

**JSC KREDOBANK**

**SEPARATE ANNUAL REPORT  
2025**

## CONTENTS

<b>SEPARATE MANAGEMENT REPORT .....</b>	<b>3</b>
<b>SEPARATE FINANCIAL STATEMENTS.....</b>	<b>35</b>
SEPARATE STATEMENT OF FINANCIAL POSITION.....	36
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	37
SEPARATE STATEMENT OF CHANGES IN EQUITY .....	38
SEPARATE STATEMENT OF CASH FLOWS.....	39
NOTES TO THE SEPARATE FINANCIAL STATEMENTS .....	40
1. INTRODUCTION .....	40
2. OPERATING ENVIRONMENT OF THE BANK.....	42
3. ACCOUNTING POLICY .....	43
4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICY .....	62
5. CASH AND FUNDS IN THE NATIONAL BANK OF UKRAINE.....	64
6. DUE FROM OTHER BANKS.....	65
7. LOANS AND ADVANCES TO CUSTOMERS.....	67
8. SECURITIES .....	76
9. INVESTMENTS IN SUBSIDIARIES.....	78
10. INVESTMENT PROPERTY.....	78
11. PROPERTY, PLANT AND EQUIPMENT .....	79
12. INTANGIBLE ASSETS.....	81
13. OTHER FINANCIAL ASSETS .....	82
14. OTHER NON-FINANCIAL ASSETS .....	86
15. DUE TO OTHER BANKS .....	86
16. CUSTOMER ACCOUNTS.....	87
17. DUE TO OTHER FINANCIAL INSTITUTIONS.....	88
18. OTHER FINANCIAL LIABILITIES.....	89
19. OTHER NON-FINANCIAL LIABILITIES.....	89
20. PROVISIONS .....	89
21. SHARE CAPITAL.....	90
22. OTHER COMPREHENSIVE INCOME RECOGNISED IN EQUITY .....	91
23. INTEREST INCOME AND EXPENSE .....	92
24. FEE AND COMMISSION INCOME AND EXPENSE.....	93
25. CREDIT LOSS EXPENSE ON FINANCIAL ASSETS.....	94
26. OTHER OPERATING INCOME.....	94
27. ADMINISTRATIVE AND OTHER OPERATING EXPENSES .....	95
28. INCOME TAX .....	96
29. BASIC AND DILUTED PROFIT PER SHARE.....	97
30. SEGMENT ANALYSIS .....	98
31. FINANCIAL RISK MANAGEMENT .....	101
32. CAPITAL MANAGEMENT.....	112
33. CONTINGENCIES AND OTHER COMMITMENTS.....	113
34. FAIR VALUE DISCLOSURES.....	116
35. PRESENTATION OF FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES.....	120
36. DERIVATIVE FINANCIAL INSTRUMENTS .....	122
37. RELATED PARTY TRANSACTIONS .....	123
38. SUBSEQUENT EVENTS .....	126
<b>INDEPENDENT AUDITOR'S REPORT.....</b>	<b>127</b>

*FREE TRANSLATION FROM THE UKRAINIAN ORIGINAL*

JSC "KREDOBANK"

SEPARATE ANNUAL REPORT FOR THE YEAR 2025 | SEPARATE MANAGEMENT REPORT

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# **SEPARATE MANAGEMENT REPORT FOR THE YEAR 2025**

**ADDRESS BY MACIEJ CIESLUKOWSKI, DEPUTY CHAIRMAN OF THE SUPERVISORY BOARD AND ACTING CHAIRMAN OF THE SUPERVISORY BOARD OF JSC KREDOBANK**

Presenting to you the Management Board Report for 2025, on behalf of the Supervisory Board I would like to express our gratitude to our Shareholder, Depositors, Clients and Employees for their trust and cooperation during this exceptionally difficult period for Ukraine and its economy.

2025 was another year in which the Bank operated under the conditions of the full-scale war. In these circumstances, the role of stable financial institutions ensuring continuity of banking services and supporting the functioning of the economy became particularly important. The Supervisory Board closely oversaw the Bank's activities and supported the Management Board in achieving its strategic objectives, while ensuring adherence to high standards of governance, financial soundness and a responsible approach to risk management.

Last year, particular attention was paid to the Bank's operational resilience, financial stability and ability to operate under heightened uncertainty. The Supervisory Board regularly reviewed the macroeconomic environment, risks associated with the ongoing war and the impact of these factors on the Ukrainian banking sector, while supporting the Management Board in decisions aimed at maintaining the Bank's stability and further development.

Going forward, the Supervisory Board will continue to support the Management Board in strengthening the position of JSC KREDOBANK as a stable and responsible financial institution. At the same time, particular importance is attached to measures related to the future recovery of Ukraine's economy, in which the banking sector will play an important role.

I would also like to express my sincere respect for the resilience of the Ukrainian people, businesses and institutions that continue to operate and support the country's economy despite challenging conditions. JSC KREDOBANK remains an important part of Ukraine's financial system, providing stability and security to its clients.

## **ADDRESS BY THE CHAIRMAN OF THE MANAGEMENT BOARD OF JSC KREDOBANK**

The performance of JSC KREDOBANK in 2025 confirms the Bank's stability and efficient operations even amid the full-scale war. It is particularly important that we succeeded in maintaining and strengthening client confidence, with client funds increasing by UAH 12 billion. For our clients, matters relating to reliable account servicing, domestic transfers, the purchase of foreign currency within the limits established by law, and investment and deposit products remain important, and we continue to meet their expectations.

In 2025, the Bank actively financed the Ukrainian economy, providing a total of UAH 12.8 billion in new loans, of which 99% were loans to corporate clients.

Kredobank expanded its cooperation with international financial institutions to obtain credit guarantees for Ukrainian enterprises. Under support programmes of the European Investment Bank and the European Investment Fund, the Bank received guarantees of EUR 6 million, enabling it to increase financing for small and medium-sized enterprises in Ukraine by EUR 18.5 million.

Kredobank also participates in guarantee programmes implemented in cooperation with the European Commission and Bank Gospodarstwa Krajowego, which further expand access to finance for Ukrainian businesses, in particular for companies operating in war-affected regions.

On 16 December 2025, Kredobank signed a new agreement with Bank Gospodarstwa Krajowego under the Development Cooperation Financial Instrument, which provides for the implementation of a credit risk-sharing mechanism. As a result, the Bank received support in the amount of PLN 42 million, which will allow it to further increase financing for the SME sector in Ukraine and mitigate credit risk in wartime conditions.

The Bank's equity increased by 20% in 2025. In 2026, JSC KREDOBANK will continue to expand lending programmes for businesses in cooperation with international financial institutions, supporting the recovery of Ukraine.

Kredobank is implementing a strategy entitled "A Reliable Bank in Uncertain Times", focused on ensuring the Bank's resilience amid the ongoing war and preparing for active participation in the recovery of Ukraine's economy. The strategy takes into account the impact of Russian aggression and military operations on the operating environment of the banking sector and JSC KREDOBANK, and also provides for the further strengthening of the Bank's financial stability and the development of financing for businesses and individuals. At the same time, the significant uncertainty and volatility of the external environment inherent in the current conditions require JSC KREDOBANK to maintain flexibility in planning and operations in order to respond to changes promptly and effectively.

In this context, comprehensive support from the strategic shareholder, PKO Bank Polski, the largest bank in Poland, remains an important factor underpinning the long-term resilience of JSC KREDOBANK to external challenges and threats.

## 1. NATURE OF BUSINESS

### 1.1. The Bank's operating environment.

The course of the full-scale war remains the key risk to Ukraine's economic development. Russia's aggression continues to create risks of a further loss of economic potential, including through losses of people, territories and production capacity. The speed at which the economy returns to normal operating conditions will depend on the nature and duration of hostilities.

The main risks caused by Russian aggression remain unchanged:

- additional budgetary needs, primarily to maintain defence capability;
- a possible further increase in taxes which, depending on its parameters, may intensify price pressures;
- further damage to infrastructure, primarily energy infrastructure, which will constrain economic activity and add supply-side pressure on prices;
- deepening adverse migration trends and a further widening labour shortage in the domestic labour market.

Following GDP growth of 2.9% in 2024, Ukraine's economic growth slowed to 1.8% in 2025 due to substantial damage to the energy sector caused by Russian attacks.

According to the NBU's forecasts, real GDP growth is expected to accelerate in 2026–2028, ranging from 1.8% to 3.7%, driven by a further recovery in private consumption amid lower security risks, higher household income and investment in reconstruction. In its macroeconomic forecast updated in February 2026, the International Monetary Fund expects Ukraine's real GDP to grow by 1.8% to 2.5% in 2026.

After accelerating to 15.9% in May 2025, inflation gradually decelerated and decreased to 8.0% year-on-year in December 2025. Inflation slowed due to easing labour market imbalances, the effect of strong harvests in the previous year and stronger competition from imported goods.

The foreign exchange market in Ukraine operated under restrictions introduced during martial law. Most transactions on the interbank market were conducted with the participation of the National Bank of Ukraine, both for the purchase and sale of foreign currency. The NBU made significant interventions to meet market demand for foreign currency and, overall, the official hryvnia exchange rate depreciated by 1% during 2025 to UAH 42.4 per USD 1.

Throughout 2025, the NBU maintained a tight monetary policy stance and continued increasing the discount rate in the first quarter to 15.5%. During the second to fourth quarters of 2025, it postponed any decision to change the discount rate and kept it unchanged.

In December 2025, the National Bank of Ukraine published the results of the resilience assessment of the 21 largest banks, which together account for more than 90% of sector assets, using two macroeconomic scenarios: a baseline scenario and an adverse scenario. According to the 2025 stress test results, the aggregate capital of banks increased under both scenarios. At the same time, higher capital adequacy requirements were established for several banks. Under the baseline macroeconomic scenario, higher capital adequacy requirements were set for six financial institutions, which together account for 5% of sector assets. Under the adverse scenario, higher required capital adequacy ratios were set for nine banks with a combined share of 18% of sector assets. No higher capital adequacy requirements were set for JSC KREDOBANK (hereinafter, JSC KREDOBANK or the Bank). At the same time, it ranked among the top five banks with the highest projected capital adequacy ratios under both macroeconomic scenarios, baseline and adverse, based on the stress test results.

Net hryvnia-denominated corporate loans grew strongly during the year, by 35.6% year-on-year. Growth in lending was significantly supported by the recovery in lending to state-owned enterprises, primarily in the energy sector. In the second half of the year, foreign currency lending also intensified, mainly to large and medium-sized companies in wholesale trade, agriculture, the food industry and energy. Net foreign currency loans increased by 23.2% in 2025.

Growth in net hryvnia-denominated retail loans accelerated to 33.9% in 2025. During the year, all groups of banks actively expanded their retail loan portfolios, with private banks showing the fastest growth. Mortgage loans accounted for 13.6% of the portfolio at year-end, increasing by 0.2 percentage points during the year. Mortgage lending continued to be dominated by loans granted under the eOselia programme. During the year, the share of non-performing loans (NPLs) declined and stood at 13.9% at year-end, the lowest level in more than 15 years. The key factor behind the sharp decline in the NPL ratio at the end of the year was the write-

off of legacy loans by state-owned banks, including loans related to the former owners of PrivatBank. The growth in new high-quality lending also had a positive effect on reducing the NPL ratio during the year.

According to preliminary data before the annual audit, banks earned UAH 126.8 billion in profit in 2025, almost half of which was generated by state-owned banks. Profit was 39.4% higher than in the previous year. Seven small banks were loss-making, with a combined loss of only UAH 0.1 billion. During the year, regulatory capital in the banking sector increased, supporting banks' ability to expand lending. All banks complied with capital adequacy requirements, including the leverage ratio, at the end of the year.

Information on the economic environment in which the Bank operates is also disclosed in Note 2 to the Annual Financial Statements.

## 1.2. Information on managers and officers.

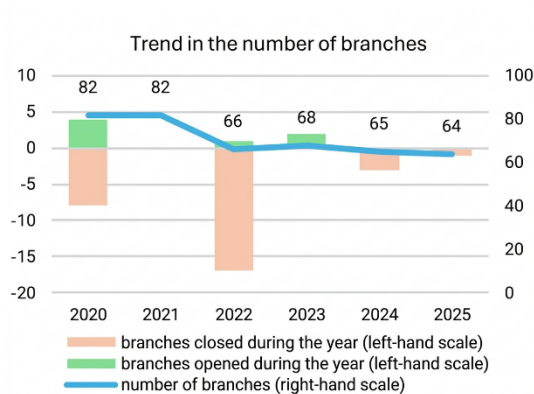
Information on the composition of the Supervisory Board and the Management Board of the Bank, and changes therein during 2025, is presented in section 8.3, "Composition of the Supervisory Board and the Executive Body, their committees, information on meetings held and a general description of decisions adopted" of this Report.

## 1.3. Organisational structure and branch network.

As at the end of 2025, the Bank's organisational structure comprised the Head Office and 64 branches.

The Bank's branch network covered almost all regions of Ukraine, except for Luhansk and Donetsk oblasts and the territory of the temporarily occupied Autonomous Republic of Crimea.

During the reporting year, the number of branches decreased by one following the closure of the branch in Zhydachiv, Lviv oblast. In addition, two branches, in Khmelnytskyi and Rivne, were relocated to new premises, and one branch was modernised in accordance with the Bank's standards.



The operations of certain branches were temporarily suspended during the reporting period due to safety considerations for clients and employees, as well as the need to repair physical damage caused by shelling.

The Bank's additional sales channels include a network of 231 proprietary ATMs and 88 self-service terminals, as well as modern remote banking systems provided via the Internet and telephone.

## 1.4. Information on share acquisitions.

During 2025, the Bank did not acquire its own registered ordinary shares on its own account.

## 1.5. Brief description of the current business model and the main products and services.

Based on the supervisory assessment of banks and taking into account the Bank's size within the banking system, as well as the structure and complexity of its operations, the National Bank of Ukraine (hereinafter, the NBU) classifies JSC KREDOBANK as Category 3 (large universal banks) with a universal business model.

The Bank provides services to both individuals and corporate clients, including small and medium-sized enterprises. Accordingly, the business lines and products that the Bank considers key are as follows:

Business line	Key products
<b>Retail banking</b>	packages for individuals; funds attracted to accounts, including term and demand deposits; settlement and cash services (in the medium term, consumer loans and mortgage loans).
<b>Small and medium-sized enterprises (SME)</b>	lending under state support programmes; lending under EBRD guarantees; lending under credit guarantees provided by the European Commission and the Polish state development bank; SME packages; foreign trade services; attraction of free liquidity (in the medium term, overdrafts, investment loans and leasing).

<b>Corporate banking</b>	lending under state support programmes; packages for corporate clients; foreign trade services; attraction of free liquidity (in the medium term, overdrafts, investment loans and leasing).
<b>Treasury operations</b>	investments in domestic government bonds; NBU certificates of deposit; foreign securities.

In view of the significant increase in credit risk amid Russian aggression, the Bank introduced restrictions on the growth of its retail loan portfolio. At the same time, this did not result in any change in its market positioning: the Bank continues to provide services to individuals, corporate clients and SMEs. Even in wartime conditions, the Bank remains an active lender in the corporate and SME segments, thereby contributing to the recovery of Ukraine's economy.

### 1.6. Awards and recognitions.

During the reporting period, the Bank's high-quality product offering aligned with client expectations and needs, its strong financial standing and reliability, as well as its corporate social responsibility initiatives, were recognised by the expert community.

In 2025, the Bank received the following distinctions and awards:

- 1st place in the Overdrafts category in the annual banking market survey "25 Leading Banks of Ukraine" by *Financial Club* (based on the results for 2024);
- 1st place in the Savings Deposit category in the annual banking market survey "25 Leading Banks of Ukraine" by *Financial Club* (based on the results for 2024);
- Best Customer Service award from *TOP-100. Rankings of the Largest* magazine and the business portal *Delo.ua*;
- winner in the Support for Entrepreneurship category in the 14th CSR Case Competition organised by *CSR Ukraine* (for the Kredobank Foundation project "The Courage to Be");
- 2nd place in the 2024 bank deposit reliability ranking by *Standard-Rating* rating agency;
- 2nd place in the Overdrafts category in the annual banking market survey "25 Leading Banks of Ukraine" by *Financial Club*;
- 3rd place in the annual FinAwards 2025 in the category Best Bank for Legal Entities;
- 4th place in the Ranking of Reliable Banks of Ukraine by *Focus*;
- 4th place in the Leasing category in the annual banking market survey "25 Leading Banks of Ukraine" by *Financial Club*;
- 5th place in the Classic Deposit category in the annual banking market survey "25 Leading Banks of Ukraine" by *Financial Club*;
- 7th place in the financial reliability ranking of Ukrainian banks based on the results of the third quarter of 2025, according to the *YouControl* counterparty monitoring system;
- 9th place in the Strongest Among the Largest ranking conducted by *Forbes Ukraine*.

## 2. THE BANK'S OBJECTIVES AND STRATEGY

### 2.1. Action priorities for achieving objectives.

#### MISSION, VISION AND STRATEGY OF JSC KREDOBANK

The Bank developed a new Strategy for 2025–2027 entitled "**A Reliable Bank in Uncertain Times**", which was approved by the Supervisory Board on 4 July 2025.

The Strategy covers 2025–2027, which is considered an optimal period in view of both the ongoing war and the high level of uncertainty, as well as the duration of the current strategy of PKO Bank Polski S.A., the Bank's sole Shareholder.

The Bank's mission is to be a reliable financial partner for its Clients and an attractive employer for its Employees. As a member of the capital group of PKO Bank Polski S.A., the largest Polish bank, the Bank

seeks to offer its clients sound financial solutions, implement modern technologies, develop international cooperation and support Ukraine's economy.

The Bank's long-term vision is to be an efficient and secure bank that creates value for Clients, Employees and the Shareholder. As a member of the PKO Bank Polski S.A. capital group, the Bank is guided by the following values: partnership, development and impact.

In line with the new Strategy, JSC KREDOBANK will remain a universal bank providing high-quality service to all client segments, while giving priority attention to the corporate segment and the small and medium-sized business segment, taking into account both their growing importance in the Bank's income structure and their key contribution to the recovery of Ukraine's economy.

The Strategy takes into account the impact of Russian aggression and the ongoing war on the operating environment of the banking sector and JSC KREDOBANK and is focused on ensuring the Bank's resilience and preparing for the recovery of Ukraine. At the same time, the significant uncertainty and volatility inherent in the current environment require JSC KREDOBANK to remain flexible in its planning and actions in order to respond to changes promptly and effectively. Against this background, the Strategy will be implemented through three components:

- Component 1: "Ensuring the Bank's resilience" – an unconditional priority that determines the Bank's future capabilities and is a key prerequisite for implementing strategic initiatives under the other Strategy components;
- Component 2: "Preparation for the recovery of business activity" – initiatives under this component will begin to be implemented without waiting for the lifting of martial law;
- Component 3: "Active participation in the recovery of Ukraine" – the transition to the recovery component will depend directly on a sustained cessation of hostilities and, given the current balance of security risks, may extend beyond the Strategy period. At the same time, the recovery and modernisation of Ukraine is regarded as a major opportunity for JSC KREDOBANK as a member of the PKO Bank Polski S.A. Group.

The Strategy components are further detailed through strategic initiatives on which JSC KREDOBANK will focus its efforts over the next three years. At the same time, the timeframes of the Strategy components are not fixed and remain flexible due to the high level of uncertainty. In implementing the Strategy, the Bank will also follow the principle of flexibility, which it understands as adjusting the intensity of implementation of strategic initiatives in response to changes in the external environment.

A significant level of support from the Shareholder, both in the form of financial investment and technological and methodological support, remains an important factor determining the Bank's resilience to external threats and enables the Bank to make effective use of the experience of the Polish financial market.

## **2.2. Criteria for measuring success and assessing performance.**

The Bank's success is measured against the achievement of the strategic objectives set out in the Strategy. In particular, under the first Strategy component, the Bank's strategic objectives are as follows:

- uninterrupted operation of critical processes and distribution channels;
- capital protection, compliance with prudential ratios and profitable operations;
- retention of top-performing employees.

Under the second Strategy component, the strategic objectives of JSC KREDOBANK are as follows:

- establishment of a systematic ESG approach within the Bank, including, in particular, the implementation of ESG governance, assessment, monitoring and reporting arrangements;
- increase in the share of digital/online processes by at least 20 percentage points compared to the current level;
- increase in the number of risk-sharing agreements and in the proportion of loans granted in cooperation with international financial institutions.

## **2.3. Material changes in objectives and achievements during the reporting period.**

There were no material changes in the Bank's objectives and achievements during the reporting period.

## **2.4. Research and development activities.**

During the reporting period, the Bank did not carry out research and development activities, except for periodic monitoring and analysis of market conditions, interest rates and competition in the banking market, as well as client surveys, which form part of the Bank's ordinary business activities.

### 3. RESOURCES, RISKS AND RELATIONSHIPS.

#### 3.1. Key financial and non-financial resources and their use.

##### Capital

The key financial resource of the Bank, which supports its financial resilience and enables it to raise additional financial resources in the market, is the share capital contributed by the Shareholder in the amount of UAH 2,249 million (unchanged during 2025), as well as reserve and other funds totalling UAH 3,789 million (which increased by UAH 940 million during 2025).

The Bank's regulatory capital as at 31 December 2025 amounted to UAH 5,456 million (decreasing by UAH 315 million, or 5.5%, during 2025). As at the end of the reporting period, each of the prudential capital ratios, namely the regulatory capital adequacy ratio (minimum requirement: 10%), the Tier 1 capital adequacy ratio (minimum requirement: 7.5%) and the Common Equity Tier 1 capital adequacy ratio (minimum requirement: 5.625%), stood at 21.97%, indicating an adequate level of capitalisation.

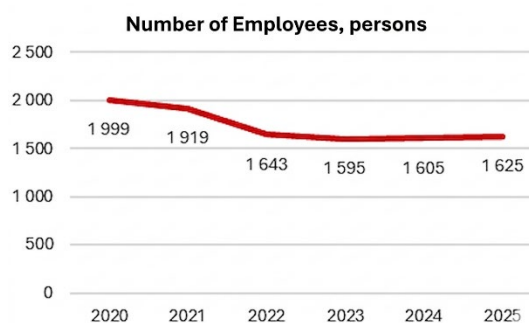
##### Liquidity

During the reporting period, the Bank's liquidity remained at a safe level. As at the end of 2025, the prudential liquidity ratios were as follows:

- Liquidity Coverage Ratio in foreign currency (LCR<sub>fc</sub>) – 422.36% (as at the end of 2024: 393.71%; minimum requirement: 100%);
- Liquidity Coverage Ratio in all currencies (LCR<sub>ac</sub>) – 241.56% (as at the end of 2024: 244.20%; minimum requirement: 100%);
- Net Stable Funding Ratio (NSFR) – 205.78% (as at the end of 2024: 277.09%; minimum requirement: 100%).

##### Personnel

The Bank's key non-financial resource is its human capital, namely the Bank's employees and their intellectual capital. The total headcount as at 31 December 2025 was 1 625 employees, an increase of 20 employees, or 1%, compared with the end of 2024. The vast majority of the Bank's employees, 92%, hold higher education degrees, and the average age of employees is 40. In terms of gender composition, women account for the majority of the Bank's workforce, representing 74% of total headcount.



#### 3.2. Risk management system, risk management strategy and policies.

Risk management is one of the Bank's key strategic management functions in the area of banking operations, through which the Bank identifies, assesses, monitors and controls its risk exposure. The principal rules governing risk management in the Bank are set out in the Risk Management Strategy. The Strategy provides for the continuous analysis of existing risks and the identification of potential future risks, their assessment, timely decision-making with respect to their mitigation or avoidance, and oversight of compliance with established limits, procedures and processes.

The Bank's risk management objectives and tasks are achieved through the application of a broad range of methods and instruments used to manage all identified types of risk.

In order to determine the maximum level of risk the Bank is prepared to accept, the Supervisory Board has approved a Risk Appetite Statement, which defines the aggregate level of risk appetite, the types of risk the Bank will accept or avoid in pursuing its business objectives, and the risk appetite level for each such risk on an individual basis.

Risk management is embedded across all organisational units of the Bank. The organisational structure of the risk management system is based on the allocation of responsibilities among the Bank's organisational units in accordance with the three lines of defence model:

- First line – the Bank's business units, including the trading desk, and support units. These units originate risks and are responsible for their day-to-day management, and report on the management of such risks.
- Second line – the risk management unit and the compliance unit.
- Third line – the internal audit unit, which reviews and assesses the effectiveness of the risk management system, including outsourced functions.

The participants in the Bank's risk management system are:

- the Supervisory Board;
- the Risk Management Committee;
- the Management Board;
- the Assets, Liabilities and Tariffs Management Committee;
- the Credit Committee;
- other collegial bodies;
- the Internal Audit Department;
- the Chief Risk Officer (CRO) and the risk management unit;
- the Chief Compliance Officer (CCO) and the compliance unit;
- business units and support units (the first line of defence).

The Supervisory Board bears ultimate responsibility for establishing a comprehensive, adequate and effective risk management system for the risks arising from the Bank's activities. The Supervisory Board has established permanent risk management unit(s), reporting to the Chief Risk Officer (CRO), and compliance unit(s), reporting to the Chief Compliance Officer (CCO), thereby ensuring the independence of these functions.

The Management Board ensures implementation of the tasks and decisions of the Supervisory Board with respect to the introduction and operation of the risk management system, including the risk management strategy and policies, risk culture, procedures, methods and other measures required for effective risk management. The Management Board is an active participant in the Bank's risk management process, making decisions on transactions involving elevated risk based on regular information on the Bank's risk profile, risk level and aggregate risk appetite. The aggregate level of risk appetite that the Bank intends to assume and maintain in pursuing its business objectives is defined as the aggregate amount of the Bank's internal capital required to cover all material risks of the Bank.

In order to ensure the effective functioning of the risk management system, the risk management unit(s) perform the risk management functions defined in the Regulations on the Organisation of the Head Office. The Chief Risk Officer (CRO) heads the Risk Vertical, is responsible for the activities of these units and has the right to attend meetings of the Management Board, committees and other collegial bodies established by the Management Board. The CRO also has the right to veto decisions of these bodies if implementation of such decisions would result in a breach of the established risk appetite and/or approved risk limits, as well as in other cases determined by the Supervisory Board, and shall immediately notify the Supervisory Board or the Risk Management Committee of such decisions.

In order to ensure the effective functioning of the risk management system, the compliance unit performs the compliance risk management functions defined in the Regulations on the Organisation of the Head Office. The Chief Compliance Officer (CCO) is responsible for the activities of this unit, has the right to attend meetings of the Management Board, committees and other collegial bodies established by the Management Board, and also has the right to veto decisions of these bodies if implementation of such decisions would result in a breach of legal requirements, applicable standards of professional associations binding on the Bank, a conflict of interest, or in other cases determined by the Supervisory Board, and shall immediately notify the Supervisory Board and/or the Risk Management Committee of such decisions.

**Interest rate risk in the banking book** is defined as the risk of losses, additional losses or a shortfall in planned income arising from the Bank's balance sheet and off-balance sheet positions that are sensitive to changes in interest rates, in the event of adverse movements in market interest rates.

The objective of interest rate risk in the banking book management is to limit potential losses arising from changes in interest rates to a defined level through the appropriate structuring of the Bank's balance sheet and off-balance sheet positions.

The main objective of the Bank's credit risk management process is to ensure that lending activities are conducted with due regard to all material risks associated with such activities, including risks related to martial law. The credit risk management process is focused on timely risk identification, the development of sound risk assessment principles and processes, as well as oversight, control, reporting and the implementation of preventive measures within the lending process.

The Bank places particular emphasis on the introduction of new credit risk management and control mechanisms, the enhancement of lending processes and the improvement of management information systems in the area of credit risk, with the aim of ensuring an appropriate level of profitability and quality of the Bank's loan portfolio. Under martial law, the Bank applies a selective approach to lending. In the current environment, the Bank is actively developing credit risk mitigation and risk-sharing instruments, including credit insurance and portfolio guarantees. The Bank regularly reports to the Management Board and the Supervisory Board on the level of credit risk and on the results of credit risk stress testing.

The Bank is also actively developing and enhancing software tools for credit risk assessment and for supporting the credit decision-making process in order to ensure prompt credit decisions while maintaining a minimal level of credit risk. Particular attention is also paid to the automation of monitoring processes and the enhancement of the early warning system. The Bank continuously monitors changes in legislation and recommendations of supervisory authorities and accordingly incorporates such changes into its internal policies and procedures.

**Market risk** includes foreign exchange risk and volatility risk arising from adverse changes in the volatility of market prices, interest rates, market indices and exchange rates. The objective of market risk management is to limit potential losses resulting from changes in foreign exchange rates, interest rates and the value of financial instruments to an acceptable level through the appropriate structuring of the Bank's balance sheet and off-balance sheet positions.

**Liquidity risk** is defined as the risk of losses, additional losses or a shortfall in planned income resulting from the Bank's inability to fund asset growth and/or meet its obligations when due.

The objective of liquidity risk management is to structure the Bank's balance sheet and off-balance sheet commitments in a manner that ensures sufficient liquidity, taking into account the nature of the Bank's activities and the needs that may arise as a result of changes in the interbank market or changes in client behaviour.

Liquidity is maintained in the Bank through the following operational objectives:

- ability to ensure payments in the national currency through the correspondent account with the NBU;
- ability to ensure payments in foreign currencies through nostro accounts opened with Ukrainian and foreign banks;
- maintenance of a minimum level of liquid assets to cover the Bank's short-term needs;
- minimisation of liquidity maintenance costs;
- forecasting of liquidity needs at the stage of preparation of the Bank's financial plans.

The Bank has established the following liquidity limits:

- internal liquidity limits:
  - limit on the cumulative daily liquidity gap
  - limit on the cumulative monthly liquidity gap
  - limit on the cumulative liquidity gap for maturities of up to one year
  - limit on funding long-term assets
  - limit on the ratio of highly liquid assets to current deposits
  - limit on the ratio of liquid assets to short-term liabilities (with final maturity of up to 31 days)

- limit on the ratio of non-interbank deposits to total deposits
- limit on concentration of the Bank's funding from the five and ten largest depositors and other creditors / groups of connected counterparties / related parties of the Bank
- liquidity ratios established by the NBU:
  - Liquidity Coverage Ratio (LCR);
  - Net Stable Funding Ratio (NSFR).

The objective of **operational risk** management, including the management of its components, is to ensure operational efficiency, cost efficiency and the security of operations by limiting the occurrence of operational risk events and their adverse consequences. Management of information security risk and information and communication technology risk is aimed at protecting information against a wide range of threats, enhancing the security of data used in the Bank's operations and in the provision of services to clients, ensuring the secure functioning of information and communication technologies and of the processes based on them, maintaining business continuity and reducing the adverse impact of such risks.

The Bank also manages **business risk** by keeping at an acceptable level the adverse financial consequences resulting from unfavourable changes in the business environment, incorrect decisions, improper implementation of decisions taken, or a failure to take appropriate action in response to changes in the business environment.

In the area of **macroeconomic change risk**, the Bank focuses on identifying macroeconomic factors that have a significant impact on its activities and on taking measures aimed at limiting the adverse effect of potential changes in the macroeconomic environment on the Bank's financial position.

### 3.3. Relationships with the Shareholder and related parties.

During the reporting period, the Bank operated as a joint stock company with a sole Shareholder, PKO Bank Polski S.A., which owns 100% of the Bank's shares.

Relations with the Shareholder were governed by applicable laws, the Bank's Charter and the Regulation on Provision of Information and Documents on the Bank's Activities to Shareholders. The Shareholder participated in the Bank's governance through members of the Supervisory Board representing the Shareholder, who, within the powers defined by the Charter and the laws of Ukraine, protected shareholders' rights and oversaw the activities of the Management Board.

The Shareholder also influences the Bank's performance and governance through decisions on matters falling within the competence of the Bank's General Meeting.

The Bank identifies related parties in accordance with the laws of Ukraine, NBU regulations and its internal policies. Transactions with related parties may not be entered into on terms other than current market terms. During the reporting period, the Bank complied with the NBU's prudential requirements for transactions with related parties. As at 31 December 2025, the maximum credit risk exposure to related parties ratio (H9) was 0.42% (regulatory limit: not more than 25%).

Detailed information on the Bank's transactions with the Shareholder and related parties during the reporting period is disclosed in Note 36, Related party transactions, to the Annual Financial Statements.

## 4. INFORMATION ON DEVELOPMENT, PERFORMANCE AND FUTURE OUTLOOK.

During 2025, JSC KREDOBANK was classified by the NBU as part of the Banks of foreign banking groups category. By Resolution of the Management Board of the National Bank of Ukraine No. 198-rsh dated 17 June 2025, JSC KREDOBANK was confirmed as included in the list of systemically important banks, which comprised 16 banks. The status of a systemically important bank entails compliance with additional resilience requirements and confirms the Bank's significant role in Ukraine's banking sector. In 2025, the Bank also successfully completed the Supervisory Review and Evaluation Process (SREP) conducted by the NBU.

In 2025, the Bank's net assets increased by 20% to UAH 74,582 million (14th position in the sector out of 60 banks), primarily driven by growth in balances placed in NBU certificates of deposit and an increase in the corporate loan portfolio.

The Bank's total loan portfolio increased by 27% year-on-year in 2025. This growth was mainly driven by active lending to corporate and SME clients, while the retail loan portfolio continued to decline due to gradual repayments and the continuing restrictions on new retail lending. At the same time, the gross corporate loan

portfolio increased by 36% year-on-year in 2025, reflecting the Bank's contribution to the recovery of Ukraine's economy.

New loans to legal entities were granted by the Bank largely under risk-sharing programmes with international banks and financial institutions. During 2025, the Bank continued to actively expand cooperation with existing partners and to seek new partner international banks and financial institutions in order to provide additional lending support to Ukrainian businesses, in particular SMEs, under partnership financing programmes and credit guarantee schemes. In particular, in 2025 the Bank signed an addendum with the European Bank for Reconstruction and Development (EBRD) extending the financial guarantees programme for business lending, which provides for the next tranche in the amount of EUR 50 million to support Ukrainian entrepreneurs and small and medium-sized businesses. The Bank also signed a new agreement with Poland's Bank Gospodarstwa Krajowego (BGK), establishing a risk-sharing mechanism to support business development in wartime conditions, in the amount of PLN 42 million. In December 2025, the Bank signed a guarantee facility agreement with a new partner, the European Investment Bank (EIB), in the amount of EUR 30 million for a term of 15 years. Under the signed agreement, the EIB provides the Bank with a guarantee instrument covering up to 80% of the risk under business loan agreements. The instrument is implemented with financing from the European Union under the EU4Business Guarantee Facility II programme. Under the agreement, the funds may be used to finance clients' working capital as well as investment projects, leasing, factoring and documentary transactions.

Client funds increased by 23% in 2025, including funds from legal entities by 23% and funds from individuals by 22%, and amounted to UAH 63,998 million.

Profit before tax for 2025 increased by 1% compared with the previous year. The movement in profit before tax reflected a 1% year-on-year increase in net interest income, a 3% year-on-year increase in net fee and commission income and a slight decline in trading income. The Bank's net profit for 2025 amounted to UAH 1,611 million, which was 72% higher than in 2024. This also partly reflects the reduction in the corporate income tax rate applicable to banks in 2025 to 25%, compared with the increased tax rate on banks' profits for 2024 of 50%.

Information on the Bank's key financial indicators for recent years is presented in the table below.

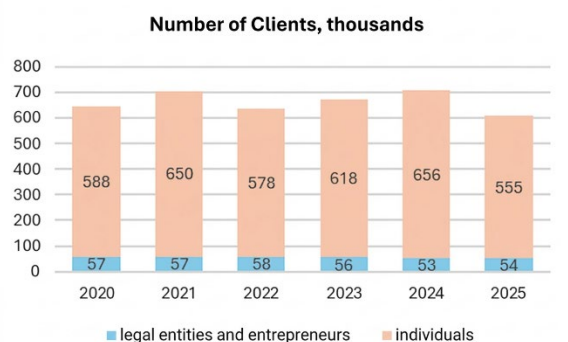
<b>Indicators (UAH million)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Change in 2025</b>
Total assets	25,228	33,222	38,971	55,886	62,021	74,582	12,561
Loans to customers	13,282	16,804	12,506	12,468	11,993	15,211	3,218
Securities	6,187	7,814	9,004	21,939	27,192	23,146	(4,046)

Total liabilities	22,107	29,273	34,933	50,017	54,902	66,067	11,165
Due to customers	18,320	24,518	33,013	46,464	52,229	63,998	11,769
Total equity	3,122	3,948	4,038	5,869	7,119	8,516	1,396

Share capital	2,249	2,249	2,249	2,249	2,249	2,249	–
Net interest income	1,779	1,987	2,160	3,235	3,819	3,852	33
Net fee and commission income	473	549	515	514	417	430	13
Net profit	531	796	142	1,212	936	1,611	674

As at the end of 2025, the Bank serves 54 thousand legal entities and sole proprietors, and 555 thousand individual clients.

In 2026, the Bank will continue as a going concern, while implementation of its strategic objectives will take into account external factors and will be pursued within the limits of available objective opportunities. The new Strategy refines the Bank's strategic concept, including its vision, mission and corporate values, to better reflect the challenges of the external environment and stakeholder expectations.



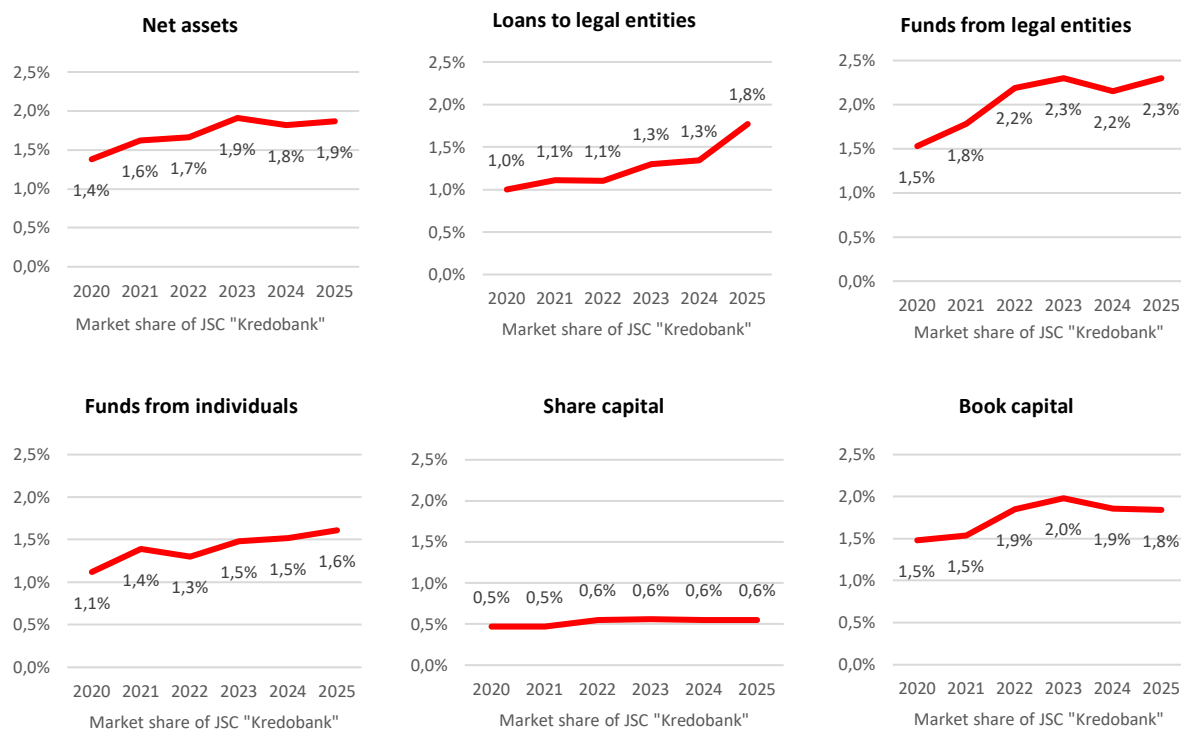
## 5. KEY PERFORMANCE INDICATORS.

The Bank's key performance indicator is return on equity (ROE). Based on the results for 2025, ROE calculated in accordance with the selected methodology amounted to 20.6%, demonstrating the Bank's strong performance despite operating under martial law, elevated risks and continuing terrorist attacks by the Russian aggressor on Ukrainian cities and civilian infrastructure.

Return on assets (ROA) amounted to 2.35%, which was 0.77 percentage points higher than the corresponding figure for 2024.

Despite still elevated inflation, which reached a local peak of 15.9% year-on-year in May 2025 and slowed to 8% year-on-year in December 2025, the Bank maintained its cost-to-income ratio (C/I) at 58% for the year. As at 31 December 2025, the Bank's net interest margin stood at 5.9%, which was slightly below the average net interest margin across the banking sector.

At the end of the reporting period, the Bank maintained its market positions across all key business indicators<sup>1</sup>:



In terms of total assets, the Bank ranks 14th among 60 Ukrainian banks. The Bank also ranks, among other things, 14th by loans to legal entities, 14th by funds of legal entities, 13th by retail deposits, and 15th by loans to individuals.

<sup>1</sup> Calculated based on data of the National Bank of Ukraine

## **6. SUSTAINABILITY REPORT (ESG).**

### **6.1. Assessment of environmental protection and social responsibility performance during the reporting period:**

During the reporting period, the Bank approved its sustainability governance structure, including the establishment of the Sustainability Committee. During the reporting period, the Bank approved and commenced implementation of a roadmap for introducing an integrated approach to ESG management covering 2025–2027 and including measures and tasks in the following areas:

- integration of ESG into strategy and governance structure;
- reporting and data management in respect of sustainability indicators;
- integration into operational and business activities;
- integration into risk management;
- development of organisational capacity and expertise.

The Bank is actively building internal expertise in environmental and social matters and conducted general sustainability training sessions, as well as specialised training on the assessment of environmental and social risks arising from clients' activities.

### **6.2. Key environmental and social responsibility risks and challenges, plans to address them, and their impact on the achievement of strategic objectives:**

The environmental protection and social responsibility risks affecting the Bank include:

- environmental and social risks arising from clients' activities;
- the Bank's direct environmental impact from its own operations, such as carbon intensity and resource consumption;
- climate risks.

Measures planned or implemented to mitigate or eliminate each of these risks include:

- implementation of a comprehensive system for assessing environmental and social risks arising from the activities of corporate clients under the state programme "Affordable Loans 5-7-9%"; procedures for assessing environmental and social risks in other types of activities have also been prepared and approved;
- establishment of processes for collecting non-financial data and procedures for managing the Bank's direct environmental impact;
- planned integration of ESG factors into the risk management system and into the system for assessing and managing climate risks.

### **6.3. Main provisions of the policy on environmental protection and social responsibility**

The policies on environmental protection and social responsibility and the issues they are intended to address include:

- Regulations on the main principles of environmental and social management policy (for agricultural producers under the "Affordable Loans 5-7-9%" programme);
- Code of Ethics of JOINT STOCK COMPANY KREDOBANK;
- HR Policy of JOINT STOCK COMPANY KREDOBANK;
- Confidential reporting mechanism for unacceptable conduct / violations in the activities of JOINT STOCK COMPANY KREDOBANK and the banking group (Whistleblowing Policy Mechanism);
- Regulations on the Sustainability Committee of JOINT STOCK COMPANY KREDOBANK;
- Procedure for reporting sustainability indicators in JOINT STOCK COMPANY KREDOBANK;
- Procedure for managing direct environmental impact in JOINT STOCK COMPANY KREDOBANK

**6.4. List of matters and decisions relating to environmental protection and social responsibility considered by the Supervisory Board and the executive body**

***Matters considered by the executive body and a brief summary of the decisions adopted***

The Bank's Management Board considered the following sustainability-related matters:

- approval of internal regulations governing sustainability-related processes and procedures;
- decision on the establishment of the Sustainability Committee.

***Matters considered by the Supervisory Board and a brief summary of the resolutions adopted***

During the reporting period, the Supervisory Board reviewed and approved the Strategy for 2025–2027, one of the strategic priorities of which is the development of a comprehensive governance framework and an integrated ESG approach.

**6.5. List of key stakeholders affected by the Bank's activities, with an explanation of the nature of such impact**

The Bank's clients – the Bank provides financial services to clients on the terms set out in the Bank's Credit Policy and other internal regulations and therefore affects both the financial and non-financial performance of its clients;

The Bank's employees – the Bank's activities affect employees through the creation of working conditions, professional development opportunities, level of wellbeing and corporate culture;

Investor (PKO Bank Polski S.A.) – the Bank is 100% owned by PKO Bank Polski S.A., the largest bank in Poland, and the Bank's activities affect the Group's financial and non-financial results.

**6.6. List of stakeholders influencing the achievement of the Bank's strategic objectives, with an explanation of the nature of such influence**

The Bank is working on and intends to establish long-term strategic objectives in the short term. At the same time, the following key stakeholders are expected to influence the Bank's future strategic objectives:

- International financial institutions – determine the terms and limits of the Bank's cooperation with borrowers;
- Investor (PKO Bank Polski S.A.) – the Bank is 100% owned by PKO Bank Polski S.A., the largest bank in Poland, which influences the formulation and achievement of the Bank's strategic objectives;
- Regulator (NBU) – influences the formation of the rules governing the financial market as a whole, including regulation of ESG risk management.

**6.7. Main provisions of the stakeholder engagement policy, including shareholders / participants**

Procedure for handling requests and conducting personal reception of citizens in JOINT STOCK COMPANY KREDOBANK, approved by Resolution of the Management Board of JSC KREDOBANK No. 081 dated 21 January 2025.

This document provides for:

- establishment of an effective mechanism for handling requests from individuals and legal entities;
- description of interaction among employees of the Bank's organisational units in processing requests from individuals and legal entities addressed to the Bank;
- improvement of the process for receiving and processing requests from individuals and legal entities in accordance with applicable legal requirements;
- establishment of deadlines for responding to requests from individuals and legal entities;
- ensuring control over the handling of requests.

Regulations on Provision of Information and Documents on the Activities of JOINT STOCK COMPANY KREDOBANK to Shareholders, approved by Shareholder Resolution No. 02/2024 dated 20 December 2024.

This document defines the scope and procedure for providing the Bank's shareholders with documents relating to the Bank's activities, taking into account the requirements of Ukrainian legislation and the Bank's internal regulations on compliance with the established regime for the use and disclosure of restricted information. In particular, it provides that all shareholders of the Bank have equal rights to receive complete and reliable

information on the Bank's activities in accordance with Ukrainian legislation, the Bank's Charter and these Regulations. The Bank ensures equal access for shareholders to information on the Bank's activities, including financial and business information, as to the form, scope, content and timing of its provision in accordance with applicable laws of Ukraine

## 7. INFORMATION ON DERIVATIVE CONTRACTS OR TRANSACTIONS IN DERIVATIVE SECURITIES.

During 2025, the Bank did not enter into any material derivative contracts and did not carry out any material transactions in derivative securities.

## 8. CORPORATE GOVERNANCE REPORT.

### 8.1. Information on the corporate governance code applied by the Bank and/or corporate governance practices applied in excess of statutory requirements.

Pursuant to Shareholder Resolution No. 01/2024 of JSC KREDOBANK dated 26 April 2024, the Bank applies the Corporate Governance Code approved by the National Securities and Stock Market Commission. Under the same resolution, the Corporate Governance Code of JSC KREDOBANK approved by Shareholder Resolution No. 01/2019 dated 24 April 2019 ceased to be effective.

The Corporate Governance Code applied by the Bank is published at the following link: <https://kredobank.com.ua/about/misiya-ta-cinnosti/vnutrishni-normatyvni-dokumenty>.

The Bank does not apply any corporate governance practices in excess of statutory requirements.

The provisions of law governing the convening and holding of General Meetings are not applied by the Bank, as the powers of the General Meeting are exercised solely by the sole Shareholder.

### 8.2. Information on the General Meeting of Shareholders and a general description of the resolutions adopted at such meetings.

<b>Date of meeting</b>	17.01.2025
<b>Form of holding</b>	<input checked="" type="checkbox"/> in-person voting, venue: Warsaw, Poland <input type="checkbox"/> electronic voting <input type="checkbox"/> voting by written circulation (remotely)
<b>Convening authority</b>	The General Meeting was held in accordance with Article 60 of the Law of Ukraine <i>On Joint Stock Companies</i>
<b>Agenda items and resolutions adopted:</b>	
Item 1	<b>Resolution adopted:</b> To determine that the Supervisory Board of JSC KREDOBANK shall consist of eight members.
Item 2	<b>Resolution adopted:</b> To elect (appoint) Mr Marek Radzikowski as a member of the Supervisory Board of JSC KREDOBANK for the term ending on the date of the Annual General Meeting of Shareholders in 2025.
Item 3	<b>Resolution adopted:</b> To elect (appoint) Mr Slawomir Wilkos as an independent member of the Supervisory Board of JSC KREDOBANK for the term ending on the date of the Annual General Meeting of Shareholders in 2025.
Item 4	<b>Resolution adopted:</b> To elect (appoint) Mr Mykola Nesterenko as an independent member of the Supervisory Board of JSC KREDOBANK for the term ending on the date of the Annual General Meeting of Shareholders in 2025.
Item 5	<b>Resolution adopted:</b> The election of Mr Marek Radzikowski, Mr Slawomir Wilkos and Mr Mykola Nesterenko as members of the Supervisory Board shall take place:

	<p>5.1 after the General Meeting has assessed their individual suitability and the collective suitability of the Bank's Supervisory Board in accordance with the Policy for Assessing the Suitability of Candidates for Membership and Members of the Supervisory Board of JSC KREDOBANK, approved by Shareholder Resolution No. 01/2024 dated 26 April 2024, taking into account the recommendations of JSC KREDOBANK in the area of individual and collective suitability; and</p> <p>5.2 after confirmation that Mr Marek Radzikowski, Mr Sławomir Wilkos and Mr Mykola Nesterenko meet the qualification requirements established by the laws of Ukraine, the Bank's Charter and the Policy for Assessing the Suitability of Candidates for Membership and Members of the Supervisory Board of JSC KREDOBANK, and that Mr Sławomir Wilkos and Mr Mykola Nesterenko meet the independence requirements.</p>
Item 6	<p><b>Resolution adopted:</b> To confirm the collective suitability of the Bank's Supervisory Board following the individual assessment of the members of the Bank's Supervisory Board and the collective suitability assessment of the Bank's Supervisory Board, the results of which are reflected in the collective suitability assessment form attached to this resolution. The members of the Bank's Supervisory Board have, in the aggregate, sufficient knowledge, skills, professional and managerial experience to the extent required for the Bank's Supervisory Board, as a collegial body, to exercise its powers, understand all aspects of the Bank's activities, adequately assess risks, make decisions, and ensure effective management and oversight of the Bank's activities as a whole, taking into account the Bank's size, business model, structure, range of operations and risk profile.</p>
Item 7	<p><b>Resolution adopted:</b> To approve the execution of civil law contracts with the following members of the Supervisory Board of JSC KREDOBANK: Mr Marek Radzikowski (shareholder representative), Mr Sławomir Wilkos (independent member) and Mr Mykola Nesterenko (independent member), on the following terms:</p> <p>7.1 Supervisory Board member (shareholder representative) Mr Marek Radzikowski shall perform his functions without remuneration, as he is employed by PKO Bank Polski S.A.</p> <p>7.2 Independent members of the Supervisory Board, Mr Sławomir Wilkos and Mr Mykola Nesterenko, shall receive monthly remuneration in the gross amount of PLN 7,767.61. Such remuneration shall be paid:</p> <p>to Mykola Nesterenko, a citizen of Ukraine, in hryvnias at the exchange rate of the National Bank of Ukraine on the date of payment;</p> <p>to Sławomir Wilkos, a citizen of Poland, in Polish zloty.</p> <p>The amount of remuneration may be changed by the Bank in the cases and in the amount provided for by the Regulation on Remuneration of Members of the Supervisory Board of JOINT STOCK COMPANY KREDOBANK.</p>
Item 8	<p><b>Resolution adopted:</b> To authorise Mr Anton Kirkach, Acting Chairman of the Management Board of JSC KREDOBANK (or the Chairman of the Management Board, or another person acting as Chairman of the Management Board of the Bank), to enter, on behalf of JSC KREDOBANK, into civil law contracts with Mr Marek Radzikowski, Mr Sławomir Wilkos and Mr Mykola Nesterenko, elected as members of the Supervisory Board of JSC KREDOBANK.</p>
<b>URL of the minutes of the General Meeting</b>	<a href="https://kredobank.com.ua/public/upload/2e7505c52ff076e75a9c899ec555036b.pdf">https://kredobank.com.ua/public/upload/2e7505c52ff076e75a9c899ec555036b.pdf</a>
<b>Date of meeting</b>	10 March 2025

<b>Form of holding</b>	<input checked="" type="checkbox"/> in-person voting, venue: Warsaw, Poland <input type="checkbox"/> electronic voting <input type="checkbox"/> voting by written circulation (remotely)
<b>Convening authority</b>	The General Meeting was held in accordance with Article 60 of the Law of Ukraine <i>On Joint Stock Companies</i> .
<b>Agenda items and resolutions adopted:</b>	
Item 1	<b>Resolution adopted:</b> To determine that the Supervisory Board of JSC KREDOBANK shall consist of nine members.
Item 2	<b>Resolution adopted:</b> To elect (appoint) Mr Maciej Cieslukowski as a member of the Supervisory Board of JSC KREDOBANK for a term ending on the date of the Annual General Meeting of Shareholders in 2025.
Item 3	<p><b>Resolution adopted:</b> The election of Mr Maciej Cieslukowski as a member of the Supervisory Board shall take place:</p> <p>3.1 after the General Meeting has assessed his individual suitability and the collective suitability of the Bank's Supervisory Board in accordance with the Policy for Assessing the Suitability of Candidates for and Members of the Supervisory Board of JSC KREDOBANK, approved by Shareholder Resolution No. 02/2024 dated 20 December 2024, taking into account the recommendations of JSC KREDOBANK in the area of individual and collective suitability; and</p> <p>3.2 after confirmation that Mr Maciej Cieslukowski meets the qualification requirements established by the legislation of Ukraine, the Bank's Charter and the Policy for Assessing the Suitability of Candidates for and Members of the Supervisory Board of JSC KREDOBANK.</p>
Item 4	<b>Resolution adopted:</b> To confirm the collective suitability of the Bank's Supervisory Board following the individual assessment of the members of the Bank's Supervisory Board and the assessment of the collective suitability of the Bank's Supervisory Board, the result of which is reflected in the collective suitability assessment form of the Supervisory Board attached to this resolution. The members of the Bank's Supervisory Board possess a sufficient combination of knowledge, skills, professional and managerial experience to the extent necessary for the Bank's Supervisory Board, as a collegial body, to exercise its powers, understand all aspects of the Bank's activities, adequately assess risks, adopt decisions, and ensure effective management of and control over the Bank's activities as a whole, taking into account the size of the Bank, its business model, structure, range of operations and risk profile.
Item 5	<p><b>Resolution adopted:</b> To approve the execution of a civil law contract with Mr Maciej Cieslukowski, a member of the Supervisory Board of JSC KREDOBANK (shareholder's representative), on the following terms:</p> <p>5.1 to establish a monthly remuneration in the gross amount of PLN 7 767,61. Such remuneration shall be paid to him in Polish zloty. The amount of remuneration may be changed by the Bank in the cases and in the amount provided for by the Remuneration Regulation for Members of the Supervisory Board of JOINT STOCK COMPANY KREDOBANK.</p>
Item 6	<b>Resolution adopted:</b> To authorise Mr Jakub Karnowski, Chairman of the Management Board of JSC KREDOBANK (and, in his absence, the acting Chairman of the Bank's Management Board), to execute, on behalf of JSC KREDOBANK, a civil law contract with Mr Maciej Cieslukowski, elected as a member of the Supervisory Board of JSC KREDOBANK.

<b>URL of the minutes of the General Meeting</b>	<a href="https://kredobank.com.ua/public/upload/e3ffc16f9ecd316c379abadceab5c983.pdf">https://kredobank.com.ua/public/upload/e3ffc16f9ecd316c379abadceab5c983.pdf</a>
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<b>Date of meeting</b>	30 April 2025
<b>Form of holding</b>	<input checked="" type="checkbox"/> in-person voting, venue: Warsaw, Poland <input type="checkbox"/> electronic voting <input type="checkbox"/> voting by written circulation (remotely)
<b>Convening authority</b>	he General Meeting was held in accordance with Article 60 of the Law of Ukraine <i>On Joint Stock Companies</i> .
<b>Agenda items and resolutions adopted:</b>	
Item 1	<b>Resolution adopted:</b> To approve the Report of the Supervisory Board of JSC KREDOBANK on its activities in 2024.
Item 2	<b>Resolution adopted:</b> To recognise the activities of the Supervisory Board of JSC KREDOBANK in 2024, the activities of each member of the Bank's Supervisory Board individually, and the activities of the Supervisory Board committees, as effective.
Item 3	<b>Resolution adopted:</b> To take note of the reports and opinions of the external auditor, Crowe Ukraine LLC, on the completeness and fair presentation of the Separate Financial Statements of JSC KREDOBANK and the Consolidated Financial Statements of KREDOBANK Group for 2024, prepared in accordance with International Financial Reporting Standards.
Item 4	<b>Resolution adopted:</b> To consider it inappropriate to approve an action plan based on the review of the reports and opinions of Audit Company Crowe Ukraine LLC on the completeness and fair presentation of the Separate Financial Statements of JSC KREDOBANK and the Consolidated Financial Statements of KREDOBANK Group for 2024, as no recommendations were provided by the external auditor.
Item 5	<b>Resolution adopted:</b> To approve the separate reporting of JSC KREDOBANK for 2024, comprising: <ul style="list-style-type: none"> <li>• the Management Report (Management Commentary);</li> <li>• the Annual Separate Financial Statements (prepared in accordance with International Financial Reporting Standards), as confirmed by the external auditor's opinion.</li> </ul>
Item 6	<b>Resolution adopted:</b> To approve the consolidated reporting of KREDOBANK Group for 2024, comprising: <ul style="list-style-type: none"> <li>• the Management Report (Management Commentary);</li> <li>• the Annual Consolidated Financial Statements (prepared in accordance with International Financial Reporting Standards), as confirmed by the external auditor's opinion</li> </ul>
Item 7	<b>Resolution adopted:</b> To approve the report of Audit Company Crowe Ukraine LLC on the results of the first stage of the resilience assessment of JSC KREDOBANK as at 1 January 2025.

Item 8	<p>Resolution adopted: To approve the following distribution of the profit of JSC KREDOBANK for 2024 in the amount of UAH 936,394,017.87, remaining at the Bank's disposal after payment of taxes and other mandatory payments:</p> <p>8.1 To allocate part of the Bank's profit in the amount of UAH 46,819,700.89 to the Bank's reserve fund, representing 5% of the net profit of JSC KREDOBANK after tax for 2024.</p> <p>8.2 To allocate the remaining profit after tax in the amount of UAH 889,574,316.98 to general reserves.</p> <p>Additionally, to allocate to general reserves retained earnings from previous years in the amount of UAH 3 469 812,29, arising from the disposal of items of property and equipment that had previously been revalued with the revaluation recognised in the Bank's equity.</p>
Item 9	<p><b>Resolution adopted:</b> To approve the Remuneration Report of the members of the Supervisory Board of JSC KREDOBANK for 2024.</p>
Item 10	<p><b>Resolution adopted:</b> To determine that the Supervisory Board of JSC KREDOBANK shall consist of eight members.</p>
Item 11	<p><b>Resolution adopted:</b> To re-elect for a three-year term the following members of the Supervisory Board of JSC KREDOBANK:</p> <ul style="list-style-type: none"> <li>• Marek Radzikowski – shareholder representative (PKO Bank Polski S.A.);</li> <li>• Rafal Zalewski – shareholder representative (PKO Bank Polski S.A.);</li> <li>• Bohdan Artymovych – shareholder representative (PKO Bank Polski S.A.);</li> <li>• Maciej Cieslukowski – shareholder representative (PKO Bank Polski S.A.);</li> <li>• Lev Hnatovych Klioba – independent member;</li> <li>• Nataliia Ivanivna Chukhrai – independent member;</li> <li>• Mykola Mykolaiovych Nesterenko – independent member;</li> <li>• Slawomir Wilkos – independent member.</li> </ul>
Item 12	<p><b>Resolution adopted:</b> To terminate the powers of Slawomir Bukowski as a member of the Supervisory Board of JSC KREDOBANK.</p>
Item 13	<p><b>Resolution adopted:</b> The election of the members of the Supervisory Board for a new term of office shall take place after the General Meeting has assessed the individual suitability of each of the above persons and the collective suitability of the Supervisory Board, in accordance with the Policy for Assessing the Suitability of Candidates for Membership and Members of the Supervisory Board of JSC KREDOBANK, approved by Shareholder Resolution No. 02/2024 dated 20 December 2024, taking into account the Bank's supporting assessment in the area of individual and collective suitability.</p>
Item 14	<p><b>Resolution adopted:</b> Based on the information on the periodic individual assessment and the collective suitability assessment of the Bank's Supervisory Board, to confirm the collective suitability of the Bank's Supervisory Board, the result of which is reflected in the collective suitability assessment form of the Bank's Supervisory Board attached to this resolution. The members of the Bank's Supervisory Board have, in the aggregate, sufficient knowledge, skills, professional and managerial experience to the extent necessary for the Supervisory Board, as a collegial body, to exercise its powers, understand all aspects of the Bank's activities, adequately assess risks, make decisions, and ensure effective management and oversight of the Bank's activities as a whole, taking into account the Bank's size, business model, structure, range of operations and risk profile.</p>

Item 15	<p><b>Resolution adopted:</b> To approve the execution of civil law contracts with the members of the Supervisory Board of JSC KREDOBANK on the following terms:</p> <p>15.1 Members of the Supervisory Board shall perform their functions without remuneration, except for independent members of the Supervisory Board and those shareholder representative members of the Supervisory Board who do not receive remuneration from PKO Bank Polski S.A. or entities of the PKO Bank Polski S.A. capital group, other than remuneration for performing their duties as members of the Supervisory Board of PKO Bank Polski S.A. or an entity of the PKO Bank Polski S.A. capital group. Such persons shall receive monthly remuneration in the gross amount of PLN 8,548.85. This remuneration shall be paid:</p> <ul style="list-style-type: none"> <li>- to citizens of Ukraine and citizens of Poland working in Ukraine, in hryvnias at the exchange rate of the National Bank of Ukraine on the payment date;</li> <li>- to citizens of Poland not working in Ukraine, in Polish zloty.</li> </ul> <p>15.2 To authorise Jakub Karnowski, Chairman of the Management Board of JSC KREDOBANK, and in his absence, the Acting Chairman of the Management Board of JSC KREDOBANK, to sign supplementary agreements with the members of the Supervisory Board of JSC KREDOBANK reflecting this resolution.</p>
Item 16	<p><b>Resolution adopted:</b> As from the date of adoption of this resolution, paragraph 11 of Resolution No. 01/2024 dated 26 April 2024 shall cease to be effective.</p>
URL of the minutes of the General Meeting	<p><a href="https://kredobank.com.ua/public/upload/77115318c3d337e50cc509b9de2c40a1.pdf">https://kredobank.com.ua/public/upload/77115318c3d337e50cc509b9de2c40a1.pdf</a></p>

### 8.3. Composition of the Supervisory Board and the executive body, their committees, information on meetings held and a general description of resolutions adopted.

#### Supervisory Board

- As at 1 January 2025, the Supervisory Board consisted of:
- Rafal Zalewski – Deputy Chairman of the Supervisory Board;
- Nataliia Chukhrai – independent member of the Supervisory Board;
- Lev Klioba – independent member of the Supervisory Board;
- Slawomir Bukowski – independent member of the Supervisory Board;
- Bohdan Artymovych – member of the Supervisory Board, representative of the shareholder PKO Bank Polski S.A.

On 17 January 2025, by Shareholder Resolution No. 01/2025, Mr Marek Radzikowski was elected as a member of the Supervisory Board.

On 17 January 2025, by Shareholder Resolution No. 01/2025, Mr Slawomir Wilkos and Mr Mykola Mykolaiovych Nesterenko were elected as independent members of the Supervisory Board.

On 24 January 2025, by Supervisory Board Resolution No. 04/2025, Mr Marek Radzikowski was elected Chairman of the Supervisory Board.

On 10 March 2025, by Shareholder Resolution No. 02/2025, Mr Maciej Cieślukowski was elected as a member of the Supervisory Board.

On 30 April 2025, by Shareholder Resolution No. 03/2025, Mr Marek Radzikowski, shareholder representative (PKO Bank Polski S.A.), Mr Rafal Zalewski, shareholder representative (PKO Bank Polski S.A.), Mr Bohdan Artymovych, shareholder representative (PKO Bank Polski S.A.), Mr Maciej Cieslukowski, shareholder representative (PKO Bank Polski S.A.), Mr Lev Hnatovych Klioba, independent member of the Supervisory Board, Ms Nataliia Chukhrai, independent member of the Supervisory Board, Mr Mykola Nesterenko, independent member of the Supervisory Board, and Mr Slawomir Wilkos, independent member of the Supervisory Board, were re-elected for a three-year term.

On 30 April 2025, by Shareholder Resolution No. 03/2025, the powers of Slawomir Bukowski as a member of the Supervisory Board were terminated.

On 16 May 2025, by Supervisory Board Resolution No. 70/2025, Mr Marek Radzikowski was elected Chairman of the Supervisory Board.

On 16 May 2025, by Supervisory Board Resolution No. 71/2025, Mr Maciej Cieslukowski was elected Deputy Chairman of the Supervisory Board.

Accordingly, as at 31 December 2025, the Supervisory Board consisted of:

- Marek Radzikowski – Chairman of the Supervisory Board;
- Maciej Cieslukowski – Deputy Chairman of the Supervisory Board;
- Rafal Zalewski – member of the Supervisory Board, representative of the shareholder PKO Bank Polski S.A.;
- Bohdan Artymovych – member of the Supervisory Board, representative of the shareholder PKO Bank Polski S.A.;
- Nataliia Chukhrai – independent member of the Supervisory Board;
- Lev Klioba – independent member of the Supervisory Board;
- Mykola Nesterenko – independent member of the Supervisory Board;
- Slawomir Wilkos – independent member of the Supervisory Board.

In 2025, the Supervisory Board held 12 in-person meetings and adopted 110 resolutions by written circulation (without holding a meeting). The resolutions adopted related to approval of the Bank's Financial Plan, the Report on the Activities of the Management Board for the reporting year, review of periodic reports on the achievement of Financial Plan targets, periodic reports of the risk, internal audit and compliance units, the Bank's financial statements, determination and calculation of MbO targets for members of the Management Board and key officers, terms of employment contracts of members of the Management Board and key persons, terms of lending to corporate clients, approval of the Bank's internal regulations, and other matters.

The following Supervisory Board committees operate in the Bank:

- Audit Committee;
- Risk Management Committee;
- Nomination and Remuneration Committee.

On 16 May 2025, by Supervisory Board Resolution No. 72/2025, Ms Nataliia Chukhrai, Mr Maciej Cieślukowski and Mr Lev Klioba were elected members of the Audit Committee.

On 16 May 2025, by Supervisory Board Resolution No. 73/2025, Ms Nataliia Chukhrai was elected Chair of the Audit Committee and Mr Maciej Cieślukowski Deputy Chair of the Audit Committee.

On 16 May 2025, by Supervisory Board Resolution No. 74/2025, Mr Lev Klioba, Mr Sławomir Wilkos and Mr Rafał Zalewski were elected members of the Risk Management Committee.

On 16 May 2025, by Supervisory Board Resolution No. 75/2025, Mr Lev Klioba was elected Chair of the Risk Management Committee and Mr Rafał Zalewski Deputy Chair of the Risk Management Committee.

On 16 May 2025, by Supervisory Board Resolution No. 76/2025, Ms Nataliia Chukhrai, Mr Sławomir Wilkos and Mr Maciej Cieślukowski were elected members of the Nomination and Remuneration Committee.

On 16 May 2025, by Supervisory Board Resolution No. 77/2025, Mr Sławomir Wilkos was elected Chair of the Nomination and Remuneration Committee and Ms Nataliia Chukhrai Deputy Chair of the Nomination and Remuneration Committee.

The composition of the Supervisory Board committees is presented in the table below.

	Chairman / Deputy Chairman of the Supervisory Board	Chair / member of the Supervisory Board committee <sup>2</sup>

<sup>2</sup> X – denotes the Chair of the committee; V – denotes a member of the committee.

Name of Supervisory Board member, term of office during the reporting period		Audit Committee	Risk Management Committee	Nomination and Remuneration Committee
Rafal Zalewski (01.01.2025–31.12.2025)	V (Acting Chairman of the Supervisory Board) (01.01.2025–24.01.2025)	V (01.01.2025–16.05.2025)	V	–
Slawomir Bukowski (01.01.2025–30.04.2025)	–	–	V	X
Nataliia Chukhrai (01.01.2025–31.12.2025)	–	X	–	V
Lev Klioba (01.01.2025–31.12.2025)	–	V	X	–
Bohdan Artymovych (01.01.2025–31.12.2025)	–	–	–	–
Marek Radzikowski (17.01.2025–31.12.2025)	X (24.01.2025–30.04.2025); X (16.05.2025–31.12.2025)	–	–	–
Maciej Cieślukowski (10.03.2025–31.12.2025)	V (16.05.2025–31.12.2025)	V (16.05.2025–31.12.2025)	–	V (16.05.2025–31.12.2025)
Mykola Nesterenko (17.01.2025–31.12.2025)	–	–	–	–
Slawomir Wilkos (17.01.2025–31.12.2025)	–	–	V (16.05.2025–31.12.2025)	X (16.05.2025–31.12.2025)

In 2025, the Audit Committee of the Supervisory Board held 8 in-person meetings and adopted 5 resolutions by written circulation (without holding a meeting). The resolutions adopted related to the review of periodic reports of the Internal Audit Department (IAD), recommendations regarding the selection of the audit firm, review of the Bank's internal regulations governing the activities of the Internal Audit Department, setting MbO targets for the Director of the IAD for the current year and assessment of achievement of the targets for the previous year, and other matters.

In 2025, the Risk Management Committee of the Supervisory Board held 8 in-person meetings and adopted 8 resolutions by written circulation (without holding a meeting). The resolutions adopted related to the review of periodic reports of the risk, compliance and internal audit functions, review of the Bank's internal regulations governing the activities of the risk and compliance functions, and other matters.

In 2025, the Nomination and Remuneration Committee of the Supervisory Board held 9 in-person meetings and did not adopt any resolutions by written circulation (without holding a meeting). The resolutions adopted related to approval of changes in the amount of monthly remuneration of key persons, setting MbO targets for the Director of the IAD and the Chief Compliance Officer for the current year and assessment of achievement of the targets for the previous year, approval of amendments to contracts of the members of the Management Board, approval of internal regulations, and other matters.

#### Management Board

As at 1 January 2025, the Management Board consisted of:

- Anton Yevhenovych Kirkach – Deputy Chairman of the Management Board, Acting Chairman of the Management Board;
- Jakub Marek Karnowski – First Deputy Chairman of the Management Board;
- Adam Patryk Swirski – Deputy Chairman of the Management Board;
- Oleh Zenoviiiovych Noha – Deputy Chairman of the Management Board;
- Yaroslav Mariush Beldowski – Deputy Chairman of the Management Board;

- Paweł Wojtunik – Deputy Chairman of the Management Board;
- Adam Jakub Filiutowski – Deputy Chairman of the Management Board.

On 21 February 2025, the Supervisory Board resolved to:

- elect Jakub Marek Karnowski, First Deputy Chairman of the Management Board, to the vacant position of Chairman of the Management Board of JSC KREDOBANK for a three-year term commencing on 1 March 2025;
- elect Yaroslav Mariush Beldowski, Deputy Chairman of the Management Board, to the vacant position of First Deputy Chairman of the Management Board of JSC KREDOBANK for Sales for a three-year term commencing on 3 March 2025.

Accordingly, as at 31 December 2025, the Management Board consisted of:

- Jakub Marek Karnowski – Chairman of the Management Board;
- Yaroslav Mariush Beldowski – First Deputy Chairman of the Management Board;
- Anton Yevhenovych Kirkach – Deputy Chairman of the Management Board;
- Adam Patryk Świrski – Deputy Chairman of the Management Board;
- Oleh Zenoviiiovych Noha – Deputy Chairman of the Management Board;
- Paweł Wojtunik – Deputy Chairman of the Management Board;
- Adam Jakub Filiutowski – Deputy Chairman of the Management Board.

In 2025, the Management Board held 19 in-person meetings and adopted 1,290 resolutions by written circulation (without holding a meeting). The meetings considered, among other things:

- the draft Financial Plan of JSC KREDOBANK for 2026;
- reports on performance against the Financial Plan parameters of JSC KREDOBANK (quarterly);
- compliance risk assessment reports (quarterly);
- business risk and macroeconomic change risk assessment reports (quarterly);
- financial risk assessment reports of JSC KREDOBANK (monthly);
- reputation risk assessment reports for 2025;
- operational risk assessment reports (quarterly);
- credit risk assessment reports of JSC KREDOBANK (monthly);
- information on credit risk (DPD30+/DPD90+) (monthly);
- reports on implementation of the Strategy for Management of Problem Assets and execution of the operational plan, and reports on settlement of indebtedness of debtors/counterparties (monthly);
- reports on monitoring of the market positions of JSC KREDOBANK and analysis of the competitive environment (quarterly);
- matters relating to anti-money laundering, counter-terrorist financing and counter-proliferation financing (quarterly);
- information on the implementation status of strategic, mandatory and highest-priority projects (quarterly);
- reports on the status of the project portfolio of JSC KREDOBANK (quarterly);
- matters relating to the membership of JSC KREDOBANK in unions and business associations;
- measures relating to management of the Bank's branch network;
- the further strategy for the Bank's cooperation with international financial institutions;
- approval of new internal regulations and new versions of the Bank's internal regulations;
- approval of new banking products and new versions of banking products;

- approval of organisational regulations and new versions of organisational regulations for structural units, and other matters.

The following committees subordinated to the Management Board operate in the Bank:

- Assets, Liabilities and Tariffs Management Committee;
- Credit Committee (credit committees);
- Non-performing Assets Management Committee;
- Operational Risk and Information Security Committee;
- Cost Control and Tender Committee;
- Change Management Committee;
- Sustainability Committee;
- Cybersecurity Committee.

The composition of the Management Board committees is presented in the table below.

Name of member of the executive body, term of office during the reporting period	Chairman / Deputy Chairman of the executive body <sup>3</sup>	Chair / member of a committee of the executive body <sup>4</sup>							
		Credit Committee	Assets, Liabilities and Tariffs Management Committee	Non-performing Assets Management Committee	Cost Control and Tender Committee	Operational Risk and Information Security Committee	Change Management Committee	Sustainability Committee	Cybersecurity Committee
Jakub Marek Karnowski (First Deputy Chairman: 01.01.2025–27.02.2025; Chairman of the Management Board: 28.02.2025–31.12.2025)	X		V (X – 28.02.25-31.03.25)		X (28.02.25 - 31.03.25)		V (01.01.25-27.02.25)		
Yaroslav Mariush Beldowski (01.01.2025-31.12.2025)	Y	V	V	V			V	V	
Adam Patryk Swirski (01.01.2025-31.12.2025)	Y	V	V	X		X		X	
Oleh Noha (01.01.2025-31.12.2025)	Y				V	V	X	V	
Anton Kirkach (01.01.2025-31.12.2025, Acting Chairman 01.01.2025-27.02.2025)	Y (X)		X (V)		X (V)		V		
Pawel Wojtunik (01.01.2025-31.12.2025)	Y				V (04.04.25 - 31.12.25)	V			V
Adam Jakub Filiutowski (01.01.2025-31.12.2025)	Y				V	V	V		X

In 2025, the Credit Committee held 105 in-person meetings and 2 absentee meetings. The Committee made decisions on the execution of credit transactions (or amendments to their terms) within the limits of authority

<sup>3</sup> X – denotes the Chairman of the Management Board; Y – denotes a Deputy Chairman of the Management Board.

<sup>4</sup> X – denotes the Chair of the committee; V – denotes a member of the committee.

established by the Management Board of the Bank and recommended to the Management Board credit decisions in cases where the amount and substance of the proposals exceeded the Committee's authority.

The Credit Committee also considered matters relating to:

- restructuring of credit indebtedness outside the competence of the non-performing assets management function;
- monthly assessment of the quality of the Bank's assets and preparation of proposals for determining the amount of credit risk and impairment allowances for expected losses;
- credit reviews;
- existence / absence of criteria for identifying groups of connected counterparties;
- updating of identified groups of connected counterparties;
- granting permission for the payment of insurance compensation to a client upon occurrence of an insured event involving pledged property, and related servicing matters;
- establishment / amendment / cancellation of individual tariffs for credit transactions;
- other matters, the list of which was determined by the Bank's Charter and resolutions of the Supervisory Board and the Management Board.

In 2025, the Assets, Liabilities and Tariffs Management Committee (ALTC) held 50 in-person meetings and 68 absentee meetings. The Committee reviewed the cost of liabilities and the yield on assets and made decisions regarding the interest margin, considered matters relating to maturity matching of assets and liabilities and provided recommendations to the relevant Bank units on eliminating maturity mismatches, and analysed the relationship between the cost of services and the market competitiveness of the tariffs in force.

The ALTC also approved:

- the Bank's tariffs, except for the establishment / amendment / cancellation of individual tariffs for credit transactions;
- interest rates on products;
- transfer prices;
- limits of authority for trading operations;
- risk limit thresholds;
- limits for financial institutions;
- accreditation of insurance companies with the establishment of insurance liability limits.

In 2025, the Non-performing Assets Management Committee held 4 in-person meetings and 35 absentee meetings. The Committee made decisions on restructuring credit indebtedness through amendments to existing credit agreements or the execution of new credit agreements for justified restructuring of credit indebtedness.

The Committee also made decisions on:

- existence / absence of criteria for identifying groups of connected counterparties;
- updating of identified groups of connected counterparties;
- recommendations to submit to the Management Board / Supervisory Board matters relating to restructuring of credit indebtedness in cases where the amount of the credit proposal exceeded the Committee's authority;
- recommendations to submit to the Management Board / Supervisory Board matters relating to approval of the Report on Decisions Adopted by the Bank's Non-performing Assets Management Committee;
- recommendations to submit to the Management Board / Supervisory Board matters relating to approval of the Report on Implementation of the Strategy for Management of Problem Assets and Execution of the Operational Plan;

- approval of NPA resolution instruments, whether out-of-court or judicial, the terms (parameters) of their application by specifically defined debtor / counterparty segments, and the sequence of application of such instruments within the overall problem debt management process;
- discontinuation of default recognition and discontinuation of non-performing asset recognition in respect of debtors;
- recognition of loan debt as uncollectible and write-off of debt against the allowance for expected credit losses;
- application of the moratorium in accordance with the requirements of Law of Ukraine No. 4340-IX dated 27 March 2025 "On Amendments to the Section 'Final and Transitional Provisions' of the Civil Code of Ukraine regarding the Peculiarities of Lending and Financial Leasing during Martial Law";
- management of non-performing assets, including decisions on the determination of NPA resolution instruments, out-of-court and judicial, and the terms (parameters) of such resolution, and other matters.

In 2025, the Cost Control and Tender Committee held 51 in-person meetings and 57 absentee meetings. The Committee adopted decisions based on the results of procurement procedures, including tenders.

In 2025, the Operational Risk and Information Security Committee held 10 in-person meetings and 8 meetings in working order. The Committee made decisions on:

- approval of protocols for the high alert, restricted and critical operating modes of the Bank;
- management of access rights, including administrative access rights;
- identified fraud schemes aimed at unauthorised access to the Bank's clients' accounts;
- review of the Bank's key operational risk indicators;
- results of certification audits for compliance with standards and other external audits;
- implementation of action plans to mitigate cyber risks associated with the use of software products originating from the aggressor state, and other matters.

In 2025, the Change Management Committee held 5 in-person meetings. The Committee made decisions on:

- setting priorities and budgets for implementation of changes to products / services;
- approval of projects, concepts and budgets for a new product / service or changes to an existing product / service;
- status of project implementation and proposals for reprioritisation;
- improving the efficiency of change approval, and other matters.

In 2025, the Sustainability Committee held 1 in-person meeting, as it was established and commenced operations in the fourth quarter of 2025. The Committee considered matters relating to the status and prospects of implementation of an integrated ESG management approach, management of direct environmental impact, and introduction of sustainable lending products.

In 2025, the Cybersecurity Committee held 1 in-person meeting, as it was established and commenced operations in the fourth quarter of 2025. The Committee reviewed the current state of cybersecurity arrangements in the Bank and the quarterly report on cyberattacks identified by the Bank's Cybersecurity Department.

#### **8.4. Information on the Corporate Secretary and report on the results of her activities.**

The position of Corporate Secretary has been introduced in the Bank.

The Corporate Secretary is an officer of the Bank responsible for ensuring effective day-to-day interaction between the Bank and its shareholders and other investors, coordinating the Bank's actions aimed at protecting the rights and interests of shareholders, supporting the effective functioning of the Bank's Supervisory Board, and performing other functions provided for by the laws of Ukraine and the Bank's Charter.

The activities of the Corporate Secretary are supervised and regulated by the Bank's Supervisory Board in accordance with the laws of Ukraine, the Bank's Charter, the Regulations on the Supervisory Board of the Bank and the Regulations on the Corporate Secretary.

The Corporate Secretary is also required, inter alia, to report annually to the Bank's Supervisory Board on the work performed.

By Supervisory Board Resolution No. 84/2020 dated 26 June 2020, Mariia Bilous was appointed Corporate Secretary within the Strategy and Corporate Governance Department of JSC KREDOBANK.

By Supervisory Board Resolution No. 164/2024 dated 18 November 2024, Mariia Bilous was appointed Corporate Secretary of JSC KREDOBANK.

During the reporting period, the Corporate Secretary ensured:

- provision of information on the Bank's activities to the sole Shareholder and other interested parties;
- provision of the Bank's Charter and internal regulations for review by persons entitled thereto;
- participation in the preparation and conduct of General Meetings (in the form of a decision of the sole Shareholder);
- preparation and conduct of meetings of the Supervisory Board (12 meetings at which 73 resolutions were adopted), as well as support for the adoption by the Supervisory Board of 110 resolutions by written circulation;
- performance of the functions of secretary of the Supervisory Board and its committees, including preparation of minutes of meetings of the Supervisory Board and its committees;
- participation in preparing responses to requests from the sole Shareholder;
- preparation and certification of extracts from resolutions and minutes of meetings of the Supervisory Board and its committees, and other related activities.

**8.5. Description of the main characteristics of the internal control and risk management systems, and the list of structural units performing key duties to ensure the operation of the internal control and risk management systems.**

The Bank has established a comprehensive, effective and adequate internal control system based on the following principles: comprehensiveness and completeness, effectiveness, adequacy, prudence, risk orientation, integration, timeliness, independence, continuity and confidentiality.

The main areas of internal control in the Bank include:

- control over the achievement of the Bank's operating objectives, including those set out in the Bank's strategy and business plan;
- control over the efficiency of the Bank's financial and business activities in the course of banking and other operations;
- control over the effectiveness of asset and liability management;
- control over the safeguarding of the Bank's assets;
- control over the effectiveness of the risk management system;
- control over compliance with the laws of Ukraine, regulations of the National Bank of Ukraine, the Bank's internal regulations and professional association standards applicable to the Bank;
- control over the reliability, completeness, objectivity and timeliness of accounting records and the preparation and disclosure of financial and other reporting for external and internal users;
- management of information flows, including the receipt and transmission of information and ensuring the functioning of the information security management system.

The Bank has implemented an internal control system based on the allocation of responsibilities among the Bank's units, except for functions falling within the exclusive competence of the Supervisory Board / Management Board / Bank committees in accordance with the laws of Ukraine and regulations of the National Bank of Ukraine. This allocation is based on the three lines of defence model:

- first line of defence – comprises the Bank's structural units performing operational activities, including product sales and customer service, as well as other structural units performing operational tasks that generate risk in accordance with separate internal regulations;
- second line of defence – covers the functions of the compliance unit and the risk management unit, as well as the identification, measurement, control, monitoring and reporting of specific risks, threats and breaches; these tasks are performed by specialised structural units acting on the basis of relevant rules, methodologies and procedures; the purpose of these units is to ensure that the measures implemented

at the first line are properly designed and effectively mitigate risk, while supporting risk measurement, risk analysis and operational effectiveness;

- third line of defence – comprises the activities of the internal audit unit, which performs an independent audit of the elements of the Bank's management system, including the risk management system and the internal control system.

The participants in the Bank's internal control system are::

- the Supervisory Board of the Bank;
- the Management Board of the Bank;
- the Bank's collegial bodies;
- business units and support units;
- the risk management unit and the compliance unit;
- the internal audit unit;
- managers and employees of the Bank who perform internal control functions in accordance with the powers defined by the Bank's internal regulations and are not members of the Bank's bodies and units listed in items 1–6.

The main internal documents governing the internal control system are:

- Policy on Organisation of the Internal Control System in JOINT STOCK COMPANY KREDOBANK and the Banking Group (approved by Supervisory Board Resolution No. 53/2025 dated 4 April 2025);
- Methodology for Independent Monitoring of Compliance and Assessment of Control Mechanisms in JOINT STOCK COMPANY KREDOBANK (approved by Management Board Resolution No. 1008 dated 15 October 2025).

On a quarterly basis, the Bank's Supervisory Board, Management Board and Risk Management Committee are provided with compliance risk assessment reports, which include:

- results of monitoring of the internal control system;
- information on identified deficiencies in the internal control system;
- analysis of the causes of such deficiencies and the potential consequences to which they may lead;
- recommendations / proposals for improving the effectiveness of the internal control system;
- control mechanisms for monitoring the implementation status of recommendations / proposals approved earlier.

In 2025, the following quarterly compliance risk assessment reports were approved:

- Compliance Risk Assessment Report for Q4 2024, approved by Management Board Resolution No. 201 dated 26 February 2025 and approved by Supervisory Board Resolution No. 30/2025 dated 21 March 2025;
- Compliance Risk Assessment Report for Q1 2025, approved by Management Board Resolution No. 545 dated 2 June 2025 and approved by Supervisory Board Resolution No. 104/2025 dated 18 July 2025;
- Compliance Risk Assessment Report for Q2 2025, approved by Management Board Resolution No. 13/2025 dated 27 August 2025 and approved by Supervisory Board Resolution No. 124/2025 dated 19 September 2025;
- Compliance Risk Assessment Report for Q3 2025, approved by Management Board Resolution No. 1135 dated 24 November 2025 and approved by Supervisory Board Resolution No. 165/2025 dated 12 December 2025.

#### **8.6. Information on the approved Risk Appetite Statement and description of its key provisions.**

By Supervisory Board Resolution No. 171/2025 dated 12 December 2025, a new version of the Risk Appetite Statement was approved. The Risk Appetite Statement defines the aggregate level of risk appetite, the types of risk the Bank will accept or avoid in pursuing its business objectives, and the risk appetite level for each such risk on an individual basis.

**8.7. List of persons directly or indirectly holding a significant shareholding.**

Full legal name of the legal entity	Type of person	Whether the person is a holder of a significant interest in the bank	Information about the person	Interest in the bank, %			Description of the relationship of the person with the bank
				direct	indirect	total	
POLISH JOINT STOCK BANK "POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI"  (Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna)	public company	Yes	Poland, 00-116, 36 Warsaw, Świętokrzyska Street. Registration number: 26438	100,00	-	100,00	Shareholder of the Bank

During 2025, there were no changes in the composition of persons directly or indirectly holding a significant shareholding in the Bank.

**8.8. Information on any restrictions on shareholders' (participants') rights to participate and vote at General Meetings.**

There are no restrictions on shareholders' (participants') rights to participate and vote at General Meetings.

**8.9. Procedure for appointment and dismissal of officers.**Supervisory Board

The Supervisory Board is a collegial body that exercises oversight over the activities of the Management Board and protects the rights of depositors, other creditors and shareholders of the Bank.

The Supervisory Board is elected by the General Meeting of the Bank. The number of members, the procedure for election and the term of office of members of the Bank's Supervisory Board are established by the Bank's Charter.

The powers of a member of the Supervisory Board shall terminate, with simultaneous termination of the relevant contract, without a resolution of the General Meeting of the Bank, in the following cases:

- at his or her own request, subject to written notice to the Bank two weeks prior to the date of termination of powers;
- at his or her own request in the event of inability to perform the functions of a member of the Supervisory Board due to health reasons, on the date of receipt of such member's notice of resignation from the Supervisory Board or on the date specified in the Supervisory Board resolution confirming termination of membership in the Supervisory Board, adopted on the basis of the information and documents received;
- upon entry into force of a judgment or court decision imposing a punishment that excludes the possibility of performing the functions of a member of the Supervisory Board, from the date specified in the Supervisory Board resolution on termination of membership, unless the court judgment deprived the member of the right to perform the functions of a member of the Supervisory Board as from the date on which the judgment entered into force;
- upon entry into legal force of a court decision under Article 73(2) of the Law of Ukraine On Joint Stock Companies (where an independent director no longer meets the independence requirements) and/or a court decision finding the member of the Supervisory Board guilty of breaching Article 89 of the Law of Ukraine On Joint Stock Companies (failure to perform duties as an officer of the Bank);
- in the event of death, declaration as incapacitated, limitation of legal capacity, recognition as missing or deceased, from the date on which the Bank receives the relevant document establishing such fact in accordance with the laws of Ukraine;
- upon termination of employment or other legal relations between the member of the Supervisory Board and the Shareholder upon whose nomination he or she was elected to the Supervisory Board, on the

date of receipt of such member's notice of resignation from the Supervisory Board or on the date of receipt of the relevant statement from the Shareholder whom he or she represented;

- upon receipt by the Bank of written notice replacing a member of the Supervisory Board who is a representative of the Shareholder, from the date of receipt by the Bank of such notice;
- upon receipt by the Bank of a statement from an independent member of the Supervisory Board on early resignation due to his or her failure to meet the requirements established by the laws of Ukraine and the Bank's Charter for independent members of the Supervisory Board, from the date of receipt of such statement;
- in the cases provided by Article 88(3) of the Law of Ukraine On Joint Stock Companies (prohibition on holding concurrent positions);
- where the shareholder(s) represented by the member of the Supervisory Board disposes of all shares in the Bank held by such shareholder(s), from the date on which the Bank receives official information to that effect.

#### Management Board

The Management Board is a collegial executive body of the Bank that manages its day-to-day activities, forms the funds required for its statutory activities, and is responsible for the efficiency of its work in accordance with the laws of Ukraine, the Bank's Charter, the Regulations on the Management Board, and resolutions of the General Meeting and the Supervisory Board.

Members of the Management Board are elected by resolution of the Supervisory Board. Members of the Management Board are appointed for a term of three years, with the possibility of early recall (termination of powers).

Changes in the composition of the Management Board are made by resolution of the Supervisory Board. The powers of the Chairman of the Management Board are terminated by resolution of the Supervisory Board simultaneously with the adoption of a resolution appointing the Chairman of the Management Board or a person who will temporarily perform his or her powers.

The powers of a member of the Management Board shall also terminate:

- in the cases provided for by Article 88(3) of the Law of Ukraine *On Joint Stock Companies* (prohibition on holding concurrent positions);
- upon entry into legal force of a court decision finding the member of the Management Board guilty of breaching Article 89 of the Law of Ukraine *On Joint Stock Companies* (failure to perform duties as an officer of the Bank).

#### **Other officers**

The Chief Accountant is appointed and dismissed by resolution of the Management Board.

The appointment of the Corporate Secretary and termination of his or her powers fall within the exclusive competence of the Supervisory Board, except for cases of early termination of powers in the instances provided for by the laws of Ukraine.

#### **8.10. Powers of officers.**

##### Supervisory Board

The Supervisory Board adopts decisions on all matters that fall within its competence under the Bank's Charter and the laws of Ukraine.

The scope of authority of the Supervisory Board is set out in the Regulations on the Supervisory Board, published at <https://kredobank.com.ua/public/upload/dd401f80e70b96ea224d7d635feeb8de.pdf>.

##### Management Board

The Management Board is competent to resolve all matters related to the management of the Bank's day-to-day activities, except for matters falling within the exclusive competence of the General Meeting and the Supervisory Board.

The scope of authority of the Management Board is set out in the Regulations on the Management Board, published at: <https://kredobank.com.ua/public/upload/be9aa2c868aaea08c3589169037143ae.pdf>

##### Other officers

The Chief Accountant heads the accounting function and performs organisational and control functions in the area of accounting for the Bank's activities. The Chief Accountant is responsible for the Bank's accounting, the preparation and reliability of the financial statements, compliance with the deadlines for their submission and disclosure, and the fair presentation of the Bank's actual position in such statements.

The Corporate Secretary:

- ensures the provision of information on the Bank's activities to shareholders and/or investors and other interested parties;
- ensures that the Bank's Charter and internal regulations are made available for review to persons entitled thereto;
- performs the functions of chair of the counting commission in accordance with Article 55 of the Law of Ukraine On Joint Stock Companies;
- ensures the preparation, convening and holding of the Bank's General Meetings, performs the functions of secretary of the General Meeting and prepares the minutes of the Bank's General Meeting;
- prepares meetings of the Supervisory Board and its committees, performs the functions of secretary of the Bank's Supervisory Board and prepares the minutes of meetings (resolutions) of the Supervisory Board;
- participates in the preparation of, or prepares, draft explanations for shareholders or investors of the Bank regarding the exercise of their rights and responses to requests from shareholders or investors;
- prepares and certifies extracts from the minutes of meetings of the Bank's governing bodies.

**8.11. Information on remuneration of members of the executive body and the Supervisory Board.**

The Remuneration Reports of the members of the Supervisory Board and the Management Board of the Bank for 2025 are published on the Bank's website at <https://kredobank.com.ua/about/zvity-banku/richna-zvitnist>.

**8.12. Main provisions of the information disclosure policy.**

No information is available.

**8.13. Information on the adviser.**

No information is available.

**8.14. Information from the audit firm**

Information provided by the audit firm, including information on the Corporate Governance Report, is presented in the section "INDEPENDENT AUDITOR'S REPORT" of the Annual Financial Statements.

**SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR 2025  
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

## SEPARATE STATEMENT OF FINANCIAL POSITION

<i>In thousands of hryvnias</i>	Note	31 December 2025	31 December 2024
<b>Assets</b>			
Cash and balances with the National Bank of Ukraine	5	31 281 515	17 647 174
Due from other banks	6	3 138 016	3 600 525
Loans and advances to customers	7	15 210 854	11 992 518
Securities	8	23 145 946	27 191 997
Prepayment of current income tax		448	-
Deferred income tax asset	28	124 216	40 686
Investments in subsidiaries		35 000	35 000
Investment property	10	4 495	8 851
Intangible assets	12	363 216	330 956
Property and equipment	11	1 028 974	917 403
Other financial assets	13	20 960	26 052
Other non-financial assets	14	228 621	229 921
<b>Total assets</b>		<b>74 582 261</b>	<b>62 021 083</b>
<b>Liabilities</b>			
Due to other banks	15	818 087	1 175 024
Customer accounts	16	63 998 024	52 228 947
Due to other financial institutions	17	100 081	103 161
Current income tax liabilities		133 116	438 907
Other financial liabilities	18	458 923	496 274
Other non-financial liabilities	19	463 024	343 452
Provisions	20	95 400	115 922
<b>Total liabilities</b>		<b>66 066 655</b>	<b>54 901 687</b>
<b>Equity</b>			
Share capital	21	2 248 969	2 248 969
Reserve and other funds		3 788 588	2 848 725
Revaluation reserve for property and equipment		195 591	199 894
Revaluation reserve for securities		667 351	881 906
Retained earnings		1 615 107	939 902
<b>Total equity</b>		<b>8 515 606</b>	<b>7 119 396</b>
<b>Total liabilities and equity</b>		<b>74 582 261</b>	<b>62 021 083</b>

Approved to issue and signed on behalf of the Management Board on March 31, 2026.



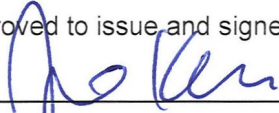
*Jakub Marek Karnowski*  
Jakub Marek Karnowski  
Chairman of the Management Board

*Viktor Khimiak*  
Viktor Khimiak  
Chief Accountant

## SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>In thousands of hryvnias</i>	Note	2025	2024
Interest income calculated using the effective interest method	23	6 507 834	5 846 401
Other interest income	23	275 568	165 405
Interest expense	23	(2 931 231)	(2 192 583)
<b>Net interest income</b>		<b>3 852 171</b>	<b>3 819 223</b>
Fee and commission income	24	895 333	855 831
Fee and commission expense	24	(465 120)	(438 607)
Gains less losses from trading in foreign currencies		401 577	423 190
Foreign exchange translation gains less losses		(4 452)	48 598
Result from operations with financial instruments		10 104	60
Gains less losses on derecognition of financial assets at amortised cost		16 174	17 325
Result from modification of financial assets		(2 069)	(1 409)
Credit loss expense on financial assets	25	114 879	(377 133)
Other operating income	26	64 589	85 319
Employee payments expenses	27	(1 477 392)	(1 173 618)
Depreciation costs	11,12	(458 099)	(416 750)
Administrative and other operating expenses	27	(842 128)	(752 980)
<b>Profit before tax</b>		<b>2 105 567</b>	<b>2 089 049</b>
Income tax expense for the year	28	(494 802)	(1 152 655)
<b>Profit for the year</b>		<b>1 610 765</b>	<b>936 394</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Financial instruments at fair value through other comprehensive income			
- Net change in the fair value of financial instruments at fair value through other comprehensive income		(257 789)	212 158
- Net change in the fair value of financial instruments at fair value through other comprehensive income transferred to net profit and loss		(10 104)	(60)
- Income tax related to financial instruments at fair value through other comprehensive income		53 338	(10 818)
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Revaluation of property, plant and equipment		-	112 666
<b>Other comprehensive income for the year</b>	22	<b>(214 555)</b>	<b>313 946</b>
<b>Total comprehensive income for the year</b>		<b>1 396 210</b>	<b>1 250 340</b>
Basic and diluted profit per share attributable to shareholders on the basis of The Consolidated Financial Statements (UAH per share)	29	0,0072	0,0042

Approved to issue and signed on behalf of the Management Board on March 31, 2026.

  
\_\_\_\_\_  
Jakub Marek Karnowski  
Chairman of the Management Board

  
\_\_\_\_\_  
Viktor Khimiak  
Chief Accountant

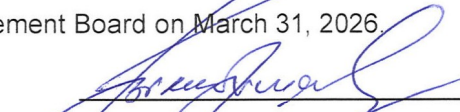


## SEPARATE STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Reserve and other funds	Revaluation reserve for securities at fair value through other comprehensive income	Revaluation reserve for property, plant and equipment	Retained earnings	Total equity
<i>In thousands of hryvnias</i>							
<b>Balance at 1 January 2024</b>		<b>2 248 969</b>	<b>1 627 010</b>	<b>680 626</b>	<b>90 323</b>	<b>1 221 752</b>	<b>5 868 680</b>
Profit for the year		-	-	-	-	936 394	936 394
Other comprehensive income	22	-	-	201 280	112 666	-	313 946
<b>Total comprehensive income for 2024</b>		<b>-</b>	<b>-</b>	<b>201 280</b>	<b>112 666</b>	<b>936 394</b>	<b>1 250 340</b>
Distribution of profit to the reserve and other funds		-	1 221 715	-	-	(1 221 715)	-
Transfer of revaluation surplus on property		-	-	-	(3 095)	3 471	376
<b>Balance at 31 December 2024</b>		<b>2 248 969</b>	<b>2 848 725</b>	<b>881 906</b>	<b>199 894</b>	<b>939 902</b>	<b>7 119 396</b>
Profit for the year		-	-	-	-	1 610 765	1 610 765
Other comprehensive income	22	-	-	(214 555)	-	-	(214 555)
<b>Total comprehensive income for 2025</b>		<b>-</b>	<b>-</b>	<b>(214 555)</b>	<b>-</b>	<b>1 610 765</b>	<b>1 396 210</b>
Distribution of profit to the reserve and other funds		-	939 863	-	-	(939 863)	-
Transfer of revaluation surplus on property and other changes		-	-	-	(4 303)	4 303	-
<b>Balance at 31 December 2025</b>		<b>2 248 969</b>	<b>3 788 588</b>	<b>667 351</b>	<b>195 591</b>	<b>1 615 107</b>	<b>8 515 606</b>

Approved to issue and signed on behalf of the Management Board on March 31, 2026.

  
Jakub Marek Karnowski  
Chairman of the Management Board

  
Viktor Khimiak  
Chief Accountant



## SEPARATE STATEMENT OF CASH FLOWS

<i>In thousands of hryvnias</i>	2025	2024
<b>Cash flows from operating activities</b>		
Interest received	6 749 055	5 514 819
Interest paid	(2 919 137)	(2 210 561)
Fees and commissions received	898 260	855 749
Fees and commissions paid	(465 120)	(438 607)
Income received from trading in foreign currencies	401 577	423 190
Other operating income received	63 464	65 335
Employee costs paid	(1 406 032)	(1 106 447)
Administrative and other operating expenses paid	(817 537)	(730 102)
Income tax paid	(828 236)	(1 463 297)
<b>Cash flows from/(used in) operating activities before changes in operating assets and liabilities</b>	<b>1 676 294</b>	<b>910 079</b>
Net (increase)/decrease in amounts due from other banks	(24 674)	(15 399)
Net (increase)/decrease in loans and advances to customers	(3 152 785)	543 000
Net (increase)/decrease in other financial and non-financial assets	12 217	(48 896)
Net increase/(decrease) in amounts due to other banks	(383 798)	(622 988)
Net increase/(decrease) in customer accounts	10 355 717	4 354 120
Net increase/(decrease) in other financial and non-financial liabilities	(69 291)	98 207
<b>Net cash from/(used in) operating activities</b>	<b>8 413 680</b>	<b>5 218 123</b>
<b>Cash flows from investing activities</b>		
Purchase of securities	(20 127 825)	(28 801 516)
Proceeds from disposal and redemption of securities	24 945 274	25 179 940
Purchase of premises and equipment	(167 070)	(104 234)
Proceeds from disposal of premises and equipment	3 620	5 938
Purchase of intangible assets	(248 197)	(227 201)
<b>Net cash received from/(used in) investing activities</b>	<b>4 405 802</b>	<b>(3 947 073)</b>
<b>Cash flows from financing activities</b>		
Lease liabilities paid	(139 436)	(93 647)
<b>Net cash received from/(used in) financing activities</b>	<b>(139 436)</b>	<b>(93 647)</b>
Effect of exchange rate changes on cash and cash equivalents	463 178	275 632
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>13 143 224</b>	<b>1 453 035</b>
Cash and cash equivalents at the beginning of the year	21 213 123	19 760 088
<b>Cash and cash equivalents at the end of the year</b>	<b>34 356 347</b>	<b>21 213 123</b>

The Separate Statement of Cash Flows was prepared using the direct method

Approved to issue and signed on behalf of the Management Board on March 31, 2026.

  
Jakub Marek Karnowski  
Chairman of the Management Board

  
Viktor Khimiak  
Chief Accountant



## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

### 1. INTRODUCTION

These separate financial statements have been prepared in accordance with International Financial Reporting Standards for the 2025 financial year for Joint Stock Company "Kredobank" (hereinafter, "JSC Kredobank" or the "Bank") in addition to the Bank's IFRS consolidated financial statements, for submission to the National Bank of Ukraine (hereinafter, the "NBU") in compliance with the requirements of paragraph 8.1, Section III of the Instruction on the Procedure for Preparation and Disclosure of Financial Statements of Banks of Ukraine approved by Resolution of the NBU Board No. 373 dated 10 November 2011, as amended and supplemented. These separate financial statements should be reviewed together with the consolidated financial statements published on the Bank's official website (<https://kredobank.com.ua>).

The Bank is incorporated in Ukraine and is domiciled in Ukraine. The Bank is a joint stock company with shareholders' liability limited to the value of the shares held by them and was established in accordance with the legislation of Ukraine. The Bank was founded in the form of a joint stock company in 1990. The Bank was registered by the State Bank of the USSR and re-registered by the NBU on 14 October 1991 under the name "West Ukrainian Commercial Bank". In 2002, the Bank's name was changed to JSC "Credit Bank (Ukraine)". In November 2005, the Bank's shareholders resolved to change the Bank's name to "Kredobank". Pursuant to the resolution of the Extraordinary General Meeting of Shareholders dated 26 November 2009, in connection with aligning its operations with the requirements of the Law of Ukraine "On Joint Stock Companies", the Bank changed its name to Public Joint Stock Company "KREDOBANK".

As at 31 December 2025 and 31 December 2024, the Bank's immediate parent company is PKO Bank Polski S.A. (Poland). The Bank is part of the PKO Bank Polski Group (hereinafter, the "PKO BP Group"). The largest shareholder of the PKO BP Group is the Ministry of State Assets of the Republic of Poland, which exercises control over PKO Bank Polski S.A. through its 29.43% interest in the share capital of PKO Bank Polski S.A. No other shareholder of PKO Bank Polski S.A. holds more than 10% of the voting shares. The Bank does not conduct joint transactions with the Ministry of State Assets of the Republic of Poland. As at 31 December 2025 and 31 December 2024, PKO Bank Polski S.A. owns 100% of the Bank's shares.

**Principal activity.** The Bank's principal activity comprises commercial banking operations and services to individuals and legal entities in Ukraine.

The Bank conducts its operations under Banking Licence No. 43 issued by the NBU on 11 October 2011. This licence authorises the Bank to carry out banking operations, including foreign exchange operations. The Bank also holds licences for depository activities dated 10 October 2013 and for securities trading activities dated 7 November 2012. The Bank is a member of the Deposit Guarantee Fund for Individuals (registration certificate No. 051 dated 19 October 2012), which operates in accordance with the Law of Ukraine "On the Household Deposit Guarantee System" dated 23 February 2012 (as amended). During the period of martial law in Ukraine and for three months following its termination or cancellation, the Fund reimburses each bank depositor in the full amount of the deposit, including interest accrued as at the end of the day preceding the day the bank is withdrawn from the market. Upon expiry of the three-month period following the termination or cancellation of martial law in Ukraine, the Fund will guarantee reimbursement of deposits up to UAH 600 thousand per individual in the event of the bank's liquidation.

As at 31 December 2025, the Bank had 64 branches in Ukraine (31 December 2024: 65 branches).

In 2025, the average number of the Bank's full-time employees was 1,487 (in 2024: 1,458 employees).

In July 2025, the Supervisory Board of JSC "KREDOBANK" approved the Bank's new strategy for 2025–2027, "A Reliable Bank in Uncertain Times". The period identified as the most optimal for balanced planning takes into account the current situation in Ukraine, the strategy of the Bank's shareholder, PKO Bank Polski S.A., as well as the expectations of customers and partners.

The Bank's mission is to be a reliable financial partner for its Customers and an attractive employer for its Employees. As a member of the capital group of the largest Polish bank, PKO Bank Polski S.A., the Bank seeks to offer its customers appropriate financial solutions, introduce modern technologies, develop international cooperation and support the economy of Ukraine.

The Bank's long-term vision is to be an efficient and secure bank that creates value for Customers, Employees and the Shareholder. The Bank's values as a member of the PKO BP Group are defined as partnership, development and impact.

The new Strategy takes into account the impact of Russian aggression and the ongoing war on the operating environment of the banking sector and is focused on ensuring the Bank's resilience and preparing for the

reconstruction of Ukraine. At the same time, the significant uncertainty and volatility of the environment inherent in the current conditions require the Bank to remain flexible in planning and actions in order to respond to changes promptly and effectively. In line with the new Strategy, JSC "KREDOBANK" remains a universal bank that provides high-quality service to all customer segments, while giving priority attention to the corporate segment and the small and medium-sized business segment, taking into account both their growing importance in the Bank's income structure and their major contribution to the reconstruction of Ukraine's economy.

**Registered office and principal place of business:** 78 Sakharova Street, Lviv, 79026, Ukraine.

**Presentation currency.** These separate financial statements are presented in thousands of Ukrainian hryvnias ("UAH"), unless otherwise stated.

## 2. OPERATING ENVIRONMENT OF THE BANK

The war continues. Russian aggression continues to pose a threat of a long-term decline in the country's economic potential, in particular due to losses of people, territories and production capacity. The speed at which the economy returns to normal operating conditions will depend on the nature and duration of the hostilities.

War on the territory of a country generally results in economic collapse. However, until recently Ukraine has demonstrated that it is capable of withstanding the economic and financial pressure. The banking system remained resilient, the government continued to pay pensions and salaries, and although the hryvnia depreciated, it did not lose its role as the primary means of payment.

According to preliminary estimates of the Ministry of Economy, Environment and Agriculture of Ukraine, Ukraine's real GDP grew by 2.2% in 2025.

In 2025, Ukraine's economy continued to operate amid attacks on energy infrastructure, complex logistics and high security risks. Nevertheless, Ukraine's economy demonstrated growth close to the forecast level, supported by positive performance, in particular, in such key sectors as domestic trade (primarily retail), construction, and manufacturing, including increased production of defence-related goods, pharmaceutical products, metallurgical products, construction materials and other products.<sup>5</sup>

In 2025, core inflation slowed to 8.0%. This trend was driven primarily by the effects of higher harvests, as well as some easing of pressure in the labour market and the continued stability of the foreign exchange market.

During 2025, Ukraine's international reserves increased by 30.8% and, according to preliminary data, amounted to USD 57,292.5 million as at 1 January 2026.

From March to December 2025, the NBU key policy rate remained unchanged at 15.5% per annum.

Throughout 2025, customer funds remained the main source of funding for the banking sector (hryvnia-denominated household funds increased by 18.6% during the year, while hryvnia-denominated corporate funds increased by 22.2%). This remained a consistent driver of growth in the sector's net assets throughout the year: net hryvnia-denominated loans to businesses increased by 35.6% year-on-year during the year, while loans to individuals increased by 33.9%. At the end of the year, changes in lending rates for businesses and individuals were relatively insignificant. The sector's net interest margin remains high. According to preliminary data, banks generated a profit of UAH 126.8 billion. The amount of profit was 39.4% higher than in the previous year, largely due to the lower income tax rate<sup>6</sup>.

Ukraine's State Budget for 2026 was approved with a deficit of 18.8% of GDP (excluding grants recognised in revenue). However, as in previous years, there is a high probability that additional expenditures may be required to support defence capability and reconstruction, including the restoration of energy infrastructure. The budget provides for increased revenues through a number of tax initiatives, including another increase in the income tax rate for banking institutions from 25% to 50%.<sup>7</sup>

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 and, consequently, that the Bank may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Bank's management performs continuous operational monitoring of its activities and ensures a prompt response to current events and changes in circumstances. In assessing possible scenarios for future developments, the Bank's management considers potential losses to be acceptable in view of the available capital and the need to maintain it at an adequate level, and such as would not affect the Bank's ability to continue as a going concern..

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<sup>5</sup> <https://www.kmu.gov.ua/news/minekonomiky-u-2025-rotsi-vvp-ukrainy-zris-na-22>

<sup>6</sup> [https://bank.gov.ua/admin\\_uploads/article/Banking\\_Sector\\_Review\\_2026-02.pdf?v=16](https://bank.gov.ua/admin_uploads/article/Banking_Sector_Review_2026-02.pdf?v=16)

<sup>7</sup> [https://bank.gov.ua/admin\\_uploads/article/IR\\_2026-Q1.pdf?v=16](https://bank.gov.ua/admin_uploads/article/IR_2026-Q1.pdf?v=16)

### 3. ACCOUNTING POLICY

#### Basis of preparation

These separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and requirements of the National Bank of Ukraine on financial reporting by Ukrainian banks under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of premises and investment property, and by the investment securities at fair value through other comprehensive income. The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**Going concern.** Management prepared these separate financial statements on a going concern basis. In making this judgement management considered the Bank's financial position, current intentions, continuing financial support from the parent company, budgeted profitability of future operations and access to financial resources and analysed the impact of the current financial and economic situation on future operations of the Bank.

#### Financial instruments – key measurement terms

Depending on their classification, financial instruments are carried at fair value or amortised cost as described below.

*Fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the Bank. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held by the Bank and placing orders to sell the position in a single transaction might affect the quoted price.

The quoted market price used to value financial assets is the current bid price; the quoted market price for financial liabilities is the current asking price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period (Note 34).

*Amortised cost ("AC")* is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

*The effective interest* method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for

credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

**Financial instruments – initial recognition**

Financial instruments at fair value through profit or loss are initially recognised at fair value. Transactions costs that are attributable to the acquisition or issue of such financial assets are reflected as expenses at the date they are incurred.

All other financial instruments are initially recognised at fair value plus/minus transaction costs. Transaction costs and other payments that are directly attributable to the recognition of financial instruments are reflected as discount (premium).

The best indication of the fair value of a financial instrument at initial recognition is the transaction price-compensation paid or received for the corresponding financial instrument.

The transaction costs include fees paid to agents, consultants, brokers and dealers, regulatory bodies, stock exchanges, taxes etc.

The transaction costs and fee and commission income which are an integral part of the financial instrument yield are included in initial value of the financial instrument and are included in the effective interest rate.

All transactions in the acquisition or sale of financial assets that provide for delivery during the period specified by law or market traditions ("ordinary" sale) are recognised at the date of settlement. All other acquisition transactions are recognised when the Bank becomes a party to the contractual provisions of the instrument.

**Financial assets classification: principal classification categories.** The Bank classifies financial assets in the following categories:

- financial assets measured at amortised cost (AC);
- financial assets measured at fair value through other comprehensive income (FVOCI);
- financial assets measured at fair value through profit or loss (FVTPL).

The Bank classifies financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt financial assets at fair value through other comprehensive income, gains and losses are recognised in other comprehensive income, except for those items recognised in profit or loss in the same way as for financial assets measured at amortised cost:

- interest income calculated using the effective interest method;
- expected credit losses and reversal of impairment losses; and
- foreign exchange gains and losses.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity instruments are classified in a fair value accounting model with revaluation through profit/loss. Equity instruments that are not intended for sale may be classified as valuation at fair value with the recognition of revaluation in other comprehensive income without subsequent reclassification. At the time of derecognition of such instruments, the revaluation accumulated in the capital is not reclassified as profit/loss, but is transferred to another item of capital. All other equity instruments are accounted for at fair value, reflecting revaluation through profit / loss.

All financial liabilities are measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when the transfer of a financial asset does not comply with the terms of a withdrawal or when the principle of continued participation is applied;
- financial guarantee contracts, pledges, avals;
- loan commitments at a lower rate than the market;
- contingent consideration recognised by the Bank as a purchaser in the business combination to which IFRS 3 «Business Combinations» applies. Such conditional consideration is subsequently measured at fair value through profit or loss.

***Financial assets – classification and subsequent measurement: business model.***

The Bank makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information that is considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The main types of business models, within which financial assets are held are the following:

- business model for holding financial assets to collect their contractual cash flows (held to collect);
- business model for holding financial assets to collect their contractual cash flows as well as to sell them (held to collect and for sale);
- other business models including: trading, managing assets on the fair value basis and maximising cash flows through sale.

In the case of a business model "held to collect" sales are not a blocking factor for classification to this model. Information about sales activity is not considered by the Bank in isolation, but as part of a holistic assessment of how the Bank stated objective for managing the financial assets is achieved and how the cash flows are realised. Therefore, the Bank consider the frequency, volume and timing of sales in prior periods, the reasons for these sales. The following sales may be consistent with the "held to collect" business model:

- deterioration of credit quality to a level that is not acceptable to the Bank under the risk management policy;
- getting out of crisis.

Also, the classification for the model "held to collect" is not contrary to sales made at the time of maturity of the asset under the terms of the contract, insignificant by volume or frequency sales.

The significance of sales is determined by comparing the volume of the sold portfolio to the total size of the portfolio attributed to this model at the beginning of the reporting period, and by comparing the result of assets sale to the revenue generated by such a portfolio. For the analysis of the volume of sales, aggregation is carried out for a period equal to the average maturity of the portfolio.

If sales volumes will substantially exceed those expected by the Bank at the time of evaluating business models, this will not lead to changes in business models for existing assets, but will have an impact on the definition of a business model, for new assets generated by the Bank.

For a business model, the goal of which is achieved by model for holding financial assets to collect their contractual cash flows as well as to sell them, sales volumes are not a significant criterion - even a significant volume and amount of them is allowed, however the purpose of sale is considered by the Bank.

Financial assets that are held for trading and those that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

**Financial assets – classification and subsequent measurement – cash flow characteristics.** Cash flows are tested for their compliance with the basic terms of lending, namely, the test evaluates whether the contract for a financial asset provides for receiving cash flows on certain dates, which are exclusively payments of the principal amount and interest on the outstanding part of the principal amount.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. When conducting the assessment, the Bank analyses:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets – e.g. non-recourse asset arrangements; and
- features that modify consideration for the time value of money – e.g. periodic reset of interest rates.

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

In addition, a prepayment feature is treated as consistent with this criterion if a financial asset is acquired or originated at a premium or discount to its contractual amount, the prepayment amount substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination), and the fair value of the prepayment feature is insignificant on initial recognition.

**Reclassification of financial assets.** Reclassification of financial assets is carried out prospectively only in case of changing the business model within which they are held from the beginning of the first reporting period after the change. If the business model changes, then all financial assets affected by such a change are subject to reclassification from the first day of the next reporting period (year). All new assets that will be recognised from the date of change in the business model should be immediately classified according to the new business model in force at the time of initial recognition of such assets.

**Reclassification of financial liabilities.** The classification of financial liabilities is not subject to change after initial recognition.

**Measurement of expected credit losses (ECLs).** ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- *financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls* – i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive;
- *financial assets that are credit-impaired at the reporting date:* the difference between the gross carrying amount and the present value of estimated future cash flows;
- *undrawn loan commitments:* the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive;
- *financial guarantee contracts:* the present value of the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

The Bank measures expected credit losses and recognises loss allowances at each reporting date. The Bank measures loss allowances at an amount equal to lifetime ECL or 12-month ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Measurement of ECLs reflects: (i) an unbiased and probability-weighted sum determined by estimating the range of possible outcomes, (ii) the time value of money and (iii) all reasonable information about past events, current conditions and forecasted future economic conditions, available at the reporting date without undue cost and efforts.

Financial instruments that are not subject to a significant increase in credit risk compared to the date of initial recognition are classified to the first stage of impairment by The Bank.

Financial instruments that show signs of a significant increase in credit risk compared to the date of initial recognition and are not in default are classified to the second stage of impairment.

Financial assets in the state of default are classified by the Bank to the third stage of impairment. Financial assets that are credit-impaired on initial recognition are classified as purchased or originated financial assets. The Bank does not recognise loss allowances at the date of initial recognition of purchased or originated credit impaired financial assets – gross carrying value is its fair value. Initially, expected credit losses are included in credit-adjusted effective interest rate. Any changes in expected credit losses are recognised in profit or loss even if such changes exceed the amount of the previously formed loss allowances for such a financial asset.

Loss allowances are always recognised for purchased or originated credit-impaired financial assets on a lifetime basis.

Financial assets that are credit-impaired are defined as financial assets for which there is objective evidence of a loss or there are one or more events that have a negative impact on the expected future cash flows of such a financial asset.

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

**Definition of default.** The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising collateral (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank (for balances with other banks default is recognised if a financial asset is 30 days past due). Overdrafts are considered past due once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding;
- the restructuring of the loan associated with financial difficulties of the borrower;
- initiation of litigation, liquidation or bankruptcy proceedings of the borrower.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenants;
- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Bank; and
- based on data obtained from external sources;
- start of liquidation or bankruptcy procedure for the borrower.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

**The rate of recovery.** The Bank sets a certain period necessary to restore the quality of financial assets. The terms of the quality recovery period are deemed to be fulfilled if, during a 6-months period from the date the Bank introduces measures to restore the ability of the counterparty to fulfil its obligations, there are no signs of impairment, compliance with obligations to the Bank is ensured.

**Significant increase in credit risk.** When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Bank's historical experience, expert credit assessment and forwardlooking information.

When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes history of up-to-date payment performance against the modified contractual terms. The Bank primarily identifies whether a significant increase in credit risk has occurred for an exposure by analysing indicators that are:

- the borrower is more than 30 days past due but less than 90 days past due on any material credit obligation to the Bank. Overdrafts are considered past due once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding;
- breaches of covenant, the identification of threatening features that are likely to affect the quality of debt service;
- based on data developed internally and obtained from external sources;
- the period of credit quality restoration has ended and there are no prerequisites for attributing them to impaired ones after restructuring (forbearance);
- the value of the LtV (loans to collateral ratio) exceeds 200% (for individual mortgages);
- for banks a significant increase in credit risk occurs if the borrowers' rating has declined by 3 notches.

**The Bank primarily identifies** of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired.

**Inputs into measurement of ECLs.** The key inputs into the measurement of ECLs are likely to be the term structures of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

These parameters are derived from internally developed statistical models and other historical data used in models for calculating regulatory capital. They are adjusted to reflect forward-looking information. PD estimates are estimates at a certain date, which are calculated based on statistical models and assessed using tools tailored to the various categories of counterparties and exposures.

PD estimates are based on migration matrices, which are based on the type of credit product and payment periods.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties after the default date.

The amount at risk in the event of default (EAD) is the expected amount of credit risk at the date of default. This indicator is calculated by the Bank based on the current EAD value and its possible changes allowed under the agreement, including depreciation and early repayment. For a financial asset, the value of the EAD is the gross carrying amount in the event of default. For loan obligations and financial guarantee agreements, the EAD value takes into account the amount received, as well as possible future amounts that can be received or repaid under the agreement, which will be estimated on the basis of historical observations and forecasts.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Bank measures ECLs considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Bank considers a longer period.

For overdrafts and credit card facilities that include both a loan and an undrawn commitment component, the Bank measures ECLs over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take and that serve to mitigate ECLs. These include a reduction in limits and cancellation of the facility.

Where modelling of a parameter is carried out on a collective basis, the financial instruments will be grouped on the basis of shared risk characteristics that include:

- instrument type;
- client type;
- period of debt overdue;
- geographic location of the borrower;
- loan currency

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

**Forward-looking information.** The Bank incorporates forward-looking information into its measurement of ECLs. This assessment is based on external information. External information may include economic data and forecasts published by governmental bodies, and selected private sector and academic forecasters, such as of Ministry of Economic Development and Trade of Ukraine, State Statistics Service of Ukraine, National Bank of Ukraine.

The Bank also periodically carries out stress-testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-

economic variable and credit risk and credit losses. This key driver is forecasts of real GDP change, forecasts of unemployment and dynamics of the calculated wages, including per 1 employee.

**Presentation of allowance for ECL in the separate statement of financial position**

Loss allowances for ECL are presented in the separate statement of financial position as follows:

- *financial assets* measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- *loan commitments and financial guarantee contracts*: generally, as a provision;
- *where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component*: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- *debt instruments measured at FVOCI*: no loss allowance is recognised in the separate statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

**Collateral.** When calculating the amount of expected credit losses for the credit-impaired assets, the Bank accepts the value of a collateral that meets the established eligibility criteria established by the Bank and determined by the regulator as a means of credit quality improving.

**Write-off of financial assets.** If the Bank does not have reasonable expectations for full or part of the recovery of a financial asset, the gross carrying amount of that financial asset is reduced. Such a reduction is considered as a (partial) derecognition of a financial asset. The Bank may write-off financial assets that are still subject to enforcement activity when the Bank seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

**Financial assets – derecognition.** The Bank derecognises financial assets when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the financial asset and the transfer qualifies for derecognition;
- financial assets are written-off from the reserve.

The Bank transfers a financial asset only if:

- transfers the contractual rights to receive the cash flows of the financial asset, or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets all of the following conditions:
  - there is no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
  - the Bank is prohibited by the terms of the transfer contract from selling or pledging the original asset to the eventual recipients for the obligation to pay them cash flows;
  - the Bank has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. Interest earned on such investments is passed to the eventual recipients.

When the Bank transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

- if the Bank transfers substantially all the risks and rewards of ownership of the financial asset, the Bank derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Bank retains substantially all the risks and rewards of ownership of the financial asset, the Bank continues to recognise the financial asset;
- if the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Bank determines whether it has retained control of the financial asset.

The control of the transferred asset is not available if the party to whom the asset is transferred has the real ability to sell it to an unrelated third party and may sell this sale unilaterally without the need to impose additional restrictions on such transfer.

If the control over a financial asset is not retained, the recognition of such an asset is terminated, otherwise, if the control over the financial asset is retained, its recognition continues to be recognised within the further continuing involvement.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not reclassified in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

**Financial liabilities – derecognition.** Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Significantly different are the conditions under which the net present value of the cash flows under the new terms discounted using the original effective interest rate (for a floating interest rate, the effective interest rate that was calculated at the last change in the nominal interest rate ) differs by at least 10% of the discounted present value of cash flows remaining before the maturity date of the original financial liability.

Any expense or remuneration is the income/expense from derecognition if the changes in the terms of a financial liability are reflected in the accounting as a repayment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid is recognised in profit or loss.

If the exchange or amendment of debt obligations (modification) does not result in the cessation of recognition, any costs and remunerations from the exchange / modification adjust the carrying amount of the financial liability and are amortised over the term of the new liability (effective interest rate is not recalculated, but adjusted to reflect these costs/remunerations).

**Modification of financial assets.** Modified financial asset – an asset by which the contractual cash flows provided have been reviewed by agreement or modified.

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

The Bank performs a quantitative and qualitative evaluation of whether the modification is substantial, that is whether the cash flows under initial financial asset differ significantly from cash flows from modified financial asset or the asset that has replaced initial financial asset. To determine the type of modification and its consequences, a quantitative and qualitative analysis of changes in terms of the contract, and the combined effects of qualitative and quantitative factors, is conducted. If the cash flows are significantly different, the rights to the contractual cash flows for the original financial asset are considered to have expired. In making this assessment, the Bank is guided by the derecognition of financial liabilities by analogy.

The Bank concludes that the modification of the conditions is significant, based on such qualitative factors:

- change the currency of the financial asset;
- change of the borrower, except for changes due to the death of the borrower;
- change of terms of financial asset that lead to non-compliance with the SPPI criterion (for example, adding a conversion condition).

If the modification of the terms of the loan agreement was so significant that it leads to the recognition of a new asset and at the same time the asset fulfills the conditions of classification to default - the new asset is classified as initially impaired.

Changes in the value of cash flows from existing financial assets or financial liabilities are not considered to be modifications if they are provided by the original terms of the contract.

As a part of credit risk management the Bank reviews the terms of loans to customers with financial difficulties ("the practice of reviewing the terms of credit agreements") in order to maximise the return on the original contractual terms rather than to originate a new asset. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). As a result, the amount of the contracted cash flows remaining at the time of the modification is recognised as an initial financial asset is likely to be equivalent to the value of newly modified cash flows under the contract. The Bank performs qualitative evaluation of whether the modification is substantial.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

For loans in which the borrower has an option to prepay the loan at par without significant penalty, the Bank treats the modification of an interest rate to a current market rate using the guidance on floating-rate financial instruments. This means that the effective interest rate is adjusted prospectively.

**Modification of financial liabilities.** The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. Compensation paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

The Bank performs a quantitative evaluation of whether the modification is substantial. For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification.

Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument to take into account the influence of such commissions.

**Cash and funds in the National Bank of Ukraine.** Cash and funds in the National Bank of Ukraine are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and funds in the National Bank of Ukraine include unrestricted balances with the NBU and deposit certificates. Funds restricted are excluded from cash and funds in the National Bank of Ukraine. Cash and funds in the National Bank of Ukraine are carried at amortised cost.

**Due from other banks.** Due from other banks are accounted for when the Bank advances money to counterparty banks with no intention of trading the resulting unquoted non-derivative receivable due on fixed or determinable dates. Amounts due from banks are carried at amortised cost.

**Securities.** The 'securities' caption in the separate statement of financial position includes:

- debt securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVOCI; and
- equity securities designated as at FVOCI.

**Loans and advances to customers.** 'Loans and advances to customers' caption in the separate statement of financial position includes:

- loans to customers measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- net investment amounts in finance lease

**Repossessed collateral.** Repossessed collateral represents financial and non-financial assets acquired by the Bank in settlement of overdue loans. The assets are initially recognised at fair value when acquired (but not higher than carrying value of the settled overdue loans) and included in premises and equipment, other financial assets or inventories within other assets depending on their nature and the Bank's intention in respect of recovery of these assets and are subsequently accounted for in accordance with the accounting policies for these categories of assets.

**Financial guarantees and loan commitments.** The Bank has credit related commitments including loan commitments, letters of credit and financial guarantees. Financial guarantees – are non-cancellable guarantee to make payments in the case when a client fails to fulfil its obligations to third parties. Financial guarantees has the same risk as loans.

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The Bank has issued no loan commitments that are measured at FVTPL.

For other loan commitments, the Bank recognises a loss allowance.

Liabilities arising from financial guarantees and loan commitments are included within provisions.

**Investment property.** Investment property is property held by the Bank to earn rental income or for capital appreciation, or both. Investment property includes assets under construction for future use as investment property.

The same property can be divided into structurally separated parts used for different purposes: one part – to receive rental income or equity increase; the other part – for using in the Bank's activity or for administrative purposes.

Investment property is initially recognised at cost of acquisition, including transaction costs, and subsequently remeasured at fair value to reflect market conditions at the end of the reporting period.

Fair value of investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs. The fair value of the Bank's investment property is determined based on reports of the internal appraiser who holds relevant professional qualification and has recent experience in valuation of property of similar location and category. The basis used for the valuation was market value.

Earned rental income is recorded in profit or loss for the year within other operating income.

**Property, plant and equipment.** Property, plant and equipment are stated at cost or revalued amounts, as described below, less accumulated depreciation and provision for impairment, where required.

Since 2008, land and buildings are accounted for under the revaluation model. At the date of revaluation accumulated depreciation of buildings was eliminated against the gross carrying amount of the asset and the net amount was recalculated to the revalued amount of the asset.

Buildings held by the Bank are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the separate statement of profit or loss and other comprehensive income, in which case the increase is recognised in the separate statement of profit or loss and other comprehensive income. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. The revaluation reserve for buildings included in equity is transferred directly to retained earnings when the revaluation surplus is realised on the retirement or disposal of the asset and through annual depreciation of the revaluation reserve.

Costs of minor repairs and maintenance are expensed when incurred. Costs of replacing major parts or components of premises and equipment items are capitalised and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of premises, leasehold improvements and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains or losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss for the year (within other operating income or expenses).

**Depreciation.** Land and construction in progress are not depreciated. Depreciation of other property, plant and equipment and assets in the form of right-of-use is calculated using the straight-line method in order to evenly reduce the initial cost to the residual value over their estimated useful lives according to the following standards:

	Useful lives, years
Buildings	70
Furniture and fixtures	5-15
Motor vehicles	7
Computers and equipment	5-15
Leasehold improvements	over the term of the underlying lease

**Intangible assets.** The Bank's intangible assets have the definite useful life and primarily include capitalised computer software. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring them to use. Development costs that are directly associated with identifiable and unique software controlled by the Bank are recorded as intangible assets if an inflow of incremental economic benefits exceeding costs is probable. Capitalised costs include staff costs of the software development team and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalised computer software is depreciated on a straight line basis over expected useful lives of no more than 10 years.

**Lease in which the Bank acts as a lessee**

When concluding a contract, the Bank determines whether the contract or a separate part of it is a lease agreement. A contract or a separate part of it is a lease agreement if it transfers the right to control the use of a certain asset for a certain period of time in exchange for compensation. The Bank reevaluates whether the contract or a separate part of it is a lease agreement only if the terms of the contract are revised. If the contract

or a separate part of it is a lease agreement, the Bank considers each lease component as a lease agreement, separately from the non-lease components of the contract.

The Bank defines the lease term as a non-canceled lease period, taking into account:

- periods covered by the lease extension option if the lessee is reasonably confident that it will take advantage of such an opportunity; and
- periods covered by the option for early termination of the lease, if the lessee is reasonably sure that he will not take advantage of such an opportunity.

The Bank reviews the lease term in the event of a change in the lease period that has not been canceled. The lease term starts from the start date of the lease, i.e. the date when the lessor makes the underlying asset available for use by the lessee.

**Initial recognition.** As of the start date of the lease, the Bank recognises the asset as a right of use and an obligation under the lease agreement. The right-of-use asset is valued at cost.

As of the start date of the lease, the Bank estimates the liabilities under the lease agreement in the amount of the present value of lease payments not yet paid on that date. Lease payments are discounted by applying the interest rate stipulated in the lease agreement. If such a rate cannot be easily determined, the Bank applies the key policy rate of the National Bank of Ukraine.

Lease payments taken into account when assessing lease obligations for the right of use the underlying asset during the lease term include:

- fixed payments less any incentives to enter into a lease agreement to be received;
- variable lease payments based on an index or rate that was originally estimated using such an index or rate at the start date of the lease;
- amounts to be paid by the Bank under residual value guarantees;
- the exercise price of an asset purchase option, if the Bank is reasonably confident that it will take advantage of such an opportunity;
- penalties for termination of the lease, if the terms of the lease reflect the Bank's exercise of the option to terminate the lease early.

The Bank uses simplification and does not recognise assets under the right of use on the balance sheet in relation to:

- short-term lease agreements;
- lease agreements under which the underlying asset has a low value.

A simplified approach is applied to the accounting of such assets, under which lease payments are recognised as expenses on a straight-line basis over the lease term. This approach is applied either on a lease-by-lease basis or by class of underlying asset. A lease is classified as a short-term lease if the lease term does not exceed 12 months. A lease is classified as a lease of a low-value asset if the value of the underlying asset does not exceed UAH 150 000.

**Subsequent measurement.** After the start date of the lease, the Bank evaluates all assets under right of use, except those that meet the definition of investment property, at cost less accumulated depreciation, accumulated impairment, adjusted for the amount of revaluation of lease liabilities reflected against the cost of the asset under right of use.

Depreciation of a right-of-use asset is carried out from the start date of the lease until the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying (leased) asset to the Bank at the end of the lease term, or if the cost of the right-of-use asset reflects the fact that the Bank will take advantage of the opportunity to purchase it. In other cases, the Bank amortises the right-of-use asset from the start date of the lease to an earlier of the following two dates: the end of the useful life of the right-of-use asset and the end of the lease term. Other requirements for depreciation and recognition of impairment of an asset by right-of-use are similar to those applied to own property, plant and equipment.

#### **Revaluation of lease liabilities**

The Bank changes the valuation of lease liabilities by discounting the revised lease payments using the revised discount rate if any of the conditions are met:

- change in the lease term (due to a revision of the probability of executing an option to extend or terminate the lease ahead of schedule);
- change in the assessment of the possibility of acquiring the underlying asset;
- change in payments due to changes in the floating interest rate..

The Bank changes the valuation of lease liabilities by discounting revised lease payments using an unchanged discount rate if any of the conditions are met:

- change in the amounts expected to be paid under the liquidation value guarantee;
- changes in future lease payments as a result of changes in the index or rate used to determine such payments. The Bank reflects the amount of revaluation of the lease liability as an adjustment of the right-of-use asset (except in the case of a decrease in the carrying amount of the right-of-use asset to zero). If the carrying amount of the right-of-use asset has decreased to zero and the lease liability is further reduced, the Bank recognises the remaining amount as part of the profit or loss.

#### ***Modifications to the lease agreement***

The Bank considers the modification of the lease agreement as a separate lease agreement, if the conditions are met:

- the modification expands the scope of the lease agreement by adding the right to use one or more underlying assets;
- contract compensation is increased by an amount corresponding to the price of an individual contract for an increased volume, with appropriate adjustments reflecting the circumstances of a particular contract.

For a modification of a lease agreement that is not considered as a separate lease agreement, as of the effective date of the modification, the Bank:

- distributes compensation specified in the modified lease agreement;
- determines the terms of the modified lease;
- revalues the lease liability by discounting the revised lease payments using the revised discount rate.

The revised discount rate is defined as the interest rate provided for in the lease agreement for the remaining lease term or as the additional borrowing rate of the lessee on the effective date of the lease modification, if the interest rate provided for in the lease cannot be easily determined.

For a modification of a lease agreement that is not considered as a separate lease agreement, as of the effective date of the modification, the Bank:

- reduces the carrying amount of the right-of-use asset by the amount of partial or complete termination of the lease for modification, which reduces the scope of the lease agreement; any profit or loss associated with partial or complete termination of the lease is recorded under "other administrative and operating costs" of the Income statement;
- reflects adjustments to the right-of-use asset for all other modifications to the lease agreement.

#### ***Leases in which the Bank acts as a lessor***

The Bank, as a lessor, classifies each lease as a finance or operating lease. This classification is made as of the date of the lease agreement or the date of commitment by the parties to the agreed basic terms of the lease agreement, and is revised only if the lease agreement is modified. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. Otherwise, the lease is classified as operating. The classification of a lease as financial or operating depends on the substance of the transaction and not on the form of the contract.

The Bank leases its investment properties, including commercial real estate owned by it, as well as leased real estate. The Bank classified these leases as operating leases because it does not transfer virtually all of the risks and benefits of owning assets.

Some property leases contain extension options exercisable by the Bank. Where practicable, the Bank seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Bank and not by the lessors. The Bank assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Bank reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Bank doesn't expect any penalties as the leases will either be extended or lease liabilities will be fulfilled in accordance with the terms of the contract.

Accounts receivable under finance leases are included in loans and advances to customers.

**Derivative financial instruments.** Derivative financial instruments, including foreign currency swaps, are accounted for at fair value. The fair value of derivative financial instruments traded in organised markets is determined based on their market value.

If quoted market prices for derivative financial instruments are not available, observable market inputs are used to determine fair value, where available (such as quoted prices for similar instruments in active markets; quoted prices for identical instruments in inactive markets; observable interest rates and yield curves, etc.), or unobservable inputs are used, applying either the market approach or the income approach.

If a financial instrument contains a derivative (an embedded derivative), such derivative is not separated, and the entire host financial instrument is measured at fair value through profit or loss.

**Due to other banks, customer accounts, due to other financial institutions and debt securities.** Due to other banks, customer accounts, due to other financial institutions and debt securities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

**Income taxes.** In these separate financial statements income taxes have been provided for in accordance with Ukrainian legislation enacted or substantively enacted by the end of the reporting period. The income tax charge/(credit) comprises current tax and deferred tax and is recognised in profit or loss for the year except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within administrative and other operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period date which are expected to apply to the period when the temporary differences will reverse. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is not recognised for retained earnings after acquisition or other changes in the reserves of subsidiaries whose dividend policy is controlled by the Bank if it is quite probable that the difference will not be repaid through dividends or otherwise in the future.

**Uncertain tax positions.** The Bank's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of each reporting period and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

**Accounts payable for operating activities and other accounts payable** Accounts payable for operating activities are recognised when the counterparty has fulfilled its obligations under the agreement and are carried at amortised cost.

**Share capital.** Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

**Interest income and expense.** The Bank recognises interest income and expense in profit or loss using the effective interest method during the period from the date of initial recognition to the date of derecognition or reclassification of financial instruments. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

Credit-adjusted effective interest rate – is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the amortised value of the financial asset which is purchased or originated credit-impaired asset. When calculating the credit-adjusted effective interest rate, the Bank estimates all contractual terms of the financial asset and expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income is calculated by applying the effective interest rate applied to the gross carrying amount of the financial asset at amortised cost except:

- purchased or originated credit-impaired assets. For such assets interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset from the date of initial recognition; the calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves;
- financial assets which are not purchased or originated credit-impaired assets, but subsequently have become credit-impaired. In this case, the Bank applies effective interest rate to the amortised cost of the asset in the subsequent reporting periods after the date of their recognition as credit-impaired. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

The effective interest rate is revised as a result of periodic reestimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

Interest income calculated using the effective interest method presented in the separate statement of profit or loss and other comprehensive income includes:

- interest income calculated using the effective interest method on financial assets measured at amortised cost;
- interest calculated using the effective interest method on debt instruments measured at FVOCI.

Other interest income presented in the separate statement of profit and loss and other comprehensive income includes interest income on non-derivative debt financial instruments measured at FVTPL and net investments in finance leases.

Interest expense presented in the separate statement of profit or loss and other comprehensive income includes financial liabilities measured at amortised cost.

**Fee and commission income and expense.** Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Commission income on credit related commitments at market rates are integral part of effective interest rate, if it is probable that the Bank will enter into a specific loan agreement and will not plan to realise the loan within a short period of time after it is provided. If there is no high probability that it will be issued to the borrower within the framework of the loan commitment, then the commission fees for the loan are recognised evenly over the duration of the loan commitment.

A contract with a customer that results in a recognised financial instrument in the Bank's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Bank first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

All other payments, commission and other income and expenses are generally accounted for using the accrual method depending on the degree of completeness of the particular transaction, which is defined as the proportion of the actual service provided in the total amount of services to be provided. Other commission income, including commission fee for servicing accounts, remuneration for investment management services, other commission fees, are recognised as the services are provided.

Commissions due to negotiation or participation in third-party transaction negotiations (for example, purchase of loans, shares or other securities, or acquisition or sale of companies) that the Bank earns upon completion of the transaction are recognised after the completion of the transaction.

**Foreign currency translation.** The functional currency of the Bank and its subsidiary is the currency of the economic environment in which the Bank and its subsidiary operate. The functional and presentation currency is the national currency of Ukraine, hryvnias.

Monetary assets and liabilities are translated into the functional currency at the official exchange rate of the NBU at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into functional currency at year-end official exchange rates of the NBU are recognised in profit or loss. Translation at year-end rates does not apply to non-monetary items, including equity investments. Effects of exchange rate changes on the fair value of equity securities are recorded as part of the fair value gain or loss.

The principal rates of exchange used for translating foreign currency balances were as follows:

	31 December 2025, UAH	31 December 2024, UAH
1 US Dollar (USD)	42,3878	42,0390
1 Euro (EUR)	49,8565	43,9266
1 zloty (PLN)	11,7963	10,2966

**Offsetting.** Financial assets and liabilities are offset and the net amount reported in the separate statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off 1) must not be contingent on a future event and 2) must be legally enforceable in all of the following circumstances: (a) in the normal course of business, (b) the event of default and (c) the event of insolvency or bankruptcy.

**Staff costs.** Wages, salaries, contributions to the Ukrainian state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Bank. The Bank has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

**Segment reporting.** Operating segments are reported in a manner consistent with the internal reporting provided to management being the Bank's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately. Geographical segments of the Bank have been reported separately in these separate financial statements based on the ultimate domicile of the counterparty. The ultimate domicile and the actual place of business of the counterparties generally coincide.

**Presentation of separate statement of financial position in order of liquidity.** The table below presents an analysis of assets and liabilities by maturity:

	31 December 2025			31 December 2024		
	Amounts to be recovered or settled per contract		Total	Amounts to be recovered or settled per contract		
	Within 12 months after the reporting period	After 12 months after the reporting period		Within 12 months after the reporting period	Within 12 months after the reporting period	After 12 months after the reporting period
<i>In thousands of hryvnias</i>						
<b>Assets</b>						
Cash and funds in the National Bank of Ukraine	31 281 515	-	31 281 515	17 647 174	-	17 647 174
Due from other banks	3 138 016	-	3 138 016	3 600 525	-	3 600 525
Loans and advances to customers	7 564 363	7 646 491	15 210 854	6 288 615	5 703 903	11 992 518
Securities	6 361 373	16 784 573	23 145 946	14 802 720	12 389 277	27 191 997
Current income tax prepayment	448	-	448	-	-	-
Deferred Income tax asset	-	124 216	124 216	-	40 686	40 686
Investments in subsidiaries	-	35 000	35 000	-	35 000	35 000
Investment property	-	4 495	4 495	-	8 851	8 851
Property, plant and equipment	-	1 028 974	1 028 974	-	917 403	917 403
Intangible assets	-	363 216	363 216	-	330 956	330 956
Other financial assets	20 960	-	20 960	26 052	-	26 052
Other assets	228 621	-	228 621	229 921	-	229 921
<b>Total assets</b>	<b>48 595 296</b>	<b>25 986 965</b>	<b>74 582 261</b>	<b>42 595 007</b>	<b>19 426 076</b>	<b>62 021 083</b>
<b>Liabilities</b>						
Due to other banks	818 087	-	818 087	1 175 024	-	1 175 024
Customer accounts	63 867 399	130 625	63 998 024	52 125 261	103 686	52 228 947
Due to other financial institutions	335	99 746	100 081	103 161	-	103 161
Current income tax liabilities	133 116	-	133 116	438 907	-	438 907
Other financial liabilities	379 896	79 027	458 923	450 039	46 235	496 274
Other non-financial liabilities	463 024	-	463 024	343 452	-	343 452
Provisions	95 400	-	95 400	115 922	-	115 922
<b>Total liabilities</b>	<b>65 757 257</b>	<b>309 398</b>	<b>66 066 655</b>	<b>54 751 766</b>	<b>149 921</b>	<b>54 901 687</b>

### **New or Revised Standards and Interpretations**

The Bank applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### ***Lack of Exchangeability – Amendments to IAS 21***

The amendments, "Lack of Exchangeability", to IAS 21 The Effects of Changes in Foreign Exchange Rates, which became effective for annual reporting periods beginning on or after 1 January 2025, specify how an entity should assess whether one currency is exchangeable into another currency and how it should determine the spot exchange rate when exchangeability is lacking. The amendments also require disclosures that enable users of its financial statements to understand how a lack of exchangeability between currencies affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments did not impact the Bank's separate financial statements.

### **Standards Issued but Not Yet Effective**

The following new standards, amendments, and interpretations have been issued but were not yet effective at the date of issuance of the Bank's financial statements. The Bank intends to apply these, if applicable, when they become effective.

#### ***IFRS 18 "Presentation and Disclosure in Financial Statements"***

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Bank is currently assessing the impact that the new Standard and the amendments will have on the primary financial statements and notes to the financial statements. Based on the preliminary assessment, it is expected that adoption of the Standard will require the following significant changes to the Bank's financial statements:

- rental income, changes in the fair value of investment property and the share of profit or loss of an associate and a joint venture will be classified within the investing category in the statement of profit or loss;
- foreign exchange differences will be classified within the same category in which the related income and expense items giving rise to those foreign exchange differences are presented;
- new disclosures will be added: (a) management-defined performance measures; (b) certain types of expenses classified by nature, where expenses in the operating category are presented in the statement of profit or loss by function; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented in accordance with IFRS 18 and the amounts previously presented;
- interest received and interest paid will be classified in the statement of cash flows within investing and financing activities, respectively.

#### ***IFRS 19 "Subsidiaries without Public Accountability: Disclosures"***

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

Group is not eligible to elect to apply IFRS 19.

As the Bank has issued publicly traded equity instruments, it does not meet the criteria for applying IFRS 19.

***Amendments to IFRS 9 and IFRS 7 – “Amendments to the Classification and Measurement of Financial Instruments”***

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- a clarification that a financial liability is derecognised on the ‘settlement date’ and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments
- the introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only.

The amendments are not expected to have a material impact on the Bank’s financial statements.

***Annual Improvements to IFRS Accounting Standards – Volume 11***

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows. The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Bank’s financial statements.

***Amendments to IFRS 9 and IFRS 7 – “Contracts Referencing Nature-dependent Electricity”***

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- clarify the application of the ‘own-use’ requirements for in-scope contracts
- amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The amendments are not expected to have a material impact on the Bank’s financial statements.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICY**

The Bank makes estimates and assumptions that affect the amounts recognised in the separate financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management’s experience and other factors, including

expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the separate financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

**Expected credit losses (impairment) of financial instruments:** an assessment whether there has been a significant increase in credit risk compared to the date of initial recognition, and including forward-looking information in the measurement of expected credit losses.

According to the requirements of IFRS 9, the Bank applies an expected credit loss model that provides for timely reflection of deterioration or improvement in the credit quality of financial instruments, taking into account available information and forecasts for the future. The amount of expected credit losses recognised by forming an estimated provision for impairment depends on the state of impairment (deterioration of credit quality) since the initial recognition of the financial instrument.

The process of estimating expected credit losses under IFRS 9 consists of the following steps:

- 1) analysis of the level of credit risk regarding the presence of a significant increase in credit risk or the occurrence of a default event from the date of initial recognition and assignment to the appropriate stage of impairment;
- 2) calculation of the amount of expected credit losses (estimated provision for impairment)

In order to estimate the amount of expected losses in the Bank, 2 approaches are used:

- 1) assessment of the amount of expected credit losses on an individual basis – for individually significant banking operations for which default is recognised;
- 2) assessment of the amount of expected credit losses on a group basis – for individually non-significant banking operations and individually significant current operations for which no default was detected

In accordance with the requirements of IFRS 9 for the purposes of measuring expected credit losses, financial instruments are classified into one of three stages of impairment, based on how significantly the level of credit risk for the financial instrument has changed at the reporting date compared to the date of its initial recognition.

The key inputs into the measurement of ECLs are likely to be the term structures of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

PD estimates are calculated according to statistical models and estimates using tools adapted to different categories of counterparties and credit risk exposures. PD estimates are based on migration matrices, which are based on the type of credit product and payment periods.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties after the default date.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is the gross carrying amount at default. For lending commitments and financial guarantees, the EAD considers the amount drawn, as well as potential future amounts that may be drawn or repaid under the contract, which are estimated based on historical observations and forward-looking forecasts.

Detailed information on the calculation of expected credit losses is provided in Notes 3 and 31.

**Buildings assessment.** As disclosed in Note 3, the Bank's own buildings are subject to regular revaluation. The most recent revaluation was performed based on reports prepared by an internal appraiser who holds relevant professional qualifications and has current experience in the valuation of properties with similar location and characteristics. The valuation was based on the income approach. The assessment involved the use of certain judgments, including an analysis of rental rates and payments for comparable properties, as well as forecasts of income currently generated or expected to be generated by the property.

The valuation was performed using the income approach by an internal appraiser who holds the appropriate professional qualifications and has experience in the valuation of property, plant and equipment with similar location and characteristics. For each property, suitable comparables were selected for analysis based on the following criteria: location, type, condition, size, and recent selling prices of similar properties.

Adjustments were applied to the listed price, which reflects the asking price rather than the actual transaction price (negotiation adjustment), as well as for location, size, floor, condition, rental rates, payments, and other relevant factors. Negotiation adjustments applied by the internal appraiser typically ranged from 10% to 15%. Other adjustments applied by the internal appraiser also generally ranged from 10% to 15%.

The appraiser used only the income approach to assess the value of all items of property, plant and equipment.

Changes in these assumptions may affect the fair value of the assets. If the price per square meter were to differ by 10%, the fair value of buildings would increase or decrease by UAH 39 000 thousand (2024: UAH 30 000 thousand).

**Definition of terms under leases.** The Bank considers all available facts and circumstances that give rise to an economic incentive to exercise the extension options. The Bank determines the total lease term based on the option to extend the lease and terminate the longer lease term. Where practicable, the Bank seeks to include renewal options in new leases to provide operational flexibility. The Bank assesses at lease commencement date whether it is reasonably certain to exercise extension options. As a result, the lease term for most lease objects is 2-7 years.

## 5. CASH AND FUNDS IN THE NATIONAL BANK OF UKRAINE

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Cash on hand	3 217 431	2 368 718
Cash balances on correspondent accounts with the NBU	3 223 583	4 587 133
Deposit certificates issued by the NBU	24 840 501	10 691 323
<b>Total cash and funds with the National Bank of Ukraine</b>	<b>31 281 515</b>	<b>17 647 174</b>

Cash and cash equivalents include cash on hand and balances with the National Bank of Ukraine, balances on correspondent accounts with other banks, and all placements on the interbank market with an original maturity of no more than three months.

As at 31 December 2025 and 31 December 2024, the Bank complied with the NBU mandatory reserve requirements.

The Bank's cash and cash equivalents for the purposes of preparation of the separate statement of cash flows are presented as follows:

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Cash and funds in the National Bank of Ukraine	31 281 515	17 647 174
Correspondent accounts with other banks	1 684 278	2 386 051
Placements of funds on the interbank market with an initial maturity of no more than three months	1 392 004	1 180 855
Loss allowances for expected credit losses	(1 450)	(957)
<b>Total cash and cash equivalents</b>	<b>34 356 347</b>	<b>21 213 123</b>

**6. DUE FROM OTHER BANKS**

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Correspondent accounts with other banks	1 684 278	2 386 051
Interbank placements with original maturities of less than three months	1 392 004	1 180 855
Guarantee deposits	63 320	34 625
Loss allowances for expected credit losses	(1 586)	(1 006)
<b>Total due from other banks</b>	<b>3 138 016</b>	<b>3 600 525</b>

Guarantee deposits include funds placed mainly as guarantee deposits for card payments and money transfers, as well as documentary operations.

Amounts due from other banks are not collateralised.

The credit quality analysis of due from banks is based on Moody's ratings.

The credit quality of due from banks outstanding as at 31 December 2025 is below:

<i>In thousands of hryvnias</i>	<b>Correspondent accounts</b>	<b>Placement of funds in other banks</b>	<b>Guarantee deposits</b>	<b>Total</b>
<i>Assets with 12-month expected credit losses - Stage 1</i>				
- Aa1 – Aa3 rated	760 339	-	-	<b>760 339</b>
- A1 - A3 rated	802 216	1 392 004	56 774	<b>2 250 994</b>
- Unrated	121 723	-	6 546	<b>128 269</b>
- Loss allowances for 12-months expected credit losses	(1 155)	(295)	(136)	<b>(1 586)</b>
<b>Total due from other banks</b>	<b>1 683 123</b>	<b>1 391 709</b>	<b>63 184</b>	<b>3 138 016</b>

The credit quality of due from banks outstanding as at 31 December 2024 is as follows:

<i>In thousands of hryvnias</i>	<b>Correspondent accounts</b>	<b>Placement of funds in other banks</b>	<b>Guarantee deposits</b>	<b>Total</b>
<i>Assets with 12-month expected credit losses - Stage 1</i>				
- Aa1 – Aa3 rated	1 039 710	-	-	<b>1 039 710</b>
- A1 - A3 rated	1 254 174	565 477	28 552	<b>1 848 203</b>
- Baa1 - Baa3 rated	4 996	615 378	-	<b>620 374</b>
- Unrated	87 171	-	6 073	<b>93 244</b>
Loss allowances for 12-months expected credit losses	(845)	(112)	(49)	<b>(1 006)</b>
<b>Total due from other banks</b>	<b>2 385 206</b>	<b>1 180 743</b>	<b>34 576</b>	<b>3 600 525</b>

As at 31 December 2025, the Bank had a concentration of current account balances with other credit institutions in the amount of UAH 1,503,905 thousand placed with the three largest banks with investment grade credit ratings (31 December 2024: UAH 2,247,290 thousand).

The movements in expected credit losses during 2025 are as follows:

	Note	Correspondent accounts	Placement of funds in other banks	Guarantee deposits	Total
<i>In thousands of hryvnias</i>					
<b>Loss allowances for 12-months expected credit losses at 1 January 2025 - Stage 1</b>		<b>845</b>	<b>112</b>	<b>49</b>	<b>1 006</b>
Remeasurement of loss allowance	25	190	171	86	447
Effect of exchange rate of foreign currency		120	12	1	133
<b>Loss allowances for 12-months expected credit losses at 31 December 2025 - Stage 1</b>		<b>1 155</b>	<b>295</b>	<b>136</b>	<b>1 586</b>

The movements in expected credit losses during 2024 are as follows:

	Note	Correspon dent accounts	Placement of funds in other banks	Guarantee deposits	Total
<i>In thousands of hryvnias</i>					
<b>Loss allowances for 12-months expected credit losses at 1 January 2024 - Stage 1</b>		<b>1 047</b>	<b>104</b>	<b>78</b>	<b>1 229</b>
Remeasurement of loss allowance	25	(205)	-	(29)	(234)
Effect of exchange rate of foreign currency		3	8	-	11
<b>Loss allowances for 12-months expected credit losses at 31 December 2024 - Stage 1</b>		<b>845</b>	<b>112</b>	<b>49</b>	<b>1 006</b>

Refer to Note 34 for the estimated fair value of each class of amounts due from other banks. Interest rate analysis of due from other banks is disclosed in Note 31.

**7. LOANS AND ADVANCES TO CUSTOMERS**

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Corporate loans	15 570 368	11 537 736
Loans to individuals - car loans	339 682	662 220
Loans to individuals - mortgage loans	1 062 172	1 382 589
Loans to individuals - other consumer loans	465 860	636 979
Loss allowances for expected credit losses	(2 227 228)	(2 227 006)
<b>Total loans and advances to customers</b>	<b>15 210 854</b>	<b>11 992 518</b>

Changes in loss allowances for expected credit losses and advances to customers during 2025 are as follows:

<i>In thousands of hryvnias</i>	<b>Note</b>	<b>Stage 1 12-month expected credit losses</b>	<b>Stage 2 Lifetime expected credit for not impaired</b>	<b>Stage 3 Lifetime expected credit for credit- impaired</b>	<b>Purchased credit- impaired</b>	<b>Total</b>
<b>Loss allowances for expected credit losses at 1 January 2025</b>		<b>213 614</b>	<b>1 088 314</b>	<b>862 312</b>	<b>62 766</b>	<b>2 227 006</b>
New originated or purchased	25	115 941	462 324	1 350	-	<b>579 615</b>
Net remeasurement of loss allowance for expected credit losses*	25	(95 292)	(318 684)	(119 417)	(12 031)	<b>(545 424)</b>
Write-offs		(740)	(37)	(101 742)	(9)	<b>(102 528)</b>
Adjustment for interest income from credit-impaired loans		(263)	20	11 721	14 867	<b>26 345</b>
Effect of exchange rate of foreign currency		4 695	10 871	6 127	432	<b>22 125</b>
Other movements, including transfers to Stages:		17 524	(17 924)	20 286	203	<b>20 089</b>
- transfer from Stage 1		(16 613)	16 272	341	-	-
- transfer from Stage 2		9 625	(46 159)	36 534	-	-
- transfer from Stage 3		439	11 963	(16 595)	4 193	-
<b>Loss allowances for expected credit losses at 31 December 2025</b>		<b>255 479</b>	<b>1 224 884</b>	<b>680 637</b>	<b>66 228</b>	<b>2 227 228</b>

\* Remeasurement of loss allowance for expected credit losses includes the following: changes for loans issued during 2025, for which there was a change in the level of expected loan losses from the date of issue to the end of the year; changes in loans issued before 2024 that remained in the portfolio as at 31 December 2025; changes for loans derecognised during the period. The table above discloses the accumulated impact of changes in the level of expected credit losses, including if a significant increase in credit risk was recognised several times during the year, which resulted in the transfer between stages for several times with its subsequent reduction and vice versa.

Loans originated in 2025 and remaining on the balance sheet as at 31 December 2025 amounted to UAH 9,526,602 thousand (55% of loans and advances to customers as at 31 December 2025), including loans to legal entities of UAH 9,452,700 thousand (54% of loans and advances to customers as at 31 December 2025), of which 69% had an original maturity of up to 2 years and, due to their short-term nature, days past due represent the most important criterion for a significant increase in credit risk for such loans. As at 31 December 2025, loans and advances to customers amounting to UAH 3,478,357 thousand (or 24%) that had remained on the Bank's balance sheet as at 1 January 2025 had been fully repaid, including Stage 1 loans of UAH 2,132,720 thousand (the loss allowances for expected credit losses on such loans as at 1 January 2025 amounted to UAH 31,818 thousand).

Changes in loss allowances for expected credit losses and advances to customers during 2024 are as follows:

	Note	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit for not impaired	Stage 3 Lifetime expected credit for credit- impaired	Purchased credit- impaired	Total
<i>In thousands of hryvnias</i>						
<b>Loss allowances for expected credit losses at 1 January 2024</b>		<b>239 465</b>	<b>721 605</b>	<b>1 026 482</b>	<b>51 760</b>	<b>2 039 312</b>
New originated or purchased	25	59 954	96 140	277	-	<b>156 371</b>
Net remeasurement of loss allowance for expected credit losses*	25	(88 915)	297 714	(273 604)	(11 574)	<b>(76 379)</b>
Write-offs		(269)	(688)	(38 024)	(1 479)	<b>(40 460)</b>
Adjustment for interest income from credit-impaired loans		(13 483)	9	101 661	15 252	<b>103 439</b>
Effect of exchange rate of foreign currency		3 200	(532)	15 270	3 210	<b>21 148</b>
Other movements, including transfers to Stages:		13 662	(25 934)	30 250	5 597	<b>23 575</b>
- transfer from Stage 1		(25 988)	25 465	523	-	-
- transfer from Stage 2		11 562	(97 923)	86 361	-	-
- transfer from Stage 3		524	46 524	(47 247)	199	-
<b>Loss allowances for expected credit losses at 31 December 2024</b>		<b>213 614</b>	<b>1 088 314</b>	<b>862 312</b>	<b>62 766</b>	<b>2 227 006</b>

\* Remeasurement of loss allowance for expected credit losses includes the following: changes for loans issued during 2024, for which there was a change in the level of expected loan losses from the date of issue to the end of the year; changes in loans issued before 2024 that remained in the portfolio as at 31 December 2024; changes for loans derecognised during the period. The table above discloses the accumulated impact of changes in the level of expected credit losses, including if a significant increase in credit risk was recognised several times during the year, which resulted in the transfer between stages for several times with its subsequent reduction and vice versa.

Loans originated in 2024 and remaining on the balance sheet as at 31 December 2024 amounted to UAH 6,040,018 thousand (42% of loans and advances to customers as at 31 December 2024), including loans to legal entities of UAH 6,009,882 thousand (42% of loans and advances to customers as at 31 December 2024), of which 67% had an original maturity of up to 2 years and, due to their short-term nature, days past due represent the most important criterion for a significant increase in credit risk for such loans. As at 31 December 2024, loans and advances to customers amounting to UAH 3,842,942 thousand (or 26%) that had remained on the Bank's balance sheet as at 1 January 2024 had been fully repaid, including Stage 1 loans of UAH 2,439,666 thousand (the loss allowances for expected credit losses on such loans as at 1 January 2024 amounted to UAH 48,401 thousand).

During 2025, the Bank assigned rights of claim under customer loan debt in the amount of UAH 352 thousand (during 2024: UAH 12,786 thousand).

The outstanding amount of loans written off during 2025 but still subject to enforcement procedures amounted to UAH 97,609 thousand (in 2024: UAH 17,506 thousand).

Economic sector risk concentration within the customer loan portfolio is as follows:

<i>In thousands of hryvnias</i>	31 December 2025		31 December 2024	
	Amount	%	Amount	%
Agriculture and food processing Individuals	5 675 747	33	4 003 128	28
Trade	4 096 852	23	3 567 747	25
Manufacturing	3 841 999	22	2 574 992	18
Individuals	1 867 714	11	2 681 788	19
Services	802 050	5	606 016	5
Transportation	578 695	3	323 608	2
Real estate and construction	434 116	2	324 890	2
Other	140 909	1	137 355	1
<b>Total loans and advances to customers (before expected credit losses)</b>	<b>17 438 082</b>	<b>100</b>	<b>14 219 524</b>	<b>100</b>

As at 31 December 2025, the gross carrying amount of loans and advances to customers of the Bank's 10 largest borrowers amounted to UAH 2,131,609 thousand (31 December 2024: UAH 1,957,712 thousand), or 12% of the loan portfolio before expected credit losses (31 December 2024: 14%).

As at 31 December 2025, loans and advances to customers in the amount of UAH 637,039 thousand (31 December 2024: UAH 624,112 thousand) were secured by deposits in the amount of UAH 719,839 thousand (31 December 2024: UAH 690,098 thousand). Refer to Note 16 and Note 31.

Credit quality analysis of the loans outstanding as at 31 December 2025 is presented below:

	<b>Stage 1 impairment – 12-month expected credit losses</b>	<b>Stage 2 impairment – lifetime expected credit losses for non- credit- impaired loans</b>	<b>Stage 3 impairment – lifetime expected credit losses for credit- impaired loans</b>	<b>Purchased credit- impaired</b>	<b>Total</b>
<i>In thousands of hryvnias</i>					
<b>Corporate loans:</b>					
- not yet past due	10 620 935	4 500 856	212 831	9 283	<b>15 343 905</b>
- less than 30 days overdue	2 605	1 252	31	-	<b>3 888</b>
- 30 to 90 days overdue	-	11 395	20 712	-	<b>32 107</b>
- 91 to 180 days overdue	-	-	587	535	<b>1 122</b>
- 181 to 360 days overdue	-	-	96 716	-	<b>96 716</b>
- over 360 days overdue	-	-	57 825	34 805	<b>92 630</b>
- Loss allowances for expected credit losses	(242 181)	(980 717)	(310 175)	(34 490)	<b>(1 567 563)</b>
<b>Carrying value of the corporate loans</b>	<b>10 381 359</b>	<b>3 532 786</b>	<b>78 527</b>	<b>10 133</b>	<b>14 002 805</b>
<b>Loans to individuals - car loans:</b>					
- not yet past due	70 114	107 724	3 908	4 071	<b>185 817</b>
- less than 30 days overdue	3 147	11 326	3 809	-	<b>18 282</b>
- 30 to 90 days overdue	-	5 551	2 725	568	<b>8 844</b>
- 91 to 180 days overdue	-	-	2 468	-	<b>2 468</b>
- 181 to 360 days overdue	-	-	8 513	73	<b>8 586</b>
- over 360 days overdue	-	-	112 998	2 687	<b>115 685</b>
Loss allowances for expected credit losses	(2 117)	(47 384)	(104 766)	(3 673)	<b>(157 940)</b>
<b>Carrying value of the car loans to individuals</b>	<b>71 144</b>	<b>77 217</b>	<b>29 655</b>	<b>3 726</b>	<b>181 742</b>
<b>Loans to individuals - mortgage loans:</b>					
- not yet past due	574 787	369 643	41 630	9 125	<b>995 185</b>
- less than 30 days overdue	46	-	-	-	<b>46</b>
- 30 to 90 days overdue	251	3 850	2 205	-	<b>6 306</b>
- 91 to 180 days overdue	-	-	8 074	107	<b>8 181</b>
- 181 to 360 days overdue	-	-	7 149	-	<b>7 149</b>
- over 360 days overdue	-	-	43 977	1 328	<b>45 305</b>
Loss allowances for expected credit losses	(8 587)	(160 821)	(56 165)	(3 309)	<b>(228 882)</b>
<b>Carrying value of loans to individuals - mortgage loans</b>	<b>566 497</b>	<b>212 672</b>	<b>46 870</b>	<b>7 251</b>	<b>833 290</b>
<b>Loans to individuals - other consumer loans</b>					
- not yet past due	124 533	65 994	8 761	12 940	<b>212 228</b>
- less than 30 days overdue	1 411	6 347	1 344	3 380	<b>12 482</b>

FREE TRANSLATION FROM THE UKRAINIAN ORIGINAL

JSC "KREDOBANK"

SEPARATE ANNUAL REPORT FOR THE YEAR 2025 | SEPARATE FINANCIAL STATEMENTS

- 30 to 90 days overdue	26	4 778	2 837	1 983	<b>9 624</b>
- 91 to 180 days overdue	-	23	6 254	2 130	<b>8 407</b>
- 181 to 360 days overdue	-	2	13 997	4 560	<b>18 559</b>
- over 360 days overdue	-	-	185 158	19 402	<b>204 560</b>
Loss allowances for expected credit losses	(2 594)	(35 962)	(209 531)	(24 756)	<b>(272 843)</b>
<b>Carrying value of other consumer loans to individuals</b>	<b>123 376</b>	<b>41 182</b>	<b>8 820</b>	<b>19 639</b>	<b>193 017</b>
<b>Total loans and advances to customers</b>	<b>11 142 376</b>	<b>3 863 857</b>	<b>163 872</b>	<b>40 749</b>	<b>15 210 854</b>

Credit quality analysis of the loans outstanding as at 31 December 2024 is presented below:

	<b>Stage 1 impairment – 12-month expected credit losses</b>	<b>Stage 2 impairment – lifetime expected credit losses for non-credit- impaired loans</b>	<b>Stage 3 impairment – lifetime expected credit losses for credit- impaired loans</b>	<b>Purchased credit- impaired</b>	<b>Total</b>
<i>In thousands of hryvnias</i>					
<b>Corporate loans:</b>					
- not yet past due	8 121 018	2 846 871	344 757	8 945	<b>11 321 591</b>
- less than 30 days overdue	15 440	13 054	1 423	881	<b>30 798</b>
- 30 to 90 days overdue	9 917	812	730	-	<b>11 459</b>
- 91 to 180 days overdue	-	-	11 070	-	<b>11 070</b>
- 181 to 360 days overdue	-	-	6 905	-	<b>6 905</b>
- over 360 days overdue	-	-	118 988	36 925	<b>155 913</b>
- Loss allowances for expected credit losses	(174 442)	(651 333)	(391 993)	(37 787)	<b>(1 255 555)</b>
<b>Carrying value of the corporate loans</b>	<b>7 971 933</b>	<b>2 209 404</b>	<b>91 880</b>	<b>8 964</b>	<b>10 282 181</b>
<b>Loans to individuals - car loans:</b>					
- not yet past due	164 396	244 586	7 152	4 775	<b>420 909</b>
- less than 30 days overdue	9 481	31 461	5 009	504	<b>46 455</b>
- 30 to 90 days overdue	-	8 929	3 352	278	<b>12 559</b>
- 91 to 180 days overdue	-	-	9 342	233	<b>9 575</b>
- 181 to 360 days overdue	-	-	18 217	588	<b>18 805</b>
- over 360 days overdue	-	-	151 345	2 572	<b>153 917</b>
Loss allowances for expected credit losses	(9 355)	(111 620)	(146 457)	(4 024)	<b>(271 456)</b>
<b>Carrying value of the car loans to individuals</b>	<b>164 522</b>	<b>173 356</b>	<b>47 960</b>	<b>4 926</b>	<b>390 764</b>
<b>Loans to individuals - mortgage loans:</b>					
- not yet past due	720 047	499 819	46 620	9 521	<b>1 276 007</b>
- less than 30 days overdue	2 721	6 666	7 516	404	<b>17 307</b>
- 30 to 90 days overdue	84	1 814	131	-	<b>2 029</b>
- 91 to 180 days overdue	-	-	18 860	1 346	<b>20 206</b>

FREE TRANSLATION FROM THE UKRAINIAN ORIGINAL

JSC "KREDOBANK"

SEPARATE ANNUAL REPORT FOR THE YEAR 2025 | SEPARATE FINANCIAL STATEMENTS

- 181 to 360 days overdue	-	-	8 162	1 447	<b>9 609</b>
- over 360 days overdue	-	-	57 431	-	<b>57 431</b>
Loss allowances for expected credit losses	(19 332)	(236 431)	(78 972)	(3 106)	<b>(337 841)</b>
<b>Carrying value of loans to individuals - mortgage loans</b>	<b>703 520</b>	<b>271 868</b>	<b>59 748</b>	<b>9 612</b>	<b>1 044 748</b>
<b>Loans to individuals - other consumer loans</b>					
- not yet past due	151 783	135 252	12 963	20 393	<b>320 391</b>
- less than 30 days overdue	5 734	17 215	3 993	4 280	<b>31 222</b>
- 30 to 90 days overdue	1 372	10 949	6 157	2 694	<b>21 172</b>
- 91 to 180 days overdue	-	14	12 003	2 014	<b>14 031</b>
- 181 to 360 days overdue	-	2	26 095	4 763	<b>30 860</b>
- over 360 days overdue	-	11	199 284	20 008	<b>219 303</b>
Loss allowances for expected credit losses	(10 485)	(88 930)	(244 890)	(17 849)	<b>(362 154)</b>
<b>Carrying value of other consumer loans to individuals</b>	<b>148 404</b>	<b>74 513</b>	<b>15 605</b>	<b>36 303</b>	<b>274 825</b>
<b>Total loans and advances to customers</b>	<b>8 988 379</b>	<b>2 729 141</b>	<b>215 193</b>	<b>59 805</b>	<b>11 992 518</b>

The Bank classifies loans and advances to customers by credit quality based on the borrower's financial condition and ability to service the debt.

Information on collateral as at 31 December 2025 is summarised below:

<i>In thousands of hryvnias</i>	<b>Corporate loans</b>	<b>Car loans</b>	<b>Mortgage loans</b>	<b>Consumer loans</b>	<b>Total</b>
Unsecured loans	<b>2 235 515</b>	<b>97 888</b>	<b>130 638</b>	<b>465 545</b>	<b>2 929 586</b>
Loans collateralised by:					
- cash deposits	637 039	-	-	-	<b>637 039</b>
- residential real estate	379 260	-	898 232	315	<b>1 277 807</b>
- other real estate	4 899 918	-	20 451	-	<b>4 920 369</b>
- other assets	7 418 636	241 794	12 851	-	<b>7 673 281</b>
<b>Total loans and advances to customers (before expected credit losses)</b>	<b>15 570 368</b>	<b>339 682</b>	<b>1 062 172</b>	<b>465 860</b>	<b>17 438 082</b>

Information on collateral as at 31 December 2024 is summarised below:

<i>In thousands of hryvnias</i>	<b>Corporate loans</b>	<b>Car loans</b>	<b>Mortgage loans</b>	<b>Consumer loans</b>	<b>Total</b>
Unsecured loans	<b>1 321 329</b>	<b>117 464</b>	<b>96 947</b>	<b>636 643</b>	<b>2 172 383</b>
Loans collateralised by:					
- cash deposits	624 112	-	-	-	<b>624 112</b>
- residential real estate	440 074	-	1 229 606	336	<b>1 670 016</b>
- other real estate	4 171 839	-	33 524	-	<b>4 205 363</b>
- other assets	4 980 382	544 756	22 512	-	<b>5 547 650</b>
<b>Total loans and advances to customers (before expected credit losses)</b>	<b>11 537 736</b>	<b>662 220</b>	<b>1 382 589</b>	<b>636 979</b>	<b>14 219 524</b>

The information on the collateral in the table above includes financial lease receivables. Namely, as at 31 December 2025 in the amount of loans secured by other assets, included financial lease receivables from legal entities in the amount of UAH 1 577 482 thousand (as at 31 December 2024 - UAH 895 949 thousand) and UAH 4 091 thousand - individuals (car loans) (as at 31 December 2024 - UAH 9 035 thousand).

Other assets mainly include equipment, other movable property and property rights for future real estate. The disclosure above represents the lower of the carrying value of the loan or fair value of collateral taken as at 31 December, depending on what is the lowest amount; the remaining part is disclosed within the unsecured exposures. The carrying value of the loans was allocated based on liquidity of the assets taken as collateralised.

The financial effect of collateral is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements exceed its carrying value ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements equal to their carrying value or are lower than their carrying value ("under-collateralised assets"). The analysis below covers only the individually impaired loans.

The effect of collateral on individually impaired loans as at 31 December 2025 is summarised below:

<i>In thousands of hryvnias</i>	<b>Over-collateralised assets</b>		<b>Under-collateralised assets</b>	
	<b>Carrying value of the asset</b>	<b>Fair value of collateral with discounts and expected disposal terms</b>	<b>Carrying value of the asset</b>	<b>Fair value of collateral with discounts and expected disposal terms</b>
Corporate loans	12 925	60 167	72 216	-
Mortgage loans	20 904	36 144	5 389	2 472
Consumer loans	-	-	172	-
Car loans	1 695	3 935	510	359
<b>Total</b>	<b>35 524</b>	<b>100 246</b>	<b>78 287</b>	<b>2 831</b>

The effect of collateral on individually impaired loans as at 31 December 2024 is summarised below:

	Over-collateralised assets		Under-collateralised assets	
	Carrying value of the asset	Fair value of collateral with discounts and expected disposal terms	Carrying value of the asset	Fair value of collateral with discounts and expected disposal terms
<i>In thousands of hryvnias</i>				
Corporate loans	31 823	95 582	62 642	11 398
Mortgage loans	26 566	40 693	7 827	6 739
Consumer loans	-	-	174	-
Car loans	1 521	2 521	529	380
<b>Total</b>	<b>59 910</b>	<b>138 796</b>	<b>71 172</b>	<b>18 517</b>

For other commercial loans without specifically identified impairment, the fair value of collateral was estimated at the inception of the loans and is adjusted for subsequent changes in value once a year in line with the significant market changes in value for real estate or for other pledged assets in accordance with the Bank's policies and procedures.

The fair value of collateral is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, discounted for the time required for its recovery and disposal. This amount includes possible costs of debt recovery through the foreclosure such as court expenses, disposal costs and other costs related to debt recovery through the foreclosure.

The fair value of real estate properties at the end of the reporting period is based on the actual expert opinion of the firm of independent appraisers engaged by the Bank on a contractual basis or by the internal appraiser who holds a relevant qualification certificate, which are not related (affiliates, related parties, associates) to the Bank according to the legislation.

The Bank's credit risk management policies and procedures are described in Note 31. The maximum credit risk exposure represents the carrying value of loans and advances at the relevant reporting date.

Collateral and other ways to improve the quality of loans and advances are described below.

The Bank accepts the following types of collateral:

- Loans to individuals - residential mortgage property and cars;
- Loans to legal entities and industrial companies - corporate properties such as property, plant and equipment, shares, accounts receivable and third party guarantees;
- Commercial real estate development - real property for which the financing has been received.

Although collateral might be an important factor to mitigate the credit risk, the Bank's policy provides for granting loans primarily based on the customer's creditworthiness rather than the proposed collateral value. Depending on the customer's condition and banking product, loans may be issued without taking collateral.

Finance lease receivables are included to loans. The table below summarises reconciliation between gross investments in lease and present value of minimal lease payments as at 31 December 2025:

<i>In thousands of hryvnias</i>	Gross investment in lease	Present value of minimum lease payments	Unrealised financial income
<i>Finance lease receivables</i>			
- less than 1 year	893 008	661 069	231 939
- from 1 to 5 years	1 236 312	958 659	277 653
- over 5 years	25	-	25
<b>Less loss allowances for expected credit losses</b>	<b>(147 918)</b>	<b>(147 918)</b>	<b>-</b>

<b>Total after deduction of loss allowances for expected credit losses</b>	<b>1 981 427</b>	<b>1 471 810</b>	<b>509 617</b>
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The table below summarises reconciliation between gross investments in lease and present value of minimal lease payments as at 31 December 2024:

<i>In thousands of hryvnias</i>	<b>Gross investment in lease</b>	<b>Present value of minimum lease payments</b>	<b>Unrealised financial income</b>
<i>Finance lease receivables</i>			
- less than 1 year	588 730	459 460	129 270
- from 1 to 5 years	687 377	519 440	167 937
- over 5 years	2 719	1 618	1 101
<b>Less loss allowances for expected credit losses</b>	<b>(118 362)</b>	<b>(118 362)</b>	<b>-</b>
<b>Total after deduction of loss allowances for expected credit losses</b>	<b>1 160 464</b>	<b>862 156</b>	<b>298 308</b>

Refer to Note 34 for the estimated fair value of each class of loans and advances to customers. Interest rate analysis of loans and advances to customers is disclosed in Note 31. Information on related party balances is disclosed in Note 37.

*Modified financial assets*

The table below provides information on financial assets that were modified when the amount of the loss allowance was estimated at an amount equal to the amount of lifetime expected credit losses.

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
<b>Financial assets modified during the period</b>		
Amortised cost before modification	71 677	168 845
Gains less losses from modification	(2 069)	(1 409)

**8. SECURITIES**

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Securities at fair value through other comprehensive income</b>		
Ukrainian government bonds	8 242 990	12 907 434
<b>Total securities at fair value through other comprehensive income</b>	<b>8 242 990</b>	<b>12 907 434</b>
<b>Securities at amortised cost</b>		
US Treasury bonds	7 607 183	8 610 709
Bonds of the Ministry of Finance of France	5 934 879	5 021 732
Bonds of the Federal Ministry of Finance of Germany	1 275 768	-
Bonds of the Ministry of Finance of Poland	85 126	652 122
<b>Total securities at amortised cost</b>	<b>14 902 956</b>	<b>14 284 563</b>
<b>Total securities</b>	<b>23 145 946</b>	<b>27 191 997</b>

The movements in amounts of expected credit losses on securities during 2025 are as follows:

<i>In thousands of hryvnias</i>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Securities at fair value through other comprehensive income</b>					
<b>Ukrainian government bonds</b>					
<b>Loss allowances for expected credit losses at 1 January 2025</b>		<b>826 435</b>	<b>22 979</b>	-	<b>849 414</b>
Increase from acquisition of assets during the period	25	383 998	-	-	<b>383 998</b>
Repayment and sales of assets during the period	25	(109 150)	(8 192)	-	<b>(117 342)</b>
Remeasurement of loss allowance*	25	(397 317)	(8 921)	-	<b>(406 238)</b>
<b>Loss allowances for expected credit losses at 31 December 2025</b>		<b>703 966</b>	<b>5 866</b>	-	<b>709 832</b>

\* Remeasurement of loss allowance for expected credit losses includes the changes for securities acquired during 2025, for which there was a change in the level of expected credit losses from the date of acquisition to the end of the year, as well as in securities purchased until 2025 that remained in the portfolio at 31 December 2025.

The movements in amounts of expected credit losses on securities during 2024 are as follows:

<i>In thousands of hryvnias</i>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Securities at fair value through other comprehensive income</b>					
<b>Ukrainian government bonds</b>					
<b>Loss allowances for expected credit losses at 1 January 2024</b>		<b>549 366</b>	<b>87 405</b>	<b>-</b>	<b>636 771</b>
Increase from acquisition of assets during the period	25	790 849	-	-	<b>790 849</b>
Repayment and sales of assets during the period	25	(41 151)	-	-	<b>(41 151)</b>
Remeasurement of loss allowance*	25	(472 629)	(64 426)	-	<b>(537 055)</b>
<b>Loss allowances for expected credit losses at 31 December 2024</b>		<b>826 435</b>	<b>22 979</b>	<b>-</b>	<b>849 414</b>

\* Remeasurement of loss allowance for expected credit losses includes the changes for securities acquired during 2024, for which there was a change in the level of expected credit losses from the date of acquisition to the end of the year, as well as in securities purchased until 2024 that remained in the portfolio at 31 December 2024.

## 9. INVESTMENTS IN SUBSIDIARIES

In 2021, the Supervisory Board resolved to develop the Bank's operations in the adjacent financial services market through a separate legal entity. On 27 August 2021, the Bank's subsidiary, KREDOLEASING LLC, was registered.

On 17 November 2021, KREDOLEASING LLC obtained licences to provide financial services and was entered by the NBU into the State Register of Financial Institutions. The company provided financial leasing services to individuals and legal entities.

Pursuant to the NBU's decision on changing the scope of the financial company licence dated 27 December 2024, the licence of KREDOLEASING LLC was narrowed to one type of financial service only, namely financial leasing.

Based on the application of KREDOLEASING LLC, on 15 August 2025 the NBU Committee on Supervision and Regulation of Non-Bank Financial Services Markets adopted a decision to revoke the licence of KREDOLEASING LLC for the provision of the financial service of financial leasing.

In connection with the revocation of the licence, KREDOLEASING LLC was removed from the State Register of Financial Institutions. At the same time, KREDOLEASING LLC continues its operations to the extent necessary to fulfil its obligations under financial leasing agreements already concluded.

As at the reporting date, the authorised capital of KREDOLEASING LLC amounted to UAH 35,000 thousand. The sole participant of the company is JSC "KREDOBANK". The investment is accounted for at cost.

## 10. INVESTMENT PROPERTY

<i>In thousands of hryvnias</i>	Note	2025	2024
<b>Investment properties at fair value at 1 January</b>		<b>8 851</b>	<b>8 863</b>
Transfer to the Bank's real estate	11	(4 125)	(1 657)
Net change in fair value		(231)	1 645
<b>Investment properties at fair value at 31 December</b>		<b>4 495</b>	<b>8 851</b>

As at 31 December 2025 and 31 December 2024, investment property includes commercial premises held by the Bank to earn rental income, reclassified from premises and leasehold improvements.

Information on operating lease income is disclosed in Note 26.

The fair value of the Bank's investment property as at 31 December 2025 and 31 December 2024 was determined on the basis of reports prepared by an internal appraiser who holds the relevant professional qualifications and has recent experience in valuing property of similar location and category. The valuation was based on the market value of the assets and was performed using the income approach.

The fair value of the Bank's investment property is classified within Level 3 of the fair value hierarchy as at 31 December 2025 and 2024 (Note 34).

## 11. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment as well as assets in the form of right-of- use is presented as follows:

	Land plots	Buildings, structures, and transmission devices	Computer and equipment	Vehicles	Tools, appliances, inventory (furniture)	Other fixed assets and non-current tangible assets	Right-of-use assets	Uncompleted capital investments	Total
<i>In thousands of hryvnias</i>									
<b>Initial cost</b>									
<b>At 1 January 2024</b>	<b>915</b>	<b>389 675</b>	<b>846 578</b>	<b>80 026</b>	<b>301 967</b>	<b>11 816</b>	<b>212 936</b>	<b>253</b>	<b>1 844 166</b>
Additions	-	18 306	47 441	3 063	13 120	1 182	150 880	21 122	255 114
Disposals	-	(12 607)	(26 413)	(6 323)	(18 638)	(1 595)	(199 477)	-	(265 053)
Revaluation	-	127 195	-	-	-	-	-	-	127 195
Transfers	-	1 735	-	-	-	-	-	(78)	1 657
Other changes	-	(19 566)	-	-	-	-	-	-	(19 566)
<b>At 31 December 2024</b>	<b>915</b>	<b>504 738</b>	<b>867 606</b>	<b>76 766</b>	<b>296 449</b>	<b>11 403</b>	<b>164 339</b>	<b>21 297</b>	<b>1 943 513</b>
Additions	-	32 788	87 068	24 574	17 089	1 671	213 690	3 880	380 760
Disposals	-	(1 876)	(44 443)	(4 404)	(14 708)	(485)	(72 698)	-	(138 614)
Transfers	-	4 428	20 452	-	-	-	-	(20 755)	4 125
<b>At 31 December 2025</b>	<b>915</b>	<b>540 078</b>	<b>930 683</b>	<b>96 936</b>	<b>298 830</b>	<b>12 589</b>	<b>305 331</b>	<b>4 422</b>	<b>2 189 784</b>
<b>Accumulated depreciation</b>									
<b>At 1 January 2024</b>	<b>-</b>	<b>88 826</b>	<b>551 182</b>	<b>33 827</b>	<b>244 823</b>	<b>9 216</b>	<b>100 826</b>	<b>-</b>	<b>1 028 700</b>
Depreciation charge	-	18 249	68 798	9 468	21 857	746	88 380	-	207 498
Disposals	-	(11 695)	(25 970)	(3 986)	(16 714)	(1 525)	(136 947)	-	(196 837)
Other changes	-	(13 634)	162	182	36	3	-	-	(13 251)
<b>At 31 December 2024</b>	<b>-</b>	<b>81 746</b>	<b>594 172</b>	<b>39 491</b>	<b>250 002</b>	<b>8 440</b>	<b>52 259</b>	<b>-</b>	<b>1 026 110</b>
Depreciation charge	-	20 424	75 045	9 954	22 582	795	113 365	-	242 165
Disposals	-	(1 852)	(44 077)	(3 679)	(13 972)	(433)	(43 452)	-	(107 465)
<b>At 31 December 2025</b>	<b>-</b>	<b>100 318</b>	<b>625 140</b>	<b>45 766</b>	<b>258 612</b>	<b>8 802</b>	<b>122 172</b>	<b>-</b>	<b>1 160 810</b>
<b>Carrying amount</b>									
<b>At 31 December 2024</b>	<b>915</b>	<b>422 992</b>	<b>273 434</b>	<b>37 275</b>	<b>46 447</b>	<b>2 963</b>	<b>112 080</b>	<b>21 297</b>	<b>917 403</b>
<b>At 31 December 2025</b>	<b>915</b>	<b>439 760</b>	<b>305 543</b>	<b>51 170</b>	<b>40 218</b>	<b>3 787</b>	<b>183 159</b>	<b>4 422</b>	<b>1 028 974</b>

The Bank presents right-of use assets that related to leased real estate and do not meet the definition of investment property as "Property, plant and equipment".

As at 31 December 2025, the initial cost of fully depreciated equipment that is still in use amounted to UAH 472,631 thousand (31 December 2024: UAH 461,547 thousand).

As at 31 December 2025 and 31 December 2024, the Bank has no property, plant and equipment of which ownership, use and disposal are limited by laws of Ukraine or issued as collateral.

Revaluation of the Bank's own premises as at 31 December 2025 was not carried out, since its residual value as at the annual balance sheet date did not differ significantly from the fair value according to the appraiser's conclusions.

The Bank's premises were revalued as at 31 December 2024. The appraiser used the income method to value all fixed assets.

The carrying amount of owner-occupied buildings subject to revaluation as at 31 December 2025 amounted to UAH 404,165 thousand (31 December 2024: UAH 265,479 thousand). Had these assets been carried at cost less depreciation, the carrying amount of premises as at 31 December 2025 would have amounted to UAH 146,943 thousand (31 December 2024: UAH 149,087 thousand).

The fair value of the Bank's buildings are categorised into Level 3 of the fair value hierarchy.

Movements in lease liability were as follows:

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
<b>Balance at 1 January</b>	<b>109 207</b>	<b>107 579</b>
<i>Changes from financing cash flows:</i>		
Payment of lease liabilities - principal	(139 436)	(93 647)
<b>Total changes from financing cash flows</b>	<b>(139 436)</b>	<b>(93 647)</b>
Effect of exchange rate of foreign currency	130	5 366
<i>Other changes:</i>		
Lease additions	216 118	164 501
Other changes	(5 511)	(74 721)
Interest expense	21 658	16 988
Interest paid	(22 065)	(16 859)
<b>Total liability-related other changes</b>	<b>210 200</b>	<b>89 909</b>
<b>Balance at 31 December</b>	<b>180 101</b>	<b>109 207</b>

Rental income recognised by the Bank during 2025 was UAH 7 047 thousand (2024: UAH 11 731 thousand) (Note 26).

**12. INTANGIBLE ASSETS**

Movements in intangible assets were as follows:

	Software	Rights and licenses	Other intangible assets	Total
<i>In thousands of hryvnias</i>				
<b>Initial cost</b>				
<b>At 1 January 2024</b>	<b>382 742</b>	<b>319 640</b>	<b>2 151</b>	<b>704 533</b>
Additions	88 264	138 937	-	227 201
Disposals	(765)	(82 683)	-	(83 448)
<b>At 31 December 2024</b>	<b>470 241</b>	<b>375 894</b>	<b>2 151</b>	<b>848 286</b>
Additions	139 220	108 977	-	248 197
Disposals	(52 645)	(232 419)	(947)	(286 011)
<b>At 31 December 2025</b>	<b>556 816</b>	<b>252 452</b>	<b>1 204</b>	<b>810 472</b>
<b>Accumulated depreciation</b>				
<b>At 1 January 2024</b>	<b>175 544</b>	<b>213 950</b>	<b>2 032</b>	<b>391 526</b>
Depreciation charge	75 152	133 981	119	209 252
Disposals	(765)	(82 683)	-	(83 448)
<b>At 31 December 2024</b>	<b>249 931</b>	<b>265 248</b>	<b>2 151</b>	<b>517 330</b>
Depreciation charge	97 175	118 759	-	215 934
Disposals	(52 642)	(232 419)	(947)	(286 008)
<b>At 31 December 2025</b>	<b>294 464</b>	<b>151 588</b>	<b>1 204</b>	<b>447 256</b>
<b>Carrying amount</b>				
<b>At 31 December 2024</b>	<b>220 310</b>	<b>110 646</b>	<b>-</b>	<b>330 956</b>
<b>At 31 December 2025</b>	<b>262 352</b>	<b>100 864</b>	<b>-</b>	<b>363 216</b>

Initial value of fully depreciated intangible assets still in use - UAH 99 800 thousand (as at December 31, 2024 - UAH 164 385 thousand).

As at 31 December 2025 and 31 December 2024 the Bank has no intangible assets pledged as collateral. However, there are restrictions on the ownership of computer software licenses used by the Bank.

**13. OTHER FINANCIAL ASSETS**

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Other receivables on transactions with banks and customers	11 770	10 775
Accrued income on settlement and cash services and other accrued income	10 036	12 963
Other assets	3 560	7 904
Assets under foreign currency swap contracts	1 909	-
Receivables on payment card transactions	1 346	1 369
Receivables on purchases and sales of foreign currency	303	534
Loss allowances for expected credit losses	(7 964)	(7 493)
<b>Total other financial assets</b>	<b>20 960</b>	<b>26 052</b>

The analysis of change in the loss allowances for expected credit losses of other financial assets during 2025 is as follows:

	<b>Note</b>	<b>Accrued income for cash settlement services and other accrued income (Stage 2,3)</b>	<b>Receivables from operations with customers and banks (Stage 3)</b>	<b>Total</b>
<i>In thousands of hryvnias</i>				
<b>Loss allowances for expected credit losses as at 1 January 2025</b>		<b>4 087</b>	<b>3 406</b>	<b>7 493</b>
Net remeasurement of loss allowance during the year	25	4 571	(240)	4 331
Amounts written off during the year as uncollectible		(3 743)	(143)	(3 886)
Effect of exchange rate of foreign currency		-	26	26
<b>Loss allowances for expected credit losses as at 31 December 2025</b>		<b>4 915</b>	<b>3 049</b>	<b>7 964</b>

The analysis of change in the loss allowances for expected credit losses of other financial assets during 2024 is as follows:

	Note	Accrued income for cash settlement services and other accrued income (Stage 2,3)	Receivables from operations with customers and banks (Stage 3)	Total
<i>In thousands of hryvnias</i>				
<b>Loss allowances for expected credit losses as at 1 January 2024</b>		<b>7 682</b>	<b>3 958</b>	<b>11 640</b>
Net remeasurement of loss allowance during the year	25	2 292	(904)	<b>1 388</b>
Amounts written off during the year as uncollectible		(5 887)	(2 320)	<b>(8 207)</b>
Effect of exchange rate of foreign currency		-	2 672	<b>2 672</b>
<b>Loss allowances for expected credit losses as at 31 December 2024</b>		<b>4 087</b>	<b>3 406</b>	<b>7 493</b>

The amount of loss allowances for expected credit losses on accrued income that are not impaired as at 31 December 2025 is UAH 59 thousand (at 31 December 2024 - UAH 137 thousand).

Receivables on payment card transactions in the amount of UAH 1,346 thousand (31 December 2024: UAH 1,369 thousand) are represented by transit accounts for payment card transactions subject to clearing on the next business day and for which no expected credit loss assessment is performed.

Analysis by credit quality of other financial assets at 31 December 2025 is as follows:

<i>In thousands of hryvnias</i>	Accrued income on settlement and cash services	Other receivables on transactions with banks and customers	Receivables from operations with plastic cards	Receivables from the purchase and sale of foreign currency	Assets under foreign currency swap contracts	Other assets	Total
<b>Assets without estimation of expected credit losses (not overdue)</b>	-	8 721	1 346	303	1 909	3 560	15 839
<b>Past due but not impaired other financial assets with 12-month expected credit losses (Stage 2)</b>							
- not yet past due	2 220	-	-	-	-	-	2 220
- less than 30 days overdue	190	-	-	-	-	-	190
- 31 to 90 days overdue	796	-	-	-	-	-	796
<b>Credit-impaired other financial assets (Stage 3)</b>							
- not yet past due	-	3 049	-	-	-	-	3 049
- 91 to 180 days overdue	562	-	-	-	-	-	562
- 181 to 360 days overdue	1 113	-	-	-	-	-	1 113
- over 360 days overdue	5 155	-	-	-	-	-	5 155
<b>Total credit-impaired other financial assets (gross)</b>	<b>6 830</b>	<b>3 049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 879</b>
<b>Less loss allowances for expected credit losses</b>	<b>(4 915)</b>	<b>(3 049)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7 964)</b>
<b>Total other financial assets</b>	<b>5 121</b>	<b>8 721</b>	<b>1 346</b>	<b>303</b>	<b>1 909</b>	<b>3 560</b>	<b>20 960</b>

Analysis by credit quality of other financial assets at 31 December 2024 is as follows:

<i>In thousands of hryvnias</i>	<b>Accrued income for cash settlement services and other accrued income</b>	<b>Receivables from operations with customers and banks</b>	<b>Receivables from operations with plastic cards</b>	<b>Receivables from the purchase and sale of foreign currency</b>	<b>Other assets</b>	<b>Total</b>
<b>Assets without estimation of expected credit losses (not overdue)</b>	-	7 369	1 369	534	7 904	17 176
<b>Past due but not impaired other financial assets with 12-month expected credit losses (Stage 2)</b>						
- not yet past due	2 921	-	-	-	-	2 921
- less than 30 days overdue	207	-	-	-	-	207
- 31 to 90 days overdue	765	-	-	-	-	765
<b>Credit-impaired other financial assets (Stage 3)</b>						
- not yet past due	-	3 406	-	-	-	3 406
- 91 to 180 days overdue	817	-	-	-	-	817
- 181 to 360 days overdue	5 548	-	-	-	-	5 548
- over 360 days overdue	2 705	-	-	-	-	2 705
<b>Total credit-impaired other financial assets (gross)</b>	<b>9 070</b>	<b>3 406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 476</b>
<b>Less loss allowances for expected credit losses</b>	<b>(4 087)</b>	<b>(3 406)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7 493)</b>
<b>Total other financial assets</b>	<b>8 876</b>	<b>7 369</b>	<b>1 369</b>	<b>534</b>	<b>7 904</b>	<b>26 052</b>

The primary factors that the Bank considers in determining whether a receivable is impaired are its overdue status. As a result, the Bank presents above an ageing analysis of receivables that are individually determined to be impaired. Other receivables generally are not collateralised.

Information on related party balances is disclosed in Note 37.

**14. OTHER NON-FINANCIAL ASSETS**

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Prepaid expenses	96 081	96 188
Prepayments for goods and construction in progress	86 205	82 038
Inventory	28 040	33 196
Prepayment for services	18 275	20 255
Prepaid taxes other than income tax	9 356	8 648
The Bank's repossessed collateral and assets held for sale	1 612	1 620
Other	595	339
Loss allowances for expected credit losses	(11 543)	(12 363)
<b>Total other non-financial assets</b>	<b>228 621</b>	<b>229 921</b>

**15. DUE TO OTHER BANKS**

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Correspondent accounts and overnight placements of other banks	814 329	1 171 208
Funds in settlements for escrow operations	3 758	3 816
<b>Total due to other banks</b>	<b>818 087</b>	<b>1 175 024</b>

As at 31 December 2025 correspondent accounts and overnight deposits of other banks include UAH 2 608 thousand (31 December 2024: UAH 1 259 thousand) of balances on accounts of PKO BP S.A.

Refer to Note 34 for the disclosure of the fair value of each class of amounts due to other banks. Interest rate analysis of due to other banks is disclosed in Note 31. Information on related party balances is disclosed in Note 37.

**16. CUSTOMER ACCOUNTS**

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Legal entities</b>		
- Current/settlement accounts	36 336 459	28 264 586
- Term deposits	5 279 793	5 589 917
<b>Individuals</b>		
- Current/demand accounts	13 556 070	11 283 488
- Term deposits	8 825 702	7 090 956
<b>Total customer accounts</b>	<b>63 998 024</b>	<b>52 228 947</b>

Economic sector concentrations within customer accounts are as follows:

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>		<b>31 December 2024</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Individuals	22 381 772	35	18 374 444	35
Trade	9 455 287	15	7 118 606	14
Manufacturing	8 824 240	14	6 939 862	13
Information technology and telecommunications	5 059 902	8	4 731 004	9
Financial services	4 431 637	7	3 847 752	7
Real estate	3 018 859	5	2 463 515	5
Agriculture	2 418 307	4	1 936 542	4
Healthcare and social assistance	1 673 091	2	1 775 705	3
Professional, scientific and technical activities	1 140 357	2	1 197 737	2
Transport and communications	1 020 679	1	939 362	2
Other service activities	567 237	1	482 573	1
Other	4 006 656	6	2 421 845	5
<b>Total customer accounts</b>	<b>63 998 024</b>	<b>100</b>	<b>52 228 947</b>	<b>100</b>

As at 31 December 2025, the Bank had 784 customers (31 December 2024: 641 customers) with account balances exceeding UAH 10,000 thousand each. The aggregate amount of funds in the accounts of these customers totalled UAH 37,615,701 thousand equivalent (31 December 2024: UAH 29,449,653 thousand), or 59% (31 December 2024: 56%) of total customer funds.

As at 31 December 2025, loans and advances to customers in the amount of UAH 637,039 thousand (31 December 2024: UAH 624,112 thousand) were secured by deposits in the amount of UAH 719,839 thousand (31 December 2024: UAH 690,098 thousand). Refer to Note 7.

As at 31 December 2025, current accounts of individuals include prepayments under loan agreements not yet due in the amount of UAH 10,554 thousand (31 December 2024: UAH 14,857 thousand), and current accounts of legal entities include prepayments under loan agreements not yet due in the amount of UAH 76,512 thousand (31 December 2024: UAH 49,779 thousand).

Information on the fair value of each class of customer funds is disclosed in Note 34. An analysis of customer funds by interest rates is presented in Note 31. Information on balances on related party transactions is disclosed in Note 37.

**17. DUE TO OTHER FINANCIAL INSTITUTIONS**

<i>In thousands of hryvnias</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Entrepreneurship Development Fund	100 081	103 161
<b>Total other financial institutions</b>	<b>100 081</b>	<b>103 161</b>

In December 2025, the Bank repaid a loan received from the Entrepreneurship Development Fund in the amount of UAH 100,000 thousand, bearing interest at the 3-month UIRD rate and having a term of two years.

In December 2025, the Bank obtained a five-year loan from the Entrepreneurship Development Fund in the amount of UAH 100,000 thousand, bearing interest at the 3-month UIRD rate, which amounted to 13.41% as at 31 December 2025. In accordance with the agreement, the funds are allocated for lending to small and medium-sized enterprises under the Fund's programme for supporting the financing of investment projects of small and medium-sized businesses in Ukraine.

As collateral for the received loan, the Bank pledged domestic government bonds with a total value of UAH 113,113 thousand (Note 8).

Change in amounts of due to other financial institutions are presented as follows:

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
<b>Due to other financial institutions as at 1 January</b>	<b>103 161</b>	<b>100 752</b>
Repayment during the year	12 756	13 665
Interest paid	(15 586)	(11 256)
Other changes	(250)	-
<b>Due to other financial institutions as at 31 December</b>	<b>100 081</b>	<b>103 161</b>

Refer to Note 34 for the disclosure of the fair value of due to other financial institutions.

**18. OTHER FINANCIAL LIABILITIES**

Other financial liabilities are presented as follows:

<i>In thousands of hryvnias</i>	Note	31 December 2025	31 December 2024
Lease liabilities	11	180 101	109 207
Funds in settlements		175 377	304 509
Accrued expenses on settlement and cash services and other accrued expenses		102 911	81 779
Other		534	779
<b>Total other financial liabilities</b>		<b>458 923</b>	<b>496 274</b>

Refer to Note 34 for disclosure of fair value of each class of other financial liabilities.

**19. OTHER NON-FINANCIAL LIABILITIES**

Other non-financial liabilities are presented as follows:

<i>In thousands of hryvnias</i>	31 December 2025	31 December 2024
Accrued employee benefit costs	286 986	225 630
Deferred income	57 340	29 067
Amounts payable to Individuals' Deposits Guarantee Fund	42 890	40 470
Accrued vacation pay	37 273	27 269
Taxes payable other than on income	26 904	18 873
Accounts payable for the acquisition of assets	10 372	2 143
Other	1 259	-
<b>Total other non-financial liabilities</b>	<b>463 024</b>	<b>343 452</b>

**20. PROVISIONS**

<i>In thousands of hryvnias</i>	31 December 2025	31 December 2024
Provisions for credit related commitments and financial guarantee contracts	92 542	105 823
Other provisions	2 858	10 099
<b>Total provisions</b>	<b>95 400</b>	<b>115 922</b>

Information on movement in provisions for credit obligations is provided in Note 33.

**21. SHARE CAPITAL**

<i>In thousands of hryvnias, except for number of shares</i>	<b>Number of outstanding shares</b>	<b>Nominal amount</b>	<b>Total</b>
<b>At 1 January 2024</b>	224 896 946 916	2 248 969	2 248 969
<b>At 31 December 2024</b>	224 896 946 916	2 248 969	2 248 969
<b>At 31 December 2025</b>	224 896 946 916	2 248 969	2 248 969

**The share capital of the Bank amounts to UAH 2 248 969 thousand (2024: UAH 2 248 969 thousand).**

As at 31 December 2025 and 31 December 2024, the total number of issued shares, at which the reports on placement results were registered, comprised 224 896 946 916 ordinary shares with nominal value of UAH 0.01 per share. All ordinary shares have equal voting rights.

**As at 31 December 2025 and 2024 all ordinary shares were fully paid and registered.**

The Bank's shareholder structure is presented below:

<b>Shareholder</b>	<b>2025</b>	<b>2024</b>
PKO Bank Polski S.A.	100,00%	100,00%

**22. OTHER COMPREHENSIVE INCOME RECOGNISED IN EQUITY**

Analysis of other comprehensive income by equity component item is as follows:

	<b>Revaluation reserve for financial instruments at fair value through other comprehensive income</b>	<b>Fixed assets revaluation reserves</b>	<b>Total</b>
<i>In thousands of hryvnias</i>			
<b>Year ended 31 December 2024</b>			
Financial instruments at fair value through other comprehensive income:			
- Net change in the fair value of financial instruments at fair value through other comprehensive income	212 158	-	212 158
- Net change in the fair value of financial instruments at fair value through other comprehensive income transferred to net profit and loss	(60)	-	(60)
-Income tax related to financial instruments at fair value through other comprehensive income	(10 818)	-	(10 818)
Result of revaluation of fixed assets	-	112 666	112 666
<b>Total other comprehensive income</b>	<b>201 280</b>	<b>112 666</b>	<b>313 946</b>
<b>Year ended 31 December 2025</b>			
Financial instruments at fair value through other comprehensive income:			
- Net change in the fair value of financial instruments at fair value through other comprehensive income	(257 789)	-	(257 789)
- Net change in the fair value of financial instruments at fair value through other comprehensive income transferred to net profit and loss	(10 104)	-	(10 104)
-Income tax related to financial instruments at fair value through other comprehensive income	53 338	-	53 338
<b>Total other comprehensive income</b>	<b>(214 555)</b>	<b>-</b>	<b>(214 555)</b>

**23. INTEREST INCOME AND EXPENSE**

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
<b>Interest income</b>		
Certificates of deposit issued by the National Bank of Ukraine	2 393 818	1 344 943
Loans and advances to customers	1 981 471	2 127 286
Securities at fair value through other comprehensive income	1 540 672	1 655 944
Securities at amortised cost	493 544	600 879
Finance lease receivables	275 568	165 405
Due from other banks	98 329	117 349
<b>Total interest income</b>	<b>6 783 402</b>	<b>6 011 806</b>
<b>Interest expense</b>		
Corporate customer funds	2 046 321	1 518 864
Individual customer funds	860 819	654 495
Lease liabilities	21 658	16 988
Due to other banks	2 433	2 236
<b>Total interest expense</b>	<b>2 931 231</b>	<b>2 192 583</b>
<b>Net interest income</b>	<b>3 852 171</b>	<b>3 819 223</b>

Interest income on impaired financial assets amounted to UAH 18,214 thousand in 2025 (in 2024: UAH 6,100 thousand).

Information on interest income and expense on related party transactions is disclosed in Note 37.

**24. FEE AND COMMISSION INCOME AND EXPENSE**

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
<b>Fee and commission income</b>		
Cash and settlement transactions	606 776	594 058
Purchase and sale of foreign currency	223 368	201 047
Guarantees issued and other documentary	25 966	22 211
Agency fee from insurance companies	20 934	21 981
Other	18 289	16 534
<b>Total fee and commission income</b>	<b>895 333</b>	<b>855 831</b>
<b>Fee and commission expense</b>		
Cash and settlement transactions	395 914	389 284
Received guarantees and other documentary	60 236	44 829
Loan transaction fees	3 255	3 159
Transactions with securities	1 921	1 288
Other	3 794	47
<b>Total fee and commission expense</b>	<b>465 120</b>	<b>438 607</b>
<b>Net fee and commission income</b>	<b>430 213</b>	<b>417 224</b>

Information on fee and commission income and expense on transactions with related parties is disclosed in Note 37.

**25. CREDIT LOSS EXPENSE ON FINANCIAL ASSETS**

<i>In thousands of hryvnias</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Due from other banks	6	447	(234)
Loans and advances to customers	7	34 191	79 992
Securities at fair value through other comprehensive income	8	(139 582)	212 643
Other financial assets - fee and commission income	13	4 571	2 292
Other financial assets - transactions with customers and banks	13	(240)	(904)
Financial guarantee and sureties contracts	33	(10 225)	22 417
Loan commitments	33	(4 041)	60 927
<b>Credit loss expense on financial assets</b>		<b>(114 879)</b>	<b>377 133</b>

As a reduction in expenses for the formation of reserves, the amount of the repayments of previously written-off uncollectible loans for credit losses is reflected, which in 2025 amounted to UAH 24 078 thousand (2024 - UAH 29 928 thousand).

**26. OTHER OPERATING INCOME**

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
Income from payment card servicing agreements	30 952	30 406
Other operating income	13 183	8 621
Income from operating leases	7 047	11 731
Fines and penalties received	5 001	5 035
Gain on disposal of property and equipment	2 524	2 909
Operating income from cash surpluses in cash desks	2 063	1 688
Income from transactions with insurance companies and other organisations	1 718	772
Lease income	1 105	1 514
Provisions for losses on non-financial receivables	798	-
Income from lease modifications	66	866
Income from revaluation of property and equipment and investment property	-	19 478
Other income	132	2 299
<b>Total other operating income</b>	<b>64 589</b>	<b>85 319</b>

**27. ADMINISTRATIVE AND OTHER OPERATING EXPENSES**

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
Wages, bonuses and other employee costs	1 235 379	983 597
Social contributions accrued on employee benefits	242 013	190 021
<b>Total employee payments expenses</b>	<b>1 477 392</b>	<b>1 173 618</b>
Software maintenance	229 074	172 910
Contributions to the Deposit Guarantee Fund for Individuals	161 641	154 610
Utilities	86 812	81 314
Repair and maintenance of premises and equipment	84 087	73 389
Communications	73 235	54 832
Advertising and marketing	26 246	20 483
Professional services	25 938	29 985
Charity	23 934	23 250
Taxes other than income tax	15 792	14 308
Cash collection and transportation of valuables	15 680	12 781
Business travel expenses	11 908	7 962
Security services	11 826	12 213
Bank payment card expenses	8 882	7 203
Legal expenses	8 230	9 668
Operating lease expenses on premises	7 367	11 769
Representation expenses	2 676	5 491
Provisions for legal claims	2 197	2 403
Membership fees	2 043	1 625
Loss on lease contracts	1 089	6 068
Impairment and loss on disposal of property and equipment	807	2 657
Expenses related to finance lease transactions	441	694
Expenses for fines, penalties and other related charges	18	53
Provisions for losses on non-financial receivables	-	10 092
Loss on revaluation of property and equipment	-	3 304
Expenses on lease modifications	-	906
Other	42 205	33 010
<b>Total administrative and other operating expenses</b>	<b>842 128</b>	<b>752 980</b>

No discretionary pensions or other post-employment benefits are provided by the Bank.

**28. INCOME TAX****(a) Components of income tax expense**

Components of income tax expense are presented as follows:

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
Current tax	524 994	1 100 027
Deferred tax	(30 192)	52 628
<b>Income tax expense</b>	<b>494 802</b>	<b>1 152 655</b>

**(b) Reconciliation of tax expense and profit or loss multiplied by applicable tax rate**

The Bank's applicable income tax rate is 25%. Reconciliation of expected and actual income tax expense is presented as follows:

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
<b>Profit before tax</b>	<b>2 105 567</b>	<b>2 089 049</b>
The theoretical tax charge at the current tax rate (2025 – 25%; 2024–50%)	526 392	1 044 525
Tax effect of items which are not deductible or assessable for taxation purposes:		
- costs / (income) not included for tax purposes related to provision	(3 213)	46 977
- other costs not recognised for tax purposes	4	35
Effect of accounting policies changes and other changes of temporary differences	(28 381)	61 118
<b>Income tax expense for the year</b>	<b>494 802</b>	<b>1 152 655</b>

**(c) Deferred taxes by type of temporary differences**

Differences between IFRS and statutory tax regulations in Ukraine give rise to temporary differences between carrying amounts of assets and liabilities used for financial reporting purposes and their tax bases, and on tax losses carried forward.

Tax effect of movements in these temporary differences is presented as follows.

<i>In thousands of hryvnias</i>	<b>Balance at 31 December 2024</b>	<b>Credited/ (charged) to profit or loss</b>	<b>Credited/ (charged) to other comprehensive income</b>	<b>Balance at 31 December 2025</b>
<b>Tax effect of deductible/(taxable) temporary differences</b>				
Fixed assets and intangible assets	15 503	10 825	-	26 328
Allowance for impairment of assets	33 283	20 719	-	54 002
Securities	(8 100)	(1 352)	53 338	43 886
<b>Net deferred tax asset (liability)</b>	<b>40 686</b>	<b>30 192</b>	<b>53 338</b>	<b>124 216</b>

	Balance at 1 January 2024	Credited/ (charged) to profit or loss	Credited/ (charged) to other comprehens ive income	Balance at 31 December 2024
<i>In thousands of hryvnias</i>				
<b>Tax effect of deductible/(taxable) temporary differences</b>				
Fixed assets and intangible assets	<b>80 268</b>	(64 765)	-	15 503
Allowance for impairment of assets	<b>18 705</b>	14 578	-	33 283
Securities	<b>5 159</b>	(2 441)	(10 818)	(8 100)
<b>Net deferred tax asset (liability)</b>	<b>104 132</b>	<b>(52 628)</b>	<b>(10 818)</b>	<b>40 686</b>

The recognised deferred tax asset is the amount of income tax that may be credited against future income taxes and is recognised in the separate statement of financial position. Deferred income tax assets are recognised only to the extent that it is probable that the tax credit will be used. Estimation of future taxable profits and the amount of tax credit that can be used in the future is based on the medium-term business plan that prepares management and the results of its extrapolation for future periods.

## 29. BASIC AND DILUTED PROFIT PER SHARE

The Bank prepared its consolidated financial statements and separate financial statements as at and for the year ended 31 December 2025 and 31 December 2024 in accordance with IFRS 10 "Consolidated financial statements" and IAS 27 "Separate financial statements". Basic profit per share is calculated and disclosed based on the IFRS consolidated financial statements. During the reporting period, the Bank had no dilutive financial instruments. Therefore, basic profit per share is equal to diluted profit per share

Profit per share is calculated as follows:

<i>In thousands of hryvnias</i>	2025	2024
Profit/(loss) for the year attributable to ordinary shareholders	1 612 570	937 361
Weighted average number of ordinary shares in issue (thousands)	224 896 947	224 896 947
<b>Basic and diluted profit per share attributable to shareholders of the Group (UAH per share)</b>	<b>0,0072</b>	<b>0,0042</b>

**30. SEGMENT ANALYSIS**

Operating segments are components engaged in business operations that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is a person or a group of persons who allocate resources and measure the Bank's performance. The CODM functions are performed by Management Board.

**(a) Reportable segments**

The Bank has the following three key reportable segments:

- Retail banking - banking services to individuals including current and saving accounts, deposits, investments, credit and debit cards, consumer and mortgage loans, currency transactions, money transfers.
- Corporate banking - direct debit facilities, current accounts, deposits, overdrafts, loans and other credit facilities.
- Treasury and investment banking - financial instruments trading, capital market transactions, operations with foreign currencies and banknotes.

**(b) Factors used to identify reportable segments**

The Bank's segments represent strategic business units targeting different customers. They are managed separately since each business unit requires different marketing strategies and service levels.

**(c) Measurement of operating segment profit or loss, assets and liabilities**

Management Board reviews financial information prepared in accordance with the NBU requirements and IFRS.

The following approaches are applied to segment analysis.

- resources are reallocated among segments using internal interest rates set by Treasury Department. These internal interest rates are determined by reference to market interest rate benchmarks, contractual maturities of loans, and historical information on actual repayment of customer account balances;
- income tax, and certain other items are not allocated to segments.

For operating decision making purposes, segment performance is measured based on profit before tax.

Reports include information on intersegment transfer (internal) results of reportable segments. Transfer result is calculated as the difference between transfer revenue and transfer expense per each segment based on transfer prices set by major currency and maturity. For corporate and retail segments, transfer revenue is calculated as estimated revenue from sales of attracted resources to Treasury and Investment Banking segment at acquisition transfer prices; transfer expenses are calculated as estimated expenses on purchase of resources from Treasury and Investment Banking segment at transfer prices on placements.

Transfer prices and transfer revenue/expenses are calculated in accordance with "Methodology for determining and applying transfer prices within JSC "KREDOBANK" approved by Resolution of Management Board No. 598 dated 11 August 2022.

**(d) Reportable segment profit or loss, assets and liabilities**

Reportable segments for the year ended 31 December 2025 are presented as follows:

<i>In thousands of hryvnias</i>	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Treasury and Investment banking</b>	<b>Unallocated</b>	<b>Total</b>
<b>Reportable segment assets</b>	1 213 652	14 015 069	57 567 814	1 785 726	<b>74 582 261</b>
<b>Reportable segment liabilities</b>	22 389 670	41 847 593	832 517	996 875	<b>66 066 655</b>
<b>Capital expenditures</b>	-	-	-	415 267	<b>415 267</b>

FREE TRANSLATION FROM THE UKRAINIAN ORIGINAL

JSC "KREDOBANK"

SEPARATE ANNUAL REPORT FOR THE YEAR 2025 | SEPARATE FINANCIAL STATEMENTS

Capital expenditures represent additions to non-current assets other than financial instruments and deferred tax assets.

<i>In thousands of hryvnias</i>	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Treasury and Investment banking</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>2025</b>						
<i>External revenues:</i>						
- Interest income	317 557	1 939 482	4 526 363	-	-	<b>6 783 402</b>
- Fee and commission income	293 345	575 722	3 349	22 917	-	<b>895 333</b>
- Other operating income	32 009	4 020	-	28 560	-	<b>64 589</b>
<i>Revenues from other segments</i>						
- Interest income	1 732 505	3 335 574	1 779 737	-	(6 847 816)	-
<b>Total revenues</b>	<b>2 375 416</b>	<b>5 854 798</b>	<b>6 309 449</b>	<b>51 477</b>	<b>(6 847 816)</b>	<b>7 743 324</b>
Interest expense	(1 160 772)	(3 526 105)	(5 070 512)	(21 658)	6 847 816	<b>(2 931 231)</b>
Gains less losses from trading in foreign currencies	-	-	401 577	-	-	<b>401 577</b>
Foreign exchange translation gains less losses	-	-	(4 452)	-	-	<b>(4 452)</b>
Result from operations with financial instruments	-	-	10 104	-	-	<b>10 104</b>
Gains less losses on derecognition of financial assets measured at amortised cost	14 694	1 480	-	-	-	<b>16 174</b>
Result from modification of financial assets	(476)	(1 593)	-	-	-	<b>(2 069)</b>
Credit loss expense provision	298 565	(332 756)	139 135	9 935	-	<b>114 879</b>
Fee and commission expense	(237 423)	(134 791)	(55 752)	(37 154)	-	<b>(465 120)</b>
Personnel expenses, depreciation costs, administrative and other operating expenses	(654 772)	(1 049 532)	(1 071 118)	(2 197)	-	<b>(2 777 619)</b>
<b>Segment result</b>	<b>635 232</b>	<b>811 501</b>	<b>658 431</b>	<b>403</b>	-	<b>2 105 567</b>
Income tax expense for the year						(494 802)
<b>Profit for the year</b>						<b>1 610 765</b>

Reportable segments for the year ended 31 December 2024 are presented as follows:

<i>In thousands of hryvnias</i>	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Treasury and Investment banking</b>	<b>Unallocated</b>	<b>Eliminations</b>
<b>Reportable segment assets</b>	1 718 262	10 299 222	48 440 730	1 562 869	<b>62 021 083</b>
<b>Reportable segment liabilities</b>	18 380 973	33 928 698	1 343 544	1 248 472	<b>54 901 687</b>
<b>Capital expenditures</b>	-	-	-	331 435	<b>331 435</b>

Capital expenditures represent additions to non-current assets other than financial instruments and deferred tax assets.

<i>In thousands of hryvnias</i>	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Treasury and Investment banking</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>2024</b>						
<i>External revenues:</i>						
- Interest income	530 286	1 762 405	3 719 115	-	-	<b>6 011 806</b>
- Fee and commission income	297 546	528 282	3 157	26 846	-	<b>855 831</b>
- Other operating income	31 467	3 974	-	49 878	-	<b>85 319</b>
<i>Revenues from other segments</i>						
- Interest income	1 469 283	2 609 438	1 671 576		(5 750 297)	-
<b>Total revenues</b>	<b>2 328 582</b>	<b>4 904 099</b>	<b>5 393 848</b>	<b>76 724</b>	<b>(5 750 297)</b>	<b>6 952 956</b>
Interest expense	(1 106 217)	(2 738 718)	(4 080 957)	(16 988)	5 750 297	<b>(2 192 583)</b>
Gains less losses from trading in foreign currencies	-	-	423 190	-	-	<b>423 190</b>
Foreign exchange translation gains less losses	-	-	48 598	-	-	<b>48 598</b>
Result from operations with financial instruments	-	-	60	-	-	<b>60</b>
Gains less losses on derecognition of financial assets measured at amortised cost	3 718	13 607	-	-	-	<b>17 325</b>
Result from modification of financial assets	(1 758)	349	-	-	-	<b>(1 409)</b>
Credit loss expense provision	405 127	(485 069)	(212 409)	(84 782)	-	<b>(377 133)</b>
Fee and commission expense	(235 281)	(106 780)	(49 464)	(47 082)	-	<b>(438 607)</b>
Personnel expenses, depreciation costs, administrative and other operating expenses	(653 307)	(836 019)	(840 621)	(13 401)	-	<b>(2 343 348)</b>
<b>Segment result</b>	<b>740 864</b>	<b>751 469</b>	<b>682 245</b>	<b>(85 529)</b>	<b>-</b>	<b>2 089 049</b>
Income tax expense for the year						(1 152 655)
<b>Profit for the year</b>						<b>936 394</b>

**(e) Analysis of revenues by product and service**

Analysis of Bank's revenues by product and service is disclosed in Note 23 (interest income) and Note 24 (fee and commission income).

**(f) Geographical information**

Ukraine represents the only geographical segment, as majority of revenues and assets are attributable to Ukraine. The Bank has no significant revenues from outside Ukraine and all its non-current assets other than financial instruments are attributable to Ukraine. Refer to Note 31 for geographical analysis of Bank's assets and liabilities.

**(g) Major customers**

The Bank has no customers representing more than 10% of total revenue of the Bank.

### 31. FINANCIAL RISK MANAGEMENT

Risk management relates to financial risks, operational risks, and legal risks. Financial risks comprise market risk (including currency and commodity risk), interest rate risk of the banking book, credit risk, and liquidity risk. The purpose of financial risk management is to establish risk limits and ensure adherence to such limits. The operational and legal risk management is intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

**Credit risk.** The Bank is exposed to credit risk, which is the risk that a party to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the other party. Exposure to credit risk arises as a result of the Bank's lending and other transactions with counterparties giving rise to financial assets.

The maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the separate statement of financial position. For guarantees and credit related commitments, the maximum exposure to credit risk is the total amount of commitments (see Note 33). Credit risk is managed by making strategic decisions on acceptable credit risk, approving credit limits, updating principles and processes for credit risk assessment, implementing and improvement of risk assessment tools that allow maintaining risk within acceptable parameters, developing information tools that computerise credit risk assessment process and ensure quality and integrity of data used in the process, planning of operations and preparing recommendations, obtaining collateral, and by other tools intended to mitigate credit risk as described in Note 7.

The Bank structures its exposures to credit risk by establishing limits per borrower or group of borrowers. Management approves credit risk limits on a regular basis. Such risks are regularly monitored and reviewed at least on a yearly basis.

JSK «Kredobank» established the following corporate bodies responsible for approving credit limits per individual borrowers:

- Management Board reviews and approves credit applications up to USD 6.25 million and, in case of loan restructuring, up to USD 6.25 million;
- Supervisory Board reviews and approves credit applications above USD 6.25 million and, in case of loan restructuring, above USD 6.25 million;
- Credit Committee reviews and approves credit applications up to UAH 200 million, Small Credit Committee - up to UAH 28,5 million, and Credit Restructuring Committee - up to USD 5 million. Credit Committee and Small Credit Committee generally meet two times per week. Credit Restructuring Committee generally meet once a week;
- separately granted the authority to make new credit decisions in two hands up to UAH 25,0 million; as well as the authority to make new credit decisions in one hand - to the directors of individual departments of the bank with a maximum limit of up to UAH 3,0 million, to make decisions on carrying out credit operations as part of the restructuring of credit debt to the director of the executive direction of managing non-performing assets up to UAH 3.0 million and for short-term restructuring of mortgage loans, loans secured by motor vehicles, and unsecured retail loan products – up to UAH 4.0 million

Loan applications prepared by account managers are forwarded to relevant department that performs credit analysis and makes a decision or passes them on to the relevant credit committee for approval of credit limit within the scope of authority. Exposure to credit risk is also managed by obtaining collateral and corporate and personal guarantees.

When considering new loan offers, the Bank applies tools for reducing and distributing credit risk, in particular loan insurance and portfolio guarantees, under the terms of contracts concluded by the Bank with international financial organisations and/or government agencies.

During the period of martial law, the Bank introduced more stringent requirements for analysing the business activities of clients and assessing their solvency. At the same time, a selective approach is applied to borrowers, which provides for taking into account the place of business activity of the client and the potential threat of military operations spreading to the territory where the client is registered and conducts business activities. The Bank does not cooperate with legal entities and individuals from the sanctions lists, as well as whose activities are related to or depend on persons registered or operating in the Russian Federation and / or the Republic of Belarus.

Following the start of the full-scale russian aggression against Ukraine in 2022, the Bank carried out lending operations with individual customers only in certain justified cases, except for:

- offers to establish credit limits on Credit Cards under the pre-approved scheme (with automatically calculated limits);
- offers for debt restructuring or settlement.

From July 2025, the Bank resumed lending to individuals for the purchase of real estate and motor vehicles.

The basis of the analysis and assessment of the creditworthiness of clients - legal entities is the determination and establishment of an internal rating, which is carried out to determine the probability of default by the client and recognition of default status within 1 (one) year. Determining and establishing the internal rating of clients is not only a tool for reviewing individual loan proposals and supporting the credit decision-making process, but also a basis for providing a more detailed analysis of the quality of the Bank's loan portfolio.

The Bank's rating scale includes 24 rating categories, indicated in capital letters (from A1 to H3), depending on the risk of default by the client, and the probability of default for each rating category (in%).

The Credit Risk Department is responsible for oversight of the implementation of rating models, while the Bank's Model Risk Department is responsible for their timely review and updating.

The Bank reviews ageing of outstanding loans and follows up on past due balances. Management therefore considers it appropriate to provide ageing and other information about credit risk as disclosed in Notes 6,7,8,13.

The Bank organises an effective process of managing distressed assets in compliance with the following principles:

- economic feasibility - the Bank's measures for managing distressed assets are economically and, if possible, statistically sound, and the Bank's calculations based on its own experience indicate that their implementation will ensure that the Bank receives economic benefits higher than the costs incurred during management distressed assets;
- priority - the Bank, when deciding on the option of debt settlement of the debtor / counterparty, measures aimed at the sale of recovered property, gives preference to the option / measures that provide the highest net present value of expected cash flows from the asset;
- timeliness - identification of assets with signs of potential problems at an early stage and taking timely and adequate measures aimed at reducing the amount of losses of the Bank from distressed assets;
- structure - a clear division of functions, responsibilities and powers in the management of distressed assets between the structural units involved and employees of the Bank, establishing a proper relationship between them, determining those responsible for proper interaction between the Bank's divisions at all organisational levels models of three lines of protection;
- adequacy - compliance of the process of problem assets management organised by the Bank with the level, volume, structure of problem assets in the Bank, dynamics of their changes, ensuring priority of the Bank's financial, time and human resources on assets with the highest value / exposure and risk of credit risk;
- comprehensiveness and complexity - the process of problem assets management is a complex system of interconnected processes that cover the full life cycle of distressed assets and integrated with the corporate governance system and risk management system of the Bank;
- efficiency - ensuring a reduction in the level (as a percentage of the corresponding amount of assets) and the amount of problem assets (in absolute terms) with the achievement of optimal balance between time and debt repayment on such assets / proceeds from sale / assignment of claims on such assets to the Distressed Assets Management Strategy;
- monitoring - constant control over the achievement of goals and objectives set by the Distressed Assets Management Strategy and the Operational Plan, efficiency of actions of the Bank's divisions and employees, efficiency of the Bank's debt settlement and sale of foreclosed assets.

The Bank organises the process of problem assets management, which covers all organisational levels of the Bank, defines a clear division of functions, responsibilities and powers among all its entities, as well as their responsibilities in accordance with such distribution, ensures the order of their interaction and reporting.

The Bank's collective management bodies are informed of the monthly report on the analysis of the quality of the loan portfolio with a detailed analysis of the level of credit risk in the loan portfolio as a whole and in the areas of lending.

In addition, the Bank adheres to a system of internal concentration limits, which consists of targeted long-term strategies of the Bank in terms of the structure of individual segments of the loan portfolio and concentration limits set for individual sectors of the economy.

In order to prevent exceeding the concentration limits, these limits are subject to monitoring (control). The concentration limits are monitored monthly and quarterly by the Credit Risk Department. The results of the monitoring are subject to presentation as part of the management risk reporting to the Management Board of the Bank and the Supervisory Board.

In accordance with the requirements of IFRS 9, the Bank applies a model of expected losses, which provides for the timely reflection of the deterioration or improvement of the credit quality of financial instruments, taking into account available information and forecasts for the future. The amount of expected impairment recognised through the formation of an allowance for impairment depends on the amount of impairment (credit quality deterioration) from the date of initial recognition of the financial instrument.

The process of estimating the amount of expected losses under IFRS 9 consists of the following steps

- analysis of the level of credit risk for the presence of a significant increase in credit risk or the occurrence of a default event from the date of initial recognition and attribution to the appropriate stage of impairment;
- calculation of the amount of expected credit losses (estimated allowance for impairment).

In order to assess the amount of expected losses the Bank uses 2 approaches:

- assessment of the amount of expected losses on an individual basis - for individually significant active banking operations (in the amount of UAH 2,000 thousand or the equivalent in foreign currency according to the NBU exchange rate at the reporting date), for which default was recognised;
- assessment of the amount of expected losses on a group basis - for individually insignificant active banking operations and individually significant active operations for which the fact of default is not detected.

For the purposes of assessing expected credit losses, financial instruments, in accordance with the requirements of IFRS 9, are classified into one of three stages of impairment, based on how significantly the level of credit risk for the financial instrument has changed as of the reporting date compared to the date of its initial recognition.

In order to take into account the negative impact of the consequences of the military aggression of the Russian Federation against Ukraine, in particular, increased risks in the regions close to the temporarily occupied regions, areas of military (combat) operations, which could potentially have a negative impact on the ability of customers to continue servicing their debt, appropriate approaches were applied to adequately assess the amount of the allowance for loan losses, taking into account the regional distribution of territories adopted by the Bank.

The amount of expected losses (calculation of the estimated reserve) is estimated on a monthly basis, as of the first day of each month following the reporting month, as well as on the date of termination of recognition.

The levels of parameters of individual and group assessment of depreciation PD, LGD, CCF, are evaluated at least once a year, and in case of significant changes in economic conditions, the level of defaults and other crisis phenomena in the economy as a whole and in areas of economic activity, changes in the Bank's credit policy or regulatory documents on credit risk management of the Bank, the parameters are evaluated as of the date of assessment of impairment of credit operations.

Credit risk of off-balance sheet financial instruments is defined as the possibility of losses due to nonperformance of contractual obligations by the other party to the financial instrument. The Bank applies the same credit policy to contingent liabilities as it does to balance sheet financial instruments: approval procedures, risk control, and monitoring procedures are established.

To prevent critical losses due to credit risk, the Bank constantly monitors compliance with the regulatory values of credit risk established by the NBU.

Given the downgrades of the Republic of France's credit rating by international rating agencies between September and November 2025, in January 2026 the National Bank of Ukraine requested banks holding debt securities issued by the Government of the Republic of France to take this downgrade into account when calculating prudential ratios and credit risk as at 31 December 2025.

As debt securities issued by the Government of the French Republic in the amount of EUR 120 million were recognised on the Bank's balance sheet as at 31 December 2025, the Bank performed the relevant

recalculation of prudential ratios, as a result of which the value of ratio H7, "Maximum credit risk exposure to one counterparty", amounted to 109.76%, against the regulatory limit of no more than 20% (the ratio as at 31 December 2024 was 11.36%).

At the same time, on 19 January 2026, the Bank sold a portion of the above securities portfolio in the amount of EUR 104 million, which restored the H7 ratio to the regulatory level.

The event described above had no impact on the Bank's operating results or on the values of its other prudential ratios.

As at 31 December 2025, the large credit risks ratio (H8), which is determined as the ratio of the aggregate amount of all large credit risk exposures to counterparties, groups of connected counterparties and all related parties of the Bank to the Bank's regulatory capital, amounted to 135.28%, against the regulatory limit of no more than 800% (the ratio as at 31 December 2024 was 22.02%).

**Market risk.** The Bank is exposed to market risks arising from open positions in: (a) currency, (b) interest rate and (c) equity instruments, all of which are largely dependent on general and specific market developments. Supervisory Board of the Bank and Management Board of the Bank set acceptable risk limits and monitor adherence to the limits on a daily basis. However, this approach does not prevent losses outside the limits in the event of significant market developments.

**Currency risk.** Management sets currency risk limits and overall acceptable risk exposure for overnight and intra-day positions, with periodical control performed. The Bank is exposed to currency risks arising from open foreign currency positions and bank metals. These positions are calculated as the differences between assets and liabilities in the same currency as at the reporting date. The Bank evaluates and monitors levels of long and short foreign currency open positions using hryvnia as a base currency. Open position limits are set at the level required by the NBU and calculated as open currency position of regulatory capital of the Bank. Compliance with these limits is monitored on a daily basis by the Department of market risk and liquidity risk. The Department of market risk and liquidity risk submits weekly reports to Asset, Liability and Tariff Management Committee (ALTCO) on a weekly basis.

The Bank's currency risk exposure as at the reporting date is presented as follows:

<i>In thousands of hryvnias</i>	<b>Monetary financial assets</b>	<b>Monetary financial liabilities</b>	<b>Derivatives</b>	<b>Net position</b>
US Dollars	12 394 483	12 963 493	558 307	(10 703)
EUR	11 055 157	11 088 283	28 917	(4 209)
British pounds	90 977	87 271	-	3 706
Other	924 146	939 713	10 563	(5 004)

The Bank's currency risk exposure as of December 31, 2024 is presented as follows:

<i>In thousands of hryvnias</i>	<b>Monetary financial assets</b>	<b>Monetary financial liabilities</b>	<b>Derivatives</b>	<b>Net position</b>
US Dollars	12 630 011	12 247 061	(185 773)	197 177
EUR	8 691 775	8 918 934	155 939	(71 220)
British pounds	85 736	92 488	5 824	(928)
Other	836 998	864 635	24 543	(3 094)

The following table presents sensitivity analysis of profit or loss and equity to reasonably possible changes in exchange rates as at the reporting date applied to Bank's functional currency, with all other variables remaining constant:

<i>In thousands of hryvnias</i>	31 December 2025		31 December 2024	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
US dollar strengthening by 10% (2024: strengthening by 10%)	(803)	(1 070)	14 788	19 718
US dollar weakening by 10% (2024: weakening by 10%)	803	1 070	(14 788)	(19 718)
Euro strengthening by 10% (2024: strengthening by 10%)	(316)	(421)	(5 341)	(7 122)
Euro weakening by 10% (2024: weakening by 10%)	316	421	5 341	7 122
Other currencies strengthening by 10% (2024: strengthening by 10%)	(97)	(130)	(302)	(402)
Other currencies weakening by 10% (2024: weakening by 10%)	97	130	302	402

**Interest rate risk.** The Bank is exposed to interest rate risk arising from the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, however it may decrease or cause losses in case of unexpected fluctuations.

The vulnerability of the Bank's financial result to changes in interest rates is an indicator of the sensitivity of assets and liabilities to changes in interest rates in the long term. Sensitivity factors include assumptions about maturity and timing of interest rate changes and product updates. The table below shows the potential impact on the Bank's profit in the 12 m horizon, calculated using the NII method, in the event of an increase/decrease in interest rates on financial instruments denominated in major currencies:

	Type of financial instrument rate	31 December 2025		31 December 2024	
		Rate change (b. p.)	Impact on profit or loss (thousands of hryvnias)	Rate change (b. p.)	Impact on profit or loss (thousands of hryvnias)
UAH	- variable rate	+200/-200	+123 764 / -123 764	+200/-200	+114 766 / -114 759
	- constant rate	+200/-200	+34 470 / -35 505	+200/-200	-8 318 / 6 430
USD	- variable rate	+200/-200	0 / 0	+200/-200	+878 / -878
	- constant rate	+200/-200	+26 005 / -47 723	+200/-200	+102 384 / -123 876
EUR	- variable rate	+200/-200	+926 / -926	+200/-200	+822 / -822
	- constant rate	+200/-200	+17 714 / -34 798	+200/-200	+96 190 / -109 822

The Bank monitors interest rates on financial instruments. The table below summarises effective interest rates on interest bearing financial instruments as at the relevant reporting date:

% per annum	2025				2024			
	UAH	US Dollars	EUR	Other	UAH	US Dollars	EUR	Other
<b>Assets</b>								
Cash and funds in the National Bank of Ukraine								
- deposit certificates issued by the	16%	-	-	-	16%	-	-	-
NBU								
Due from other banks								
- guarantee deposits	-	-	-	-	-	-	-	-
- interest bearing correspondent accounts with other banks	0%	0%	2%	0%	0%	2%	3%	0%
- term funds placed on the interbank market	-	3%	-	4%	-	5%	3%	5%
Loans and advances to customers								
- at fixed rate	19%	6%	4%	8%	19%	6%	5%	8%
- at variable rate	20%	6%	5%	-	21%	5%	7%	-
Securities at fair value through other comprehensive income	16%	-	-	-	17%	-	-	-
Securities at amortised cost	-	4%	2%	-	-	4%	3%	-
<b>Liabilities</b>								
Due to other banks								
- at fixed rate	0%	0%	0%	0%	0%	0%	0%	0%
- at variable rate	-	-	-	-	-	-	-	-
Due to other financial institutions								
- at fixed rate	-	-	-	-	-	-	-	-
- at variable rate	13%	-	-	-	13%	-	-	-
Customer accounts								
- current and settlement accounts	8%	0%	0%	0%	6%	0%	0%	0%
- term deposits	8%	1%	0%	2%	11%	1%	1%	2%

"-" in the table above means that the Bank has no assets or liabilities denominated in the corresponding currency. Information presented in the table relates to fixed rates, unless stated otherwise..

**Other price risk.** The Bank is exposed to early repayment risk due to providing fixed rate loans, including mortgages, which allow a borrower to early repay its loan. The Bank's current year profit and equity as at the reporting date would not be significantly influenced by changes in early repayment rates, since such loans are carried at amortised cost, and loan amount at early repayment is equal or close to amortised cost of loans and advances to customers.

**Geographical risk concentration.** Geographical analysis of Bank's assets and liabilities as at 31 December 2025 is presented as follow:

<i>In thousands of hryvnias</i>	<b>Ukraine</b>	<b>OECD</b>	<b>Non-OECD</b>	<b>Total</b>
<b>Assets</b>				
<b>Cash and funds in the National Bank of Ukraine</b>	31 281 515	-	-	<b>31 281 515</b>
<b>Due from other banks</b>	127 212	3 010 804	-	<b>3 138 016</b>
<b>Loans and advances to customers</b>	15 210 679	103	72	<b>15 210 854</b>
<b>Securities</b>	8 242 990	14 902 956	-	<b>23 145 946</b>
<b>Investments in subsidiaries</b>	35 000	-	-	<b>35 000</b>
<b>Other financial assets</b>	12 961	7 989	10	<b>20 960</b>
<b>Total financial assets</b>	<b>54 910 357</b>	<b>17 921 852</b>	<b>82</b>	<b>72 832 291</b>
<b>Non-financial assets</b>	<b>1 717 626</b>	<b>32 344</b>	-	<b>1 749 970</b>
<b>Total assets</b>	<b>56 627 983</b>	<b>17 954 196</b>	<b>82</b>	<b>74 582 261</b>
<b>Liabilities</b>				
<b>Due to other banks</b>	811 720	6 367	-	<b>818 087</b>
<b>Customer accounts</b>	62 783 611	1 095 859	118 554	<b>63 998 024</b>
<b>Due to other financial institutions</b>	100 081	-	-	<b>100 081</b>
<b>Other financial liabilities</b>	360 958	97 965	-	<b>458 923</b>
<b>Total financial liabilities</b>	<b>64 056 370</b>	<b>1 200 191</b>	<b>118 554</b>	<b>65 375 115</b>
<b>Non-financial liabilities</b>	<b>691 491</b>	<b>47</b>	<b>2</b>	<b>691 540</b>
<b>Total liabilities</b>	<b>64 747 861</b>	<b>1 200 238</b>	<b>118 556</b>	<b>66 066 655</b>
<b>Net position</b>	<b>(8 119 878)</b>	<b>16 753 958</b>	<b>(118 474)</b>	<b>8 515 606</b>

Assets and liabilities have been classified based on counterparty's resident country. Cash on hand, property, leasehold improvements, and equipment have been classified based on the country of their physical presence.

Amounts due to other banks, concentrated in OECD countries, include UAH 2 608 thousand, due to the parent bank (2024: UAH 1 259 thousand) (Note 37).

Geographical analysis of Bank's assets and liabilities as at 31 December 2024 is presented as follows:

<i>In thousands of hryvnias</i>	<b>Ukraine</b>	<b>OECD</b>	<b>Non-OECD</b>	<b>Total</b>
<b>Assets</b>				
<b>Cash and funds in the National Bank of Ukraine</b>	17 647 174	-	-	<b>17 647 174</b>
<b>Due from other banks</b>	92 426	3 508 099	-	<b>3 600 525</b>
<b>Loans and advances to customers</b>	11 992 052	72	394	<b>11 992 518</b>
<b>Securities</b>	12 907 434	14 284 563	-	<b>27 191 997</b>
<b>Investments in subsidiaries</b>	35 000	-	-	<b>35 000</b>
<b>Other financial assets</b>	17 833	8 199	20	<b>26 052</b>
<b>Total financial assets</b>	<b>42 691 919</b>	<b>17 800 933</b>	<b>414</b>	<b>60 493 266</b>
<b>Non-financial assets</b>	<b>1 498 158</b>	<b>29 659</b>	-	<b>1 527 817</b>
<b>Total assets</b>	<b>44 190 077</b>	<b>17 830 592</b>	<b>414</b>	<b>62 021 083</b>
<b>Liabilities</b>				
<b>Due to other banks</b>	1 169 948	5 076	-	<b>1 175 024</b>
<b>Customer accounts</b>	51 375 239	736 761	116 947	<b>52 228 947</b>
<b>Due to other financial institutions</b>	103 161	-	-	<b>103 161</b>
<b>Other financial liabilities</b>	414 324	81 950	-	<b>496 274</b>
<b>Total financial liabilities</b>	53 062 672	823 787	116 947	<b>54 003 406</b>
<b>Non-financial liabilities</b>	<b>898 208</b>	<b>71</b>	<b>2</b>	<b>898 281</b>
<b>Total liabilities</b>	<b>53 960 880</b>	<b>823 858</b>	<b>116 949</b>	<b>54 901 687</b>
<b>Net position</b>	<b>(9 770 803)</b>	<b>17 006 734</b>	<b>(116 535)</b>	<b>7 119 396</b>

**Liquidity risk.** Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is managed by Asset, Liability and Tariff Management Committee (ALTCO).

The Bank seeks to maintain a stable funding base primarily consisting of amounts due to banks, corporate and retail customer deposits, and debt securities. The Bank invests the funds in portfolios of liquid assets in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The liquidity management of the Bank requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans; and monitoring compliance of balance sheet liquidity ratios with regulatory requirements.

The Bank calculates liquidity ratios on a daily/decadal basis in accordance with the requirements of the National Bank of Ukraine. These ratios include:

- Liquidity Coverage Ratio in all currencies (LCRAC), which amounted to 242% as at 31 December 2025, compared to the minimum required level of 100% (31 December 2024: 244%, minimum requirement: 100%);
- Liquidity Coverage Ratio in foreign currency (LCRFC), which amounted to 422% as at 31 December 2025, compared to the minimum required level of 100% (31 December 2024: 394%, minimum requirement: 100%);
- Net Stable Funding Ratio (NSFR), which amounted to 206% as at 31 December 2025, compared to the minimum required level of 100% (31 December 2024: 277%, minimum requirement: 100%).

The Treasury Department receives information on liquidity profile of financial assets and liabilities. The Treasury Department ensures availability of adequate portfolio of short-term liquid assets, largely made up of liquid securities, deposits with banks, and other inter-bank facilities, to maintain sufficient liquidity.

The tables below show Bank's liabilities by remaining contractual maturity. The amounts disclosed represent contractual undiscounted cash flows, including total credit related commitments and commitments to extend financial guarantees. Such undiscounted cash flows differ from the amounts reported in the separate statement of financial position, since the amounts in the separate statement of financial position are based on discounted cash flows. If the amount payable is not fixed, the amount disclosed is determined by reference to terms and conditions as at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate as at the reporting date.

The analysis of undiscounted cash flows for financial liabilities as at 31 December 2025 is presented as follows:

<i>In thousands of hryvnias</i>	<b>Demand and less than 1 month</b>	<b>1-12 months</b>	<b>From 12 months to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Liabilities</b>					
Due to other banks	818 087	-	-	-	<b>818 087</b>
Customer accounts	54 567 886	9 523 234	130 199	12 225	<b>64 233 544</b>
Due to other financial institutions	1 474	16 827	148 463	-	<b>166 764</b>
Financial lease liabilities	9 475	91 599	78 249	778	<b>180 101</b>
Other financial liabilities	278 822	-	-	-	<b>278 822</b>
Credit related commitments	5 611 945	-	-	-	<b>5 611 945</b>
Spot and forward contracts					
- inflows	742 631	-	-	-	<b>742 631</b>
- outflows	(740 602)	-	-	-	<b>(740 602)</b>
<b>Total potential future payments for financial liabilities</b>	<b>61 289 718</b>	<b>9 631 660</b>	<b>356 911</b>	<b>13 003</b>	<b>71 291 292</b>

Liquidity requirements to support obligations under guarantees and letters of credit are significantly lower than the amount of the respective commitments disclosed in the above maturity analysis, as the Bank does not generally expect that a third party will draw down funds under such agreements.

The analysis of undiscounted cash flows for financial liabilities as at 31 December 2024 is presented as follows:

<i>In thousands of hryvnias</i>	<b>Demand and less than 1 month</b>	<b>1-12 months</b>	<b>From 12 months to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Liabilities</b>					
Due to other banks	1 175 024	-	-	-	<b>1 175 024</b>
Customer accounts	44 882 690	7 403 489	102 899	3 115	<b>52 392 193</b>
Due to other financial institutions	4 418	110 994	-	-	<b>115 412</b>
Financial lease liabilities	9 823	53 149	40 152	6 083	<b>109 207</b>
Other financial liabilities	387 067	-	-	-	<b>387 067</b>
Credit related commitments	4 386 582	-	-	-	<b>4 386 582</b>
Spot and forward contracts					
- inflows	192 826	-	-	-	<b>192 826</b>
- outflows	(192 292)	-	-	-	<b>(192 292)</b>
<b>Total potential future payments for financial liabilities</b>	<b>50 846 138</b>	<b>7 567 632</b>	<b>143 051</b>	<b>9 198</b>	<b>58 566 019</b>

Customer accounts are classified based on remaining contractual maturities in the above analysis. However, in accordance with the Civil Code of Ukraine, for deposit agreements concluded prior to 6 June 2015, individuals have the right to withdraw their deposits prior to maturity, with their right to accrued interest forfeited. Some corporate deposit contracts envisage a possibility of early withdrawal. Certain deposit contracts with individuals concluded after 6 June 2015 also envisage early withdrawals. However, the management believes, taking into account experience, that most counterparties will not demand funds ahead of schedule.

As at 31 December 2025 and 2024 undiscounted cash flows for deposits with early withdrawal option in distribution by maturity buckets are as follows

<i>In thousands of hryvnias</i>	<b>Demand and less than 1 month</b>	<b>1-12 months</b>	<b>From 12 months to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
At 31 December 2025	52 450	279 364	15 593	2 391	<b>349 798</b>
At 31 December 2024	99 608	394 602	25 406	3 077	<b>522 693</b>

The Bank monitors the following contractual maturities as at 31 December 2025 and 31 December 2024:

<i>In thousands of hryvnias</i>	<b>Demand and less than 1 month</b>	<b>1-12 months</b>	<b>From 12 months to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>At 31 December 2025</b>					
Financial assets	35 119 870	13 246 357	23 846 011	585 053	<b>72 797 291</b>
Financial liabilities	(55 617 595)	(9 448 122)	(296 409)	(12 989)	<b>(65 375 115)</b>
<b>Net liquidity gap based on expected maturities</b>	<b>(20 497 725)</b>	<b>3 798 235</b>	<b>23 549 602</b>	<b>572 064</b>	<b>7 422 176</b>
<b>Spot and forward contracts</b>					
- inflows	742 631	-	-	-	<b>742 631</b>
- outflows	(740 602)	-	-	-	<b>(740 602)</b>
<b>At 31 December 2024</b>					
Financial assets	22 159 942	20 205 144	17 278 850	814 330	<b>60 458 266</b>
Financial liabilities	(46 410 915)	(7 442 570)	(140 747)	(9 174)	<b>(54 003 406)</b>
<b>Net liquidity gap based on expected maturities</b>	<b>(24 250 973)</b>	<b>12 762 574</b>	<b>17 138 103</b>	<b>805 156</b>	<b>6 454 860</b>
<b>Spot and forward contracts</b>					
- inflows	192 826	-	-	-	<b>192 826</b>
- outflows	(192 292)	-	-	-	<b>(192 292)</b>

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is critical to management. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its response to changes in interest and exchange rates.

Management believes that in spite of a substantial portion of customer accounts being on demand, diversification of these deposits by a number and type of depositors, and the past experience of the Bank would indicate that these customer accounts provide a long-term and stable source of financing for the Bank.

The Bank has open credit line with its Parent company PKO Bank Polski SA for USD 30 and 47 million. Bank may regularly use this credit line for the replenishment of working capital and maintenance of the operational liquidity.

**32. CAPITAL MANAGEMENT**

The Bank's objectives when managing capital are (i) to comply with the capital requirements set by the by the National Bank of Ukraine, (ii) to safeguard the Bank's ability to continue as a going concern. In the opinion of management, the total amount of capital managed by the Bank is equal to the amount of capital represented in the separate statement of financial position. The amount of capital managed by the Bank as at 31 December 2025 is UAH 8 515 606 thousand (as at 31 December 2024 - UAH 7 119 396 thousand). Compliance with capital adequacy of the Bank, the National Bank of Ukraine carried out each decade. Other objectives of capital management are evaluated annually.

Ukrainian legislation requires that banks form a reserve to cover unforeseen losses on all asset items and offbalance sheet liabilities. The reserve must represent 25% of bank's regulatory capital but not less than 25% of bank's registered share capital. The reserve is formed through charges from net profit for the reporting year retained by the Bank after taxes and retained earnings for previous years.

Charges to the reserve must be no less than 5% of bank's profit until the reserve reaches 25% of bank's regulatory capital.

Should a bank's operations pose a threat to interests of depositors and other bank's creditors, the National Bank of Ukraine has the right to require increase in the reserve and annual charges thereto. If, as a result of bank's operations, regulatory capital is reduced to an amount lower than share capital, annual charges to the reserve must be 10% of bank's net profit until the reserve reaches 35% of bank's share capital.

The reserve may only be used to cover the bank's losses for the reporting year in accordance with the decision of the bank's board (Supervisory board) and in accordance with the procedure established by the general meeting of its shareholders. Furthermore, effective Ukrainian legislation envisages no restrictions on distribution of the reserve among bank's shareholders upon bank's liquidation after satisfaction of all creditors' claims

As at 31 December 2025 the Bank's reserve fund amounts to UAH 3 788 588 thousand (31 December 2024: UAH 2 848 725 thousand).

From August 6, 2024, the National Bank of Ukraine has changed the approaches to calculating regulatory capital and adequacy ratios. According to the existing requirements, the bank's regulatory capital consists of Tier 1 Capital (Tier 1 Primary and Teir 1 Additional capital) and Teir 2 Capital. The table below shows the regulatory capital based on the Bank's reports prepared in accordance with the requirements of the NBU, which consists of the following components:

<i>In thousands of hryvnias</i>	<b>2025</b>	<b>2024</b>
Tier 1 Primary capital	5 455 666	5 771 134
<b>Total regulatory capital</b>	<b>5 455 666</b>	<b>5 771 134</b>

As at 31 December 2025 and 31 December 2024, the Bank complied with the minimum regulatory capital adequacy ratio requirements. The ratio stood at 22% as at 31 December 2025 (31 December 2024: 30%). The minimum regulatory capital adequacy ratio (RCAR) for banks, as established by the Instruction of the National Bank of Ukraine on Regulation of Banks' Activities in Ukraine, is as follows:

- through 31 December 2024 (inclusive): 8.5% of total risk-weighted exposure;
- through 30 June 2025 (inclusive): 9.25% of total risk-weighted exposure;
- from 1 July 2025: 10% of total risk-weighted exposure.

The NBU performs stress testing on a regular basis to check compliance with the regulatory requirements under certain stress test assumptions. If results of the stress test show that required capital adequacy could fall below the required level in the future, the NBU might require an increase of regulatory capital above the minimum regulatory requirements.

**33. CONTINGENCIES AND OTHER COMMITMENTS**

**Legal proceedings.** From time to time and in the normal course of business, claims against the Bank may be received. On the basis of its own estimates and both internal and external professional advice management is of the opinion that no material losses will be incurred in respect of claims. The total amount of provision for litigation is UAH 2 858 thousand as at 31 December 2025 (31 December 2024: UAH 10 099 thousand).

Changes in provisions for potential liabilities are:

<i>In thousands of hryvnias</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Commitment provision at 1 January</b>		<b>10 099</b>	<b>12 108</b>
Remeasurement of loss allowance	27	2 197	2 403
Amounts used during the year		(9 539)	(5 305)
Effect of exchange rate of foreign currency		101	893
<b>Commitment provision at 31 December</b>		<b>2 858</b>	<b>10 099</b>

**Tax legislation.** The Ukrainian tax system can be characterised by numerous taxes and frequently changing legislation which may be applied retroactively, open to wide interpretation and in some cases are conflicting. Instances of inconsistent opinions between local, regional, and national tax authorities and between the Ministry of Finance and other state authorities are not unusual. Tax declarations are subject to review and investigation by a number of authorities that are enacted by law to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however under certain circumstances a tax year may remain open longer.

These facts create tax risks substantially more significant than typically found in countries with more developed systems. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these separate financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Management believes that it has complied with all existing tax legislation. 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. No provision for potential tax assessment has been made in these separate financial statements.

**Capital expenditure commitments.** At 31 December 2025, the Bank had contractual capital expenditure commitments in respect of property, plant and equipment totalling UAH 7 039 thousand (31 December 2024: UAH 6 011 thousand) and in respect of intangible assets in the amount of UAH 35 181 thousand (31 December 2024: UAH 81 616 thousand).

The Bank has already allocated the necessary resources in respect of these commitments. The Bank's management believes that future net income and funding will be sufficient to cover these and any similar commitments.

**Credit related commitments.** The primary purpose of these instruments is to ensure that funds are available to customers as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

As at 31 December 2025, all commitments to extend credits are revocable and amount to UAH 4 742 862 thousand (31 December 2024: UAH 3 706 286 thousand)

Credit related commitments were as follows:

<i>In thousands of hryvnias</i>	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Financial guarantee contracts and letters of credit</b>	<b>457 399</b>	<b>411 684</b>	-	<b>869 083</b>
Loss allowances for expected credit losses	4 316	8 378	-	<b>12 694</b>
Carrying value (provision)	4 316	8 378	-	<b>12 694</b>

<i>In thousands of hryvnias</i>	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Financial guarantee contracts and letters of credit</b>	<b>324 145</b>	<b>356 150</b>	-	<b>680 295</b>
Loss allowances for expected credit losses	3 042	17 041	-	<b>20 083</b>
Carrying value (provision)	3 042	17 041	-	<b>20 083</b>

As at 31 December 2025, commitments under guarantees and letters of credit were secured with deposits in the amount of UAH 71 675 thousand (as at 31 December 2024 - UAH 66 818 thousand) (Note 16). The total outstanding contractual commitments to extend credit, import letters of credit, and guarantees do not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded.

Changes in expected credit losses estimates under credit-related loan commitments are presented as follows

<i>In thousands of hryvnias</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Balance at 1 January 2025</b>		<b>21 938</b>	<b>83 039</b>	<b>846</b>	<b>105 823</b>
Transfer to Stage 1		1 415	(1 414)	(1)	-
Transfer to Stage 2		(851)	853	(2)	-
Transfer to Stage 3		(3)	(79)	82	-
Net remeasurement of loss allowance	25	(36 264)	(203 832)	863	<b>(239 233)</b>
New loan commitments and financial guarantees issued	25	31 279	219 644	-	<b>250 923</b>
Loan commitments and financial guarantee contracts that have been derecognised	25	(1 308)	(24 377)	(271)	<b>(25 956)</b>
Foreign exchange and other movements		412	570	3	<b>985</b>
<b>Balance at 31 December 2025</b>		<b>16 618</b>	<b>74 404</b>	<b>1 520</b>	<b>92 542</b>

FREE TRANSLATION FROM THE UKRAINIAN ORIGINAL

JSC "KREDOBANK"

SEPARATE ANNUAL REPORT FOR THE YEAR 2025 | SEPARATE FINANCIAL STATEMENTS

<i>In thousands of hryvnias</i>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Balance at 1 January 2024</b>		<b>13 425</b>	<b>1 446</b>	<b>6 787</b>	<b>21 658</b>
Transfer to Stage 1		165	(159)	(6)	-
Transfer to Stage 2		(1 759)	2 316	(557)	-
Transfer to Stage 3		(2)	(116)	118	-
Net remeasurement of loss allowance	25	(18 563)	20 071	(2 332)	<b>(824)</b>
New loan commitments and financial guarantees issued	25	30 624	66 872	-	<b>97 496</b>
Loan commitments and financial guarantee contracts that have been derecognised	25	(2 237)	(7 729)	(3 362)	<b>(13 328)</b>
Foreign exchange and other movements		285	338	198	<b>821</b>
<b>Balance at 31 December 2024</b>		<b>21 938</b>	<b>83 039</b>	<b>846</b>	<b>105 823</b>

**34. FAIR VALUE DISCLOSURES**

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

**(a) Recurring fair value measurements**

Recurring fair value measurements are those that IFRS require or permit in the separate statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follow:

<i>In thousands of hryvnias</i>	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Assets at fair value</b>								
<b>Financial assets</b>								
<b>Securities at fair value through other comprehensive income</b>								
- Ukrainian government bonds	-	8 242 990	-	<b>8 242 990</b>	-	12 907 434	-	<b>12 907 434</b>
<b>Derivative financial assets</b>	-	1 909	-	<b>1 909</b>	-	-	-	<b>-</b>
<b>Non-financial assets</b>								
- Premises	-	-	414 859	<b>414 859</b>	-	-	404 275	<b>404 275</b>
- Investment properties	-	-	4 495	<b>4 495</b>	-	-	8 851	<b>8 851</b>
<b>Total assets recurring fair value measurements</b>	<b>-</b>	<b>8 244 899</b>	<b>419 354</b>	<b>8 664 253</b>	<b>-</b>	<b>12 907 434</b>	<b>413 126 13 320 560</b>	<b>560</b>

The table below presents the valuation method and the input data that were used in the fair value measurement for Stage 2 valuations as at 31 December 2025:

<i>In thousands of hryvnias</i>	Fair value	Valuation approach	Input data used
<b>Assets at fair value</b>			
<b>Financial assets</b>			
<b>Securities at fair value through other comprehensive income</b>			
- Ukrainian government bonds	8 242 990	Market approach	Bond prices market quotes for similar bonds
<b>Total estimated multiple fair value of Stage 2</b>	<b>8 242 990</b>		

The table below presents the valuation method and the input data that were used in the fair value measurement for Stage 2 valuations as at 31 December 2024:

<i>In thousands of hryvnias</i>	<b>Fair value</b>	<b>Valuation approach</b>	<b>Input data used</b>
<b>Assets at fair value</b>			
<b>Financial assets</b>			
<i>Securities at fair value through other comprehensive income</i>			
- Ukrainian government bonds	12 907 434	Market approach	Bond prices market quotes for similar bonds
<b>Total estimated multiple fair value of Stage 2</b>	<b>12 907 434</b>		

**b) Assets and liabilities not measured at fair value but for which fair value is disclosed**

Fair values analysed by level in the fair value hierarchy and carrying value of assets and liabilities not measured at fair value are as follows:

<i>In thousands of hryvnias</i>	31 December 2025				Carrying value
	Stage 1	Stage 2	Stage 3	Total	
<b>Assets</b>					
<b>Cash and funds in the National Bank of Ukraine</b>	<b>31 281 515</b>	-	-	<b>31 281 515</b>	<b>31 281 515</b>
<b>Due from other banks</b>	-	<b>3 138 016</b>	-	<b>3 138 016</b>	<b>3 138 016</b>
<b>Loans and advances to customers</b>	-	-	<b>15 639 693</b>	<b>15 639 693</b>	<b>15 210 854</b>
- Corporate loans	-	-	14 382 726	14 382 726	14 002 805
- Loans to individuals - consumer loans	-	-	225 932	225 932	193 017
- Loans to individuals - mortgage loans	-	-	839 004	839 004	833 290
- Loans to individuals - car loans	-	-	192 031	192 031	181 742
<b>Securities at amortised cost</b>	<b>14 922 823</b>	-	-	<b>14 922 823</b>	<b>14 902 956</b>
<b>Other financial assets</b>	-	-	<b>19 051</b>	<b>19 051</b>	<b>19 051</b>
<b>Total</b>	<b>46 204 338</b>	<b>3 138 016</b>	<b>15 658 744</b>	<b>65 001 098</b>	<b>64 552 392</b>

31 December 2024

<i>In thousands of hryvnias</i>	Stage 1	Stage 2	Stage 3	Total	Carrying value
<b>Assets</b>					
<b>Cash and funds in the National Bank of Ukraine</b>	<b>17 647 174</b>	-	-	<b>17 647 174</b>	<b>17 647 174</b>
<b>Due from other banks</b>	-	<b>3 600 525</b>	-	<b>3 600 525</b>	<b>3 600 525</b>
<b>Loans and advances to customers</b>	-	-	<b>12 404 417</b>	<b>12 404 417</b>	<b>11 992 518</b>
- Corporate loans	-	-	10 577 980	10 577 980	10 282 181
- Loans to individuals - consumer loans	-	-	363 108	363 108	274 825
- Loans to individuals - mortgage loans	-	-	1 051 361	1 051 361	1 044 748
- Loans to individuals - car loans	-	-	411 968	411 968	390 764
<b>Securities at amortised cost</b>	<b>14 252 672</b>	-	-	<b>14 252 672</b>	<b>14 284 563</b>
<b>Other financial assets</b>	-	-	<b>26 052</b>	<b>26 052</b>	<b>26 052</b>
<b>Total</b>	<b>31 899 846</b>	<b>3 600 525</b>	<b>12 430 469</b>	<b>47 930 840</b>	<b>47 550 832</b>

31 December 2025

<i>In thousands of hryvnias</i>	Stage 1	Stage 2	Stage 3	Total	Carrying value
<b>Liabilities</b>					
<b>Due to other banks</b>	-	<b>818 087</b>	-	<b>818 087</b>	<b>818 087</b>
<b>Customer accounts</b>	-	-	<b>63 972 513</b>	<b>63 972 513</b>	<b>63 998 024</b>
- Current/settlement accounts of legal entities	-	-	36 336 459	36 336 459	36 336 459
- Term deposits of legal entities	-	-	5 258 885	5 258 885	5 279 793
- Current/demand accounts of individuals	-	-	13 556 070	13 556 070	13 556 070
- Term deposits of individuals	-	-	8 821 099	8 821 099	8 825 702
<b>Due to other financial institutions</b>	-	-	<b>100 081</b>	<b>100 081</b>	<b>100 081</b>
<b>Other financial liabilities</b>	-	-	<b>458 923</b>	<b>458 923</b>	<b>458 923</b>
<b>Total</b>	-	<b>818 087</b>	<b>64 531 517</b>	<b>65 349 604</b>	<b>65 375 115</b>

In thousands of hryvnias	31 December 2024				Carrying value
	Stage 1	Stage 2	Stage 3	Total	
<b>Liabilities</b>					
<b>Due to other banks</b>	-	1 175 024	-	1 175 024	1 175 024
<b>Customer accounts</b>	-	-	52 206 198	52 206 198	52 228 947
- Current/settlement accounts of legal entities	-	-	28 264 586	28 264 586	28 264 586
- Term deposits of legal entities	-	-	5 576 138	5 576 138	5 589 917
- Current/demand accounts of individuals	-	-	11 283 488	11 283 488	11 283 488
- Term deposits of individuals	-	-	7 081 986	7 081 986	7 090 956
<b>Due to other financial institutions</b>	-	-	102 518	102 518	103 161
<b>Other financial liabilities</b>	-	-	496 274	496 274	496 274
<b>Total</b>	-	1 175 024	52 804 990	53 980 014	54 003 406

The fair values in level 2 and level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current weighted average interest rate for existing instruments with similar remaining maturity.

For assets, the Bank used assumptions about counterparty's incremental borrowing rate and prepayment rates. Liabilities were discounted at the Bank's own incremental borrowing rate. Liabilities due on demand were discounted from the first date that the amount could be required to be paid by the Bank.

The table below presents the potential impact on the Bank's profit on FVOCI-valued securities:

	31 December 2025		31 December 2024	
	Rate change (b. p.)	Impact on profit or loss (thousands of hryvnias)	Rate change (b. p.)	Impact on profit or loss (thousands of hryvnias)
UAH	+100/-100	-112 255 / +115 365	+100/-100	-99 087 / +100 860
USD	+100/-100	-98 874 / +101 212	+100/-100	-98 862 / +101 033
EUR	+100/-100	-107 694 / +110 468	+100/-100	-66 755 / +68 256

**35. PRESENTATION OF FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES**

The procedure for classifying financial instruments is described in Note 3.

The following table provides a reconciliation of financial assets with these measurement categories as at 31 December 2025:

	Financial instruments measured at amortised cost	Financial instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Finance lease receivables	Total
<i>In thousands of hryvnias</i>					
<b>Assets</b>					
<b>Cash and funds in the National Bank of Ukraine</b>	31 281 515	-	-	-	31 281 515
<b>Due from other banks</b>					
- Correspondent accounts with other banks	1 683 123	-	-	-	1 683 123
- Loans from other banks	1 391 709	-	-	-	1 391 709
- Guarantee deposits	63 184	-	-	-	63 184
<b>Loans and advances to customers</b>					
- Corporate loans	12 533 223	-	-	1 469 582	14 002 805
- Loans to individuals - car loans	179 514	-	-	2 228	181 742
- Loans to individuals - other consumer loans	193 017	-	-	-	193 017
- Loans to individuals – mortgage loans	833 290	-	-	-	833 290
<b>Securities</b>	14 902 956	8 242 990	-	-	23 145 946
<b>Other financial assets</b>	19 051	-	1 909	-	20 960
<b>Total financial assets</b>	<b>63 080 582</b>	<b>8 242 990</b>	<b>1 909</b>	<b>1 471 810</b>	<b>72 797 291</b>

The following table provides a reconciliation of financial assets with these measurement categories as at 31 December 2024:

	Financial instruments measured at amortised cost	Financial instruments at fair value through other comprehensive income	Finance lease receivables	Total
<i>In thousands of hryvnias</i>				
<b>Assets</b>				
<b>Cash and funds in the National Bank of Ukraine</b>	17 647 174	-	-	<b>17 647 174</b>
<b>Due from other banks</b>				
- Correspondent accounts with other banks	2 385 206	-	-	<b>2 385 206</b>
- Loans from other banks	1 180 743	-	-	<b>1 180 743</b>
- Guarantee deposits	34 576	-	-	<b>34 576</b>
<b>Loans and advances to customers</b>				
- Corporate loans	9 426 189	-	855 992	<b>10 282 181</b>
- Loans to individuals - car loans	384 600	-	6 164	<b>390 764</b>
- Loans to individuals - other consumer loans	274 825	-	-	<b>274 825</b>
- Loans to individuals – mortgage loans	1 044 748	-	-	<b>1 044 748</b>
<b>Securities</b>	14 284 563	12 907 434	-	<b>27 191 997</b>
<b>Other financial assets</b>	26 052	-	-	<b>26 052</b>
<b>Total financial assets</b>	<b>46 688 676</b>	<b>12 907 434</b>	<b>862 156</b>	<b>60 458 266</b>

As at 31 December 2025 and 31 December 2024, all of the Bank's financial liabilities were carried at amortised cost. Derivatives belong to the fair value through profit or loss measurement category.

**36. DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative financial instruments either have potentially favourable terms (and are recognised as assets) or potentially unfavourable terms (and are recognised as liabilities) as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to the terms of those instruments. The aggregate fair value of derivative financial assets and liabilities may vary significantly over time.

The fair value as at 31 December 2025 of receivables from or payables under foreign currency swap contracts entered into by the Bank, by currency, is set out in the table below. The table includes contracts with settlement dates subsequent to the respective reporting date; amounts under these contracts are disclosed on a gross basis, before offsetting of positions (and payments). These contracts are short-term in nature..

<i>In thousands of hryvnias</i>	<b>Contracts with positive fair value</b>	<b>Contracts with negative fair value</b>
<hr/>		
Foreign currency swap contracts, fair value as at the reporting date		
- receivable in US dollars	597 668	-
- payable in hryvnias	(595 759)	-
<b>Total</b>	<b>1 909</b>	<b>-</b>
<hr/>		

As at 31 December 2024, no foreign currency swap contracts had been entered into.

The fair value of derivative financial instruments is presented within other financial assets (Note 14).

The fair value of derivative financial instruments is classified within Level 2 of the fair value hierarchy as at 31 December 2025.

**37. RELATED PARTY TRANSACTIONS**

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Key management personnel comprise individuals responsible for the planning, management, and control of the Bank's activities, namely: the Chairman and members of the Supervisory Board, the Chairman and members of the Management Board, the Chief Accountant, the Head of the Internal Audit Unit, and the Chief Compliance Officer.

As at 31 December 2025, the outstanding balances with related parties were as follows:

	<b>Parent company</b>	<b>Entities under common control</b>	<b>Subsidiary</b>	<b>Key management personnel</b>
<i>In thousands of hryvnias</i>				
Correspondent accounts with other banks (interest rate: 0%)	46 210	-	-	-
Loss allowances for expected credit losses	(7)	-	-	-
Gross amount of loans and advances to customers	-	-	-	100
Loss allowances for expected credit losses on loans and advances to customers	-	-	-	(2)
Investments in subsidiaries	-	-	35 000	-
Other assets	7 616	-	-	320
Loss allowances for expected credit losses	(13)	-	-	-
Correspondent accounts and overnight placements of other banks (interest rate: 0%)	2 608	-	-	-
Customer accounts (interest rates for deposits: 1,25-15%, for current accounts: 0-8%)	-	66 350	19 229	7 915
Other liabilities	51	156	-	6 143

Income and expenses on related party transactions for 2025 are presented below:

	<b>Parent company</b>	<b>Entities under common control</b>	<b>Subsidiary</b>	<b>Key management personnel</b>
<i>In thousands of hryvnias</i>				
Interest income	-	-	-	16
Interest expense	(2 140)	(3 791)	(744)	(339)
Other income	-	-	57	-
Loss allowances for expected credit losses	-	-	-	(4)
Fee and commission income	98	79	21	29
Fee and commission expense	(24 816)	-	-	(13 562)
Other expenses	-	(821)	-	-

As at 31 December 2025, other rights and obligations with related parties were as follows:

	<b>Parent company</b>	<b>Entities under common control</b>	<b>Subsidiary</b>	<b>Key management personnel</b>
<i>In thousands of hryvnias</i>				
Loan commitments received	3 275 657	-	-	-
Other commitments granted	156 317	-	-	123
Other rights received	144 843	-	-	-
Guarantees received	26 527	-	-	-

Loan commitments received relate to the undrawn borrowing facilities received from the Parent Bank PKO Bank Polski S.A. denominated in USD.

Total amounts of loans granted to related parties and repaid by them in 2025 are presented below:

	<b>Parent company</b>	<b>Entities under common control</b>	<b>Subsidiary</b>	<b>Key management personnel</b>
<i>In thousands of hryvnias</i>				
Amounts lent to related parties during the year	-	-	-	2 083
Amounts repaid by related parties during the year	-	-	-	(2 109)

As at 31 December 2024, the outstanding balances with related parties were as follows:

	<b>Parent company</b>	<b>Entities under common control</b>	<b>Subsidiary</b>	<b>Key management personnel</b>
<i>In thousands of hryvnias</i>				
Correspondent accounts with other banks (interest rate: 0%)	24 754	-	-	-
Loss allowances for expected credit losses	(1)	-	-	-
Gross amount of loans and advances to customers	-	-	-	126
Loss allowances for expected credit losses on loans and advances to customers	-	-	-	(5)
Investments in subsidiaries	-	-	35 000	-
Other assets	10 312	-	-	53
Loss allowances for expected credit losses	(13)	-	-	-
Correspondent accounts and overnight placements of other banks (interest rate: 0%)	1 259	-	-	-
Customer accounts (interest rates for deposits: 0,75-14%, for current accounts: 0-7%)	-	61 182	7 445	8 215
Other liabilities	50	113	-	3 388

The income and expense items on transactions with related parties for 2024 were as:

<i>In thousands of hryvnias</i>	<b>Parent company</b>	<b>Entities under common control</b>	<b>Subsidiary</b>	<b>Key management personnel</b>
Interest income	-	-	-	13
Interest expense	(2 071)	(3 090)	(371)	(205)
Other income	-	-	55	-
Loss allowances for expected credit losses	-	-	-	(1)
Fee and commission income	81	108	27	34
Fee and commission expense	(17 343)	-	-	(7 276)
Other expenses	-	(372)	-	-

As at 31 December 2024, other rights and obligations with related parties were as follows:

<i>In thousands of hryvnias</i>	<b>Parent company</b>	<b>Entities under common control</b>	<b>Subsidiary</b>	<b>Key management personnel</b>
Loan commitments received	3 247 300	-	-	-
Other commitments granted	208 668	-	-	97
Other rights received	192 292	-	-	-
Guarantees received	17 201	-	-	-

Loan commitments received relate to the undrawn borrowing facilities received from the Parent Bank PKO Bank Polski S.A. denominated in USD.

Total amounts of loans granted to related parties and repaid by them in 2024 are presented below:

<i>In thousands of hryvnias</i>	<b>Parent company</b>	<b>Entities under common control</b>	<b>Subsidiary</b>	<b>Key management personnel</b>
Amounts lent to related parties during the year	-	-	-	2 114
Amounts repaid by related parties during the year	-	-	-	(2 098)

Key management personnel amounts are presented below:

	2025	31 December 2025	2024	31 December 2024
	Expense	Accrued liability	Expense	Accrued liability
<i>In thousands of hryvnias</i>				
<i>Short-term benefits:</i>				
- Salaries	76 708	5 302	57 959	2 860
- Termination benefits	6 468	-	25 339	-
Accrual of the single social security contribution	5 780	254	3 831	244
<b>Total</b>	<b>88 956</b>	<b>5 556</b>	<b>87 129</b>	<b>3 104</b>

Short-term benefits fall due wholly within twelve months after the end of the period in which management rendered related services. Other long-term payments include payments that are not expected to be fully settled within twelve months of the end of the period in which management provided the relevant services.

### 38. SUBSEQUENT EVENTS

After 31 December 2025, there were no subsequent events requiring changes or additions to the financial statements or disclosures in the separate financial statements.

FREE TRANSLATION FROM THE UKRAINIAN ORIGINAL

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of KREDOBANK, JSC

### Report on the Audit of the Separate Financial Statements

#### Opinion

We have audited the separate financial statements of KREDOBANK JSC (the Bank), which comprise the separate statement of financial position as at December 31, 2025, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying separate financial statements presents fairly, in all material respects, the separate financial position of the Bank as at December 31, 2025, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and meets the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" regarding the preparation of separate 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code) and 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. 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 Note 2 in the separate financial statements, which discloses that on February 24, 2022, russian troops began invading Ukraine and active hostilities are currently taking place. As noted in Note 2, these events or conditions, together with other issues set out in Note 2, indicate that there is significant uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern. Our opinion on this issue has not been modified.

During the audit of the separate financial statements, we concluded that the use of the principle of going concern by management in the preparation of separate financial statements is appropriate. Our assessment of management's assumptions about the Bank's ability to continue to apply the going concern basis in accounting included:

- Assessment of the negative consequences of continued military aggression on the banking sector of Ukraine.
- Analysis of the scenarios of the situation identified by the Bank's management and possible actions in response to the leadership of Ukraine, the world community and the Bank's management.
- Analysis of possible changes in the basic indicators of the Bank's activities in terms of asset impairment, falling volumes and margins of banking operations.
- Analysis of regulatory capital adequacy and liquidity, ways to maintain them at a sufficient level.

We have found that forecasts of the situation and the corresponding negative consequences are very difficult to build due to the unpredictability of the actions of the Russian leadership. At the same time, management assumptions about the most likely scenarios are relevant.

Our responsibilities and the responsibilities of management for going concern are described in the relevant sections of this report.

### **Key Audit Matters**

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

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

#### **Key Audit Matter**

##### *Expected credit losses on loans to customers (Note 7)*

The estimation of expected credit losses is a key area of professional judgment of the Bank's management. Identifying of impairment and determination of amount of expected reimbursement include some assumptions and analysis of different factors, including the financial position of borrower, expected future cash flow and fair value of collaterals.

The use of various assumptions may be result of various estimates of expected credit losses. Taking into account the materiality of customer credit balances and a certain level of subjectivity of judgments, we have determined estimation of expected credit losses as the key matter of the audit.

#### **How the Key Audit Matter Was Considered in Our Audit**

In testing expected credit losses for loans to customers we performed the following significant audit procedures:

- We assessed the methodologies used to determine expected credit losses and their compliance with IFRS
- We analyzed the documentation of the processes of monitoring loans and risk provisioning, and critically assessed whether these processes are suitable for identifying loan losses and adequately reflecting the recoverability of exposures. We also assessed the processes and tested key controls regarding their design and implementation, including the relevant IT systems, and tested their effectiveness on a sample basis.
- By performing analytical audit procedures, we examined the development of receivables with regard to the key characteristics relevant to the classification of the loan, such as quality, type of care, rating and level allocation throughout the year and in comparison with the previous year.
- We tested individual exposures selected on the basis of a sample determined according to risk criteria. For defaulted loans, we assessed the Bank's estimates of the amount and timing of recoveries, taking into account collateral, and examined whether the assumptions used in the calculation were appropriate and derivable from internal or external evidence. For non-defaulted loans, we examined whether indicators of default exist.
- In order to assess the appropriateness of the expected credit losses for non-defaulted loans (Stage 1 and Stage 2), we examined the plausibility of assumptions and the statistical/mathematical appropriateness of the models used, as well as the proper application of the models. In particular, we examined the assumptions in connection with forward-looking information. Furthermore, we examined the appropriateness of the assumptions "probability of default", "loss given default" and the level allocation model, taking into account the results

of the bank's internal validations, and reperformed selected calculation steps. In addition, IT specialists tested the effectiveness of key automated controls of the IT systems relevant for the calculation.

- We assessed whether the disclosures in the notes to the consolidated financial statements regarding the calculation of expected credit losses and the significant assumptions and estimation uncertainties are appropriate.

### **Other Information**

Management is responsible for the other information. The other information comprises the Separate Management Report. The other information which we expected to receive after the date of this Auditor's report is Annual Information on the Issuer of Securities.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

Management is responsible for preparation and fair presentation of these separate financial statements in accordance with the Law of Ukraine On Accounting and International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Preparing the separate financial statements, management is responsible for assessment Bank's ability to continue as a going concern, disclosure, if applicable, issues regarding going concern and apply going concern as a basis for accounting, except, if the management plans to liquidate the Bank or discontinue the activity or have not any other real alternatives for it.

Supervisory Board is responsible for overseeing the process of financial reporting of the Bank.

### **Auditor's Responsibilities for the Audit of the Separate Financial Statements**

Our objectives are to obtain reasonable assurance whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to release the auditor's report in which we express our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We provide the Supervisory Board with information about the planned scope and timing of the audit and significant audit results, including any significant deficiencies in internal control measures identified by us during the audit.

We also acknowledge to the Supervisory Board that we have complied with the relevant ethical requirements for independence, and inform them of any relationship and other matters that may reasonably be considered to affect our independence and, where applicable, of appropriate safeguards.

From the matters communicated with Supervisory Board, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 the requirements of other laws and regulations

### Law of Ukraine "On Audit of Financial Statements and Auditing"

In accordance with the Law of Ukraine "On Audit of Financial Statements and Auditing", auditors must provide additional information and assurances.

#### Basic information about the audit firm

Full name	AC «CROWE UKRAINE»
Location	Obolonska Naberezhna 33, Kyiv, 04210 Ukraine
Information on inclusion in the Register of audit firms and auditors	Registration number in the Register of Auditors and Audit Entities 3681 An auditing entity that has the right to conduct a statutory audit of financial statements An auditing entity that has the right to conduct a statutory audit of the financial statements of public interest entities
Name of the body that appointed the auditing entity to conduct the statutory audit	Supervisory Board of the Bank
Date of appointment of the audit entity	30.09.2020 (Minute of the meeting of the Supervisory Board №127/2020)
Duration of the audit task	6 <sup>th</sup> year

We confirm that this independent auditor's report is consistent with the additional report to the Supervisory Board's audit committee of the Bank.

We declare that no prohibited non-audit services referred to Article 6 of the Law of Ukraine "On audit of financial statements and auditing" were provided to the Bank.

The key audit partner and audit entity are independent of the Bank in conducting the audit.

We did not provide services other than statutory audit services and services disclosed in the management report or financial statements.

ISAs require the auditor to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The term "sufficient certainty" allows for some risk of significant monetary inconsistencies that may remain undetected; it is also assumed that the auditor cannot provide an absolute guarantee of the accuracy and completeness of the financial statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The terms of the ISAs require that the audit be planned in such a way as to ensure that errors and inconsistencies that could materially affect the financial statements are sufficiently probable. However, because the auditor will not audit all transactions performed by the entity during the year, the audit may not provide complete assurance that errors and inconsistencies, including fraud, will be identified.

The engagement partner on the audit resulting in this independent auditor's report is Oleksandr Konovchenko.

For and on behalf of AC CROWE UKRAINE

Audit Director  
Registered Auditor #100594

Engagement partner  
Registered Auditor #101572

Kyiv, Ukraine

March 31, 2026



Vitaliy HAVRYSH

Oleksandr KONOVCHENKO