undrawn loan commitments.

According to the general approach, depending on whether a financial instrument's credit risk has increased significantly since initial recognition, the Bank attributes its financial instruments to one of the stages described below:

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

- ▶ Stage 1: financial instruments for which there are no signs of a significant increase of credit risk. For these financial instruments, the Bank recognizes an allowance based on the 12-month expected credit losses;
- ▶ Stage 2: financial instruments for which there are signs of a significant increase of credit risk since the initial recognition, but no signs of impairment exist. For these financial instruments, the Bank recognizes the lifetime expected credit losses;
- ▶ Stage 3: financial instruments for which there are signs of a significant increase in credit risk since the initial recognition and the objective evidence of impairment exists. For these financial instruments, the Bank recognizes the lifetime expected credit losses;
- ▶ Purchased or originated credit impaired (POCI) financial assets are assets that are credit impaired on initial recognition. POCI assets are measured at fair value at initial recognition and interest income is subsequently recognized based on a credit-adjusted EIR. Expected credit losses allowances are only recognized or derecognized to the extent that there is a subsequent change in the lifetime expected credit losses on the financial instrument.
- ▶ The definition of a significant increase in credit risk and default is given in Note 29.

Renegotiated loans and/or modifications

Where possible, the Bank seeks to renegotiate the lending conditions, i.e. restructure loans rather than to take possession of collateral. Restructuring, i.e. change in significant terms and conditions under the original agreement by entering into additional arrangements with a debtor due to its financial difficulties (as determined by the Bank) and the need to create favorable conditions for it to meet its obligations under the asset (change in interest rate; cancellation, wholly or in part, of financial sanctions (penalties, fines, forfeits) accrued for untimely payments of the principal and interest amounts and failed to be repaid by the debtor; change in the repayment schedule (terms and amounts of the principal, interest/fees); change in the fee amount, etc.).

As a result of significant changes in the terms of the loan agreement, the Bank repurchases the original financial instrument and recognizes the new financial instrument.

The Bank determines the following modifications to contractual cash flows for financial instruments as significant:

- ▶ change of the currency of the financial instrument;
- ▶ change in the type of interest rate of a financial instrument (fixed to floating or vice versa);
- ▶ consolidation of several financial instruments or a financial instrument split into several ones.

Similarly, with respect to financial assets, the Bank determines the following modification of contractual cash flows as material:

- ▶ The inclusion in the contract of the additional terms / exclusion of terms / changes in the terms of the contract that affect the result of SPPI test. If the "indicative" test results in a change in the result of the SPPI test conducted at the time of recognition of the financial instrument, the modification is considered material.

In case of significant modification, the Bank derecognizes an initial financial asset and recognizes a new financial asset. At the modification date, the Bank recognizes a new financial asset at its fair value taking into account transaction costs associated with the origination of a new financial asset (with the exception of a new asset measured at fair value through profit or loss) and determines the amount of the 12-month expected credit losses.

If, as a result of the modification, a new financial asset is impaired at initial recognition, the Bank recognizes the cumulative changes in the expected credit losses for the lifetime of this financial asset.

The Bank continually analyses the renegotiated loans to ensure that all criteria and options for future payments are met.

If the modification of contractual cash flows does not result in the derecognition of the original financial asset (i.e. when the modification of contractual cash flows is not substantial), the Bank continues to apply current approaches to accounting for the financial asset whose contractual terms have been modified. Subject to changes in contractual cash flows discounted at the original effective interest rate, the Bank recognizes the modification-related income or expense included in interest revenue calculated using effective interest method in the statement of profit or loss and other comprehensive income.

In the case the modification of the contract terms are caused by the market shift (e.g., a decrease in the interest rate in the event of changes in the NBU discount rate), provided that the changes in the terms of the contract were not caused by the significant financial difficulties of the borrower, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of modification.

Write off of loans

Loans are written off using the expected credit loss allowance based on the decision of the Management Board.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The Bank recognizes bad debts on asset-based banking transactions for which there are no reasonable expectations of recovering of a financial asset. The Bank writes off such bad debts against the loss provision.

Subsequent recoveries of amounts previously written off are reflected as other gains in the statement of profit or loss and other comprehensive income in the period of recovery.

Investments 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 being measured at fair value. Instead, an amount equal to the allowance for expected credit losses that would arise were the assets measured at amortized cost is recognized in OCI as an accumulated impairment amount, with the corresponding charge to profit or loss. The accumulated credit losses recognized in OCI is reclassified to the net profit or loss upon derecognition of the asset.

Non-financial assets

Other non-financial assets, other than deferred tax, are assessed at each reporting date for any indication of impairment. The recoverable amount of non-financial assets is the greater of their fair value, less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognized when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

All impairment losses in respect of non-financial assets are recognized in profit or loss and reversed only if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable 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; and
- ▶ 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.

Where the Bank has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. Continuing involvement of the Bank is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

Financial liabilities

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

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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Taxation

The current income tax charge is calculated in accordance with the Ukrainian tax regulations.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income, because it excludes the items of income or expense that are taxable or deductible in other years, and it further excludes the items that are never taxable or deductible. The Bank's taxable profit is determined by adjusting the financial result, which is presented in the Bank's financial statements in accordance with the International Financial Reporting Standards, for the differences arising under the Tax Code of Ukraine. The Bank's current tax expense is calculated using tax rates that have been enacted during such reporting periods.

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 the tax rates set by the tax legislation of Ukraine in the respective reporting periods.

Also, Ukrainian tax regulations include other taxes and duties. These taxes are included in administrative and operating expense.

Investment property

Investment property, which comprises office premises, is the property held to earn rentals from long-term leases or for capital appreciation and is not occupied by the Bank. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, which is based on the market evidence as a result of valuations performed by independent appraisers, less any subsequently accumulated impairment losses. Revaluations are performed with sufficient regularity so that the carrying amounts did not differ significantly from those arrived at using fair value as at the reporting date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Property and equipment

Property and equipment other than buildings and land plots is carried at historical cost, less any accumulated depreciation and recognized impairment losses, if any.

Following initial recognition at cost, buildings and land plots 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. Revaluations 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 included in other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. In this case, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit and loss, except that a deficit directly offsetting a previous surplus on the same asset which is directly offset against the surplus in the property and equipment revaluation reserve.

In addition, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Upon disposal, the respective surplus of property revaluation is transferred to retained earnings.

Depreciation/amortization of an asset commences on the first day of the month following the month in which the item of property, equipment and intangible assets became available for use and ceases on the first day of the month following the month in which the item of property, equipment and intangible assets is disposed of.

Depreciation/amortization of property, equipment and intangible assets is calculated based on the new useful life, starting from the month following the month of change in the useful life.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	Years
Buildings	50
Furniture and equipment	2-10
Leasehold improvements	According to the shorter of the term of validity of the relevant lease contract and the term of useful life
Motor vehicles	5

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Residual value, useful lives, and depreciation methods are reviewed at the end of each reporting year and adjusted as appropriate.

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

Intangible assets

Intangible assets include the acquired computer software. Intangible assets acquired separately are measured on initial recognition at acquisition cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. The useful life of an intangible asset that arises as a result of contractual or other legal rights, and accordingly, the rate of depreciation, is limited by the term of validity of these rights or the norms of the Tax Code of Ukraine.

Amortization periods and methods for intangible assets with finite useful lives are reviewed at least at each reporting year-end. Depreciation is calculated using the straight-line method over the expected useful life of the assets. The terms of useful use are set depending on the type of intangible asset and range from 3 to 7 years.

An item of property, equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

Other property

The non-current assets, which have been acquired by foreclosure of collateral and are held for further sale, are recognized as other property. These assets do not qualify for recognition as assets held for sale and cannot be recognized as non-current assets to be used in the Bank's ongoing operations. These assets are measured at the cost less depreciation.

Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle an obligation are expected to be recovered from a third party fully or partially, receivables are recognized to the extent it is virtually certain that reimbursement will be received and the amount of the receivables can be measured reliably.

Retirement and other benefit obligations

The Bank has pension arrangements to the state pension system of Ukraine, which requires current contributions by the employer calculated as a percentage of gross salary payments. Such expense is charged in the period, in which the related salaries are earned.

Share capital and other reserves

Ordinary and preference shares are carried in equity.

Acquired title of ownership to shares of the Bank's own issue is deducted directly from equity. A gain or loss arising from purchase, sale, issue or cancellation of the Bank's treasury shares is not included in profit or loss.

The surplus of consideration received over the nominal value of shares issued is reflected as additional paid-in capital.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Other reserves included in equity (other comprehensive income) in the Bank's statement of financial position comprise a revaluation surplus, reserve of gains and losses on financial assets measured at fair value through other comprehensive income, reserve of gains and losses from investments in equity instruments .

Profit or loss arising from transactions with the Bank's shareholders is recognized in equity as "Result from transactions with shareholders".

Segment reporting

The Bank's segment reporting is based on the following operating segments: retail banking, corporate banking, clients of small and medium-sized enterprises (SME), financial institutions, treasury and investment business and other.

Contingencies

Contingent liabilities are not reported in the statement of financial position but are disclosed unless the possibility of any future outflow is considered remote. A contingent asset is not recognized in the statement of financial position. The information about such assets is disclosed when an inflow of economic benefits is probable.

Revenue and expense recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank, and the revenue can be reliably measured.

Interest income and expense are recognized on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

In calculating the effective interest rate, the Bank considers all paid and/or received fees, duties, and transaction costs that form an integral part of income/expense on the financial instrument, in particular:

- ▶ financial instrument origination fees received/paid by the Bank and related to origination or acquisition of such a financial instrument;
- ▶ fees received/paid by the Bank on lending arrangements in the course of loan origination or acquisition as consideration for participation in the financial instrument's acquisition if it is probable that a loan commitment will lead to a specific lending arrangement;
- ▶ fees received/paid by the Bank when issuing debt securities that are accounted for at amortized cost.

Income on debt financial instruments is carried using the effective interest method, except for financial assets measured at fair value through profit or loss.

Once a financial asset or a group of similar financial assets has been (partly) written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Amortized cost of a financial asset or financial liability - the amount at which a financial asset or financial liability is valued at the time of initial recognition, after deducting funds received or paid [principal amount of the debt, interest income/expenses or other payments related with the initiation of a financial asset or financial liability], increased or decreased by the amount of accumulated depreciation calculated using the effective interest rate, - the difference between the initially recognized amount and the maturity amount of the financial instrument, as well as for financial assets adjusted taking into account the allowance for credit losses.

The gross carrying value of a financial asset is the amortized cost of the financial asset before adjusting for the amount of the allowance for credit losses.

Calculation of interest income and expenses

The effective interest rate for a financial asset or financial liability is calculated upon initial recognition of the financial asset or financial liability. When calculating interest income and expenses, the effective interest rate is applied to the value of the gross carrying value of the asset (when the asset is not credit-impaired) or the fair value of the liability. However, for financial assets that have become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the fair value of the financial asset. If the financial asset is no longer credit-impaired, the calculation of interest income is again based on the gross carrying value.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

For originated credit impaired financial assets, interest income is calculated using the effective interest rate, adjusted for credit risk, to the fair value of the financial asset. The calculation of interest income on such assets is not carried out on the basis of the gross carrying value, even if the credit risk on them will subsequently decrease.

When calculating the effective interest rate for financial instruments that are not purchased or originated credit impaired assets, the Bank estimates future cash flows, taking into account all the contractual terms of this financial instrument, but without taking into account expected credit losses. For purchased or originated credit impaired financial assets, the effective interest rate, adjusted for credit risk, is calculated using the amount of expected future cash flows, including expected credit losses.

Interest received from the assets measured at fair value is classified as interest income.

Fee and commission income and expense (hereinafter the "fees") is income and expense related to the services rendered/received, which amount is calculated pro rata to the amount of an asset or liability or is fixed.

Where it is probable that a loan commitment will lead to a specific lending arrangement or loan tranche, the loan commitment fees are deferred, together with the related direct costs, and recognized as an adjustment to the effective interest rate of the resulting loan. Where it is unlikely that a loan commitment will lead to a specific lending arrangement or loan tranche, the loan commitment fees are recognized in the statement of profit or loss and other comprehensive income over the remaining period of the loan commitment. Where a loan commitment expires without resulting in a specific lending arrangement or loan tranche, the loan commitment fee is recognized in the statement of profit or loss and other comprehensive income on expiry. Loan servicing fees are recognized as revenue as the services are provided. All other commissions are recognized after the applicable services have been provided.

Other revenue is recognized in profit or loss as soon as the applicable transaction has been completed.

Fee and commission income and expenses consist of fees and commissions received/paid by the Bank for providing financial services, other than those related to the origination of a financial asset or liability, which form a part of the effective interest income/expenses.

Fees and commissions from financial services provided by the Bank, including payment services, brokerage services, investment advice and financial planning, investment banking services and asset management services.

Fees and commission income are accounted for in the income statement as the Bank satisfies the performance obligation embedded in the contract, according to IFRS15 "Revenue from Contracts with Customers" rules.

In particular:

- ▶ if the performance obligation is satisfied at a specific moment ("point in time"), the related revenue is recognised in the income statement when the service is provided;
- ▶ if the performance obligation is satisfied over-time, the related revenue is recognised in the income statement in order to reflect the progress of satisfaction of such obligation.

Transaction fees coming from securities transactions, payment services, interchange, foreign currency transactions are typically booked at the point in time when the service is provided and immediately withdrawn from customer account.

Fees related to on-going management, loan administration, deposit and custody services, account administration, agency services, administration of loan syndication, asset management and payment cards are normally recognised over time during the term of the contract. The revenue is measured on straight-line basis and is evenly distributed during the term of the contract as this method best depicts the Group's commitment to stand ready for fulfilment of customer requests. These services are mostly invoiced on regular basis (typically monthly), selected services are invoiced in advance.

Fees related to loans provided, other than those related to the origination, which form a part of the effective interest income, are either booked at the point in time when the service is provided or recognised over time during the term of the contract based on the type of services provided.

The amount of revenues linked to fee and commission income is determined based on contractual conditions. Variability that would have impact on amount that the Bank expects to receive is not usually foreseen for services provided by the Bank.

If a contract regards different goods/services which are not priced and charged on the stand-alone price level, the revenue is allocated among the different obligation proportionally to the stand-alone price of the single item delivered. These amounts will therefore be accounted for in the income statement on the basis of the timing of satisfaction of each obligation.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Other gains (losses)

The article "Other gains (losses)" of the Statement of Profit and Loss and other comprehensive income of the Bank includes the gain (loss) from derecognition of financial liabilities, net gains from investment real estate, other losses (gains) represented by changes from formation (dissolution) reserves for legal risks and performance guarantees, and other income.

Application of new and revised International Financial Reporting Standards ("IFRS")

New and revised IFRS

New standards that entered into force on 1 January 2025

From 1 January 2025, amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – "Impossibility of Exchange" are mandatory, with early application permitted.

The Bank expects that this change mentioned above shall not have a significant impact on the financial statements.

New standards that entered into force on 1 January 2026

Amendments to IFRS 7 "Financial Instruments: Disclosures" and IFRS 9 "Financial Instruments": "Amendments to the Classification and Measurement of Financial Instruments" come into force from 1 January 2026. The amendments relate to the requirements for settling financial liabilities using electronic payment systems and assessing the contractual cash flow characteristics of financial assets, including those related to environmental, social and governance (ESG) aspects. In addition, the disclosure requirements for investments in equity instruments designated as at fair value through other comprehensive income have been changed, and disclosure requirements have been added for financial instruments with conditional characteristics that do not directly relate to underlying credit risks and losses.

"Annual Improvements to IFRS Accounting Standards" – Volume 11, effective for annual periods beginning on or after 1 January 2026. Early application is permitted.

The changes are minor, but entities need to consider the extent of the impact to ensure that they result in a change in accounting policy.

These amendments are made to:

- ▶ IFRS 1 "First-time Adoption of International Financial Reporting Standards". In particular, amendments have been made to IFRS 1 to ensure its compliance with the requirements of IFRS 9 "Financial Instruments", cross-references have been added to improve the clarity of IFRS 1. According to the amendments, entities should not reflect in their first IFRS statement of financial position any hedging relationships that do not meet the criteria for hedge accounting under IFRS 9;
- ▶ IFRS 7 "Financial Instruments: Disclosures". The amendments concern the disclosure of information related to the recognition of differences between the transaction price and fair value at the date of initial recognition. The amendments have been made to align the wording of the provisions of the Guidance on the implementation of IFRS 7 "Financial Instruments: Disclosures" with the relevant provisions of IFRS 7 and the concepts of IFRS 9 and IFRS 13;
- ▶ IFRS 9 "Financial Instruments". The amendments relate to the termination of lease obligations by a lessee in accordance with the requirements of IFRS 9.
- ▶ The term "transaction price" has also been excluded from some provisions of IFRS 7 to eliminate inconsistencies between IFRS 7 and IFRS 9, IFRS 15;
- ▶ IFRS 10 "Consolidated Financial Statements". The amendments are made to eliminate inconsistencies between paragraphs of IFRS 10 to clarify that the relationship described in paragraph B74 is only one example of a circumstance in which judgment is required to determine whether a party is acting as a de facto agent or not;
- ▶ IAS 7 "Cash Flow Statement". The amendment is to update the terminology in IAS 7 "Cash Flow Statement" regarding cash flows related to investments in subsidiaries, associates and joint ventures.

The amendments "Contracts Referencing Nature-dependent Electricity" to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" are effective for annual periods beginning on or after 1 January 2026. Early application is permitted.

The Bank expects that the other amendments described above will not have a material impact on the financial statements.

New standards that entered into force on 1 January 2027

IFRS 18 "Presentation and Disclosure in Financial Statements" The new accounting standard IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 "Presentation of Financial Statements".

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

IFRS 18 establishes requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) in order to ensure the provision of relevant information that faithfully reflects the assets, liabilities, equity, income and expenses of an entity.

The implementation of IFRS 18 will not affect the net profit of the entity, but will only change the way the results are presented in the statement of profit or loss and other comprehensive income and in the notes to the financial statements.

IFRS 18 standardizes the presentation formats for financial results, eliminating the differences that previously made it difficult to compare financial results between different companies, and introduces the term "operating profit" as an important indicator for assessing operating results. The standard requires companies to clearly allocate income and expenses into categories such as operating, investing and financing, taking into account the presence of specific types of main activities. The new standard defines and requires entities to disclose performance indicators determined by management (management performance indicators), for which information on their agreement / reconciliation with the most directly comparable interim financial results, the presentation of which is required by IFRS 18, and as part of the financial statements will be subject to mandatory audit. The standard also establishes improved requirements for the aggregation and disaggregation of information in the main financial statements and / or notes. IFRS 18 aims to improve the quality of reporting by entities, increase the level of confidence from investors and other users, and ensure consistency of information for analysis and comparison. Entities should begin studying and preparing for reporting under the new standard, primarily by determining the impact assessment, reviewing accounting policies, data aggregation, and adapting systems and processes for preparing financial statements.

IFRS 19 Non-Publicly Reported Subsidiaries: Disclosures. Early application is permitted.

IFRS 19 simplifies the 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 reports to meet the needs of both the parent company and the needs of its own financial statement users, reducing the disclosure requirements of subsidiaries. A subsidiary is entitled to apply IFRS 19 if: the subsidiary is not publicly reported / publicly accountable (i.e. its debt obligations or equity instruments are not traded in a public market or in the process of being issued for trading in a public market) and is not a financial institution; and the intermediate or ultimate parent prepares consolidated financial statements that are available for public use and comply with IFRS.

The introduction of IFRS 19 will result in amendments to other IFRS accounting standards.

The Bank expects that the other amendments described above will not have a material impact on the financial statements, except IFRS 18 regarding the impact on disclosure and presentation.

5. Significant accounting judgments and estimates

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies is as follows.

Going concern

Management has prepared these financial statements on a going concern basis. Forming such a professional judgment, the management took into account the Bank's financial condition, its existing intentions, the budgeted profitability of operations in the future and access to financial resources, as well as analyzed the impact of the current financial and economic situation on the Bank's future activities. (Note 3).

Key estimates in applying accounting policies

Fair value of financial instruments

Investments in securities measured at fair value through other comprehensive income, loans and advances to customers measured at fair value through profit or loss and derivative financial instruments are stated at fair value.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The Bank considers that the accounting estimates and assumptions related to valuation of financial instruments where quoted markets prices are not available is a key source of estimation uncertainty because: (i) they are highly susceptible to change from period to period because they require management to make assumptions about interest rates, volatility, exchange rates, the credit rating of the counterparty, valuation adjustments and specific feature of the transactions and (ii) the impact that recognizing a change in the valuations would have on the assets reported in separate statement of financial position as well as its income/(expense) could be material.

Had management used different assumptions regarding interest rates, volatility, exchange rates, credit rating of a counterparty, offer dates and valuation adjustments, their value could differ significantly from that reflected in the financial statements.

Expected credit loss allowance

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining the expected credit losses and assessing a significant increase of credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's expected credit losses calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the expected credit losses models that are considered accounting judgements and estimates include:

- ▶ the Bank's criteria for assessing if there has been a significant increase of credit risk and so allowances for financial assets should be measured on an Lifetime expected credit losses basis, and the qualitative assessment;
- ▶ development of expected credit losses models, including the various formulae and the choice of inputs;
- ▶ determination of relationships between macroeconomic scenarios and economic inputs, such as unemployment rate and collateral values, and the effect on probability of default (PD), Exposure at Default (EAD) and Loss Given Default (LGD);
- ▶ selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the expected credit losses models.

The impact of changes in estimates related to the application management adjustments to forward-looking information is disclosed in Note 29.

For more detailed information, see Notes 9 and 29.

Fair value of buildings and land plots and investment property

As discussed in Note 4, buildings and land plots are carried at revalued amount, less any subsequent accumulated depreciation and impairment losses. Fair value is predominantly determined using the comparative approach. The comparative approach to fair value measurement is based on an analysis of the results of comparable sales of similar buildings. Determining the fair value of buildings and land plots requires the exercise of judgment and the use of assumptions regarding the comparability of properties and other factors. Management engages external independent values to estimate the fair value of property.

Deferred tax assets

Estimating the likelihood of recognition of deferred tax assets requires management to exercise judgment, particularly in determining the future taxable income against which the deferred tax assets can be utilized. Such preliminary estimates depend on a number of factors, changes in which could result in different amounts of deferred tax assets or liabilities. For information on these estimates, see Note 13.

6. Segment information

For management purposes, the Bank has defined five operating segments based on its products and services, which are as follows:

Corporate banking:	Mainly granting purpose loans, servicing deposits and current accounts of customers whose activities meet certain criteria and limits.
Customers of small and medium-sized enterprises (hereinafter – "SME"):	Mainly customer servicing under target lending programs, deposits and current accounts of customers whose activities meet certain criteria and limits and attracting funds from state organizations for targeted customer lending.
Retail banking:	Mainly servicing individual customer deposits and granting consumer loans, overdrafts, handling credit cards and funds transfer facilities and attracting funds from state organizations for targeted customer lending.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Financial institutions, treasury and investment business: The main components are interbank operations, operations with securities, operations with foreign currencies and bank metals, depository operations, operations with financial institutions.

Other activities: A key element of other types of activities is the internal bank function, through which internal funding is carried out between segments of business areas. The financial result of the internal bank, formed by the transfer result between the Bank's divisions, refers to other types of activities. Additionally, the segment carries out operational leasing operations, e-commerce operations, return of previously written-off assets, revaluation, increase/decrease the usefulness of non-current assets and other centralized management functions, including distribution general banking expenses of the Bank's departments etc.

For the purposes of this note, the management of the Bank refers to the Chairperson and members of the Bank's Management Board, as well as the heads of the Bank's business units.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained in the table below, is measured differently from profit or loss in the financial statements. Income taxes are managed centrally and are not allocated to operating segments.

Substantial reconciliation items include intersegment revenues and expenses, including in the part of the transfer result, bank-wide expenses (distribution) of the support units of the main institution of the Bank and the apparatus of directorates and branches, cash divisions.

The basis for allocation and redistribution of bank-wide support costs is the number of personnel of the relevant business line.

The segment information below is presented on the basis used by the Bank's chief operating officer to evaluate performance, in accordance with IFRS 8 *Operating Segments*. Management reviews discrete financial information for each of its segments, including estimates of operating results, assets, and liabilities.

For the purpose of complete distribution of financial indicators of segment reporting by relevant segments, the Bank uses allocation mechanisms that allow to some extent to distribute them by items/balance sheet accounts. Each type of expense has its own driver/allocation algorithm, which is developed based on the economic content of the transaction. Allocation/redistribution of expenses is carried out in accordance with the financial structure of the Bank and meets the needs of management.

Also, to determine the financial result of business areas, transfer pricing is used - a system for assessing the internal value of the Bank's resources, according to which transactions on the use of resources through their purchase and sale between the internal bank and business areas are reflected in management accounting, which helps to assess the contribution of each division to the overall financial result of the Bank and promotes effective liquidity management. Income and expenses from other segments are determined using transfer rates established by the Assets and Liabilities Management Committee on the basis of market-based prices and recommended lending and borrowing rates, taking into account the currency of transactions, terms, sensitivity to changes in interest rates, etc.

During 2024, the Bank received revenue from transactions with the Client 1 in the amount of UAH 8,548,091 thousand (35.39%) and with the Client 2 in the amount of UAH 2,867,752 thousand (11.87%). During 2023, the Bank's revenue from transactions with the Client 1 in the amount of UAH 5,207,263 thousand (26.53%) and with the Client 2 in the amount of UAH 3,076,606 thousand (15.67%) .

The following tables summarize income and expenses and certain other assets and liabilities information regarding the Bank's operating segments.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

31 December 2024	Operating segments					Total
	Corporate banking	SME	Retail banking	Financial institution, treasury and investment business	Other activities	
Interest income	5,948,841	1,940,118	725,229	12,142,529	–	20,756,717
Interest expense	(6,370,100)	(2,197,831)	(1,834,620)	(213,064)	(9,632)	(10,625,247)
Transfer income/expenses	2,914,600	1,507,649	2,909,368	(10,742,747)	3,411,130	–
Net interest income (expenses) taking into account transfer income/expenses	2,493,341	1,249,936	1,799,977	1,186,718	3,401,498	10,131,470
Commission income	847,118	608,067	823,732	33,364	–	2,312,281
Commission expense	(196,307)	(50,342)	(628,728)	(73,412)	–	(948,789)
Segment result to other income expenses	3,144,152	1,807,661	1,994,981	1,146,670	3,401,498	11,494,962
Depreciation costs with consideration of inter-segment distribution	(82,619)	(120,238)	(255,626)	(21,654)	(391)	(480,528)
Other items of income and expenses distribution	(1,022,827)	(1,077,777)	(2,032,152)	(425,217)	(543,305)	(5,101,278)
Profit (loss) before income tax	2,038,706	609,646	(292,797)	699,799	2,857,802	5,913,156
Tax income (expense) (income from tax refunds)					(2,496,685)	(2,496,685)
Profit (loss)	2,038,706	609,646	(292,797)	699,799	361,117	3,416,471
Assets	48,656,260	11,238,323	8,298,796	128,453,398	2,254,172	198,900,949
Liabilities	97,613,893	36,311,395	40,563,914	5,831,483	2,370,375	182,691,060
Other segment information						
Capital expenditures	11,906	11,295	32,326	–	312,176	367,703

31 December 2023	Operating segments					Total
	Corporate banking	SME	Retail banking	Financial institution, treasury and investment business	Other activities	
Interest income	6,139,930	1,420,898	562,557	9,246,348	–	17,369,733
Interest expense	(6,396,109)	(2,141,784)	(1,725,998)	(414,808)	(11,369)	(10,690,068)
Transfer income/expenses	2,119,502	1,541,427	2,538,896	(7,560,868)	1,361,043	–
Net interest income (expenses) taking into account transfer income/expenses	1,863,323	820,541	1,375,455	1,270,672	1,349,674	6,679,665
Commission income	827,178	537,049	735,962	84,109	76,667	2,260,965
Commission expense	(203,743)	(34,565)	(566,690)	(126,685)	(32,511)	(964,194)
Segment result to other income expenses	2,486,758	1,323,025	1,544,727	1,228,096	1,393,830	7,976,436
Depreciation costs with consideration of inter-segment distribution	(80,728)	(115,913)	(207,213)	(14,329)	(9,221)	(427,404)
Other items of income and expenses distribution	(885,381)	(691,796)	(1,334,295)	(91,403)	114,746	(2,888,129)
Profit (loss) before income tax	1,520,649	515,316	3,219	1,122,364	1,499,355	4,660,903
Tax income (expense) (income from tax refunds)					(2,724,477)	(2,724,477)
Profit (loss)	1,520,649	515,316	3,219	1,122,364	(1,225,122)	1,936,426

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

31 December 2023	Operating segments					Total
	Corporate banking	SME	Retail banking	Financial institution, treasury and investment business	Other activities	
Assets	48,407,547	9,673,540	6,261,544	107,662,646	3,862,106	175,867,383
Liabilities	92,684,287	29,422,361	35,934,903	5,489,882	1,090,298	164,621,731
Other segment information						
Capital expenditures	4,880	3,708	52,106	–	293,709	354,403

7. Cash and cash equivalents

Cash and cash equivalents comprise:

	31 December 2024	31 December 2023
Current accounts with other credit institutions	31,554,856	21,207,261
Deposit certificates of the National Bank of Ukraine (overnight)	18,006,639	15,018,493
Current accounts with the National Bank of Ukraine	14,016,891	10,374,688
Cash on hand	3,704,047	3,155,849
	67,282,433	49,756,291
Less: expected credit losses	(5,443)	(6,840)
Cash and cash equivalents	67,276,990	49,749,451

The current accounts with the National Bank of Ukraine represent the amounts for daily settlements and other operations of the Bank. There are no restrictions of access to the funds placed on the current accounts with the National Bank of Ukraine.

As at 31 December 2024 and 31 December 2023, the Bank complied with the requirements of the National Bank of Ukraine regarding the obligatory reserve amounts.

In terms of cash and cash equivalents, the Bank has not identified an event of increase of credit risk and classifies these assets in Stage 1 due to their short-term nature and quick period of update on the balance sheet.

Changes in expected credit losses during the year ended 31 December 2024 and 31 December 2023 were as follows:

	Stage 1
As at 1 January 2024	6,840
New assets originated or purchased	231
Assets repaid	(403)
Changes in expected credit losses	(1,997)
<i>Total loss allowance expense before the effect of foreign exchange differences</i>	<i>(2,169)</i>
Exchange differences	772
As at 31 December 2024	5,443
	Stage 1
As at 1 January 2023	5,257
Changes in expected credit losses	388
<i>Total loss allowance expense before the effect of foreign exchange differences</i>	<i>388</i>
Exchange differences	1,195
As at 31 December 2023	6,840

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

8. Loans and other balances with banks

Loans and other balances with banks comprise:

	31 December 2024	31 December 2023
Current accounts in banks in precious metals	419,412	321,371
Reverse REPO agreements	296,916	448,160
Other amounts in banks	708,445	864,360
	1,424,773	1,633,891
Less: expected credit losses	(507)	(680)
Loans and other balances with banks	1,424,266	1,633,211

Other amounts in banks include guarantee deposits placed mainly in connection with customer transactions, such as letters of credit, financial guarantees and performance guarantees, payment card transactions.

As at 31 December 2024, loans and other balances with banks are carried at amortized cost, except for current accounts in banks in precious metals in the amount of UAH 419,412 thousand, which are carried at fair value through profit or loss (2023: UAH 321,371 thousand).

As at 31 December 2024, loans and other balances with banks in the amount of UAH 1,017,227 thousand (or 71.40% of the total amount loans and other balances with banks) was placed with three banks (2023: UAH 1,235,027 thousand (or 75.59% of the total amount loans and other balances with banks)).

As at 31 December 2024, reverse REPO agreements were secured by UDGB with the fair value of UAH 313,723 thousand (2023: UAH 478,616 thousand).

As at 31 December 2024, with respect to balances loans and other balances with banks, the Bank has not determined the event of an increase of credit risk, and it classifies these assets in Stage 1 due to their short-term nature and quick period of update on the balance sheet. Loans and other balances with banks with a maturity of more than 90 days or overdue are separately analyzed for the presence of an event of increased credit risk.

The analysis of changes in the gross carrying value loans and other balances with banks that are carried at amortized cost for the year ended 31 December 2024 is as follows:

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	1,312,520	-	-	1,312,520
New assets originated or purchased	2,702,893	-	-	2,702,893
Assets repaid	(3,108,650)	-	-	(3,108,650)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Write-offs	-	-	-	-
Foreign exchange differences	98,598	-	-	98,598
At 31 December 2024	1,005,361	-	-	1,005,361

The analysis of changes in the gross carrying value loans and other balances with banks that are carried at amortized cost for the year ended 31 December 2023 is as follows:

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	2,145,862	-	14,521	2,160,383
New assets originated or purchased	4,591,469	-	-	4,591,469
Assets repaid	(5,464,471)	-	-	(5,464,471)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Write-offs	-	-	(14,521)	(14,521)
Foreign exchange differences	39,660	-	-	39,660
At 31 December 2023	1,312,520	-	-	1,312,520

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Changes in expected credit losses for the year ended 31 December 2024 were as follows:

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	680	–	–	680
New assets originated or purchased	98	–	–	98
Assets repaid	(32)	–	–	(32)
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Changes in expected credit losses	(292)	–	–	(292)
<i>Total loss allowance expense before the effect of foreign exchange differences</i>	<i>(226)</i>	–	–	(226)
Write-offs	–	–	–	–
Foreign exchange differences	53	–	–	53
As at 31 December 2024	507	–	–	507

Changes in expected credit losses for the year ended 31 December 2023 were as follows:

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	1,830	–	14,522	16,352
New assets originated or purchased	1,348	–	–	1,348
Assets repaid	(843)	–	–	(843)
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Changes in expected credit losses	(1,669)	–	–	(1,669)
<i>Total loss allowance expense before the effect of foreign exchange differences</i>	<i>(1,164)</i>	–	–	(1,164)
Write-offs	–	–	(14,522)	(14,522)
Foreign exchange differences	14	–	–	14
As at 31 December 2023	680	–	–	680

9. Loans and advances to customers

Loans and advances to customers comprise:

	31 December 2024	31 December 2023
Corporate banking	59,230,533	58,093,443
SME	12,507,025	11,012,747
Retail banking	8,309,922	6,759,984
Gross loans and advances to customers	80,047,480	75,866,174
Less: expected credit losses	(12,398,004)	(12,533,227)
Loans and advances to customers	67,649,476	63,332,947

As at 31 December 2024, loans and advances to customers included loans and advances to customers of UAH 1,993,516 thousand (2023: UAH 29,531 thousand), the contractual terms of which do not meet the criteria of the "exclusively payments of principal and interest on the outstanding principal amount" (SPPI test) test, and which are measured at FVTPL. Due to the expected sale, loans and advances to customers in the amount of UAH 1,985,188 thousand were classified in the portfolio FVTPL. Information regarding fair value measurement of loans and advances to customers which are measured at FVTPL is provided in Note 30.

During 2024, the Bank foreclosure of collateral for repayment of loans to customers of UAH 69,434 thousand. During 2023, the Bank does not performed foreclosure of collateral for repayment of loans to customers. (Note 16).

As at 31 December 2024, the amount of loans to legal entities and SMEs located in the territories occupied as a result of the military operations amounted to UAH 2,624,933 thousand, for which a provision of UAH 2,376,345 thousand was created (2023: UAH 2,775,432 thousand, for which a provision of UAH 2,524,078 thousand, in accordance).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

As at 31 December 2024, the amount of loans to individuals located in the territories occupied as a result of military operations amounted to UAH 18,645 thousand, for which a provision of UAH 8,212 thousand was created (2023: UAH 60,056 thousand, for which a provision of UAH 43,826 thousand, in accordance).

The bank is an authorized person-participant of the state program of affordable mortgage lending to individuals "eOselya". As at 31 December 2024, the amount of loans to individuals issued under this program is UAH 5,956,126 thousand. (2023: UAH 2,363,423 thousand).

The analysis of changes in the gross carrying value for the year ended 31 December 2024, excluding loans and advances to customers which are measured at FVOCI, is as follows:

Corporate banking	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2024	14,031,854	28,252,397	15,190,530	618,662	58,093,443
New assets and other changes					
in existing assets	32,163,856	5,082,147	421,776	98,937	37,766,716
Repaid assets	(27,400,706)	(10,012,053)	(1,167,794)	(107,920)	(38,688,473)
Transfer to Stage 1	13,437,196	(13,436,338)	(858)	-	-
Transfer to Stage 2	(5,830,133)	7,807,880	(1,977,747)	-	-
Transfer to Stage 3	(883,827)	(337,669)	1,221,496	-	-
Amounts written off or derecognised as a result of a significant modification	-	-	(245,847)	(106,979)	(352,826)
Foreign exchange differences	552,123	934,696	889,050	35,804	2,411,673
As at 31 December 2024	26,070,363	18,291,060	14,330,606	538,504	59,230,533

SME	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2024	5,883,721	2,683,581	2,416,542	(628)	10,983,216
New assets and other changes					
in existing assets	7,997,365	161,698	127,490	-	8,286,553
Repaid assets	(4,926,480)	(1,133,402)	(736,103)	-	(6,795,985)
Transfer to Stage 1	2,116,828	(2,023,192)	(93,636)	-	-
Transfer to Stage 2	(1,504,896)	1,542,700	(37,804)	-	-
Transfer to Stage 3	(42,696)	(242,735)	285,431	-	-
Amounts written off or derecognised as a result of a significant modification	-	-	(115,631)	-	(115,631)
Foreign exchange differences	36,299	29,860	74,384	-	140,543
As at 31 December 2024	9,560,141	1,018,510	1,920,673	(628)	12,498,696

Retail banking	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2024	4,866,337	52,023	1,822,664	18,960	6,759,984
New assets and other changes					
in existing assets	2,572,115	4,681	17,891	1,075	2,595,762
Repaid assets	(1,565,892)	(22,167)	(120,779)	(3,387)	(1,712,225)
Transfer to Stage 1	107,178	(78,735)	(28,443)	-	-
Transfer to Stage 2	(133,885)	136,320	(2,435)	-	-
Transfer to Stage 3	(9,822)	(55,793)	65,615	-	-
Amounts written off or derecognised as a result of a significant modification	(695)	(738)	(1,427,939)	(16)	(1,429,388)
Foreign exchange differences	690	81	109,831	-	110,602
As at 31 December 2024	5,836,026	35,672	436,405	16,632	6,324,735

The new assets and other changes in existing assets, in addition to the emergence of new assets, also include the accrual of interest and the disbursement of loans within existing open credit facilities at the appropriate stages during 2024.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The Analysis of changes in the gross carrying value for the year ended 31 December 2023, excluding loans and advances to customers which are measured at FVOCI, is as follows:

Corporate banking	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2023	17,315,721	28,785,249	14,533,693	567,325	61,201,988
New assets and other changes					
in existing assets	22,671,131	3,547,725	709,016	66,547	26,994,419
Repaid assets	(21,922,539)	(7,840,446)	(1,542,928)	(26,603)	(31,332,516)
Transfer to Stage 1	6,351,490	(6,351,490)	-	-	-
Transfer to Stage 2	(9,567,471)	11,547,282	(1,979,811)	-	-
Transfer to Stage 3	(1,064,575)	(2,238,008)	3,302,583	-	-
Amounts written off or derecognised as a result of a significant modification	-	-	(384,260)	-	(384,260)
Foreign exchange differences	248,097	802,085	552,237	11,393	1,613,812
As at 31 December 2023	14,031,854	28,252,397	15,190,530	618,662	58,093,443

SME	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2023	5,230,965	3,056,688	2,433,410	-	10,721,063
New assets and other changes					
in existing assets	5,240,009	600,543	141,527	-	5,982,079
Repaid assets	(3,427,386)	(1,961,511)	(419,229)	(628)	(5,808,754)
Transfer to Stage 1	1,919,181	(1,842,195)	(76,986)	-	-
Transfer to Stage 2	(3,076,561)	3,260,502	(183,941)	-	-
Transfer to Stage 3	(21,128)	(508,121)	529,249	-	-
Amounts written off or derecognised as a result of a significant modification	-	-	(53,429)	-	(53,429)
Foreign exchange differences	18,641	77,675	45,941	-	142,257
As at 31 December 2023	5,883,721	2,683,581	2,416,542	(628)	10,983,216

Retail banking	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2023	3,562,564	103,543	2,026,730	16,611	5,709,448
New assets and other changes					
in existing assets	3,020,988	10,632	46,687	6,426	3,084,733
Repaid assets	(1,746,248)	(21,633)	(198,447)	(3,846)	(1,970,174)
Transfer to Stage 1	432,462	(224,075)	(208,387)	-	-
Transfer to Stage 2	(386,176)	424,095	(37,919)	-	-
Transfer to Stage 3	(17,614)	(240,525)	258,139	-	-
Amounts written off or derecognised as a result of a significant modification	-	-	(114,086)	(231)	(114,317)
Foreign exchange differences	361	(14)	49,947	-	50,294
As at 31 December 2023	4,866,337	52,023	1,822,664	18,960	6,759,984

The new assets and other changes in existing assets, in addition to the emergence of new assets, also include the accrual of interest and the disbursement of loans within existing open credit facilities at the appropriate stages during 2023.

Write-offs of loan debts are represented by bad debts in the amount of UAH 1,897,845 thousand (2023: UAH 999,029 thousand of write-off of bad debts).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Expected credit losses on loans and advances to customers and finance leases for the year ended 31 December 2024 were as follows:

Corporate banking	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2024	40,890	279,585	9,143,307	224,910	9,688,692
New assets	144,929	–	–	14,281	159,210
Repaid assets	(8,512)	(3,080)	(35,816)	(10,210)	(57,618)
Transfer to Stage 1	78,688	(77,829)	(859)	–	–
Transfer to Stage 2	(14,381)	435,543	(421,162)	–	–
Transfer to Stage 3	(70,787)	(21,857)	92,644	–	–
Changes in expected credit losses	(64,974)	14,620	(14,442)	357,970	293,174
<i>Total allowance expense before the effect of foreign exchange difference</i>	<i>64,963</i>	<i>347,397</i>	<i>(379,635)</i>	<i>362,041</i>	<i>394,766</i>
Changes in impaired interest	–	–	450,555	–	450,555
Amounts written off	–	–	(245,847)	(106,979)	(352,826)
Foreign exchange differences	1,882	18,002	442,795	22,342	485,021
As at 31 December 2024	107,735	644,984	9,411,175	502,314	10,666,208

SME	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2024	21,036	12,800	1,331,629	(628)	1,364,837
New assets	51,697	–	–	–	51,697
Repaid assets	(554)	(1,845)	(34,322)	–	(36,721)
Transfer to Stage 1	29,005	(12,891)	(16,114)	–	–
Transfer to Stage 2	(6,431)	21,216	(14,785)	–	–
Transfer to Stage 3	(4,641)	(12,881)	17,522	–	–
Changes in expected credit losses	(42,589)	1,345	(55,906)	–	(97,150)
<i>Total allowance expense before the effect of foreign exchange difference</i>	<i>26,487</i>	<i>(5,056)</i>	<i>(103,605)</i>	<i>–</i>	<i>(82,174)</i>
Changes in impaired interest	–	–	75,966	–	75,966
Amounts written off	–	–	(115,631)	–	(115,631)
Foreign exchange differences	99	(283)	61,969	–	61,785
As at 31 December 2024	47,622	7,461	1,250,328	(628)	1,304,783

Retail banking	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2024	11,105	4,273	1,450,937	13,383	1,479,698
New assets	9,089	2	–	231	9,322
Repaid assets	(1,410)	(3,335)	(25,047)	–	(29,792)
Transfer to Stage 1	33,444	(16,189)	(17,255)	–	–
Transfer to Stage 2	(6,549)	8,248	(1,699)	–	–
Transfer to Stage 3	(6,378)	(17,996)	24,374	–	–
Changes in expected credit losses	(7,614)	30,133	275,923	(1,337)	297,105
<i>Total allowance expense before the effect of foreign exchange difference</i>	<i>20,582</i>	<i>863</i>	<i>256,296</i>	<i>(1,106)</i>	<i>276,635</i>
Changes in impaired interest	–	–	10,658	–	10,658
Amounts written off	(695)	(738)	(1,427,939)	(16)	(1,429,388)
Foreign exchange differences	4	3	89,403	–	89,410
As at 31 December 2024	30,996	4,401	379,355	12,261	427,013

In 2024, the Bank adjusted the probability of default (PD) models by rating and delinquency groups to more accurately reflect the risks of defaults within the existing rating model.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

In previous years, the Bank recorded defaults caused by military events (destruction, occupation), as well as defaults predicted by the model (90+ days of delinquency or E rating). To correctly take into account the impact of military factors in 2024, the Bank analyzed the probability of default (PD) separately for defaults caused by military events and for the general population of defaults. Based on this analysis, a correction coefficient (K value) was determined, which was applied at the end of 2024 for all loans in individual segments. The total effect of applying the coefficient was UAH 187,471 thousand.

Expected credit losses on loans and advances to customers and finance leases for the year ended 31 December 2023 were as follows:

Corporate banking	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2023	73,382	765,933	8,479,676	201,464	9,520,455
New assets	123,066	–	–	9,228	132,294
Repaid assets	(30,170)	(3,976)	(63,380)	–	(97,526)
Transfer to Stage 1	21,929	(21,929)	–	–	–
Transfer to Stage 2	(42,040)	1,464,248	(1,422,208)	–	–
Transfer to Stage 3	(42,175)	(45,006)	87,181	–	–
Changes in expected credit losses	(63,383)	(1,881,244)	1,618,015	(7,183)	(333,795)
<i>Total allowance expense before the effect of foreign exchange difference</i>	<i>(32,773)</i>	<i>(487,907)</i>	<i>219,608</i>	<i>2,045</i>	<i>(299,027)</i>
Changes in impaired interest	–	–	528,640	16,837	545,477
Amounts written off	–	–	(384,260)	–	(384,260)
Foreign exchange differences	281	1,559	299,643	4,564	306,047
As at 31 December 2023	40,890	279,585	9,143,307	224,910	9,688,692

SME	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2023	49,575	90,312	1,472,935	–	1,612,822
New assets	22,382	–	13	–	22,395
Repaid assets	(995)	(687)	(15,650)	–	(17,332)
Transfer to Stage 1	31,674	(28,899)	(2,775)	–	–
Transfer to Stage 2	(32,312)	50,783	(18,471)	–	–
Transfer to Stage 3	(346)	(21,781)	22,127	–	–
Changes in expected credit losses	(48,958)	(78,463)	(245,372)	(628)	(373,421)
<i>Total allowance expense before the effect of foreign exchange difference</i>	<i>(28,555)</i>	<i>(79,047)</i>	<i>(260,128)</i>	<i>(628)</i>	<i>(368,358)</i>
Changes in impaired interest	–	–	136,583	–	136,583
Amounts written off	–	–	(53,429)	–	(53,429)
Foreign exchange differences	16	1,535	35,668	–	37,219
As at 31 December 2023	21,036	12,800	1,331,629	(628)	1,364,837

Retail banking	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2023	77,463	30,680	1,685,648	6,956	1,800,747
New assets	27,389	–	2,058	2,316	31,763
Repaid assets	(3,145)	(4,059)	(41,791)	(20)	(49,015)
Transfer to Stage 1	143,454	(44,682)	(98,772)	–	–
Transfer to Stage 2	(42,807)	59,494	(16,687)	–	–
Transfer to Stage 3	(9,414)	(71,601)	81,015	–	–
Changes in expected credit losses	(181,835)	34,451	(122,815)	3,142	(267,057)
<i>Total allowance expense before the effect of foreign exchange difference</i>	<i>(66,358)</i>	<i>(26,397)</i>	<i>(196,992)</i>	<i>5,438</i>	<i>(284,309)</i>
Changes in impaired interest	–	–	33,204	1,220	34,424
Amounts written off	–	–	(114,086)	(231)	(114,317)
Foreign exchange differences	–	(10)	43,163	–	43,153
As at 31 December 2023	11,105	4,273	1,450,937	13,383	1,479,698

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The following is the information on undiscounted ECLs at initial recognition of purchased credit-impaired loans and advances to customers, which were initially recognized during the year ended 31 December 2024 and in 2023:

	31 December 2024	31 December 2023
Corporate banking	31,641	447,059
SME	–	50,433
Retail banking	1,689	12,433
Total undiscounted ECLs at initial recognition of POCI	33,330	509,925

Collateral

The following table summarizes the total loan portfolio by types of collateral, excluding loans and advances to customers which are measured at FVOCI:

31 December 2024					
Type of collateral	Corporate banking	SME	Retail banking	Total	Of them in Stage 3 and POCI
Deposits	1,093,508	323,253	58	1,416,819	399,164
Real estate	25,109,791	3,586,494	5,169,478	33,865,763	9,265,320
Other assets	17,577,042	6,672,325	384,644	24,634,011	2,767,780
Unsecured	15,450,192	1,916,624	770,555	18,137,371	4,809,928
Total loans	59,230,533	12,498,696	6,324,735	78,053,964	17,242,192

31 December 2023					
Type of collateral	Corporate banking	SME	Retail banking	Total	Of them in Stage 3 and POCI
Deposits	803,508	411,118	16	1,214,642	38,249
Real estate	23,851,987	3,624,271	4,374,445	31,850,703	9,931,167
Other assets	17,599,772	5,418,429	745,687	23,763,888	4,659,034
Unsecured	15,838,176	1,529,398	1,639,836	19,007,410	5,438,280
Total loans	58,093,443	10,983,216	6,759,984	75,836,643	20,066,730

The above amounts represent the carrying amounts of the loans and advances to customers, excluding loans and advances to customers which are measured at FVOCI, before expected credit losses and do not represent the fair value of collateral. The Bank assesses the fair value of collateral at the loan origination, change of collateral structure, collateral repossession when the borrower is unable to repay the loan, and in cases and with frequency required by Ukrainian regulations.

The following table summarizes the total loans and advances to customers which are measured at FVOCI by types of collateral:

31 December 2024				
Type of collateral	Corporate banking	SME	Retail banking	Total
Deposits	–	–	–	–
Real estate	–	3,145	1,840,474	1,843,619
Other assets	–	5,183	12,646	17,829
Unsecured	–	–	132,068	132,068
Total loans	–	8,328	1,985,188	1,993,516

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Type of collateral	31 December 2023			
	Corporate banking	SME	Retail banking	Total
Deposits	–	107	–	107
Real estate	–	4,200	–	4,200
Other assets	–	25,224	–	25,224
Total loans	–	29,531	–	29,531

The amount reflecting the maximum credit risk on loans and advances to customers measured at fair value through profit or loss is their carrying amount of UAH 1,993,516 thousand (2023: UAH 29,531 thousand). The amounts presented in this table reflect the carrying amount of loans and advances to customers measured at FVOCI rather than the fair value of the collateral. The Bank assesses the fair value of collateral at the loan origination, change of collateral structure, collateral repossession when the borrower is unable to repay the loan, and in cases and with frequency required by Ukrainian regulations.

As at 31 December 2024 and 31 December 2023, other assets include movable property, goods in turnover, etc.

In the absence of collateral the expected credit losses on loans and advances to customers at Stage 3 as at 31 December 2024 and 31 December 2023 would be higher by:

	31 December 2024	31 December 2023
Corporate banking	1,977,813	4,559,593
SME	335,713	883,034
Retail banking	10,261	222,476
	2,323,787	5,665,103

The following table presents the structure of loans and advances to customers and finance leases by types of client segments and by debt currency:

Types of customers	31 December 2024				31 December 2023			
	In foreign currency	In national currency	Total	Impaired	In foreign currency	In national currency	Total	Impaired
State-owned entities and municipalities	7,005,575	8,949,643	15,955,218	2,758,654	7,004,155	9,915,619	16,919,774	2,517,709
Corporate customers	24,668,285	18,618,085	43,286,370	12,110,457	22,995,108	18,191,081	41,186,189	13,291,484
SME	1,764,085	10,731,885	12,495,970	1,920,045	2,231,473	8,768,754	11,000,227	2,416,676
Retail banking	139,942	8,169,980	8,309,922	453,037	1,305,141	5,454,843	6,759,984	1,841,622
Total	33,577,887	46,469,593	80,047,480	17,242,193	33,535,877	42,330,297	75,866,174	20,067,491

The following table presents the structure of loans and advances to customers and finance leases by types of client segments and maturities:

Types of customers	31 December 2024			31 December 2023		
	Within one year	More than one year	Total	Within one year	More than one year	Total
State-owned entities and municipalities	14,134,777	1,820,441	15,955,218	12,728,192	4,191,582	16,919,774
Corporate customers	25,478,624	17,807,746	43,286,370	22,862,917	18,323,272	41,186,189
SME	6,191,533	6,304,437	12,495,970	6,117,127	4,883,100	11,000,227
Retail banking	2,846,348	5,463,574	8,309,922	1,008,794	5,751,190	6,759,984
Total	48,651,282	31,396,198	80,047,480	42,717,030	33,149,144	75,866,174

Loans and advances to clients in the amount of UAH 105,810 thousand. were provided to municipal institutions, according to which expected credit losses is defined as Stage 1 (2023: UAH 416,632 thousand).

As at 31 December 2024, loans and advances to customers and finance leases in the amount of UAH 24,000,016 thousand were granted to the ten largest borrowers/groups of Bank's related counterparties (29.98% of the total loans to customers); allowance for expected credit losses of UAH 2,532,359 thousand was made for these loans and advances to customers and finance leases (2023: UAH 23,903,598 thousand, or 31.51%, and the allowance for expected credit losses of UAH 2,371,300 thousand).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The loans are primarily granted to the customers operating in Ukraine in the following industries:

	31 December 2024	31 December 2023
Extraction, trade in gas and fuel	13,713,375	11,730,922
Agriculture and food industry	13,242,069	12,059,443
Trade	12,050,616	10,734,023
Electric power industry	9,999,229	12,164,048
Individuals	8,309,922	6,759,984
Real estate	6,106,308	5,627,296
Manufacturing	5,645,224	3,557,854
Transport	3,859,964	3,419,613
Construction	3,440,822	2,164,065
Service sector	1,942,744	1,836,919
Finance	1,083,040	620,674
Metallurgy	492,151	1,983,776
Municipality	105,810	432,482
Telecommunications	39,849	27,390
Other	16,357	2,747,685
Total	80,047,480	75,866,174

In the table below, the loans and advances to customers under finance leasing agreements are distributed by segments and maturities:

	31 December 2024			31 December 2023		
	Corporate banking	SME	Total	Corporate banking	SME	Total
Within one year						
Finance lease	–	142,920	142,920	19,925	18,918	38,843
Less: expected credit losses	–	(11,720)	(11,720)	(15,621)	(908)	(16,529)
Short-term finance lease agreements	–	131,200	131,200	4,304	18,010	22,314
More than one year						
Finance lease	–	226,979	226,979	–	686,346	686,346
Less: expected credit losses	–	(25,095)	(25,095)	–	(118,054)	(118,054)
Long-term finance lease agreements	–	201,884	201,884	–	568,292	568,292
Total finance lease agreements	–	333,084	333,084	4,304	586,302	590,606

The collateral structure on finance leases by industry and Bank's customer segment is presented in the table below:

	31 December 2024		31 December 2023	
	Corporate banking	SME	Corporate banking	SME
Transport	–	364,004	–	687,918
Agriculture and food industry	–	–	19,925	–
Service sector	–	5,154	–	10,578
Manufacturing	–	–	–	4,559
Real estate	–	741	–	2,210
Total	–	369,899	19,925	705,265

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The analysis of finance lease receivables in the legal entity and SME loan portfolio as at 31 December 2024 is presented in the table below:

	<i>Within 1 year</i>	<i>From 1 year to 2 years</i>	<i>From 2 years to 3 years</i>	<i>From 3 years to 4 years</i>	<i>From 3 years to 5 years</i>	<i>Total</i>
Gross investments in finance leases	296,728	96,659	500	–	–	393,887
Unearned finance income from future finance leases	(15,056)	(8,839)	(93)	–	–	(23,988)
Investments in finance leases before taking into account reserves for ECL	281,672	87,820	407	–	–	369,899

The analysis of finance lease receivables in the legal entity and SME loan portfolio as at 31 December 2023 is presented in the table below:

	<i>Within 1 year</i>	<i>From 1 year to 2 years</i>	<i>From 2 years to 3 years</i>	<i>From 3 years to 4 years</i>	<i>From 4 years to 5 years</i>	<i>Total</i>
Gross investments in finance leases	420,311	286,659	98,132	501	–	805,603
Unearned finance income from future finance leases	(27,459)	(38,101)	(14,721)	(132)	–	(80,413)
Investments in finance leases before taking into account reserves for ECL	392,852	248,558	83,411	369	–	725,190

10. Investments in securities

Investments in securities include:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Investments at fair value through other comprehensive income		
Ukrainian domestic government bonds of Ukraine (UDGB)	57,637,135	44,419,609
State Mortgage Institution bonds	1,268,327	1,192,852
Municipal bonds	393,962	1,136,847
Corporate bonds	181,929	98,394
Corporate shares	9,863	9,854
	59,491,216	46,857,556
Investments in securities at fair value at amortized cost		
Deposit certificates issued by the National Bank of Ukraine	–	8,871,109
	–	8,871,109
Investments in securities	59,491,216	55,728,665

As at 31 December 2024, there are no investments in securities included deposit certificates issued by the National Bank of Ukraine. (2023: UAH 8,871,109 thousand) held within the framework of a business model whose purpose is to hold financial assets to obtain contractual cash flows. Information on investments in securities valued at amortized cost, the fair value of which is disclosed, is presented in Note 30.

The Bank classifies overnight deposit certificates issued by the National Bank of Ukraine as cash and cash equivalents. Deposit certificates issued by the National Bank of Ukraine with 3 months maturity are classified as investments in securities, valued at amortized cost.

At its own discretion, the Bank classified certain investments in equity instruments as investments in equity instruments which are measured at fair value through other comprehensive income on the grounds that they are not used for trading purposes.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

For the purposes of the table below, movements in gross carrying amount of investments in securities at fair value through other comprehensive income below excluding revaluation:

Investments in securities at fair value through other comprehensive income

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	34,176,603	11,164,308	1,583,141	46,924,052
New created and purchased assets	62,038,118	–	–	62,038,118
Assets repaid	(11,705,791)	(3,253,508)	(164,548)	(15,123,847)
Assets sold	(43,427,777)	(781,079)	–	(44,208,856)
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Accrued income (expenses)	7,181,359	1,182,973	165,454	8,529,786
Write-offs	–	–	–	–
Foreign exchange differences	97,148	–	–	97,148
Gross carrying amount as at 31 December 2024	48,359,660	8,312,694	1,584,047	58,256,401

Investments in securities at fair value through other comprehensive income

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	5,895,024	17,354,591	2,015,955	25,265,570
New created and purchased assets	60,949,620	–	–	60,949,620
Assets repaid	(4,331,832)	(4,934,434)	(642,509)	(9,908,775)
Assets sold	(32,021,904)	(2,941,138)	–	(34,963,042)
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Accrued income (expenses)	3,685,347	1,685,286	209,695	5,580,328
Write-offs	–	–	–	–
Foreign exchange differences	348	3	–	351
Gross carrying amount as at 31 December 2023	34,176,603	11,164,308	1,583,141	46,924,052

Movements in gross carrying amount of investments in securities valued at amortized cost include:

Investments in securities at fair value at amortized cost

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	8,871,109	–	–	8,871,109
New created and purchased assets	15,393,000	–	–	15,393,000
Assets repaid	(25,052,868)	–	–	(25,052,868)
Assets sold	–	–	–	–
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Accrued income (expenses)	788,759	–	–	788,759
Write-offs	–	–	–	–
Foreign exchange differences	–	–	–	–
Gross carrying amount as at 31 December 2024	–	–	–	–

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Investments in securities at fair value at amortized cost

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	-	-	-	-
New created and purchased assets	30,961,000	-	-	30,961,000
Assets repaid	(23,777,781)	-	-	(23,777,781)
Assets sold	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Accrued income (expenses)	1,687,890	-	324	1,688,214
Write-offs	-	-	(324)	(324)
Foreign exchange differences	-	-	-	-
Gross carrying amount as at 31 December 2023	8,871,109	-	-	8,871,109

Changes in expected credit losses of investments in securities at fair value through other comprehensive income for the year ended 31 December 2024 were as follows:

Investments in securities at fair value through other comprehensive income

	Stage 1	Stage 2	Stage 3	Total
Expected credit losses as at 1 January 2024	923,965	370,562	110,642	1,405,169
New created and purchased assets	1,211,153	-	-	1,211,153
Assets repaid	(20,724)	(7,345)	-	(28,069)
Assets sold	(493,905)	(16,281)	-	(510,186)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes in expected credit losses	67,027	(208,173)	18,448	(122,698)
Write-offs	-	-	-	-
Exchange differences	1,148	-	-	1,148
Expected credit losses as at 31 December 2024	1,688,664	138,763	129,090	1,956,517

For the purpose of expected credit losses determination of Ukrainian government bonds the Bank applied PD in the range of 8.45% - 26.56% and LGD 50% from international credit agency Fitch based on the Ukraine's credit rating as of 31 December 2024 (2023: PD in the range of 5.08% - 25.45% and LGD 60% from international credit agency Fitch based on the Ukraine's credit rating as of 31 December 2023).

Changes in expected credit losses of investments in securities at fair value through other comprehensive income for the year ended 31 December 2023 were as follows:

Investments in securities at fair value through other comprehensive income

	Stage 1	Stage 2	Stage 3	Total
Expected credit losses as at 1 January 2023	139,009	854,204	105,352	1,098,565
New created and purchased assets	1,011,308	-	-	1,011,308
Assets repaid	(2,717)	(9,461)	(28,168)	(40,346)
Assets sold	(251,329)	(11,204)	-	(262,533)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes in expected credit losses	27,566	(462,977)	33,458	(401,953)
Write-offs	-	-	-	-
Exchange differences	128	-	-	128
Expected credit losses as at 31 December 2023	923,965	370,562	110,642	1,405,169

Changes in expected credit losses of investments in securities valued at amortized cost include for the year ended 31 December 2023 were as follows:

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Investments in securities valued at amortized cost	Stage 1	Stage 2	Stage 3	Total
Expected credit losses as at 1 January 2023	-	-	-	-
New created and purchased assets	-	-	-	-
Assets repaid	-	-	-	-
Assets sold	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in expected credit losses	-	-	324	324
Write-off	-	-	(324)	(324)
Exchange differences	-	-	-	-
Expected credit losses as at 31 December 2023	-	-	-	-

Breakdown of provisions for expected credit losses on sold and redeemed securities is included in net income from investments measured at fair value through other comprehensive income, in the statement of profit and loss and other comprehensive income.

As at 31 December 2024, UDGB with fair value of UAH 14,274,463 thousand (2023: UAH 7,681,278 thousand) were pledged for a long-term loans received from a credit institution (Note 19).

11. Derivative financial assets and liabilities

The Bank enters into currency exchange operations whereby it is obliged to supply one currency in exchange for another under pre-determined exchange rates. Such transactions are entered into with Ukrainian and international banks and clients. Currency delivery under such contracts should not exceed one month. The Bank concludes contracts in the following foreign currencies: US dollar and Euro.

The Bank concludes contracts for the purchase of derivative financial instruments for hedging purposes, but these instruments do not qualify for hedge accounting.

Notional amounts in the tables below represent the accounts receivable and payable:

	31 December 2024				31 December 2023			
	Notional amount		Fair value		Notional amount		Fair value	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Foreign exchange contracts								
Swaps/forwards	-	-	-	-	1,617,477	(1,636,874)	33	(19,430)
Spots	1,288,389	(1,287,847)	1,827	(1,285)	1,645,195	(1,643,241)	2,900	(946)
Total derivative financial assets/ (liabilities)			1,827	(1,285)			2,933	(20,376)

12. Investment property

Movements in investment property items were as follows:

	Note	31 December 2024	31 December 2023
Carrying amount as at 1 January		154,269	156,366
Disposals		(48,628)	-
Reclassification from Other property	16	255,334	-
Reclassification from Property, equipment and intangible assets	14	5,240	-
Fair value adjustment		(19,853)	(2,097)
Carrying amount as at 31 December		346,362	154,269

Income from investment property includes rental income in the amount of UAH 13,831 thousand (2023: UAH 12,654 thousand).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

For the year ended 31 December 2024, direct operating expenses arising from investment property amounted to UAH 201 thousand (2023: UAH 41 thousand).

To determine the fair value of investment property as at 31 December 2024 the Bank engaged independent appraisers. Comparative and income approaches to valuation were mainly used to determine the fair value of the real property items.

13. Taxation

Income tax expenses comprise:

	31 December 2024	31 December 2023
Current income tax expenses	2,987,408	2,620,277
Changes in deferred taxes — origination and reversal of temporary differences	(490,723)	104,200
Income tax expenses	2,496,685	2,724,477

The difference between the total expected tax expense computed by applying the current income tax rate to the reported income tax expense is summarized below:

	31 December 2024	31 December 2023
Profit before tax	5,913,156	4,660,903
Current tax rate	50%	50%
Income tax expense at the current rate	2,956,578	2,330,452
Non-deductible expense for taxation	92,836	273,835
Changes in unrecognized deferred tax assets	(475,713)	—
Tax rate changes	—	15,245
Other changes not taken into account in tax reporting	(77,016)	104,945
Income tax expense	2,496,685	2,724,477

In accordance with the amendments to the Tax Code of Ukraine approved in December 2024, bank's income tax rate was set at 50% for the year ending 31 December 2024 and 25% for subsequent years.

As at 31 December 2024 and 2023, deferred tax assets and liabilities and their movements for the respective periods were as follows:

	Origination and reversal of temporary differences		31 December 2024	Origination and reversal of temporary differences		31 December 2023
	In profit or loss	In equity		In profit or loss	In equity	
Tax effect of non-taxable temporary differences						
Assessment of investments at fair value through other comprehensive income	—	(306,238)	(306,238)	(134,962)	134,962	—
Property, equipment and intangible assets	15,011	(8,403)	61,057	30,762	(6,451)	54,449
Recognition of unused tax losses	475,712	—	475,712	—	—	—
Deferred tax assets/ (liabilities), net amount	490,723	(314,641)	230,531	(104,200)	128,511	54,449
Deductible temporary differences for which no deferred tax assets is recognized						
Tax losses carried forward	—	—	475,712	—	—	951,425
Investments at fair value through other comprehensive income	—	—	—	—	—	19,087
Deferred tax assets, unrecognized	—	—	475,712	—	—	970,512

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Preparation and provision of financial statements and corporate income tax returns is made at different periods. Consequently, financial and tax accounting may have minor differences. These differences will be reported in tax accounting in the next reporting period.

In accordance with the norms of the current tax legislation, the object of taxation with income tax is the financial result before taxation, defined in the financial statements of the Bank in accordance with IFRS, adjusted for differences, which are defined by the norms of the Tax Code of Ukraine. Thus, tax accounting is carried out on the basis of accounting with subsequent tax adjustments for the purpose of timely and reliable tax reporting.

Deferred tax assets related to revaluation of securities and to secure credit obligations are not recognized by the Bank, as realization of the deferred tax assets is improbable.

The unrecognized deferred tax assets has no expiration date.

At the end of 2024, the Law of Ukraine "On Amendments to the Tax Code of Ukraine Regarding the Features of Taxation of Banks and Other Taxpayers" came into force, the provisions of which established an increased basic income tax rate for banks in the amount of 50% for 2024 and abolished the possibility of taking into account accumulated tax losses of previous years in 2024 as a reduction in profit before tax.

At the same time, starting from the reporting periods of 2025 and in subsequent years, a basic tax rate of 25% has been established with the possibility of taking into account accumulated tax losses of previous years in reducing profit before taxation. As at 31 December 2023, the Bank did not recognize deferred tax assets in relation to accumulated tax losses (negative value of the object of taxation of previous tax (reporting) years) due to the existence of significant uncertainty regarding the receipt of sufficient taxable profit in subsequent reporting periods. As at 31 December 2024, the Bank recognized a part of deferred tax assets in relation to accumulated tax losses based on the forecast of future taxable profits, and given the existence of significant uncertainty regarding the operating environment (Note 2). Given the above and the fact that current Ukrainian legislation does not establish restrictions on the period of use of tax loss carryforwards, management believes that the recognition of deferred tax assets in respect of accumulated tax losses as at 31 December 2024 is probable in the part that was recognized.

14. Property, equipment and intangible assets

Movements in property, equipment and intangible assets were as follows:

	Note	Buildings and land plots	Furniture and equipment	Leasehold improvements	Motor vehicles	Construction in progress and items not yet available to use	Intangible assets	Total
Cost or revalued amount								
As at 1 January 2024		817,559	1,224,301	35,136	67,262	3,815	911,188	3,059,261
Additions		–	66,358	38	–	92,078	209,229	367,703
Disposals		–	(36,810)	(542)	–	(2)	(202,366)	(239,720)
Transfers		13,282	58,236	14,020	–	(85,538)	–	–
Revaluation		(55)	–	–	–	–	–	(55)
Recovery of utility		–	354	–	–	–	–	354
Reclassification to Investment property	12	(5,412)	–	–	–	–	–	(5,412)
As at 31 December 2024		825,374	1,312,439	48,652	67,262	10,353	918,051	3,182,131
Accumulated depreciation								
As at 1 January 2024		–	999,178	30,790	63,754	–	739,754	1,833,476
Depreciation charges		22,424	172,507	8,806	2,061	–	187,281	393,079
Disposals		–	(36,765)	(542)	–	–	(202,366)	(239,673)
Revaluation		(22,252)	–	–	–	–	–	(22,252)
Recovery of utility		–	354	–	–	–	–	354
Reclassification to Investment property	12	(172)	–	–	–	–	–	(172)
As at 31 December 2024		–	1,135,274	39,054	65,815	–	724,669	1,964,812
Net book value								
As at 1 January 2024		817,559	225,123	4,346	3,508	3,815	171,434	1,225,785
As at 31 December 2024		825,374	177,165	9,598	1,447	10,353	193,382	1,217,319

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Article "Revaluation" for the total amount UAH 22,197 thousand reflected in the amounts UAH 10,460 thousand of the article "Revaluation of fixed assets" as part of equity (Note 20), UAH 13,578 thousand of the item "Other income" as part of other income (losses) (Note 23) and UAH (1,841) thousand of the articles "Other" as part of other administrative and operational expenses.

Note	Buildings and land plots	Furniture and equipment	Leasehold improvements	Motor vehicles	Construction in progress and items not yet available to use	Intangible assets	Total
Cost or revalued amount							
As at 1 January 2023	839,734	1,081,349	32,288	72,135	31,350	729,903	2,786,759
Additions	22,567	104,834	–	–	61,758	186,203	375,362
Disposals	(1,362)	(33,481)	(286)	(5,803)	–	(4,046)	(44,978)
Transfers	18,172	68,870	3,134	–	(89,293)	(883)	–
Revaluation	(61,552)	–	–	–	–	–	(61,552)
Recovery of utility	–	2,729	–	–	–	11	2,740
Reclassification from Right-of-use assets	–	–	–	930	–	–	930
As at 31 December 2023	817,559	1,224,301	35,136	67,262	3,815	911,188	3,059,261
Accumulated depreciation							
As at 1 January 2023	–	860,848	29,027	61,184	–	601,675	1,552,734
Depreciation charges	22,724	169,016	2,049	7,443	–	142,114	343,346
Disposals	(13)	(33,415)	(286)	(5,803)	–	(4,046)	(43,563)
Recovery of utility	–	2,729	–	–	–	11	2,740
Reclassification from Right-of-use assets	–	–	–	930	–	–	930
Revaluation	(22,711)	–	–	–	–	–	(22,711)
As at 31 December 2023	–	999,178	30,790	63,754	–	739,754	1,833,476
Net book value							
As at 1 January 2023	839,734	220,501	3,261	10,951	31,350	128,228	1,234,025
As at 31 December 2023	817,559	225,123	4,346	3,508	3,815	171,434	1,225,785

To determine the fair value of buildings and land plots as at 31 December 2024, the Bank engaged independent appraisers. Comparative and income approaches to valuation were mainly used to determine the fair value of buildings. Key assumptions relate to the condition, quality and location of the buildings used as comparatives.

Had the valuation of buildings and land plots been performed using a historical cost model, the carrying value of the buildings and land plots as at 31 December 2024 would amount to UAH 858,830 thousand (2023: UAH 850,960 thousand).

15. Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities comprise:

	Right-of-use assets				Lease liability
	Buildings	Furniture and equipment	Motor vehicles	Total	
As at 1 January 2024	138,564	67	–	138,631	133,061
Additions	60,711	353	–	61,064	61,064
Early termination	(2,616)	–	–	(2,616)	(2,973)
Depreciation expense	(87,106)	(343)	–	(87,449)	–
Modification	1,101	–	–	1,101	1,103
Interest expense	–	–	–	–	13,720
Payments	–	–	–	–	(89,874)
As at 31 December 2024	110,654	77	–	110,731	116,101

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

	Right-of-use assets				Lease liability
	Buildings	Furniture and equipment	Motor vehicles	Total	
As at 1 January 2023	165,801	76	236	166,113	163,506
Additions	68,852	–	28	68,880	68,880
Early termination	(22,365)	–	–	(22,365)	(29,119)
Depreciation expense	(83,516)	(278)	(264)	(84,058)	–
Modification	9,792	269	–	10,061	10,061
Interest expense	–	–	–	–	14,835
Payments	–	–	–	–	(95,102)
As at 31 December 2023	138,564	67	–	138,631	133,061

For the year ended 31 December 2024, the cash outflow associated with short-term leases, leases of low-value assets and variable lease payments in the amount of UAH 71,314 thousand (31 December 2023: UAH 75,579 thousand).

For the year ended 31 December 2024, the total lease-related cash outflow amounted to UAH 161,188 thousand (31 December 2023: UAH 170,681 thousand).

16. Other assets and liabilities

Other assets comprise:

	31 December 2024	31 December 2023
Other financial assets		
Receivables for securities	737,360	793,281
Clearing payments for payment cards	415,348	972,183
Other accrued income	129,901	118,884
Other receivables due to banks	6,543	570,676
Other	1,197	4,728
	1,290,349	2,459,752
Less: expected credit losses on other financial assets	(552,211)	(347,595)
Total other financial assets	738,138	2,112,157
Other non-financial assets		
Prepayments and deferred expenses	316,139	368,584
Receivables for property rights	83,361	83,361
Other property	66,275	285,259
Precious metals	38,781	1,023
Inventories	23,639	24,300
Receivables from employees	10,325	10,539
Taxes recoverable, other than income tax	8,787	19,870
Other	33	193
	547,340	793,129
Less: allowance for impairment on other non-financial assets	(133,247)	(128,399)
Total other non-financial assets	414,093	664,730

As at 31 December 2024, financial assets in the amount of UAH 437,000 thousand are reflected under the article "Receivables for securities" classified as initially impaired (2023: UAH 492,921 thousand).

As at 31 December 2024, the carrying value of other property was UAH 66,275 thousand (2023: UAH 285,259 thousand).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

	Note	Land plots	Non-residential property	Residential property	Ownership rights to real estate	Movables, furniture and equipment	Total
Cost							
As at 1 January 2024		19,609	200,832	46,532	6,561	11,725	285,259
Additions		–	43,601	–	–	25,833	69,434
Sale		(3,222)	(4,286)	(8,306)	–	(4,376)	(20,190)
Impairment		–	(5,931)	–	–	(402)	(6,333)
Reclassification to Investment property	12	(16,305)	(200,721)	(38,308)	–	–	(255,334)
Change in classification		(82)	30,008	82	–	(30,008)	–
Disposals		–	–	–	(6,561)	–	(6,561)
As at 31 December 2024		–	63,503	–	–	2,772	66,275

	Note	Land plots	Non-residential property	Residential property	Ownership rights to real estate	Movables, furniture and equipment	Total
Cost							
As at 1 January 2023		20,458	224,295	66,759	6,561	18,991	337,064
Additions		–	6,218	–	–	–	6,218
Sale		(639)	(24,809)	(18,472)	–	(98)	(44,018)
Impairment		(210)	(4,250)	(1,755)	–	(7,168)	(13,383)
Decrease in utility		–	(622)	–	–	–	(622)
As at 31 December 2023		19,609	200,832	46,532	6,561	11,725	285,259

To determine the fair value of other property as at 31 December 2024, the Bank engaged independent appraisers. Comparative and income approaches to valuation were mainly used to estimate the fair value of other property. Based on the analysis of the assessment, the value of other property was written down.

The analysis of changes in the expected credit loss allowance for other financial assets for the year ended 31 December 2024 is as follows:

	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2024	232	168	337,337	9,858	347,595
New assets originated or purchased	128	1,866	208	–	2,202
Assets repaid	(135)	(628)	(9,715)	–	(10,478)
Transfer to Stage 1	1,947	(1,842)	(105)	–	–
Transfer to Stage 2	(52)	189	(137)	–	–
Transfer to Stage 3	(15)	(150)	165	–	–
Changes in expected credit losses	(1,947)	1,374	5,952	208,642	214,021
Total loss allowance expense before the effect of foreign exchange differences	(74)	809	(3,632)	208,642	205,745
Write-offs	–	(252)	(1,530)	–	(1,782)
Foreign exchange differences	(2)	–	655	–	653
As at 31 December 2024	156	725	332,830	218,500	552,211

Analysis of changes in the expected credit loss (ECL) allowance for other financial assets for the year ended 31 December 2023 is as follows:

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2023	2,412	6,729	424,298	–	433,439
New assets originated or purchased	3,541	4,081	94	9,858	17,574
Assets repaid	(4,912)	(3,946)	(5,085)	–	(13,943)
Transfer to Stage 1	385	(164)	(221)	–	–
Transfer to Stage 2	(130)	334	(204)	–	–
Transfer to Stage 3	(249)	(7,002)	7,251	–	–
Changes in expected credit losses	(648)	772	10,732	–	10,856
<i>Total loss allowance expense before the effect of foreign exchange differences</i>	<i>(2,013)</i>	<i>(5,925)</i>	<i>12,567</i>	<i>9,858</i>	<i>14,487</i>
Write-offs	(169)	(636)	(101,629)	–	(102,434)
Foreign exchange differences	2	–	2,101	–	2,103
As at 31 December 2023	232	168	337,337	9,858	347,595

Analysis of changes in the impairment losses for other non-financial assets for the year ended 31 December 2024 is as follows:

	Other assets
As at 1 January 2024	128,399
Reversal	(43,290)
<i>Total impairment losses before the effect of exchange differences</i>	<i>(43,290)</i>
Recovery	47,788
Amounts written off	(6)
Foreign exchange differences	356
As at 31 December 2024	133,247

Analysis of changes in the impairment losses for other non-financial assets for the year ended 31 December 2023 is as follows:

	Other assets
As at 1 January 2023	197,318
Accrual	24,010
<i>Total impairment losses before the effect of exchange differences</i>	<i>24,010</i>
Recovery	(27,526)
Amounts written off	(66,700)
Foreign exchange differences	1,297
As at 31 December 2023	128,399

Other liabilities comprise:

	31 December 2024	31 December 2023
Other financial liabilities		
Payables for operations with clients on purchase and sale of foreign currency, bank and precious metals	571,795	11,211
Payables for operations with clients	413,403	269,089
Lease liabilities	116,101	133,061
Accounts payable for operations with banks	58,780	42,755
Accrued expenses for cash and settlements	51,389	48,219
Accounts payable for professional services	19,130	15,086
Software support	10,316	6,533
Payables for operations with payment cards	6,817	38,331
Communication services	6,763	8,288
Maintenance of premises	6,484	7,230
Repair and maintenance of property, plant and equipment	2,278	2,509
Accounts payable for acquiring assets	1,059	3,082
Rent of premises	340	2,455
Other	107,902	61,150
Total other financial liabilities	1,372,557	648,999

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

	31 December 2024	31 December 2023
Other non-financial liabilities		
Accounts payable for payments to employees	476,794	46,322
Accruals for unused vacations	458,355	425,140
Payables on taxes and mandatory contributions, except for income tax	75,085	40,647
Payables for payments to the Individual Deposit Guarantee Fund	58,409	56,041
Deferred income	52,098	43,025
Other	2,177	2,236
Total other non-financial liabilities	1,122,918	613,411

As at 31 December 2024, other financial liabilities include balances in the amount of UAH 2,966 thousand counterparties with geographic jurisdiction in the russian federation and the republic of belarus (2023: UAH 3,114 thousand).

17. Due to banks

Due to banks comprise:

	31 December 2024	31 December 2023
Current accounts	3,360,519	2,598,716
Other amounts due to banks	134,890	196,241
Due to banks	3,495,409	2,794,957

As at 31 December 2024, the balances of due to banks amounted to UAH 2,721,105 thousand (77.85%) raised from three banks (2023: balances amounted to UAH 1,725,988 thousand (61.75%) raised from three banks).

As at 31 December 2024, current accounts due to banks included funds raised in precious metals, which are measured at fair value through profit or loss in the amount to UAH 96,776 thousand (2023: UAH 89,745 thousand).

As at 31 December 2024, the funds of credit institutions include balances in the amount of UAH 8,033 thousand borrowed from banks of the russian federation and the republic of belarus (2023: UAH 8,033 thousand).

18. Due to customers

Due to customers by operating segments comprise:

	31 December 2024	31 December 2023
Current accounts		
- Corporate banking	80,913,763	78,647,725
- SME	18,633,011	13,723,251
- Retail banking	18,941,246	17,802,655
	118,488,020	110,173,631
Time deposits		
- Corporate banking	15,924,813	13,137,863
- SME	17,351,120	15,114,810
- Retail banking	14,886,527	15,707,260
	48,162,460	43,959,933
Due to customers	166,650,480	154,133,564

As at 31 December 2024, balances due to customers of UAH 44,382,608 thousand (26.63%) included the amounts due to ten largest customers of the Bank (2023: UAH 45,970,012 thousand (29.82%).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

As at 31 December 2024, balances due to budget organizations amounted to UAH 3,888,607 thousand and included the amounts due to customers: UAH 3,886,042 thousand - in the Corporate banking segment (2023: UAH 840,933 thousand) and UAH 2,565 thousand - in the SME segment (2023: UAH 1,126 thousand).

As at 31 December 2024, balances due to customers included funds raised in precious metals, which are measured at fair value through profit or loss, in the amount of UAH 25,615 thousand in the Corporate banking segment (2023: UAH 18,563 thousand), UAH 241,547 thousand - in the Retail banking segment (2023: UAH 176,376 thousand).

The amounts due to customers by industry are summarized as follows:

	31 December 2024	31 December 2023
Individuals	33,948,795	33,613,597
Service sector	32,844,302	31,759,784
Power engineering	22,460,707	13,156,659
Production	19,399,595	19,641,843
Transport	13,844,173	17,431,057
Trade	10,624,966	10,774,429
Mining industry	8,385,070	9,749,638
Agriculture and food industry	7,231,526	4,088,633
Finance	5,856,053	3,867,146
Construction	3,419,887	3,107,956
Insurance	3,278,744	2,513,300
Metallurgy	2,007,769	1,150,496
Other	3,348,893	3,279,026
Due to customers	166,650,480	154,133,564

As at 31 December 2024, balances due to customers by industry in the Retail banking segment in the amount of UAH 33,948,795 thousand (2023: UAH 33,613,597 thousand) included SME share of due to customers in the amount of UAH 121,022 thousand (2023: UAH 103,682 thousand).

As at 31 December 2024, items attributed to Other included the funds of non-resident legal entities of UAH 3,139,160 thousand (2023: UAH 3,108,017 thousand).

As at 31 December 2024, loans and advances to customers were secured by amounts due to customers of UAH 1,416,819 thousand (2023: UAH 1,214,749 thousand) (Note 9).

As at 31 December 2024, amounts due to customers were pledged to secure the commitments and contingencies in the amount of UAH 2,243,703 thousand (2023: UAH 2,425,706 thousand) (Note 21).

19. Other borrowed funds

Other borrowed funds comprise:

	31 December 2024	31 December 2023
Term deposits and loans	8,452,594	5,579,937
Other borrowed funds	8,452,594	5,579,937

As at 31 December 2024, the balances of other borrowed funds amounted to UAH 7,795,047 thousand (92.22%) raised from three banks (2023: balances amounted to UAH 4,543,605 thousand 81.43% raised from three banks).

As at 31 December 2024, other borrowed funds include loans received from international and other organizations in the amount of UAH 2,126,219 thousand. (2023: UAH 2,651,981 thousand). The balances of these loans on both reporting dates are denominated in Euro. The range of interest rates is from 5.652% to 9.176% per annum (2023: from 6.904% to 9.445% per annum) for loans in Euro, repayment dates according to the terms of the agreements in the years 2025 - 2026 (2023: in the years 2024 - 2026).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

As at 31 December 2024, other borrowed funds include loans received from state organizations in the amount of UAH 6,326,375 thousand. (2023: UAH 2,927,956 thousand). The balances of these loans on both reporting dates are denominated in hryvnias and Euro. The range of interest rates: for loans in Euro is from 6.126% per annum, for loans in UAH is from 3% to 13.19% per annum (2023: for loans in Euro is from 6.255% to 6.755% per annum, for loans in UAH from 3% to 14.28% per annum), repayment dates in accordance with the terms of the contracts in 2026 - 2044 (2023: in the years 2024 - 2044).

Information on future cash flows in terms of terms remaining to maturity according to the terms of the contracts is provided in Note 31.

As at 31 December 2024, a long-term loans received from credit institutions were secured by the Ukrainian domestic government bonds with a fair value of UAH 14,274,463 thousand (2023: UAH 7,681,278 thousand) (Note 10).

Note 29 provides information as at 31 December 2024 on breaches of covenants in relation to term loans obtained from credit institutions amounted to UAH 8,452,594 thousand (2023: UAH 3,198,099 thousand).

20. Equity

Share capital

As at 31 December 2024, the authorized issued share capital comprised 13,836,522,922 ordinary shares and 477,078 preferred shares (2023: 13,836,522,922 ordinary shares and 477,078 preferred shares) with the nominal value of UAH 1 per share. Ordinary shares give rights to their holders to participate in the General Shareholders' Meetings, to receive dividends and, in case of liquidation of the Bank, to receive a portion of the Bank's property or its value in proportion to the value of the Bank's shares owned by them in the order and in accordance with the procedure stipulated by the legislation of Ukraine and the Bank's charter. The shareholders that own preferred shares have a right to vote in certain cases according to the charter and are entitled to receive annual fixed amounts of dividends, unless otherwise envisaged by law.

The number of issued and fully paid shares is as follows:

	Number of shares, thousand		Nominal value, thousand UAH		Nominal value, thousand UAH	Total, thousand UAH
	Ordinary	Preferred	Ordinary	Preferred		
As at 31 December 2022	13,836,523	477	13,836,523	477	13,837,000	13,837,000
Issued and registered shares	—	—	—	—	—	—
As at 31 December 2023	13,836,523	477	13,836,523	477	13,837,000	13,837,000
Issued and registered shares	—	—	—	—	—	—
As at 31 December 2024	13,836,523	477	13,836,523	477	13,837,000	13,837,000

Reserve fund

The Bank creates a reserve fund to cover unforeseen losses on all items of assets and off-balance liabilities. The amount of charges to the reserve fund should be not less than 5 percent of the Bank's profit until it reaches 25 percent of the Bank's regulatory capital. As at 31 December 2024, the Bank's reserve fund amounted to UAH 1,161,419 thousand (2023: UAH 967,777 thousand). The Reserve Fund is included in the line "Reserve and other funds of the Bank" of the Statement of Financial Position.

If as a result of the Bank's operations the amount of its regulatory capital decreases to the amount below its share capital, then annual charges to the reserve fund should be 10 percent of the Bank's net profit until it reaches 35 percent of the Bank's share capital.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Movements in other reserves

Movements in other reserves were as follows:

	<i>Revaluation surplus</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>Total</i>
As at 1 January 2023	233,920	(1,096,436)	(1,925)	(864,441)
Revaluation of property, plant and equipment	(24,092)	–	–	(24,092)
Income tax related to revaluation of property and equipment	(6,451)	–	–	(6,451)
Net change in fair value of debt instruments at fair value through other comprehensive income	–	2,056,063	–	2,056,063
Reclassification of cumulative (gain)/loss on disposal of debt instruments at fair value through other comprehensive income to profit or loss	–	(72,374)	–	(72,374)
Net change in fair value of investments in equity instruments at fair value through other comprehensive income	–	–	(1,480)	(1,480)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	–	306,476	–	306,476
Income tax associated with revaluation of securities	–	134,962	–	134,962
Transfer as a result of disposal of assets	(386)	–	–	(386)
As at 31 December 2023	202,991	1,328,691	(3,405)	1,528,277
Revaluation of property, plant and equipment	10,460	–	–	10,460
Income tax related to revaluation of property and equipment	(8,403)	–	–	(8,403)
Net change in fair value of debt instruments at fair value through other comprehensive income	–	1,675,648	–	1,675,648
Reclassification of cumulative (gain)/loss on disposal of debt instruments at fair value through other comprehensive income to profit or loss	–	(373,908)	–	(373,908)
Net change in fair value of investments in equity instruments at fair value through other comprehensive income	–	–	7	7
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	–	550,200	–	550,200
Income tax associated with revaluation of securities	–	(306,238)	–	(306,238)
Transfer as a result of disposal of assets	(16,999)	–	–	(16,999)
As at 31 December 2024	188,049	2,874,393	(3,398)	3,059,044

21. Commitments and contingencies**Legal**

In the ordinary course of business, the Bank is subject to legal actions and complaints. The Bank management believes that the ultimate liability, 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.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Taxation

The Ukrainian tax system is characterized by numerous taxes and frequent changes in the legislation. Tax regulations are often unclear, open to wide interpretation and, in some instances, are controversial. Instances of inconsistent tax law treatment among the fiscal authorities, authorized institutions, entities and other government bodies are not infrequent. Tax returns are subject to review and investigation by a number of authorities that are authorized to impose penalties and interest charges. These facts create tax risks substantially more significant than typically found in countries with more developed systems.

The management believes that it has complied with all existing tax legislation requirements. However, there can be no assurance that the tax authorities will not have a different interpretation of the Bank's compliance with existing legislation and assess fines and penalties.

Commitments and contingencies

As at 31 December 2024 and 31 December 2023, contractual commitments and contingencies were as follows:

	31 December 2024	31 December 2023
Credit-related commitments		
Loan commitments	18,979,570	16,414,703
Financial guarantees	8,694,417	7,596,041
Letters of credit:	3,270,410	3,629,211
- including secured letters of credit	725,109	890,432
- including unsecured letters of credit	2,545,301	2,738,779
Aval	52,258	2,933
	30,996,655	27,642,888
Performance guarantees	–	896,326
	–	896,326
Commitments and contingencies	30,996,655	28,539,214

As at 31 December 2024, loan commitments amounted to UAH 18,979,570 thousand (2023: UAH 16,414,703 thousand), including

- ▶ loan commitments to strategic customers of the Bank (clients to whom the Bank will fulfill its lending obligations in conditions of crisis and limited liquidity) in the amount of UAH 4,838,799 thousand (2023: UAH 1,794,476 thousand)
- ▶ loan commitments to other customers of the Bank in the amount of UAH 14,140,771 thousand (2023: UAH 14,620,227 thousand).

As at 31 December 2024 and 31 December 2023, the loan commitments are revocable commitments.

As at 31 December 2024, the estimated allowances for ECLs in respect of credit-related commitments amounted to UAH 528,777 thousand (2023: UAH 677,149 thousand).

As at 31 December 2024, there are no estimated allowances for performance guarantees (2023: UAH 6,222 thousand).

As at 31 December 2024, the commitments and contingencies were secured by cash collateral for UAH 2,243,703 thousand (2023: UAH 2,425,706 thousand) (Note 18).

The indicator "Other provision" of the Statement of the financial position for the year ended 31 December 2024 is represented by the estimated reserve for legal and other risks of UAH 149,786 thousand (2023: UAH 147,116 thousand) and there are no estimated reserve for performance guarantees (2023: UAH 6,222 thousand).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Changes in the expected credit loss allowance for financial guarantees for the year ended 31 December 2024 were as follows:

Corporate banking	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	475,401	43,468	73,388	592,257
New guarantees	435,703	–	–	435,703
Expired guarantees	(260,747)	(71)	(74,545)	(335,363)
Transfer to Stage 1	17,965	(17,965)	–	–
Transfer to Stage 2	(15,428)	15,428	–	–
Transfer to Stage 3	–	–	–	–
Change in allowance	(296,006)	80,642	1,425	(213,939)
<i>Total allowance expense before the effect of foreign exchange differences</i>	(118,513)	78,034	(73,120)	(113,599)
Foreign exchange differences	22,974	(4,080)	(268)	18,626
As at 31 December 2024	379,862	117,422	–	497,284

SME	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	10	239	–	249
New guarantees	828	5	7	840
Expired guarantees	(221)	(31)	–	(252)
Transfer to Stage 1	325	(318)	(7)	–
Transfer to Stage 2	(300)	300	–	–
Transfer to Stage 3	–	–	–	–
Change in allowance	(663)	(208)	–	(871)
<i>Total allowance expense before the effect of foreign exchange differences</i>	(31)	(252)	–	(283)
Foreign exchange differences	34	13	–	47
As at 31 December 2024	13	–	–	13

Changes in the expected credit loss allowance for financial guarantees for the year ended 31 December 2023 were as follows:

Corporate banking	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	23,934	203,193	42,399	269,526
New guarantees	438,802	–	–	438,802
Expired guarantees	(65,577)	(6,870)	(653,024)	(725,471)
Transfer to Stage 1	2,229	(2,229)	–	–
Transfer to Stage 2	(25,849)	25,849	–	–
Transfer to Stage 3	(2,016)	(6,369)	8,385	–
Change in allowance	78,145	(170,124)	672,291	580,312
<i>Total allowance expense before the effect of foreign exchange differences</i>	425,734	(159,743)	27,652	293,643
Foreign exchange differences	19,544	18	3,341	22,903
As at 31 December 2023	469,212	43,468	73,392	586,072

SME	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	37	156	–	193
New guarantees	1,076	–	–	1,076
Expired guarantees	(618)	(20)	–	(638)
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	(300)	300	–	–
Transfer to Stage 3	–	–	–	–
Change in allowance	(169)	(223)	–	(392)
<i>Total allowance expense before the effect of foreign exchange differences</i>	(11)	57	–	46
Foreign exchange differences	(17)	(5)	–	(22)
As at 31 December 2023	9	208	–	217

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Changes in allowances for performance guarantees for the year ended 31 December 2023 were as follows:

Corporate banking	Total
As at 1 January 2023	126
Accrual	5,834
Total allowance expense before the effect of foreign exchange differences	5,834
Foreign exchange differences	227
As at 31 December 2023	6,187

SME	Total
As at 1 January 2023	17
Accrual	15
Total allowance expense before the effect of foreign exchange differences	15
Foreign exchange differences	–
As at 31 December 2023	32

Below is the analysis of changes in allowances for expected credit losses under the loan commitments for the year ended 31 December 2024.

Stage 3 is defined in accordance with the balance sheet of these instruments.

Corporate banking	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	4,202	4,255	68,054	76,511
New loan commitments	10,199	–	–	10,199
Expired loan commitments	(1,367)	(534)	(10,621)	(12,522)
Transfer to Stage 1	3,030	(3,030)	–	–
Transfer to Stage 2	(5,394)	11,180	(5,786)	–
Transfer to Stage 3	–	–	–	–
Change in allowance	(7,791)	308	(47,260)	(54,743)
Total allowance expense before the effect of foreign exchange differences	(1,323)	7,924	(63,667)	(57,066)
Foreign exchange differences	7	203	3,119	3,329
As at 31 December 2024	2,886	12,382	7,506	22,774

SME	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	358	23	1,065	1,446
New loan commitments	15,685	–	–	15,685
Expired loan commitments	(51)	(2)	(3,535)	(3,588)
Transfer to Stage 1	627	(131)	(496)	–
Transfer to Stage 2	(142)	143	(1)	–
Transfer to Stage 3	(14,167)	–	14,167	–
Change in allowance	(1,676)	8	(11,200)	(12,868)
Total allowance expense before the effect of foreign exchange differences	276	18	(1,065)	(771)
Foreign exchange differences	–	–	–	–
As at 31 December 2024	634	41	–	675

Retail banking	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	7,078	1	5,827	12,906
New loan commitments	1,988	–	7	1,995
Expired loan commitments	(655)	–	(2,807)	(3,462)
Transfer to Stage 1	1,451	(4)	(1,447)	–
Transfer to Stage 2	(51)	154	(103)	–
Transfer to Stage 3	(52)	(2)	54	–
Change in allowance	(4,683)	(149)	1,310	(3,522)
Total allowance expense before the effect of foreign exchange differences	(2,002)	(1)	(2,986)	(4,989)
Foreign exchange differences	–	–	114	114
As at 31 December 2024	5,076	–	2,955	8,031

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Below is the analysis of changes in allowances for expected credit losses under the loan commitments for the year ended 31 December 2023.

Stage 3 is defined in accordance with the balance sheet of these instruments.

Corporate banking	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	2,629	219	–	2,848
New loan commitments	9,852	–	–	9,852
Expired loan commitments	(202)	(412)	–	(614)
Transfer to Stage 1	3,060	(3,060)	–	–
Transfer to Stage 2	(8,105)	8,105	–	–
Transfer to Stage 3	–	–	–	–
Change in allowance	(3,034)	(622)	66,386	62,730
<i>Total allowance expense before the effect of foreign exchange differences</i>	1,571	4,011	66,386	71,968
Foreign exchange differences	2	25	1,668	1,695
As at 31 December 2023	4,202	4,255	68,054	76,511

SME	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	212	38	–	250
New loan commitments	502	–	–	502
Expired loan commitments	(17)	(47)	(1,481)	(1,545)
Transfer to Stage 1	150	(150)	–	–
Transfer to Stage 2	(82)	82	–	–
Transfer to Stage 3	–	(1)	1	–
Change in allowance	(407)	101	2,545	2,239
<i>Total allowance expense before the effect of foreign exchange differences</i>	146	(15)	1,065	1,196
Foreign exchange differences	–	–	–	–
As at 31 December 2023	358	23	1,065	1,446

Retail banking	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	23,544	8	6,371	29,923
New loan commitments	4,658	–	63	4,721
Expired loan commitments	(1,236)	(1)	(3,085)	(4,322)
Transfer to Stage 1	5,117	(15)	(5,102)	–
Transfer to Stage 2	(209)	1,594	(1,385)	–
Transfer to Stage 3	(121)	(1)	122	–
Change in allowance	(24,675)	(1,584)	8,794	(17,465)
<i>Total allowance expense before the effect of foreign exchange differences</i>	(16,466)	(7)	(593)	(17,066)
Foreign exchange differences	–	–	49	49
As at 31 December 2023	7,078	1	5,827	12,906

Provisions for claims, guarantees and commitments are recorded as liabilities.

Assets pledged as collateral

The Bank pledges the assets as collateral stated 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, the assets pledged by the Bank as collateral include:

Liability type	Liability amount	Asset type	Asset carrying amount
Long-term loan from a financial institution	6,326,375	UDGB	14,274,463
Total	6,326,375		14,274,463

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

As at 31 December 2023, the assets pledged by the Bank as collateral include:

<i>Liability type</i>	<i>Liability amount</i>	<i>Asset type</i>	<i>Asset carrying amount</i>
Long-term loan from a financial institution	2,927,956	UDGB	7,681,278
Total	2,927,956		7,681,278

Provisions for legal risks relate to other property of the Bank to which the title is likely to be lost, and legal claims on which the Bank is likely to incur losses.

The Change in provisions for legal and other risks was as follows:

	<i>Provision for legal and other risks</i>
As at 1 January 2024	147,116
Accrual	15,621
Used	(12,951)
As at 31 December 2024	149,786

	<i>Provision for legal and other risks</i>
As at 1 January 2023	395,920
Reversal	(111,096)
Used	(137,708)
As at 31 December 2023	147,116

22. Net fee and commission income

Net fee and commission income comprised:

	<i>2024</i>	<i>2023</i>
Settlements	1,515,901	1,450,168
Guarantees and letters of credit	397,439	406,818
Operations in the foreign exchange market	321,330	333,293
Loan servicing to customers	42,464	41,003
Transactions with securities	6,291	6,289
Other	28,856	23,394
Fee and commission income	2,312,281	2,260,965
Settlements	(700,057)	(707,395)
Guarantees and letters of credit	(207,074)	(224,612)
Operations in the foreign exchange market	(39,653)	(31,754)
Other	(2,005)	(433)
Fee and commission expense	(948,789)	(964,194)
Net fee and commission income	1,363,492	1,296,771

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

23. Other gains (losses)

Other gains (losses) comprised:

	2024	2023
Gain on marketing support services	93,887	83,028
Fees from insurance companies and banks	66,497	78,255
Recovery of previously written-off assets	45,998	31,746
Penalties received and other fees for overdue payments under loan agreements	36,051	29,757
Income from leasing (rent)	13,831	12,654
Income from revaluation of fixed assets	13,578	2,447
Recovery of litigation expenses	12,706	6,076
Gain from sale of investment and commemorative coins	9,129	11,296
Compensation costs for utilities of premises leased	6,853	9,681
Positive result from sale of other property	5,741	2,012
Surplus cash collection at ATMs	2,502	2,577
Recovery of expenses on finance lease agreements	1,746	13,321
Positive result from sale of property, equipment and intangible assets	174	186
Other losses (profits) are represented by changes in provisioning-related expenses (reversal of provisions) for legal risks	21 (15,621)	111,096
Obtaining income from the acquisition of ownership of real estate	14 –	20,959
Other	30,952	33,056
Total other gains (losses)	324,024	448,147

24. Interest revenue calculated using effective interest method

The Table below discloses interest revenue calculated using effective interest method, reflected in the statement of profit and loss and other comprehensive income for the years ended 31 December 2024 and 2023:

	2024	2023
Investments in securities	8,529,787	5,580,651
Loans and advances to customers	8,499,028	8,053,995
Deposit certificates of the National Bank of Ukraine	2,867,752	3,076,606
Loans and advances to banks	744,990	589,091
Interest revenue calculated using effective interest method	20,641,557	17,300,343

During 2024, the Bank received interest revenue calculated using effective interest method, from transactions with Client 1 in the amount of UAH 8,175,189 thousand (39.61%) and Client 2 in the amount of UAH 2,867,752 thousand (13.89%). During 2023, the Bank received interest revenue calculated using effective interest method, from transactions with Client 1 in the amount of UAH 5,134,612 thousand (29.68%) and Client 2 in the amount of UAH 3,076,606 thousand (17.78%).

25. Interest expense

The Table below discloses interest expense, reflected in the statement of profit and loss and other comprehensive income for the years ended 31 December 2024 and 2023:

	2024	2023
Due to customers	(10,206,618)	(10,181,952)
Due to banks	(404,909)	(295,313)
Due to the National Bank of Ukraine	–	(197,968)
	(10,611,527)	(10,675,233)
Other interest expense		
Lease liabilities	(13,720)	(14,835)
	(13,720)	(14,835)
Interest expense	(10,625,247)	(10,690,068)

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

26. Impairment loss determined in accordance with IFRS 9

The Table below discloses the impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9 recorded in the statement of profit or loss and other comprehensive income for the year ended 31 December 2024:

	Notes	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and cash equivalents	7	(2,169)	–	–	–	(2,169)
Loans and other balances with banks	8	(226)	–	–	–	(226)
Loans and advances to customers	9	112,032	343,204	(226,944)	360,935	589,227
Losses from the recognition of POCI		–	–	–	(31,641)	(31,641)
Investments in securities	10	763,551	(231,799)	18,448	–	550,200
Return of loans and advances to customers written-off in the current year		–	–	(10,286)	–	(10,286)
Other financial assets	16	(74)	809	(3,632)	208,642	205,745
Financial guarantees	21	(118,544)	77,782	(73,120)	–	(113,882)
Undrawn loan commitments	21	(3,049)	7,941	(67,718)	–	(62,826)
Total impairment loss determined in accordance with IFRS 9		751,521	197,937	(363,252)	537,936	1,124,142

The Table below discloses the impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9 recorded in the statement of profit or loss and other comprehensive income for the year ended 31 December 2023:

	Notes	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and cash equivalents	7	388	–	–	–	388
Loans and other balances with banks	8	(1,164)	–	–	–	(1,164)
Loans and advances to customers	9	(127,686)	(593,351)	(237,512)	6,855	(951,694)
Losses from the recognition of POCI		–	–	–	447,023	447,023
Investments in securities	10	784,828	(483,642)	5,614	–	306,800
Return of loans and advances to customers written-off in the current year		–	–	1,892	–	1,892
Other financial assets	16	(2,013)	(5,925)	12,567	9,858	14,487
Financial guarantees	21	425,723	(159,686)	27,652	–	293,689
Undrawn loan commitments	21	(14,749)	3,989	66,858	–	56,098
Total impairment loss determined in accordance with IFRS 9		1,065,327	(1,238,615)	(122,929)	463,736	167,519

27. Impairment loss for non-financial assets

The statement of profit and loss and other comprehensive income for the year ended 31 December 2024 presents income from reversal of expenses for formation of reserves for other non-financial assets in the amount of UAH (43,290) thousand. (Note 16).

The statement of profit and loss and other comprehensive income for the year ended 31 December 2023, presents provisioning-related expenses for other non-financial assets in the amount of UAH 24,010 thousand. (Note 16).

28. Employee benefits expense, Other administrative and operating expense

Employee benefits expense, Other administrative and operating expense comprise:

	2024	2023
Salaries and bonuses	3,092,186	2,361,274
Employment taxes	517,893	434,861
Other staff costs	147,773	145,784
Employee benefits expense	3,757,852	2,941,919

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

	2024	2023
Payments to the Individual Deposit Guarantee Fund	227,648	221,780
Repair and maintenance of property, plant and equipment	197,924	173,623
Communication services	139,358	122,440
Professional services	122,655	58,119
Software support	108,732	73,002
Taxes, other than income tax	99,543	89,766
Office supplies	80,567	88,024
Lease and maintenance of premises	78,882	78,180
Charity	70,722	4,888
Security	41,839	36,169
Expenses for the accumulation of values	25,214	25,960
Marketing and advertising	20,822	15,842
Fines and penalties	16,040	303
Business trips	9,311	6,724
Revaluation of buildings and land plots, other property	6,333	14,004
Other	29,321	59,566
Other administrative and operating expense	1,274,911	1,068,390

29. Risk management

The risk management system of the Bank is designed to take into account its size, business model, scale of operations, types and complexity of transactions and ensures identification, measurement (assessment), monitoring, reporting, control, mitigation of all material risks of the Bank in order to determine the amount of capital required to cover all material risks inherent in its activities.

The risk management system is based on the segregation of duties among the Bank departments with using a model incorporating a concept of three security lines:

- ▶ first line – at the level of business departments and the Bank operation support departments;
- ▶ second line – at the level of risk management departments, including the department of risk management, social and environmental risk management, and the compliance department;
- ▶ third line – at the level of the internal audit department to review and evaluate the effectiveness of the risk management system.

Risk management structure

Supervisory Board

The Supervisory Board outlines and approves the risk management strategy, credit policy, risk appetite statement, individual risk management policies, going concern procurement plan, business recovery plan and for financing in crisis situations, strategy and operational plan for management of non-performing assets and foreclosed property, determines the risk appetite and sets risk limits, recognizes the sources of capitalization and other Bank financing, considers reporting on the Bank's risk profile, reviews the results of stress-testing testing, approves the CRO appointment and dismissal, identifies cases of the prohibition (veto) by the CRO, ensures the functioning of the risk management system, organization of ICAAP and ILAAP processes.

Risk Management Committee of the Supervisory Board

The Risk Management Committee of the Supervisory Board ensures the availability and updates of the internal regulations governing the Bank risk management process and credit policy, regularly monitors and analyzes the current profile of risks assumed by the Bank, monitors the compliance with the risk appetite amounts specified in the risk appetite statement.

Management Board

The Management Board is responsible for the overall risk management and for implementation of risk strategies and principles approved by the Supervisory Board. The Management Board delegates the operational risk management authority to the Bank's collegial structures and sets the authority limits for such collegial structures.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Collegial structures of the Management Board

Credit Council, Credit Committee, Committee for Methodological Support of Retail, Small and Microbusiness Risk Management, Non-performing Asset Management Committee, Commission for Monitoring of Credit Operations of customers, Credit Commissions of Directories manage the credit risk within the limits of authorities delegated to them by the Management Board.

The Assets and Liabilities Management Committee manages the liquidity risk, interest rate risk and market risk within the limits of authorities delegated by the Management Board.

The Operational Risk Management Committee manages the operational risk within the limits of authorities delegated by the Management Board.

The Information Security Management Committee manages the information risk as a component of the operational risk within the limits of authorities delegated by the Management Board.

The Supervisory Board and the committees of the Supervisory Board will continue to perform their functions.

CRO (Chief Risk Officer) and its subordinate risk management divisions

The CRO and its subordinate risk management divisions ensure timely identification, measurement, monitoring, control and reporting of significant risks, prepare and submit risk reports to the Supervisory Board, Risk Management Committee of the Supervisory Board, Management Board, collegial structures of the Management Board, develop and update the Bank methodology, risk assessment tools and models, ensure coordination of risk management related work with other structural units of the Bank, calculate the Bank risk profile, provide monitoring and prevention of violations of risk appetite amounts and risk limits, control the approximation of risk indicators to the approved risk amounts and risk limits and initiate measures to prevent their violations, carry out stress testing, prepare conclusions for adoption of credit decisions both for new loans and for making changes to the conditions of the existing loans, prepare conclusions on the risks inherent in new products before their introduction for the appropriate management decisions to be taken.

CCO (Chief Compliance Officer) and Compliance Department

CCO and Compliance Department develop compliance procedures, including compliance principles that shall be observed by all employees and management, ensure compliance of the compliance function with the current requirements of law and conducting trainings and increasing the awareness of the Banks employees regarding compliance with legal norms, relevant professional standards associations applicable to the Bank, risk management cultures, taking into account the code of conduct (ethics), organize the continuous functioning of the compliance function in the Bank, coordinate the establishment of potential areas of compliance risk that may result in the loss of the Bank reputation, legal or regulatory sanctions or financial losses, ensure the development and implementation of measures to limit (reduce) compliance risk, including transparent processes for the purpose of preventing or reducing the level of compliance risk, as well as for the purpose of identifying, registering and implementing measures for compliance violations, assess compliance risks inherent to new products and significant changes in the Bank activities until the moment of their implementation in order to make appropriate management decisions, ensure the organization of control over the Bank compliance with the norms regarding the timeliness and reliability of financial and statistical reporting, prepare conclusions regarding compliance risk for decision-making regarding the implementation of active transactions of the Bank related parties.

Risk appetite statement

The Bank determines (declares) the aggregate risk appetite by setting the aggregate risk limits and the risk appetite for individual risks by setting risk limits for significant risks, which are defined by the Risk Management Strategy currently effective at JSB "UKRGASBANK":

- ▶ Credit risk;
- ▶ Liquidity risk;
- ▶ Interest rate risk of the banking book;
- ▶ Market risks;
- ▶ Operational risk;
- ▶ Compliance risk;
- ▶ ML/TF risk (prevention and countermeasures against the legalization (laundering) of criminal proceeds, the financing of terrorism and the financing of the proliferation of weapons of mass destruction);
- ▶ Social and environmental risk.

The statement is based on the assumptions underlying the Bank budget, taking into account the current martial law in the country, current prudential requirements of the National Bank of Ukraine (including those set for systemically important banks) and covenants, which the Bank has undertaken to comply with according to the agreements with international financial institutions.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The aggregate risk appetite includes the requirements to comply with capital ratios, including with due consideration of expected changes in prudential and regulatory requirements.

Risk appetite for credit risk includes a system of indicators to control the quality of the loan portfolio (a portion of non-performing assets and foreclosed property), the value of credit risk, the limit of risk concentration by largest borrowers, industries, indicators of geographic and product concentrations and more.

Risk appetite for liquidity risk includes minimum liquidity coverage ratios (LCRs) in all currencies and separately in foreign currencies, duration of the period of full and timely performance by the Bank of its payment (settlement) obligations during a stressful situation, a net stable funding ratio (NSFR), and the limit of risk concentration in liabilities.

Risk appetite for interest rate risk of the banking book includes the sensitivity of net interest income and the economic value of capital to parallel/non-parallel shifts in yield curves in major currencies.

Risk appetite for market risks for instruments of the banking book includes compliance with the prudential limits of open long and short currency positions, the value of the total risk position in goods by commodity risk and for instruments of the trading book the limit of the negative cumulative revaluation of the fair value of financial instruments of the "swap" type, the interest rate risk indicator of debt instruments based on the interest rate risk of the trading book and as the value at risk calculated using a parametric model based on Student's t-distribution with 7 degrees of freedom with a confidence interval of 99% over the horizon of 10 trading days.

Risk appetite for operational risk is set as the maximum amount of direct losses from the occurrence of operational risk at the year-end. At the same time, regardless of the cost of the incident and the amount of potential damage, the Bank has established zero tolerance for operational risks associated with incidents of internal fraud, negligence, disruption of the continuity of critical business processes.

Credit risk

Credit risk is the risk that the Bank will incur damage or incremental loss or suffer shortfall in expected profit, because its borrower/counterparty failed to discharge its contractual obligations.

The Supervisory Board approved the Credit Policy for the period of martial law, which defines the main areas of lending and regulates the basic principles and conditions for assuming the credit risk. To manage the risk of concentration of the loan portfolio, the Bank monitors the loan portfolio structure and, if necessary, sets the appropriate limits.

To manage credit risk, the Bank applies the following practical measures:

- ▶ setting a limit on the share of non-performing assets in the loan portfolio;
- ▶ setting limits on the cost of risk (accumulated amount of provision expenses to the average value of the loan portfolio for the relevant period);
- ▶ setting restrictions on credit transactions that may violate the maximum credit risk exposure per counterparty (N7);
- ▶ setting limits on the concentration of the loan portfolio by industry of geographical and product concentration;
- ▶ setting limits on the share of debt of the largest counterparty and the 20 largest counterparties in the loan portfolio.

The carrying amount of items in the statement of financial position, including derivative financial instruments, without taking into account the impact of risk reduction due to collateral agreements, most accurately reflects the maximum amount of credit risk for these items.

Derivative financial assets and liabilities

Credit risk arising from derivative financial assets and liabilities is limited to their nominal amount under the applicable contracts.

Credit-related commitment risks

The Bank makes guarantees available to its customers, which provide that the Bank should make payments on their behalf. Such payments are collected from customers based on the terms of the letters of credit. These guarantees expose the Bank to the risks similar to credit risks, which are mitigated by using the same control processes and policies. For more details on the maximum exposure to credit risk for each class of financial instrument, references shall be made to the specific notes.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Classification of the Bank's financial assets according to credit ratings

As at 31 December 2024, the credit rating of Ukraine, according to the international rating agencies, corresponded to the level of selective default ("RD" - restricted default) (2023: CC), however, sovereign ratings in national currency are at the level of "CCC+". The Bank uses the following approach to determining the rating based on the ratings of several international rating agencies:

- ▶ if there are two different ratings, the lower rating of the rating agency will be taken into account;
- ▶ if there are three different ratings, the rating of the rating agency that is the lower of the two highest ones is taken into account.

Investments in securities at fair value through other comprehensive income include: Ukrainian domestic government bonds and unrated municipal bonds, were assigned by the Bank to the category in accordance with the external sovereign credit rating of Ukraine in national currency.

Other balances of cash and cash equivalents, loans and other balances with banks and investments in securities are classified with reference to the current credit ratings assigned by the international rating agencies. In the event a counterparty does not have an international rating assigned to it at the reporting date, the Bank used the ratings assigned to the parent companies by the international rating agencies, and if the counterparty (for example, NBU) is owned by the government or the state, the corresponding sovereign rating of the owner's country was used. The highest possible rating is AAA. The investment grade of financial assets corresponds to ratings from AAA to BBB-. The financial assets, which have ratings lower than BBB-, are classified as a speculative grade according to the acceptable international practice.

As at 31 December 2024, the classification by credit ratings of the Bank's financial assets with such ratings is as follows:

	AAA – A	BBB – BB	B	CCC	Below CCC	Not rated	31 December 2024
Cash and cash equivalents (other than cash on hand)	26,091,072	5,380,591	–	77,749	32,023,531	–	63,572,943
Loans and other balances with banks	1,008,095	104,687	–	14,377	190	296,917	1,424,266
Derivative financial assets	1,740	–	–	87	–	–	1,827
Investments in securities	35	–	–	–	59,306,083	185,098	59,491,216

As at 31 December 2023, the classification by credit ratings of the Bank's financial assets with such ratings is as follows:

	AAA – A	BBB – BB	B	CCC	Below CCC	Not rated	31 December 2023
Cash and cash equivalents (other than cash on hand)	17,655,039	3,251,879	–	293,503	25,393,181	–	46,593,602
Loans and other balances with banks	1,068,089	105,784	–	10,287	891	448,160	1,633,211
Derivative financial assets	1,629	1,271	–	–	–	33	2,933
Investments in securities	26	–	–	–	55,627,077	101,562	55,728,665

The allowance for active operations with unrated banks is determined by 25reference to the country's sovereign rating using the Bank internal ratings.

Impairment assessment

The Bank calculates the expected credit losses based on several probability-weighted scenarios to measure the expected cash shortfalls discounted using EIR. Cash shortfall is the difference between the cash flows that are due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive. Expected credit losses calculation methods are outlined below. The calculation elements are as follows:

Probability of Default (PD)	Probability of Default is an estimate of the likelihood that counterparties fail to discharge their Default (PD) contractual obligations.
Exposure at Default (EAD)	The Exposure at Default is the amount of debt on the asset that the counterparty is likely to fail to perform at any future date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.
Loss Given Default (LGD)	<i>The Loss Given Default is an estimate of the loss arising in the case where a default by the counterparty occurs.</i> LGD is calculated using a few scenarios. Estimates of probabilities for all scenarios and sub-types of loss in the event of default are combined in the overall assessment. The probability of scenarios for non-performing debt maintenance is calculated based on historical data. The level of losses in the case of default of loans with collateral is determined on the basis of collateral foreclosure value, taking into account the potential cash shortage in comparison with the book value (discount) and the term of realization.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Definition of default and cure

For the purposes of the assessment of ECL, the Bank recognizes the occurrence of an event of default on a financial instrument and, accordingly, assigns this asset to Stage 3 (credit-impaired assets) in the case of overdue payments under the contract for a period of more than 90 days, or in the following cases, regardless of the number of days of overdue debt:

- ▶ the borrower's internal rating indicates default or close to default;
- ▶ a bankruptcy case has been initiated against the customer or the debtor has reported bankruptcy;
- ▶ the process of liquidation of the customer has been started;
- ▶ the terms of the contract were changed for the financial instrument, without which the customer would not be able to perform further debt service;
- ▶ the borrower is assigned to a group of clients that has a significant impact on the borrower's activities (it is a part of the business and cannot work separately) and the borrowers of this group are assigned to Stage 3.

Due to the military operations, the Bank has expanded the definition of default and classifies assets as Stage 3 in the following cases:

- ▶ for the borrower, 2 or more criteria are met at the same time: is in a war zone; the client's business does not generate cash flows in its main activity; the main production assets suffered significant destruction;
- ▶ the borrower's business are located in the temporarily occupied territory;
- ▶ the borrower has not fully resumed activity, as a result, is unable to fully pay the accrued interest under the contract and has no obvious prospects of resuming full payment.

Significant increase in credit risk

To determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument, the Bank uses a list of events that may indicate an increase in credit risk. A delay in the discharge of the monetary obligations exceeding 30 days is considered to be the evidence of a significant increase in credit risk from the date of the financial instrument initial recognition, as well as the occurrence of the subsequent events, no matter how many days the debt is overdue:

- ▶ for corporate- and medium-sized business customers: the DEBT/EBITDA ratio is greater than 5, provided that the indicator value did not exceed 5 at the date of the asset initial recognition;
- ▶ for corporate- and medium-sized business customers: the customer internal rating decreased by over 3 p.p. in comparison with the rating effective at the date of the asset initial recognition;
- ▶ the borrower is assigned to a group of clients that has a significant impact on the borrower's activities (it is a business unit and cannot work separately) and the borrowers of this group are assigned to Stage 2.

Due to the military operations, the Bank broadened the criteria used for a significant increase in credit risk to:

- ▶ the borrower's business does not generate cash flows from the main activity and the main production assets have not suffered significant destruction, and the interest under the contract is paid in part or in full with the support of the group or alternative sources of financing;;
- ▶ the customer operates in the renewable energy sources segment (due to the suspension of "green tariff" payments during the martial law);
- ▶ the customer underwent repeated short restructuring (for a period of no more than 12 months).

Impairment assessment on individual and collective basis

Depending on the factors below, the Bank calculates ECLs either on individual or on collective basis.

The Bank calculates the ECLs on an individual basis for the assets, which are included in Stage 3 and which outstanding balance of debt per group of counterparties exceeds the limit set for the respective business segment and is individually significant.

The Bank combines the financial assets assessed on a collective basis in homogeneous groups depending on the internal features of loans, for example, payment days past due, type of product, etc.

Initial identification of the location of customers in the occupied territories is carried out at the branch level. When communicating with the customers(oral /written), the Bank collects information about the actual location of the retail borrowers and the location of the main production facilities of the borrowers-legal entities. All available information from open sources is used as well. The received data are additionally analyzed by risk management units, including using information on the status of territorial units, following the instructions of the Ministry of Reintegration of the Temporarily Occupied Territory of Ukraine.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Forward-looking information and economic scenarios

In its expected credit losses models, the Bank relies on a broad range of forward-looking information as economic inputs, such as:

- ▶ GDP growth;
- ▶ Inflation (consumer price index), to the corresponding month of the previous year (%);
- ▶ Discount rates of the National Bank of Ukraine;
- ▶ Unemployment rates;
- ▶ Foreign exchange rates;
- ▶ Prices for iron ore;
- ▶ Prices for wheat;
- ▶ Growth of real wages, YoY.

The Bank performed a statistical analysis of the dependence of the probability of default of the Bank customers on economic indicators. The Bank identified the indicators that are mostly close related to the level of borrowers defaults in each of the portfolio segments.

For obtaining forecast information, the Bank uses data from external sources to obtain the required forward-looking information (prepared by the NBU, the Cabinet of Ministers of Ukraine, the Ministry of Finance of Ukraine and other government bodies, forecasts by the IMF, the World Bank and other leading international organizations, forecasts by leading international rating agencies (companies), such as Moody's, Fitch Ratings, S&P Global Ratings and Bloomberg information system data).

However, taking into account the continuation of hostilities on the territory of Ukraine and the moderate degree of uncertainty, the Bank limited the lower limit of the macro factor coefficient to 0.9 and the highest limit of the macro factor coefficient to 3. The impact of the application of this restriction influenced the increase in reserves for Stage 1 and 2 loans in the amount of UAH 8,640 thousand.

The table below gives the forecast values of the economic indicators used in economic scenario for calculation of the expected credit losses as at 31 December 2024.

Key drivers	Expected credit losses scenario		2025	
		Probability, %		2026
Inflation (consumer price index), to the corresponding month of the previous year (%)	Optimistic	25	4.5	2.5
	Base	50	6.9	5.0
	Pessimistic	25	9.4	7.5
Real GDP growth rate, %	Optimistic	25	8.3	5.7
	Base	50	6.3	3.6
	Pessimistic	25	4.3	1.5
Nominal GDP growth rate, %	Optimistic	25	17.1	10.2
	Base	50	15.6	10.0
	Pessimistic	25	14.1	9.8

The table below gives the forecast values of the economic indicators used in economic scenario for calculation of the expected credit losses as at 31 December 2023.

Key drivers	Expected credit losses scenario		2024	
		Probability, %		2025
Inflation (consumer price index), to the corresponding month of the previous year (%)	Optimistic	25	7,5	3,5
	Base	50	9,8	6,0
	Pessimistic	25	12,1	8,5
NBU discount rate	Optimistic	25	13,0	8,2
	Base	50	15,0	11,1
	Pessimistic	25	17,0	14,0

To analyze the impact of changes in macro factors on the amount of expected credit losses, the assumption of a 10% improvement or deterioration of the indicator of macro factors was used.

Thus, as at 31 December 2024 the improvement of the indicator of macro factors by 10% will lead to a decrease of the ECLs by UAH 2,588 thousand (by the corporate and medium business segment by UAH 1,984 thousand, by the small and micro business segment by UAH 247 thousand, by the retail business segment by UAH 357 thousand).

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

A 10% deterioration of the indicator of macro factors will lead to an increase of the ECLs by UAH 2,948 thousand as at 31 December 2024 (for the corporate and medium business segment by UAH 2,131 thousand, by the small and micro business segment by UAH 269 thousand, by the retail business segment by UAH 548 thousand).

In 2024, the Bank analyzed the impact of scenario weights on the amount of expected credit losses, which is shown in the table below. Assumptions were used for the assessment of ECLs with the application of each individual scenario on Stage 1 and 2.

31 December 2024	Expected credit losses when applying an optimistic scenario	Expected credit losses when applying the base scenario	Expected credit losses when applying a pessimistic scenario	Expected credit losses when using a probability-weighted scenario
Corporate banking	234,741	243,850	253,322	243,940
SME	53,141	55,052	57,085	55,083
Retail banking	22,768	23,266	24,587	23,472
Total	310,650	322,168	334,994	322,495

In 2023, the Bank analyzed the impact of scenario weights on the amount of expected credit losses, which is shown in the table below. Assumptions were used for the assessment of ECLs with the application of each individual scenario on Stage 1 and 2.

31 December 2023	Expected credit losses when applying an optimistic scenario	Expected credit losses when applying the base scenario	Expected credit losses when applying a pessimistic scenario	Expected credit losses when using a probability-weighted scenario
Corporate banking	319,613	319,868	322,554	320,476
SME	33,781	33,810	33,942	33,836
Retail banking	15,327	15,373	15,437	15,377
Total	368,721	369,051	371,933	369,689

The credit quality of financial assets is managed by the Bank using the internal credit ratings, as described above. The Table below shows the credit quality by class of asset, statement of financial position based on the Bank credit rating system.

31 December 2024	Notes		High grade	Standard grade	Belowstandard grade	Impaired	Total
Cash and cash equivalents (other than cash on hand)	7	Stage 1	63,563,829	14,557	-	-	63,578,386
Loans and other balances with banks measured at amortised cost	8	Stage 1	708,445	246,219	50,697	-	1,005,361
		Stage 2	-	-	-	-	-
		Stage 3	-	-	-	-	-
Loans and advances to customers at amortized cost:	9						
- Corporate banking		Stage 1	6,943,885	15,378,646	3,747,832	-	26,070,363
		Stage 2	21,971	3,700,297	14,568,792	-	18,291,060
		Stage 3	-	-	5,495,799	8,756,746	14,252,545
		POCI	-	-	383,999	154,505	538,504
- SME		Stage 1	5,278,131	3,276,199	1,005,811	-	9,560,141
		Stage 2	137,929	220,586	659,995	-	1,018,510
		Stage 3	-	87,494	1,088,472	744,707	1,920,673
		POCI	-	-	-	(628)	(628)
- Retail banking		Stage 1	5,738,371	97,635	15	5	5,836,026
		Stage 2	17,331	14,179	4,162	-	35,672
		Stage 3	-	5,630	444	430,331	436,405
		POCI	5,860	(424)	-	11,196	16,632
Loans and advances to customers which are measured at FVOCI:	9						
- Corporate banking		Stage 1	-	-	-	-	-
		Stage 2	-	-	-	-	-
		Stage 3	-	-	-	78,061	78,061

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

31 December 2024	Notes		High grade	Standard grade	Belowstandard grade	Impaired	Total
Investments in securities at fair value through other comprehensive income	10	Stage 1	51,463,471	–	184,687	–	51,648,158
		Stage 2	8,392,295	–	–	–	8,392,295
		Stage 3	–	–	–	1,397,417	1,397,417
Undrawn loan commitments:							
- Corporate banking		Stage 1	4,573,162	6,008,463	1,718,973	–	12,300,598
		Stage 2	21,020	2,059,270	175,308	–	2,255,598
		Stage 3	–	–	–	7,508	7,508
- SME		Stage 1	712,050	335,536	89,786	–	1,137,372
		Stage 2	238	–	62,982	–	63,220
		Stage 3	–	–	–	–	–
- Retail banking		Stage 1	3,180,116	27,835	221	811	3,208,983
		Stage 2	53	1,506	634	–	2,193
		Stage 3	–	1,545	128	2,425	4,098
Financial guarantees, guarantees on promissory notes and letters of credit (other than covered letters of credit):	21						
- Corporate banking		Stage 1	1,193,465	3,060,874	3,620,686	–	7,875,025
		Stage 2	600	206,608	3,028,689	–	3,235,897
		Stage 3	–	–	17,000	–	17,000
- SME		Stage 1	22,136	19,207	120,216	–	161,559
		Stage 2	–	–	2,495	–	2,495
		Stage 3	–	–	–	–	–
Total			151,974,358	34,761,862	36,027,823	11,583,084	234,347,127

Financial instruments that as at 31 December 2024 are in Stage 1 and have a rating of "Below Standard" are mostly represented by instruments issued in 2024. Including in the Corporate banking segment: loans and advances to customers in the amount of UAH 3,336,089 thousand, financial guarantees, guarantees on promissory notes and letters of credit (other than covered letters of credit) in the amount of UAH 3,213,444 thousand and undrawn loan commitments in the amount of UAH 1,695,301 thousand. In the SME segment: loans and advances to customers in the amount of UAH 546,068 thousand, financial guarantees, guarantees on promissory notes and letters of credit (other than covered letters of credit) in the amount of UAH 109,267 thousand and undrawn loan commitments in the amount of UAH 67,997 thousand.

31 December 2023	Notes		High grade	Standard grade	Belowstandard grade	Impaired	Total
Cash and cash equivalents (other than cash on hand)	7	Stage 1	46,310,958	289,484	–	–	46,600,442
Loans and other balances with banks measured at amortised cost	8	Stage 1	834,392	478,128	–	–	1,312,520
		Stage 2	–	–	–	–	–
		Stage 3	–	–	–	–	–
Loans and advances to customers at amortized cost:	9						
- Corporate banking		Stage 1	4,254,982	5,539,322	4,237,550	–	14,031,854
		Stage 2	93,891	8,880,915	19,277,591	–	28,252,397
		Stage 3	–	–	9,213,292	5,906,709	15,120,001
		POCI	–	–	370,057	248,605	618,662
- SME		Stage 1	3,330,249	1,596,658	956,814	–	5,883,721
		Stage 2	594,091	596,437	1,493,053	–	2,683,581
		Stage 3	–	85,615	1,381,185	949,742	2,416,542
		POCI	–	–	–	(628)	(628)
- Retail banking		Stage 1	4,744,661	121,646	20	10	4,866,337
		Stage 2	28,527	14,334	9,162	–	52,023
		Stage 3	–	14,420	1,134	1,799,924	1,815,478
		POCI	6,539	1,155	(140)	11,406	18,960

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

31 December 2023	Notes	High grade	Standard grade	Below standard grade	Impaired	Total
Loans and advances to customers which are measured at FVOCI:						
- Corporate banking	9	Stage 1	-	-	-	-
		Stage 2	-	-	-	-
		Stage 3	-	-	70,529	70,529
- Retail banking		Stage 1	-	-	-	-
		Stage 2	-	-	-	-
		Stage 3	-	-	7,185	7,185
Investments in securities at fair value through other comprehensive income	10	Stage 1	34,176,603	-	-	34,176,603
		Stage 2	11,063,487	100,821	-	11,164,308
		Stage 3	-	-	1,583,141	1,583,141
Investments valued at amortized cost		Stage 1	8,871,109	-	-	8,871,109
		Stage 2	-	-	-	-
		Stage 3	-	-	-	-
Undrawn loan commitments:						
- Corporate banking		Stage 1	4,684,372	2,534,366	1,816,985	9,035,723
		Stage 2	1,556,429	2,031,682	111,342	3,699,453
		Stage 3	-	-	43,605	100,719
- SME		Stage 1	337,845	82,009	102,317	522,171
		Stage 2	3,228	36,368	12,446	52,042
		Stage 3	-	2,289	6	2,297
- Retail banking		Stage 1	2,969,151	22,664	219	2,992,535
		Stage 2	72	1,535	863	2,470
		Stage 3	-	1,658	115	7,294
Financial guarantees, guarantees on promissory notes and letters of credit (other than covered letters of credit):						
- Corporate banking	21	Stage 1	377,788	2,243,293	2,840,128	5,461,209
		Stage 2	3,306	226,887	4,362,772	4,592,965
		Stage 3	-	-	97,194	97,194
- SME		Stage 1	9,891	41,442	49,059	100,392
		Stage 2	-	-	85,993	85,993
		Stage 3	-	-	-	-
Total			124,251,571	24,842,307	46,577,092	206,297,222

The following Table describes the grouping of balances by the rating categories.

Description of the internal rating	Number of days past due	Level of internal rating	Rating of external international rating agency (Fitch), non-resident counterparties	Rating of external international rating agency (Fitch) and level of internal rating resident Banks and securities issuers
High grade	No overdue payments	A1, A2, A3	AAA+ to BBB-	For resident banks - with an intra-bank rating of 1, 2 and international credit rating no lower/higher than Ukraine's sovereign rating. For issuers of securities - domestic government bonds, municipal bonds and deposit certificates of the NBU
Standard grade	From 1 to 30 days, from 31 to 60 days	B1, B2, B3	BB+ to B-	For resident banks - with an intra-bank rating 3 (international credit rating no lower/higher than Ukraine's sovereign rating or NR) For issuers of securities - are not rated but in Stage 1
Below standard grade	From 61 to 90 days	C1, C2, C3, D1, D2, D3	CCC to C	For resident banks - with an intra-bank rating 4 (international credit rating no lower/higher than Ukraine's sovereign rating or NR) For issuers of securities - are not rated but in Stage 2
Impaired	More than 90 days	E	D	For resident banks - with an intra-bank rating 5 (with the credit rating D or NR). For issuers of securities - are not rated but in Stage 3

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The Internal grade for the individuals and small and micro business segments (part of the SME) for which no level internal or internal rating is assigned are determined based on the number of days in arrears (column 2). For the individuals and small and micro business segments (part of the SME in Stage 3, the rating cannot be higher than "Standard" even if there is no overdue debt.

The Internal grade for the legal entities and medium business segments (part of SME) is determined based on the internal rating (column 3).

For non-residents the internal grade is determined based on international ratings. For resident Banks and securities issuers the rating is determined based on the lower of internal rating and international credit rating (column 4).

For government bonds and municipal bonds the rating is determined as High (column 4). For the disclosure of external credit rating of these instruments please refer to the section Classification of the Bank's financial assets according to external credit ratings of this note.

Geographical concentration

The information on geographical concentration of monetary assets and liabilities is summarized in the table below:

31 December 2024					
	Ukraine	OECD countries	CIS and other foreign banks	including the russian federation and the republic of belarus	Total
Assets					
Cash and cash equivalents	35,806,783	31,450,404	19,803	–	67,276,990
Loans and advances to other balances with banks	311,483	1,112,783	–	–	1,424,266
Loans and advances to customers	67,649,476	–	–	–	67,649,476
Investments in securities	59,491,181	35	–	–	59,491,216
Derivative financial assets	87	1,740	–	–	1,827
Other financial assets	736,465	1,670	3	–	738,138
	163,995,475	32,566,632	19,806	–	196,581,913
Liabilities					
Due to banks	3,487,376	–	8,033	8,033	3,495,409
Due to customers	166,650,480	–	–	–	166,650,480
Derivative financial liabilities	–	1,285	–	–	1,285
Other borrowed funds	6,326,375	2,126,219	–	–	8,452,594
Provisions for loan commitments and financial guarantee contracts	528,690	87	–	–	528,777
Other financial liabilities	1,294,388	73,620	4,549	2,966	1,372,557
	178,287,309	2,201,211	12,582	10,999	180,501,102
Difference between assets and liabilities	(14,291,834)	30,365,421	7,224	(10,999)	16,080,811

31 December 2023					
	Ukraine	OECD countries	CIS and other foreign banks	including the russian federation and the republic of belarus	Total
Assets					
Cash and cash equivalents	28,843,684	20,897,042	8,725	–	49,749,451
Loans and advances to other balances with banks	459,338	1,173,873	–	–	1,633,211
Loans and advances to customers	63,332,947	–	–	–	63,332,947
Investments in securities	55,728,639	26	–	–	55,728,665
Derivative financial assets	1,304	1,629	–	–	2,933
Other financial assets	1,548,757	562,442	958	–	2,112,157
	149,914,669	22,635,012	9,683	–	172,559,364

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

	31 December 2023				
	Ukraine	OECD countries	CIS and other foreign banks	including the russian federation and the republic of belarus	Total
Liabilities					
Due to banks	2,786,924	–	8,033	8,033	2,794,957
Due to customers	154,133,564	–	–	–	154,133,564
Derivative financial liabilities	19,788	588	–	–	20,376
Other borrowed funds	2,927,956	2,651,981	–	–	5,579,937
Provisions for loan commitments and financial guarantee contracts	677,152	–	–	–	677,152
Other financial liabilities	580,830	63,091	5,078	3,114	648,999
	161,126,214	2,715,660	13,111	11,147	163,854,985
Difference between assets and liabilities	(11,211,545)	19,919,352	(3,428)	(11,147)	8,704,379

Liquidity risk and funding management

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations as they fall due without incurring unacceptable losses, or as a result of its inability to manage unplanned cash outflows, changes in funding sources and/or to honor its off-balance sheet liabilities. To mitigate this risk, management uses different sources of funding in addition to the main base of deposits. Management also performs the Bank's day-to-day liquidity management activities, with due account for balances on the correspondent accounts and cash inflow/outflow projections; management of current liquidity (up to 1 month) through identification of the Bank's requirements for liquid assets and assessment of the liquidity gaps for the period; management of liquidity over one month through assessment of mismatch between maturities on assets and liabilities and development of remedial measures to maintain the Bank's relevant liquidity levels in the future.

Analysis of financial liabilities grouped based on duration of periods from the reporting date to the maturity date is carried out in accordance with the applicable agreement.

As at 31 December 2024 and 31 December 2023, the Bank complied with the regulatory requirements of the National Bank of Ukraine regarding the minimum level of liquidity coverage ratio in all currencies and separately in individual foreign currencies (regulatory ratios as at 31 December 2024 and 31 December 2023 were not less than 100%) and regarding the minimum value of the net stable financing ratio (the statutory ratio is at least 100% as at 31 December 2024 and as at 31 December 2023).

The values of liquidity coverage ratios in all currencies and separately in foreign currencies, and the ratio of net stable funding are as follows:

	31 December 2024	31 December 2023
LCR _{BB} , All-currency LCR, liquidity coverage ratio for all currencies	153.13%	189.78%
LCR _{FB} , Foreign currency LCR, liquidity coverage ratio in foreign currency	192.21%	217.69%
NSFR, Net Stable Funding Ratio	138.82%	139.18%

Analysis of assets and liabilities of the Bank by the estimated dates of their recovery or repayment is presented in Note 31.

Analysis of financial liabilities by remaining contractual maturities

The information on future undiscounted cash flows of financial liabilities as at 31 December 2024 and 31 December 2023 based on the remaining contractual maturities is presented in the table below. Gross settled derivative instruments that are presented in terms of amounts receivable and payable as per maturities. Liabilities that are subject to repayment on demand are believed to be the instruments repayable on the earliest possible date. However, the Bank expects that most customers will not demand repayment on the earliest possible date.

In accordance with the waiver letters of early repayment of loans received by the Bank from 2 creditors, as at 31 December 2024, the Bank classifies long-term liabilities in the amount of UAH 6,326,375 thousand in accordance with the terms specified in the waiver letters. As at 31 December 2024, the Bank did not receive any letters from the other 4 creditors regarding the waiver of the right to demand early repayment of loans in the amount of UAH 2,126,219 thousand, such liabilities are presented "on demand" as at 31 December 2024. Information on the letters of waiver of the requirements for early repayment of loans received by the Bank ("waiver") from creditors is provided in Note 3. As at 31 December 2023, Bank classifies long-term liabilities in the amount of UAH 3,198,099 thousand in accordance with the terms specified in the waiver letters ("waiver").

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Financial liabilities as at 31 December 2024	On demand and up to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Due to other banks	3,369,292	126,117	–	–	3,495,409
Other borrowed funds	2,179,744	459,967	1,855,785	5,978,971	10,474,467
Derivative financial instruments:					
- contractual amounts receivable	(780,327)	–	–	–	(780,327)
- contractual amounts payable	781,613	–	–	–	781,613
Due to customers	155,127,284	11,057,062	1,249,559	70	167,433,975
Other financial liabilities	1,279,913	62,460	40,455	–	1,382,828
Total undiscounted financial liabilities	161,957,519	11,705,606	3,145,799	5,979,041	182,787,965

Financial liabilities as at 31 December 2023	On demand and up to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Due to other banks	2,643,027	151,930	–	–	2,794,957
Other borrowed funds	371,840	3,104,568	738,422	2,346,195	6,561,025
Derivative financial instruments:					
- contractual amounts receivable	(2,452,144)	–	–	–	(2,452,144)
- contractual amounts payable	2,472,521	–	–	–	2,472,521
Due to customers	145,745,081	8,226,283	1,091,792	677	155,063,833
Other financial liabilities	535,289	54,761	102,712	–	692,762
Total undiscounted financial liabilities	149,315,614	11,537,542	1,932,926	2,346,872	165,132,954

The contractual maturities of commitments and contingencies of the Bank are presented in the table below. Each undrawn loan commitment is included in the time horizon containing the earliest date when a customer may require its fulfillment. For the issued financial guarantee contracts, the maximum guarantee amount is attributed to the earliest period, in which the guarantee could be required for settlement.

	On demand
As at 31 December 2024	30,996,655
As at 31 December 2023	27,642,888

Operational risk

Operational risk is the risk that the Bank will incur damage or incremental loss or suffer shortfall in expected profit due to errors or deficiencies in the internal processes, willful or negligent acts by the staff or others, failures in information systems or due to external events. Operational risk includes legal risk, information security risk, and information and communication technology risk. For the purposes of operational risk management and control, such indicators as the maximum amount of direct losses from the implementation of operational risk, except for losses caused by the armed aggression of the Russian Federation against Ukraine, are used.

Regardless of the cost of the incident and the amount of potential loss, the Bank is intolerant of operational risks associated with incidents of internal fraud.

In order to identify and measure operational risk, the Bank uses the following tools:

- ▶ maintenance of the incident database and analysis of the information accumulated in it;
- ▶ analysis of the results of official inspections/investigations, inspections carried out by the internal audit department, external auditors, audit inspections, information on appeals from Bank clients, including those received by the Contact Center, information on shortages/surpluses/fines that are recorded on Bank accounts;
- ▶ definition and quarterly monitoring of key risk indicators (KRI - Key Risk Indicators);
- ▶ conducts self-assessment of operational risk (Risk Self Assessments) at least once a year;
- ▶ analysis of business processes in order to identify operational risks inherent in a specific process/procedure of processes, analysis of Bank products and initiatives to automate Bank processes;
- ▶ scenario analysis and annual stress testing of operational risk (Scenario Analysis).

Information on how the Bank carried out operational activities in wartime conditions is given in Note 2.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Interest rate risk of the banking book

Interest rate risk of the banking book is the existing or potential risk to the Bank's earnings and capital arising from adverse changes in the market interest rates. This risk affects both the Bank's profitability and the economic value of its assets, liabilities and off-balance sheet instruments. The information on sensitivity to possible changes in interest rates, assuming other constant values of all other variables of the Bank's statement of profit or loss and other comprehensive income remain constant, is presented in the table below.

Sensitivity of the statement of profit or loss and other comprehensive income reflects the effect of the assumed changes in interest rates on net interest income for one year, which is a result of gaps between maturities of assets and liabilities before revision of the interest rate that reflects maturity before revision of the base rate for instruments with a floating (variable) interest rate and maturity for instruments with a fixed interest rate.

Interest rate sensitivity of pre-tax profits and losses (method of liquidity gaps before revision)

31 December 2024						
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Assets	85,481,886	23,413,338	26,864,530	50,716,961	4,242,271	190,718,986
Liabilities	151,610,881	9,069,135	10,595,579	2,314,983	4,814,427	178,405,005
Difference between assets and liabilities	(66,128,995)	14,344,203	16,268,951	48,401,978	(572,156)	12,313,981
1%	(634,114)	119,470	61,064	–	–	(453,580)
-1%	634,114	(119,470)	(61,064)	–	–	453,580

31 December 2023						
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Assets	72,614,477	15,625,060	29,332,931	42,630,090	3,691,079	163,893,637
Liabilities	140,080,447	10,757,851	8,368,721	1,352,917	1,894,889	162,454,825
Difference between assets and liabilities	(67,465,970)	4,867,209	20,964,210	41,277,173	1,796,190	1,438,812
1%	(646,934)	40,538	78,688	–	–	(527,708)
-1%	646,934	(40,538)	(78,688)	–	–	527,708

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and security prices. The Bank classifies exposures to market risk into either trading or non-trading portfolios. The market risks for non-trading positions are managed and monitored using sensitivity analysis. The Bank recognizes the most material type of market risk to be currency risk (collectively based on instruments of the banking and trading books).

Currency risk

Currency risk is the existing or potential risk for the Bank's earnings or capital arising out of unfavorable fluctuations in foreign exchange rates and precious metal prices. The Assets and Liabilities Management Committee sets limits on positions by foreign currencies based on the requirements of the National Bank of Ukraine. Currency positions are monitored on a daily basis.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The major foreign currency denominated positions of assets and liabilities as at 31 December 2024 are as follows:

	UAH	USD	EUR	Other currencies	Total
Assets					
Cash and cash equivalents	33,560,482	12,100,550	21,430,086	185,872	67,276,990
Loans and other balances with banks	50,887	890,062	63,905	419,412	1,424,266
Loans and advances to customers	42,335,607	17,785,992	7,527,877	-	67,649,476
Investments in securities	57,183,047	75,534	2,232,635	-	59,491,216
Investment property	346,362	-	-	-	346,362
Property and equipment and intangible assets	1,217,319	-	-	-	1,217,319
Right-of-use assets	110,731	-	-	-	110,731
Deferred tax assets	230,531	-	-	-	230,531
Other financial assets	710,093	23,863	4,182	-	738,138
Other non-financial assets	305,410	26,073	43,523	39,087	414,093
Total assets	136,050,469	30,902,074	31,302,208	644,371	198,899,122
Liabilities					
Due to banks	25,734	2,593,175	720,370	156,130	3,495,409
Due to customers	109,933,121	27,967,029	28,398,091	352,239	166,650,480
Other borrowed funds	6,208,015	-	2,244,579	-	8,452,594
Provisions for loan commitments and financial guarantee contracts	121,377	226,902	180,498	-	528,777
Other provisions	149,786	-	-	-	149,786
Current tax liabilities	917,254	-	-	-	917,254
Other financial liabilities	966,320	146,506	221,197	38,534	1,372,557
Other non-financial liabilities	1,122,916	-	2	-	1,122,918
Total liabilities	119,444,523	30,933,612	31,764,737	546,903	182,689,775
Net long/(short) recognized position	16,605,946	(31,538)	(462,529)	97,468	
Assets receivable	-	763,088	481,875	43,425	1,288,388
Assets payable	-	(515,092)	(727,618)	(45,137)	(1,287,847)
Net long/(short) unrecognized position	-	247,996	(245,743)	(1,712)	
Total long/(short) recognized and unrecognized position	16,605,946	216,458	(708,272)	95,756	

The major foreign currency denominated positions of assets and liabilities as at 31 December 2023 are as follows:

	UAH	USD	EUR	Other currencies	Total
Assets					
Cash and cash equivalents	26,837,454	12,333,000	10,458,754	120,243	49,749,451
Loans and other balances with banks	50,955	963,528	297,357	321,371	1,633,211
Loans and advances to customers	38,277,438	15,377,936	9,677,573	-	63,332,947
Investments in securities	55,538,749	167,711	22,205	-	55,728,665
Investment property	154,269	-	-	-	154,269
Current tax assets	1,070,155	-	-	-	1,070,155
Property and equipment and intangible assets	1,225,785	-	-	-	1,225,785
Right-of-use assets	138,631	-	-	-	138,631
Deferred tax assets	54,449	-	-	-	54,449
Other financial assets	1,512,606	593,658	5,893	-	2,112,157
Other non-financial assets	604,820	37,433	21,225	1,252	664,730
Total assets	125,465,311	29,473,266	20,483,007	442,866	175,864,450
Liabilities					
Due to banks	63,287	1,885,255	745,153	101,262	2,794,957
Due to customers	110,152,291	25,390,011	18,340,413	250,849	154,133,564
Other borrowed funds	2,562,846	-	3,017,091	-	5,579,937
Provisions for loan commitments and financial guarantee contracts	175,737	50,357	451,058	-	677,152
Other provisions	147,958	5,370	7	-	153,335
Other financial liabilities	424,997	70,346	107,592	46,064	648,999
Other non-financial liabilities	610,925	2,486	-	-	613,411
Total liabilities	114,138,041	27,403,825	22,661,314	398,175	164,601,355
Net long/(short) recognized position	11,327,270	2,069,441	(2,178,307)	44,691	
Assets receivable	1,617,477	126,104	1,516,952	2,139	3,262,672
Assets payable	-	(2,937,976)	(328,238)	(13,901)	(3,280,115)
Net long/(short) unrecognized position	1,617,477	(2,811,872)	1,188,714	(11,762)	
Total long/(short) recognized and unrecognized position	12,944,747	(742,431)	(989,593)	32,929	

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The currencies in which the Bank has significant positions for monetary assets and liabilities as at 31 December 2024 and 31 December 2023 are presented in the table below. The analysis involves calculation of the impact of a possible change in exchange rates against the Ukrainian Hryvnia on the statement of profit or loss and other comprehensive income (due to the presence of non-trading monetary assets and liabilities which fair value is sensitive to changes in exchange rates). The negative value shown in the table reflects the potential net decrease in the statement of profit or loss and other comprehensive income or equity, and the positive values reflect the potential net increase.

The expected impact of changes in the exchange rate of direct historical fluctuations in the exchange rates of currency pairs in 2024 in relation to the hryvnia, which causes different forecast rates for different currencies.

Currency	Increase in foreign currency exchange rate, % 31 December 2024	Effect on profit before tax 31 December 2024	Increase in foreign currency exchange rate, % 31 December 2023	Effect on loss before tax 31 December 2023
USD	23.30%	50,435	16.50%	(122,501)
EUR	14.00%	(99,158)	20.75%	(205,341)

Currency	Decrease in foreign currency exchange rate, % 31 December 2024	Effect on profit before tax 31 December 2024	Decrease in foreign currency exchange rate, % 31 December 2023	Effect on loss before tax 31 December 2023
USD	(7.00%)	(15,152)	(7.00%)	51,970
EUR	(7.00%)	49,579	(7.00%)	69,272

The impact on the pre-tax loss will have the opposite effect.

30. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable in the market or is assessed using a different valuation technique.

The fair values are determined by the Bank using the observable market information, where it exists, and the appropriate valuation methodologies. However, certain judgment is required to interpret the market data to determine the estimated fair value. The estimates presented herein are not necessarily indicative of the amounts the Bank could realize in a market exchange from the sale of its entire holdings of a particular instrument or pay in the transfer of liabilities.

The Bank uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

- ▶ Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- ▶ Level 2: techniques for which all inputs that have a significant effect on the fair value are represented by directly or indirectly observable market data; and
- ▶ Level 3: techniques, which use inputs that have a significant effect on the fair value that are not observable on the market liquidity.

Fair value of the Bank's financial assets and financial liabilities measured at fair value on a recurring basis, and fair value of buildings

Some of the Bank's financial assets and financial liabilities as well as the Bank's buildings are measured at fair value at the end of each reporting period. The information about how the fair value of these financial assets and financial liabilities is determined (in particular, the valuation techniques and inputs used) is presented in the table below:

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Assets/liabilities	Fair value hierarchy level	Valuation techniques and key inputs
Investments in securities at fair value through other comprehensive income	2	Discounted cash flows: future cash flows are estimated based on the inputs that are observable either directly or indirectly. The estimates use one or more observable quoted prices for orderly transactions in the markets that are not considered active.
Investments in securities at fair value through other comprehensive income	3	Discounted cash flows: future cash flows are estimated based on both observable and unobservable market data. Unobservable inputs include assumptions regarding future financial performance of the issuer, its risk profile and economic assumptions with respect to the industry and geographical jurisdiction where the issuer operates.
Loans and advances to customers at fair value through profit or loss and Loans and advances to customers at fair value through other comprehensive income	3	Discounted cash flows: future cash flows are estimated based on both observable and unobservable market data. Unobservable data include assumptions about the borrower's future financial performance, risk profile, and economic assumptions about the industry and geographical jurisdiction in which the borrower operates.
Loans and advances to customers at fair value through profit or loss	2	Discounted cash flows for loans and advances to clients within the framework of the state program of affordable mortgage lending to individuals "eOselya": future cash flows are estimated based on the inputs that are observable either directly or indirectly. The estimates use one or more observable quoted prices for orderly transactions in the markets that are not considered active.
Derivative financial instruments	2	Discounted cash flows: future cash flows are estimated based on forward exchange rates (represented by observable foreign exchange rates at the end of the reporting period) and contractual forward exchange rates discounted at a rate reflecting credit risk from different counterparties.
Buildings and land plots, investment property	2	The Bank engages professional independent appraisers to determine the fair values of its buildings and land plots and investment property using comparative approach and income approach for the items for which there are no market comparatives. In a comparative approach to evaluation, the prices of market-based sales of comparable properties in the immediate proximity are adjusted with reference to differences in main parameters (such as floor space of a property item). The main parameter used in this valuation technique is the price per square meter of a property item.
Loans and other balances with banks at fair value through profit or loss	2	Financial assets in precious metals are recognized at fair value through profit or loss. The value of assets changes on a daily basis depending on the prices for precious metals and the official exchange rates published by the NBU for precious metals in the Ukrainian market. Carrying amount approximates the fair value.
Due to banks at fair value through profit or loss	2	Financial liabilities in precious metals are measured at fair value through profit or loss. The value of liabilities changes on a daily basis depending on the prices for precious metals and the official exchange rates published by the NBU for precious metals in the Ukrainian market. Carrying amount approximates the fair value.
Due to customers at fair value through profit or loss	2	Financial liabilities in precious metals are measured at fair value through profit or loss. The value of liabilities changes on a daily basis depending on the prices for precious metals and the official exchange rates published by the NBU for precious metals in the Ukrainian market. Carrying amount approximates the fair value.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

An analysis of the assets and liabilities recognized in the statement of financial position at fair value on initial recognition using a three-level fair value hierarchy is presented in the table below:

31 December 2024				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Loans and other balances with banks at fair value through profit or loss	–	419,412	–	419,412
Derivative financial assets	–	1,827	–	1,827
Loans and advances to customers at fair value through profit or loss	–	1,985,188	8,328	1,993,516
Investments in securities at fair value through other comprehensive income	35	58,213,026	1,278,155	59,491,216
Investment property	–	346,362	–	346,362
Buildings and land plots	–	825,374	–	825,374
Total	35	61,791,189	1,286,483	63,077,707
Liabilities measured at fair value				
Due to banks at fair value through profit or loss	–	96,776	–	96,776
Derivative financial liabilities	–	1,285	–	1,285
Due to customers at fair value through profit or loss	–	267,162	–	267,162
Total	–	365,223	–	365,223
31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Loans and other balances with banks at fair value through profit or loss	–	321,371	–	321,371
Derivative financial assets	–	2,933	–	2,933
Loans and advances to customers at fair value through profit or loss	–	–	29,531	29,531
Loans and advances to customers at fair value through other comprehensive income	–	–	2,925	2,925
Investments in securities at fair value through other comprehensive income	26	45,654,850	1,202,680	46,857,556
Investment property	–	154,269	–	154,269
Buildings and land plots	–	817,559	–	817,559
Total	26	46,950,982	1,235,136	48,186,144
Liabilities measured at fair value				
Due to banks at fair value through profit or loss	–	89,745	–	89,745
Derivative financial liabilities	–	20,376	–	20,376
Due to customers at fair value through profit or loss	–	194,939	–	194,939
Total	–	305,060	–	305,060

Movements in Level 3 financial instruments measured at fair value

The changes in the amounts of Level 3 assets and liabilities that are measured at fair value are presented in the table below:

	As at 1 January 2024	Unrealized income (revaluation)	Repayment	Write-down recognized in equity	Accrued interest as part of interest income	As at 31 December 2024
Financial assets						
Investments in securities at fair value through other comprehensive income	1,202,680	–	(164,548)	74,568	165,455	1,278,155
Loans and advances to customers at fair value through profit or loss	29,530	2,464	(27,251)	–	3,585	8,328

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Impact of changes in the key assumptions on the fair value of Level 3 financial instruments measured at fair value

The impact of using reasonably possible alternative assumptions on measurements of the fair value of Level 3 instruments is summarized in the table below:

	31 December 2024		31 December 2023	
	Carrying amount	Impact of possible alternative assumptions	Carrying amount	Impact of possible alternative assumptions
Financial assets				
Investments in securities at fair value through other comprehensive income	1,278,155	74,782 / (69,925)	1,202,680	90,086 / (74,348)
Loans and advances to customers at fair value through profit or loss	8,328	49 / (48)	29,531	414 / (400)

To analyze the impact on the value of investments that are measured at fair value through other comprehensive income, assumptions about changes in the value of the interest rate along the yield curve. A decrease in the interest rate by 10% lead to an increase in the fair value on UAH 74,782 thousand (2023: UAH 90,086 thousand). An increase in the interest rate by 10% lead to a decrease in the fair value on UAH 69,925 thousand (2023: UAH 74,348 thousand).

To analyze the sensitivity of the loans and advances to customers at fair value through profit or loss, the assumption regarding changes in the discount rate of future cash flows was applied. A decrease in the discount rate by 10% will lead to a decrease in the value by UAH 49 thousand (2023: UAH 414 thousand). An increase in the discount rate by 10% will lead to a decrease in the value by UAH 48 thousand (2023: UAH 400 thousand).

Fair value of financial assets and liabilities not carried at fair value

The estimated fair values of financial assets and liabilities are determined using market prices, discounted cash flows and other appropriate valuation techniques and may not be indicative of the fair value of those instruments at the date these financial statements are authorized for issue. Such calculations do not reflect any premiums or discounts that may arise as a result of an offer to sell the entire amount of a particular financial instrument at the same time. The fair value measurement is based on judgments about expected future cash flows, current economic conditions, risk characteristics of various financial instruments and other factors.

Cash and cash equivalents and loans and other balances with banks comprise balances on correspondent accounts and short-term deposits. Due to the short-term nature of these financial instruments and the corresponding actual interest rates established for similar financial instruments, the carrying amount of cash and cash equivalents and balances of due from other banks approximates their fair value.

To determine the fair value, projected cash flows are discounted at the market rates established on the reporting date for similar instruments.

Financial assets / financial liabilities	Fair value hierarchy level	Valuation techniques and key inputs
Loans and advances to customers	3	Discounted cash flows: Future cash flows are estimated based on both observable and unobservable inputs. Unobservable inputs include the assumptions regarding future financial performance of the counterparty, its risk profile and economic assumptions with respect to the industry and geographical jurisdiction where the counterparty operates. The discount rate reflecting the credit risk of counterparties belonged to the most significant input data.
Loans and advances to customers	2	Discounted cash flows for loans and advances to clients within the framework of the state program of affordable mortgage lending to individuals "eOselya": future cash flows are estimated based on the inputs that are observable either directly or indirectly. The estimates use one or more observable quoted prices for orderly transactions in the markets that are not considered active.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Fair value	31 December 2024			
	Level 1	Level 2	Level 3	Total
Assets for which fair values are disclosed				
Loans and other balances with banks	–	1,004,854	–	1,004,854
Loans and advances to customers	–	3,970,938	62,791,353	66,762,291
Total	–	4,975,792	62,791,353	67,767,145
Liabilities for which fair values are disclosed				
Due to other banks	–	3,398,633	–	3,398,633
Other borrowed funds	–	8,452,594	–	8,452,594
Due to customers	–	166,394,159	–	166,394,159
Total	–	178,245,386	–	178,245,386

Fair value	31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets for which fair values are disclosed				
Loans and other balances with banks	–	1,311,840	–	1,311,840
Investments accounted for at amortized cost	–	8,871,109	–	8,871,109
Loans and advances to customers	–	2,363,423	60,833,734	63,197,157
Total	–	12,546,372	60,833,734	73,380,106
Liabilities for which fair values are disclosed				
Due to other banks	–	2,705,212	–	2,705,212
Other borrowed funds	–	5,579,937	–	5,579,937
Due to customers	–	153,972,944	–	153,972,944
Total	–	162,258,093	–	162,258,093

Set out below is a comparison by class of the carrying amounts and fair values of the Bank's financial instruments that are not carried 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.

	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and other balances with banks	1,004,854	1,004,854	1,311,840	1,311,840
Investments accounted for at amortized cost	–	–	8,871,109	8,871,109
Loans and advances to customers	65,655,960	66,762,291	63,300,491	63,197,157
Total assets	66,660,814	67,767,145	73,483,440	73,380,106
Financial liabilities				
Due to other banks	3,398,633	3,398,633	2,705,212	2,705,212
Other borrowed funds	8,452,594	8,452,594	5,579,937	5,579,937
Due to customers	166,383,318	166,394,159	153,938,625	153,972,944
Total liabilities	178,234,545	178,245,386	162,223,774	162,258,093

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

31. Analysis of assets and liabilities by maturities

Analysis of assets and liabilities by maturities are presented in the table below. See Note 29 for the Bank's contractual undiscounted repayment liabilities.

	31 December 2024				31 December 2023			
	On demand/ Within one year	More than one year	No maturity	Total	On demand/ Within one year	More than one year	No maturity	Total
Cash and cash equivalents	67,276,990	-	-	67,276,990	49,749,451	-	-	49,749,451
Loans and other balances with banks	1,002,841	421,425	-	1,424,266	1,240,577	392,634	-	1,633,211
Loans and advances to customers	44,351,949	23,297,527	-	67,649,476	38,357,753	24,975,194	-	63,332,947
Investments in securities at fair value through other comprehensive income	16,574,324	42,916,892	-	59,491,216	19,916,974	35,811,691	-	55,728,665
Derivative financial assets	1,827	-	-	1,827	2,933	-	-	2,933
Investment property	-	-	346,362	346,362	-	-	154,269	154,269
Current tax assets	-	-	-	-	1,070,155	-	-	1,070,155
Deferred tax assets	-	230,531	-	230,531	-	54,449	-	54,449
Property and equipment and intangible assets	-	-	1,217,319	1,217,319	-	-	1,225,785	1,225,785
Right-of-use assets	-	-	110,731	110,731	-	-	138,631	138,631
Other financial assets	482,788	255,350	-	738,138	1,055,194	1,056,963	-	2,112,157
Other non-financial assets	411,010	3,083	-	414,093	383,855	280,875	-	664,730
Total	130,101,729	67,124,808	1,674,412	198,900,949	111,776,892	62,571,806	1,518,685	175,867,383
Due to banks	3,495,409	-	-	3,495,409	2,794,957	-	-	2,794,957
Due to customers	165,539,039	1,111,441	-	166,650,480	153,261,880	871,684	-	154,133,564
Derivative financial liabilities	1,285	-	-	1,285	20,376	-	-	20,376
Other borrowed funds	2,434,621	6,017,973	-	8,452,594	3,203,813	2,376,124	-	5,579,937
Provisions for loan commitments and financial guarantee contracts	390,938	137,839	-	528,777	603,129	74,023	-	677,152
Other provisions	149,786	-	-	149,786	153,335	-	-	153,335
Current tax liabilities	917,254	-	-	917,254	-	-	-	-
Other financial liabilities	1,298,444	74,113	-	1,372,557	559,248	89,751	-	648,999
Other non-financial liabilities	1,117,996	4,922	-	1,122,918	613,411	-	-	613,411
Total	175,344,772	7,346,288	-	182,691,060	161,210,149	3,411,582	-	164,621,731
Net amount	(45,243,043)	59,778,520	1,674,412	16,209,889	(49,433,257)	59,160,224	1,518,685	11,245,652

As at 31 December 2024, the Bank presented in the article "Other borrowed funds" term loans borrowed from credit institutions in the amount of UAH 6,326,375 thousand, in accordance with the terms specified in the letters regarding the waiver of the rights for the early repayment of the loans ("waiver") received by the Bank from 2 creditors. As at 31 December 2024, the Bank did not receive letters from the other 4 creditors regarding the waiver of the right to demand early repayment of loans in the amount of UAH 2,126,219 thousand, such liabilities are presented "on demand" as at 31 December 2024. Information on the letters of waivers ("waiver") received by the Bank from creditors is provided in Note 3. As at 31 December 2023, creditors, in accordance with the current contracts, had the right to demand early repayment of long-term liabilities, therefore long-term liabilities in the amount of UAH 3,198,099 thousand. were classified on demand. Note 29 provides information on breach of covenants.

The Bank's management believes that the negative liquidity gap (liquidity gap between financial assets and financial liabilities maturing within one year amounted to UAH (43,469,017) thousand as at 31 December 2024). The gap is under control and does not threaten the Bank's ability to settle its liabilities in full and in a timely manner. As such, the Bank has access to secondary reserve of liquid funds represented by:

► unencumbered securities including Ukrainian domestic government bonds in the amount of UAH 30,042,638 thousand, that have a high degree of liquidity and were included in the category of repayable after one year. Liquid funds may be received either through the sale of the said securities or raising of a refinancing loan from the National Bank of Ukraine with the securities used as a collateral. As at 31 December 2024, the fair value of securities that may be considered as a cover for the cumulative liquidity gap in the category of repayable within one year amounted to UAH 30,042,638 thousand;

► stable balances on current and other customer accounts determined based on the Bank's own methods, which are based on statistical analysis of fluctuations in current customer account balances. As at 31 December 2024, the stable balances on current and other accounts were estimated to be equal to UAH 84,215,839 thousand. Based on the going concern assumption, actual maturity of the stable balances may be considered as undefined.

The Bank reflects assets for which the payment deadline has come and for which it is impossible to determine the actual maturity of the debt, with a maturity of "more than one year" taking into account the conservative approach that does not foresee the repayment of debt in the short-term period "On demand/ Within one year".

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

32. Related party transactions

The Bank grants loans and advances to customers, attracts deposits and performs other transactions with related parties in the ordinary course of business. Parties are considered to be related if one party has the ability, directly or indirectly through one or more intermediaries, to control the other party or exercise significant influence over the party when making financial and operational decisions.

As at 31 December 2024, the Bank was 94.94% state-owned bank under the control of the Ministry of Finance of Ukraine (2023: 94.94%). Correspondingly, transactions and balances with related parties comprise transactions with government, government-related entities (both directly and indirectly), key management personnel and entities that are controlled, are under common control or are significantly influenced by them.

A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by the government.

Government refers to government agencies and similar bodies whether local, national or international.

Key management personnel are members of the Management Board and Supervisory Board.

Relatives of members of the Management Board and Supervisory Board are disclosed as "Other related parties".

In considering each possible related party relationship, attention is focused on the substance of such relationship and not merely its legal form. The balances and transactions with related parties at the end of the period and the relevant amounts of profit and loss for the period are as follows:

	31 December 2024				31 December 2023			
	Shareholder (Ministry of Finance of Ukraine)	State controlled entities	Other related parties	Key manageme nt personnel	Shareholder (Ministry of Finance of Ukraine)	State controlled entities	Other related parties	Key manageme nt personnel
Assets								
Cash and cash equivalents	-	32,091,393	-	-	-	25,678,703	-	-
Loans and other balances with banks	-	14,567	-	-	-	11,177	-	-
Loans and advances to customers, gross	-	15,842,742	-	369	-	16,792,433	-	156
Loans and advances to customers, less: expected credit losses/allowance for impairment	-	(1,259,774)	-	(1)	-	(682,218)	-	(1)
Investments in securities	57,637,135	1,668,948	-	-	44,419,609	2,336,359	-	(8)
Right-of-use assets	-	1,909	-	-	-	2,946	-	-
Liabilities								
Due to banks								
- current accounts	-	3,737	-	-	-	19	-	-
- other amounts	-	1,311	-	-	-	1,216	-	-
Other borrowed funds	-	6,326,375	-	-	-	2,927,956	-	-
Due to customers:								
- current accounts	-	53,207,555	8,362	7,634	-	47,117,629	14,536	8,378
- time deposits	-	3,298,863	2,793	19,203	-	2,128,752	2,350	14,725
Lease liabilities	-	2,549	-	-	-	4,173	-	-
Provisions for loan commitments and financial guarantee contracts	-	399,959	-	1	-	528,099	-	2
Commitments and contingencies								
Financial guarantees	-	3,617,423	-	-	-	5,118,177	-	-
Credit-related commitments	-	8,214,018	66	442	-	6,076,077	66	650
Letters of credit	-	801,233	-	-	-	690,200	-	-
Performance guarantees	-	-	-	-	-	320,053	-	-

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

	31 December 2024				31 December 2023			
	Shareholder (Ministry of Finance of Ukraine)	State controlled entities	Other related parties	Key manageme nt personnel	Shareholder (Ministry of Finance of Ukraine)	State controlled entities	Other related parties	Key manageme nt personnel
Statement of profit or loss and other comprehensive income								
Interest revenue calculated using effective interest method:								
- loans and advances to customers	-	2,079,638	5	126	-	2,250,873	77	92
- due from credit institutions	-	-	-	-	-	190	-	-
- investments in securities	8,175,189	340,004	-	-	5,134,612	432,946	-	-
- deposit certificates of the National Bank of Ukraine	-	2,867,752	-	-	-	3,076,606	-	-
Interest expense:								
- due to the National Bank of Ukraine	-	-	-	-	-	197,968	-	-
- due to credit institutions	-	191,723	-	-	-	78,666	-	-
- due to customers	-	3,547,143	749	702	-	3,395,195	36	287
- lease liability	-	509	-	-	-	887	-	-
Impairment loss determined in accordance with IFRS 9	-	472,900	-	-	-	284,934	32	26
Net gain (loss) on operations with debt financial instruments measured at fair value through other comprehensive income	372,902	931	-	-	72,072	-	-	-
Other income	-	2,733	-	-	-	3,882	-	4
Other operating expenses	-	304,979	-	432	-	269,234	-	273

For deposit certificates of the National Bank of Ukraine, the rate range is as follows (%):

Currency	31 December 2024	31 December 2023
UAH	13.5	15.0 – 20.0

For loans and advances to customers granted to related parties, the rate range is as follows (%):

Currency	31 December 2024		31 December 2023	
	Corporate banking	Retail banking	Corporate banking	Retail banking
UAH	14.8 – 24.7	45.0 – 45.0	11.0 – 28.1	43.0 – 43.0
USD	5.3 – 7.5	-	5.1 – 7.5	-
EUR	4.5 – 6.7	-	4.5 – 4.5	-

Other borrowed funds received from related parties, the rate range is as follows (%):

Currency	31 December 2024	31 December 2023
UAH	3.0 – 13.19	3.0 – 14.3
USD	-	-
EUR	6.126	6.26 – 6.76

Due to customers: current accounts received from related parties, the rate range is as follows (%):

Currency	31 December 2024		31 December 2023	
	Corporate banking	Retail banking	Corporate banking	Retail banking
UAH	0 – 12.4	0 – 6.5	0 – 14.9	0 – 5.0
USD	0 – 2.0	0 – 0.0001	0 – 0.3	0 – 0.0001
EUR	0 – 0.5	0 – 0.0001	-	0 – 0.0001

Due to customers: time deposits received from related parties, the rate range is as follows (%):

Currency	31 December 2024			31 December 2023		
	Corporate banking	SME	Retail banking	Corporate banking	SME	Retail banking
UAH	8.0 – 12.00	8.0	11.75 – 12.75	12.0 – 16.5	12.0 – 13.0	15.0 – 15.7
USD	0.05 – 2.75	-	0.01 – 2.0	0.1 – 1.7	-	0.01 – 1.0
EUR	0.01	-	0.01	0.01	-	0.01

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

Due to customers received from related parties, the volumes of transactions by maturity are as follows:

	31 December 2024			31 December 2023		
	Corporate banking	SME	Retail banking	Corporate banking	SME	Retail banking
On demand/						
Within one year	56,496,987	14,677	32,746	49,181,424	73,629	28,654
More than one year	–	–	–	2,663	–	–

For loans and advances to customers granted to related parties, the volumes of transactions by maturity are as follows:

	31 December 2024		31 December 2023	
	Corporate banking	Retail banking	Corporate banking	Retail banking
On demand/				
Within one year	14,013,947	369	12,606,904	155
More than one year	1,828,795	–	4,185,530	–

Risk concentration

Concentration risk - risk is determined by the Bank as the risk of possible losses due to concentration of risk in specific instruments, operations and industries.

The Bank's activities are characterized by a significant scale of operations with state-owned companies resulting in concentration of credit and investment risks in relation to certain counterparties and groups of related counterparties and industries.

As at 31 December 2024, 53% of assets and 35% of liabilities were concentrated in operations with state-owned companies, the National Bank of Ukraine, state banks and government authorities (2023: 50% of assets and 32% of liabilities).

The Bank manages concentration risk in its credit and securities portfolios by setting limits for individual counterparties and groups of counterparties.

Remuneration and accrual to key management personnel comprises the following items:

	31 December 2024	31 December 2023
Salaries and bonuses	99,344	71,834
Reserves for bonuses and unused vacations	94,765	17,604
Total remuneration and accrual to key management personnel	194,109	89,438

33. Capital adequacy

The Bank's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also considered and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The main regulator, the National Bank of Ukraine, sets and monitors capital requirements for the Bank as a whole and monitors compliance with these requirements on the basis of reporting under national standards. The Bank as a whole and its individual banking operation are directly supervised by the local regulators.

In August 2024, the process of implementing the requirements of the new Regulation on the procedure for determining the amount of regulatory capital by banks of Ukraine, approved by Resolution of the NBU Board No. 196 dated 28 December 2023, was completed. From 06 August 2024, the calculation of regulatory capital and capital adequacy ratios is carried out in accordance with the new regulatory requirements for the three-tier capital structure, as well as taking into account the minimum amount of market risk.

As at 31 December 2024, the specified minimum level of regulatory capital adequacy was 8.5%, the minimum Tier 1 capital adequacy ratio was 7.5%, the minimum Tier 1 core capital adequacy ratio was 5.625% (in accordance with the new regulatory requirements for calculating capital adequacy), as at 31 December 2023 the minimum regulatory capital adequacy ratio was 10%, and the minimum core capital adequacy ratio was 7%. The Bank's complies with the regulatory requirements for capital level indicators as at 31 December 2024 and 31 December 2023.

(in thousands of Ukrainian hryvnias, unless otherwise indicated)

The Bank analyzes its activities as regards its compliance with the minimum capital requirements, including the capital adequacy requirements in accordance with the Basel Accord of 1988, as defined in the *International Convergence of Capital Measurement and Capital Standards* of Basel Committee on Banking Supervision (updated April 1998) and Amendment to the Basel Accord to incorporate market risks (updated November 2005), commonly known as Basel I. As at 31 December 2024 and 31 December 2023, the minimum capital adequacy ratio required by Basel I was 8% and the minimum Tier 1 capital adequacy ratio was 4%.

As at 31 December 2024 and 31 December 2023, the Bank's capital adequacy ratio is:

	31 December 2024	31 December 2023
Common equity Tier 1 / Fixed assets	13,016,218	8,260,719
Tier 1 capital / Additional capital	13,016,218	3,109,167
Tier 2 capital	-	-
Regulatory capital	13,016,218	11,369,886
Aggregate risk exposure / Risk-weighted assets	79,509,210	71,919,304
Standard Total capital / H2	16.37%	15.81%
Standard Tier 1	16.37%	x
Standard CET1 / H3	16.37%	11.49%

34. Changes in liabilities arising from financing activities

	Due to the National Bank of Ukraine	Other borrowed funds (long-term)	Lease liability	Total
Carrying amount as at 1 January 2023	998,956	3,385,859	163,506	4,548,321
Additions	-	2,360,603	68,880	2,429,483
Repayment	(1,000,000)	(439,957)	(81,305)	(1,521,262)
Exchange differences	-	241,196	-	241,196
Other	1,044	32,236	(18,020)	15,260
Carrying amount as at 31 January 2023	-	5,579,937	133,061	5,712,998
Additions	-	4,065,410	61,064	4,126,474
Repayment	-	(1,307,833)	(76,686)	(1,384,519)
Exchange differences	-	104,526	-	104,526
Other	-	10,554	(1,338)	9,216
Carrying amount as at 31 December 2024	-	8,452,594	(116,101)	8,568,695

35. Subsequent events

As of the date these financial statements were authorised for issue, hostilities continue and there is a high level of uncertainty associated with the war. The military forces of the Russian Federation continue to destroy infrastructure and production facilities, part of the territory of Ukraine is under occupation. The Verkhovna Rada of Ukraine extended martial law and mobilization until 9 May 2025.

The Board of the National Bank of Ukraine decided to increase the discount rate from 13.5% to 14.5% from 24 January 2025 and to 15.5% from 7 March 2025.

On 10 February 2025, the Bank signed a new agreement to provide partial coverage under the EU4Business Guarantee Facility with the European Investment Bank (EIB) and the European Investment Fund (EIF) to support Ukrainian small and medium-sized enterprises (SMEs). This will allow the Bank to finance Ukrainian businesses for approximately EUR 27 million. The guarantee will cover from 30% to 80% of obligations under loan agreements aimed at financing investment projects, working capital and other purposes supporting the development of small and medium-sized enterprises.

Онлайн сервіс створення та перевірки кваліфікованого та удосконаленого електронного підпису

ПРОТОКОЛ
створення та перевірки кваліфікованого та удосконаленого електронного підпису

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Назва файлу з підписом: Report_ENG_Y2024_A4X_final.pdf.p7s
Розмір файлу з підписом: 17.8 КБ

Перевірені файли:

Назва файлу без підпису: Report_ENG_Y2024_A4X_final.pdf
Розмір файлу без підпису: 1.6 МБ

Результат перевірки підпису: Підпис створено та перевірено успішно. Цілісність даних підтверджено

Підписувач: Ільницька Наталія Геннадіївна

П.І.Б.: Ільницька Наталія Геннадіївна

Країна: Україна

РНОКПП: 2565005064

Організація (установа): ПУБЛІЧНЕ АКЦІОНЕРНЕ ТОВАРИСТВО АКЦІОНЕРНИЙ БАНК
"УКРГАЗБАНК"

Код ЄДРПОУ: 23697280

Посада: Головний бухгалтер

Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 15:02:37
15.03.2025

Сертифікат виданий: АЦСК Національного банку України

Серійний номер: 3E0E4EA9F723F863040000002218000022A90000

Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

Тип контейнера: Підпис та дані в окремих файлах (CAAdES detached)

Формат підпису: З повними даними ЦСК для перевірки (CAAdES-X Long)

Сертифікат: Кваліфікований

Версія від: 2025.02.05 13:00

Онлайн сервіс створення та перевірки кваліфікованого та удосконаленого електронного підпису

ПРОТОКОЛ
створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 15:03:24 15.03.2025

Назва файлу з підписом: Report_ENG_Y2024_A4X_final.pdf.p7s

Розмір файлу з підписом: 17.0 КБ

Перевірені файли:

Назва файлу без підпису: Report_ENG_Y2024_A4X_final.pdf

Розмір файлу без підпису: 1.6 МБ

Результат перевірки підпису: Підпис створено та перевірено успішно. Цілісність даних підтверджено

Підписувач: Морозов Родіон Валерійович

П.І.Б.: Морозов Родіон Валерійович

Країна: Україна

РНОКПП: 2883002798

Організація (установа): АБ "УКРГАЗБАНК"

Код ЄДРПОУ: 23697280

Посада: в.о.Голови Правління

Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 15:03:24 15.03.2025

Сертифікат виданий: КНЕДП АБ "УКРГАЗБАНК"

Серійний номер: 5FF6271A312E3339A49EA956670A4CE901637B39

Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

Тип контейнера: Підпис та дані в окремих файлах (CAdES detached)

Формат підпису: З повними даними ЦСК для перевірки (CAdES-X Long)

Сертифікат: Кваліфікований

Версія від: 2025.02.05 13:00

ПРОТОКОЛ
створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 15:04:28 15.03.2025

Назва файлу з підписом: Report_ENG_Y2024_A4X_final.pdf.p7s
Розмір файлу з підписом: 16.8 КБ

Перевірені файли:
Назва файлу без підпису: Report_ENG_Y2024_A4X_final.pdf
Розмір файлу без підпису: 1.6 МБ

Результат перевірки підпису: Підпис створено та перевірено успішно. Цілісність даних підтверджено

Електронна печатка: ПУБЛІЧНЕ АКЦІОНЕРНЕ ТОВАРИСТВО АКЦІОНЕРНИЙ БАНК "УКРГАЗБАНК"
П.І.Б.:

Країна: Україна

Організація (установа): ПУБЛІЧНЕ АКЦІОНЕРНЕ ТОВАРИСТВО АКЦІОНЕРНИЙ БАНК
"УКРГАЗБАНК"

Код ЄДРПОУ: 23697280

Час підпису (підтверджено кваліфікованою позначкою часу для підпису від Надавача): 15:04:28
15.03.2025

Сертифікат виданий: КНЕДП АБ "УКРГАЗБАНК"

Серійний номер: 7AAA9A37B256DD31288243DD061E8CC04B42C0DC

Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

Тип контейнера: Підпис та дані в окремих файлах (CAAdES detached)

Формат підпису: З повними даними ЦСК для перевірки (CAAdES-X Long)

Сертифікат: Кваліфікований

Версія від: 2025.02.05 13:00