

JOINT-STOCK COMPANY

“PRAVEX BANK”

**The interim financial statements
for the period ended 30 September 2024**

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<i>(in thousands of Ukrainian hryvnias)</i>			
Item	Notes	30/09/2024	31/12/2023
1	2	3	4
ASSETS			
Cash and cash equivalents	6	3,376,536	3,419,039
Loans and advances to banks	7	345,031	133,374
Loans and advances to customers	8	2,104,911	2,026,390
Investments in securities	9	4,818,701	4,617,124
Investment property	10	8,233	5,353
Current income tax receivable		29	29
Intangible assets other than goodwill		102,567	138,981
Fixed assets		425,176	473,097
Other financial assets	11	39,992	77,443
Other non-financial assets	12	65,070	71,944
Total assets		11,286,246	10,962,774
EQUITY AND LIABILITIES			
LIABILITIES			
Due to customers	13	8,528,583	9,126,945
Debt securities issued by the Bank		1	1
Other borrowed funds	14	424,648	432,431
Provisions for liabilities			
Provisions for credit related commitments and financial guarantees	15	3,016	4,539
Other provisions	16	2,018	2,113
Total amount of collateral		5,034	6,652
Other financial liabilities	17	140,408	195,908
Other non-financial liabilities	18	108,666	81,227
Deferred tax liabilities		67,202	67,526
Total liabilities		9,274,542	9,910,690
EQUITY			
Statutory capital	19	1,323,792	1,048,726
Retained earnings (accumulated deficit)		(5,049,976)	(4,910,632)
Share premium	19	5,425,625	4,600,754
Reserves and other funds		1,332	1,332
Other reserves	20	310,931	311,904
Total equity		2,011,704	1,052,084
Total liabilities and equity		11,286,246	10,962,774

Authorised for issue and signed by

Chairman of the Board
JSC “PRAVEX BANK”

Gianluca Corrias

Chief accountant
JSC “PRAVEX BANK”

Hanna Baranovska

DATE: 19 November 2024

<i>(in thousands of Ukrainian hryvnias)</i>					
Item	Notes	For 3rd quarter 2024	For 9 months 2024	For 3rd quarter 2023	For 9 months 2023
1	2	3	4	5	6
Interest income, including	22	258,808	779,143	292,048	842,700
Interest income calculated using the effective interest rate method	22	258,808	779,143	292,048	842,700
Fee and commission income	23	42,173	120,255	37,149	113,508
Fee and commission expenses	23	(23,739)	(50,299)	(19,255)	(46,110)
Other income	25	349	16,105	(1,082)	2,274
Interest expenses	22	(107,923)	(347,637)	(164,971)	(452,446)
Net gain (loss) from foreign exchange operations		6,622	21,817	8,662	28,136
Net gain (loss) arising from foreign currency translation		(1,915)	(10,429)	(14)	(1,065)
Gains (losses) from initial recognition of financial assets at interest rates higher or lower than market rates		4	42	-	-
Gains (losses) from initial recognition of financial liabilities at interest rates higher or lower than market rates		(34)	(34)	(236)	(569)
Impairment gains (losses) determined in accordance with IFRS 9	24	2,793	31,453	41,019	99,972
Gain/(loss) from derecognition of financial liabilities measured at amortized cost		1	1	-	12
Employee benefits expense		(78,851)	(248,714)	(79,121)	(232,860)
Depreciation costs		(29,176)	(95,068)	(33,350)	(95,209)
Other administrative and operating expenses	26	(123,738)	(348,620)	(106,679)	(310,101)
Profit (loss) before tax		(54,626)	(131,985)	(25,830)	(51,758)
Income from tax refund (expenses for tax payment)		(2,492)	(7,583)	(1,712)	(4,287)
Profit (loss)		(57,118)	(139,568)	(27,542)	(56,045)
Profit per share					
Basic profit (loss) per share from continuing operations	27	(0.03)	(0.08)	(0.02)	(0.03)
Total basic profit (loss) per share	27	(0.03)	(0.08)	(0.02)	(0.03)

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<i>(in thousands of Ukrainian hryvnias)</i>					
Item	Notes	For 3rd quarter 2024	For 9 months 2024	For 3rd quarter 2023	For 9 months 2023
1	2	3	4	5	6
Statement of comprehensive income (
Profit (loss)		(57,118)	(139,568)	(27,542)	(56,045)
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss before tax					
Other comprehensive income, before tax, gains (losses) from revaluation (revaluation of fixed assets)	20	-	-	-	-
The total amount of other comprehensive income that will not be reclassified to profit or loss before tax		-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss before tax					
Gains (losses) on financial assets carried at FVTOCI before tax	20	(256)	(1,291)	2,959	2,765
The total amount of other comprehensive income that will be reclassified to profit or loss before tax		(256)	(1,291)	2,959	2,765
Total other comprehensive income before tax		(256)	(1,291)	2,959	2,765
Total comprehensive income before tax		(63,080)	(140,859)	(24,583)	(53,280)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss					
Income tax related of other comprehensive income gains (losses) from revaluation (revaluation of fixed assets)	20	-	-	-	-
Total of income tax relating to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss					
Income tax related of gains (losses) on financial assets carried at FVTOCI	20	64	322	(498)	(498)
Total of income tax related of gains (losses) on financial assets carried at FVTOCI		64	322	(498)	(498)
Total other comprehensive income after tax		(192)	(969)	2,461	2,267
Total comprehensive income after tax		(63,016)	(140,537)	(25,081)	(53,778)

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<i>(in thousands of Ukrainian hryvnias)</i>			
Item	Notes	30/09/2024	30/09/2023
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest income received		771,028	841,185
Interest expenses paid		(357,296)	(435,242)
Fee income received		120,255	113,508
Fee and commission expenses paid		(57,147)	(46,073)
Results of foreign currency transactions		21,817	28,136
Other income received		7,791	1,049
Personnel costs		(246,855)	(257,559)
Other administrative and operating expenses, paid		(367,606)	(322,292)
Income tax paid		(7,583)	(4,287)
<i>Cash used in operating activities before changes in operating assets and liabilities</i>		(115,596)	(81,575)
Net decrease/(increase) in loans and advances to banks		(194,333)	7,768
Net decrease/(increase) in loans and advances to customers		(6,459)	1,424,091
Net decrease/(increase) in other financial assets		36,782	(1,764)
Net decrease/(increase) in other non-financial assets		15,247	(59,172)
Net increase/(decrease) in amounts due to banks		-	85,000
Net increase/(decrease) in amounts due to customers		(819,461)	134,904
Net increase/(decrease) in other financial liabilities		(34,252)	3,160
Net increase/(decrease) in other non-financial liabilities		10,645	(28,745)
Net cash flows from operating activities		(1,107,427)	1,483,667
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of securities		(652,209,871)	(559,836,291)
Proceeds from the sale of investments in securities		652,083,905	558,887,000
Acquisition of property, plant and equipment		(3,808)	(5,985)
Proceeds from the sale of fixed assets		35	33
Acquisition of intangible assets		(8,736)	(14,884)
Net cash from investing activities		(138,475)	(970,127)
CASH FLOWS FROM FINANCING ACTIVITIES			
Raised funds, returned		(45,391)	-
Contributions to unregistered authorized capital		1,099,937	-
Net cash from financial activities		1,054,546	-
Net increase in cash and cash equivalents		(191,356)	513,540
Effect of the NBU exchange rate fluctuations on cash and cash equivalents		148,853	(3,771)
Cash and cash equivalents at the beginning of the period	6	3,419,039	2,409,276

<i>(in thousands of Ukrainian hryvnias)</i>			
Item	Notes	30/09/2024	30/09/2023
1	2	3	4
Cash and cash equivalents at the end of the period	6	3,376,536	2,919,045

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(in thousands of Ukrainian hryvnias)

Item	Notes	Attributable to shareholders						Total equity attributable to shareholders
		share capital	share premium and other additional capital	reserves and other funds	other reserves	retained earnings (accumulated deficit)	total	
1	2	3	4	5	6	7	8	9
Balance as at 1 January 2023	19	1,048,726	4,600,754	1,332	267,861	(4,817,972)	1,100,701	1,100,701
Total comprehensive income		-	-	-	2,267	(56,045)	(53,778)	(53,778)
profit (loss) for the 9 months 2023		-	-	-	-	(56,045)	(56,045)	(56,045)
other comprehensive income		-	-	-	2,267	-	2,267	2,267
Transactions with shareholders	20	-	-	-	13	168	181	181
Closing balance as of 30 September 2023 (balance as at 1 October 2023)	19	1,048,726	4,600,754	1,332	270,141	(4,873,849)	1,047,104	1,047,104

<i>(in thousands of Ukrainian hryvnias)</i>								
Item	Notes	Attributable to shareholders						Total equity attributable to shareholders
		share capital	share premium and other additional capital	reserves and other fund	other reserves	retained earnings (accumulated deficit)	total	
1	2	3	4	5	6	7	8	9
Closing balance as of 31 December 2023 (balance as at 1 January 2024)	19	1,048,726	4,600,754	1,332	311,904	(4,910,632)	1,052,084	1,052,084
Total comprehensive income		-	-	-	(969)	(139,568)	(140,537)	(140,537)
profit (loss) for the 9 months 2024		-	-	-	-	(139,568)	(139,568)	(139,568)
other comprehensive income		-	-	-	(969)	-	(969)	(969)
Equity issue		275,066	824,871	-	-	-	1,099,937	1,099,937
Transactions with shareholders	20	-	-	-	(4)	224	220	220
Closing balance as of 30 September 2024 (balance as at 1 October 2024)	19	1,323,792	5,425,625	1,332	310,931	(5,049,976)	2,011,704	2,011,704

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Chief accountant
JSC “PRAVEX BANK”

Hanna Baranovska

DATE: 19 November 2024

ПРОТОКОЛ
створення та перевірки кваліфікованого та удосконаленого електронного підпису

Дата та час: 08:54:46 20.11.2024

Назва файлу з підписом: 3Q_2024_Financial Statements_Pravex_eng.pdf.p7s.p7s.p7s

Розмір файлу з підписом: 1.9 МБ

Назва файлу без підпису: 3Q_2024_Financial Statements_Pravex_eng.pdf

Розмір файлу без підпису: 1.9 МБ

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

Підписувач - 1: Барановська Ганна Станіславівна

П.І.Б.: Барановська Ганна Станіславівна

Країна: Україна

РНОКПП: 2718811440

Організація (установа): АТ "ПРАВЕКС БАНК"

Код ЄДРПОУ: 14360920

Посада: Головний бухгалтер-директор департаменту

Час підпису (підтверджено кваліфікованою позначкою часу для даних від Надавача): 09:18:19 19.11.2024

Сертифікат виданий: КНЕДП АТ "ПРАВЕКС БАНК"

Серійний номер: 4752DF1A59DB5DF004000000DB41000099FA0000

Тип носія особистого ключа: ЗНКИ е.ключ ІІТ Алмаз-1К

Серійний номер носія особистого ключа: Не визначено

Алгоритм підпису: ДСТУ 4145

Тип підпису: Кваліфікований

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

Формат підпису: Базовий (CAAdES-BES)

Сертифікат: Кваліфікований

Підписувач - 2: Корріас Джанлука

П.І.Б.: Корріас Джанлука

Країна: Україна

РНОКПП: 2227017738

Організація (установа): АТ "ПРАВЕКС БАНК"

Код ЄДРПОУ: 14360920

Посада: Голова Правління

Час підпису (підтверджено кваліфікованою позначкою часу для даних від Надавача): 21:34:55 19.11.2024

Сертифікат виданий: КНЕДП АТ "ПРАВЕКС БАНК"

Серійний номер: 4752DF1A59DB5DF004000000463F000024DF0000

Тип носія особистого ключа: ЗНКИ е.ключ ІІТ Алмаз-1К

Серійний номер носія особистого ключа: Не визначено

Алгоритм підпису: ДСТУ 4145

Тип підпису: Кваліфікований

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

Формат підпису: Базовий (CAAdES-BES)

Сертифікат: Кваліфікований

Електронна печатка - 1: АТ "ПРАВЕКС БАНК"

П.І.Б.:

Країна: Україна

Організація (установа): АТ "ПРАВЕКС БАНК"

Код ЄДРПОУ: 14360920

Час підпису (підтверджено кваліфікованою позначкою часу для даних від Надавача): 21:36:44 19.11.2024

Сертифікат виданий: КНЕДП АТ "ПРАВЕКС БАНК"

Серійний номер: 4752DF1A59DB5DF0040000004C41000005E00000

Тип носія особистого ключа: Незахищений

Алгоритм підпису: ДСТУ 4145

Тип підпису: Удосконалений

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

Формат підпису: Базовий (CAAdES-BES)

Сертифікат: Кваліфікований

Версія від: 2024.03.01 13:00

Note 1. Information about the Bank

Full name of the Bank	Joint-Stock Company “PRAVEX BANK”
Short name of the Bank	JSC “PRAVEX BANK”
Location	9/2 Klovskiy Uzviz, Kyiv 01021, Ukraine
Country of registration	Ukraine
Form of incorporation	Private Joint-Stock Company
Name and location of the parent company	Intesa Sanpaolo S.p.A. 10121 Italy, Turin, Piazza San Carlo, 156
Management shareholding	0%
Foreign investor shareholding	INTESA SANPAOLO S.p.A. (Italy) owns 100% of the Bank’s share capital
Reporting period	From 1 January to 30 September 2024
Reporting currency and measurement unit	UAH ‘000

JSC "PRAVEX BANK" (hereinafter referred to as the Bank) is a universal financial institution that provides a full range of banking services throughout Ukraine. Thanks to a well-developed network, JSC "PRAVEX BANK" is represented in all corners of our country. The strategic goal of the activity and development of JSC "PRAVEX BANK" is to further become a universal bank that provides a full range of banking services to legal entities and individuals, increasing profitability and efficiency.

Note 2. Economic and operational environment of the Bank

The Bank's activities are carried out in Ukraine, whose economy belongs to the category of developing countries.

Despite the shelling of critical infrastructure, the strengthening of exchange rate expectations, the increase in excise taxes on fuel, the shortage of labor, and the acceleration of inflation, Ukraine's economy continues to recover slowly due to the relatively stable situation in the energy sector, the revival of domestic demand, an increase in the supply of goods, budget financing for the restoration of infrastructure and road construction, the stable functioning of the sea corridor, the growth of rail traffic, and the high investment demand for engineering products and building materials.

According to the Ministry of Economy of Ukraine, in August 2024, Ukrainian economy grew by 3.5% compared to August last year. For the first eight months of 2024, GDP growth is estimated at 3.9% compared to the same period last year.

The situation on the labor market remains volatile. The demand for workers continues to grow against the backdrop of a slight improvement in the supply of labor. At the same time, the shortage of labor forces leads to high growth rates of nominal wages.

The state budget deficit (excluding grants in revenues) in September 2024 decreased slightly compared to previous months of this year but remained quite significant. The areas of defense and security and social security remain a priority among budget expenditures. Capital expenditures have been significant for a long time, which is associated with military needs and the elimination of the consequences of destruction due to constant shelling.

Inflation in September 2024 was 8.6% year-on-year, compared to 7.5% in August. Its moderate acceleration is expected in the future, primarily due to last year's low comparison base.

In August 2024, Ukraine received record amounts of grants from international partners.

The rapid decline in inflation and the controlled situation in the FX market in early 2024 allowed the NBU to continue lowering interest rates. In the first half of 2024, the key policy rate was cut by a total of 2 pp to 13%, which remained at this level in September. At the same time, during Q3 2024, the NBU increased the volume

of FX sales interventions to ensure a stable situation in the FX market and limit inflationary pressures. This helped to maintain households' interest in hryvnia savings: term deposits resumed, and investments in government bonds continued to increase. The NBU also applied a combination of measures to increase banks' flexibility in managing their own liquidity and stimulate additional demand for domestic government debt securities. In particular, from October 2024, the required reserve ratios have been increased and, at the same time, the share of the required reserve that banks can cover with benchmark domestic government debt securities has been increased. The parameters of other monetary policy instruments and operations were also modified: interest rates on three-month certificates of deposit were reduced to 15.5%, on refinancing loans to 16%, and the maximum term for the provision of the latter was limited to 14 days.

Banks continue to increase the volume of hryvnia corporate and retail loans. The net hryvnia corporate loan portfolio has been growing for more than a year in a row, its volumes exceed pre-invasion levels. The growth of the loan portfolio is facilitated by the improvement of lending conditions, in particular, the reduction of lending rates. The hryvnia retail loan portfolio continues to be based on unsecured loans. Mortgage loans are growing at a consistently fast pace.

Banks' investments in domestic government debt securities continued to grow, while investments in NBU certificates of deposit declined. The inflow of hryvnia funds from households and businesses continued, and the share of funding from customers in banks' liabilities increased again. At the same time, the growth in retail hryvnia term deposits decelerated.

Starting in August, banks take into account the estimated size of market risk in their capital adequacy ratios. At the same time, banks switched to a new capital structure and capital adequacy ratios. The accumulated capital buffer, current profitability, and a number of transitional regulations have made this transition harmonious and even increased banks' ability to lend.

High operational efficiency and insignificant provisioning led to high profitability of the sector, despite a slight decrease in margins.

Thus, the banking system continues to generate profit, and as of the beginning of September 2024, it amounted to UAH 106.1 billion. UAH. The main factors remain the smaller amount of reserves formed for risks from active operations due to the high quality of the banks' loan portfolio, and the growth of income from investments in risk-free financial instruments.

Since the beginning of 2024, international rating agencies have confirmed and revised Ukraine's rating due to the ongoing war with Russia at the following levels:

- on June 7, 2024, Fitch Ratings affirmed the long-term foreign currency issuer default ratings at 'CC'. Referring to expectations for further commercial debt restructuring before the end of the two-year moratorium on Eurobond payments on September 1, 2024.
- On March 8, 2024, Standard & Poor's downgraded Ukraine's long-term foreign currency sovereign rating from 'CCC' to 'CC' with a negative outlook. Citing expectations that Ukrainian government will begin formal debt restructuring talks with private creditors, as well as default on its external commercial obligations. Ukraine's local currency sovereign credit rating (CCC+/C) and Ukraine's short-term foreign currency sovereign rating (C) remained unchanged.
- On January 23, 2024, Rating and Investment Information affirmed Ukraine's long-term foreign currency sovereign rating at 'CCC' with a forecast of a possible downgrade.

These financial statements reflect management's current assessment of the impact of operating conditions in Ukraine on the Bank's continuing operations and financial position during the war. Future business continuity conditions may differ from the assessment of management personnel.

Note 3. Basis for preparation

These financial statements were prepared in accordance with the International Financial Reporting Standards (hereinafter - "IFRS") and requirements of the Law of Ukraine "On Accounting and Financial Statements in

Ukraine" №996-XIV of June 16, 1999 on the preparation of financial statements (with amendments) (hereinafter referred to as the Law on Financial Statements).

These financial statements have been prepared under the historical cost convention, except for the initial recognition of financial instruments based on fair value, the subsequent appraisal of buildings at revalued cost and related financial instruments, financial assets at fair value through other comprehensive income at fair value.

Estimations uncertainty

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies. Actual results may differ from these estimates.

Estimates and related assumptions are reviewed on an ongoing basis. Changes in estimates are recognised in the period in which the estimates were revised and in all subsequent periods. For more information on estimates, see Note 4.1 Significant Accounting Judgements and Estimates.

Going concern

These financial statements have been prepared on the assumption that the Bank will continue to operate for the foreseeable future. In preparing these financial statements, the Bank conducted an analysis of its ability to continue its operations, taking into account the circumstances caused by the Russian Federation's military invasion of the Ukraine (Note 2) and their impact on the Bank's financial position and results.

The war, which has been going on for more than two years, has resulted in significant loss of life, significant displacement, damage to infrastructure, power outages, and significant disruption of economic activity in Ukraine as a whole. It has also had a negative and lasting impact on the political and business environment in Ukraine, namely due to rising inflation, hryvnia devaluation, increased tax burden, destruction of energy infrastructure, rising tariffs, low labor market recovery, significant changes in the NBU's monetary policy, and the ability of many businesses to continue operating as usual.

Despite the above factors, the Bank continues to ensure continuous operations in the conditions of a long-term war, and to direct its efforts to maintain the status of a reliable and solvent bank, and to take the following measures:

- increased the Bank's capital through additional shareholder contributions, which will strengthen the ability to withstand the risks to which the Bank is exposed during the war;
- continued to focus on liquidity management and ensure its preservation at a sufficiently high level;
- actively worked in the direction of attracting customer funds, including with a focus on the long-term allocation of resources, which ensured the preservation of a stable resource base and a high level of liquidity;
- The Bank continued to attract and transfer funds of individuals' clients from current accounts to deposits with a maturity of more than 93 days in national and foreign currencies, which in turn ensured an increase in the maturity of attracted resources from customers, diversified the deposit portfolio and reduced the amount of mandatory reserves of funds on the correspondent account with the NBU;
- placed free funds in NBU certificates of deposit and domestic government bonds in order to avoid liquidity risks and at the same time ensure stable risk-free interest income;
- conducted restrained and selective lending to clients with a focus on the client's profile, profitability and direct impact on regulatory capital through risky assets;
- worked to improve the operational efficiency of the Bank through the implementation of measures to optimize administrative costs, increase business profitability through the revision of the minimum margin for products and focus on the transactional business;
- focused on managing asset quality levels, taking into account client needs and special circumstances in a way that minimizes losses and NPLs;
- restructured corporate clients' loan debts;
- continued the digitalization of the product link and improved the level of on-line customer service;

- revised tariffs for banking products and services in accordance with market conditions;
- worked to reduce and optimize operating and administrative costs, including through constant negotiations with suppliers to maintain the cost of services at the current level and revise the cost structure in accordance with the urgent needs of the Bank, despite the further increase in inflation and devaluation of the hryvnia.

There is significant uncertainty related to the Bank's ability to implement the above measures and the currently unpredictable impact of ongoing hostilities on the territory of Ukraine on management's assumptions. This may call into question the Bank's ability to continue its operations on a continuing basis and, therefore, it will not be able to realise its assets and discharge its liabilities in the normal course of business.

Note 4. Material accounting policy information

4.1. Significant accounting judgments and estimates

The preparation of financial statements requires the application of estimates and assumptions that may have a significant impact on the amounts presented in the statement of financial position and the statement of profit or loss and other comprehensive income, as well as on the amounts of assets and liabilities recorded in the financial statements. Estimates are based on available information and subjective judgments, often based on past experience, which are used to make reasonable assumptions that will be made in assessing operating results. Given their nature, the estimates and assumptions used may change from year to year and, therefore, it cannot be excluded that the current amounts presented in the financial statements may differ materially in future financial years as a result of changes in subjective measurements made. The main cases in respect of which the Bank's management must make subjective assessments include:

- estimation of expected losses on loans and other financial assets;
- estimates and assumptions about the possibility of realizable deferred tax assets.

The Bank recognises expected credit losses on the following financial instruments that are not measured at fair value through profit or loss:

- financial assets that are debt instruments;
- accounts receivable;
- issued financial guarantee agreements;
- loan commitments issued.

The Bank recognises provisions for expected credit losses in an amount equal to the lifetime expected credit losses, except for the following instruments for which the amount of the provision is equal to 12-month expected credit losses:

- debt investment securities with low credit risk as of the reporting date;
- other financial instruments for which credit risk has not increased significantly since the date of their initial recognition.

If the actual repayment amounts were less than management's estimates, the Bank would have to account for additional impairment costs.

Changes in estimates of the probability of repayment of loans may affect the amount of impairment losses recognised. For example, if the net present value of assessed cash flows differs by plus/minus one percent, the impairment of loans as at 30 September 2024 would be UAH 21,049 thousand. UAH less/more (31 December 2023: UAH 20,264 thousand).

4.2. Changes in accounting policies

The Bank has applied for the first time some amendments to the standards that became effective for annual periods beginning on or after January 1, 2023. The Bank has not early applied any standards, clarifications or amendments that have been issued but have not entered into force.

Amendments to IAS 1 Presentation of Financial Statements: Starting with the 2023 financial statements, the Bank discloses only material information about accounting policies.

IFRS 17 Insurance Contracts

IFRS 17 is a new comprehensive standard for insurance contracts that addresses recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts and applies to all types of insurance contracts (e.g. life and other insurance, direct insurance and reinsurance) regardless of the type of entity issuing them, as well as to certain guarantees and financial instruments with discretionary participation conditions. There are a few exceptions to the scope.

Except for the exceptions set out below, the Bank has not identified contracts that result in the transfer of material insurance risk and therefore concluded that IFRS 17 has no effect on the financial statements for the nine months ended 30 September 2024.

IFRS 17 excludes credit card contracts (and similar agreements specifying credit or payment arrangements) that meet the definition of an insurance contract if, and only if, an entity does not take into account an assessment of the insurance risk associated with a particular customer when pricing a contract with that customer. The Bank determined that the insurance risk associated with an individual customer was not assessed in setting the price of credit card contracts because these products are offered at the same price to all applicants and are therefore exempt from IFRS 17. The Bank decided not to apply IFRS 17 as permitted for financial guarantee contracts because the Bank did not expressly state that it considered such contracts to be insurance contracts. The Bank has chosen to apply IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments to financial guarantee contracts. The Bank does not apply IFRS 17 Insurance Contracts to non-financial guarantee contracts, as it has a contractual right to reimbursement by the client of the amounts paid by the bank (right of recourse) and assesses the insurance risk as immaterial for such contracts.

Changes to the following standards did not have a material effect on the Bank's financial statements:

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to IAS 12 Income Taxes

Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar II Model Rules

4.3. Financial assets and financial liabilities

4.3.1. Classification and measurement of financial assets and financial liabilities

The Bank recognises financial assets and liabilities in its separate statement of financial position when it becomes a party to contractual obligations in respect of the instrument. Standard acquisitions and sales of financial assets and liabilities are recognised using settlement date accounting.

Financial assets

At initial recognition, a financial asset is classified as measured at amortised cost (AC) or at fair value through other comprehensive income (FVOCI).

Financial liabilities

The Bank classifies its financial liabilities as measured at amortised cost.

4.3.2. Provision for expected credit losses

The Bank recognises a provision for expected credit losses on all debt financial assets carried at amortised cost or fair value through other comprehensive income, as well as loan commitments and financial guarantee agreements. Impairment is not recognised for equity instruments.

Determining a Significant Increase in Credit Risk

The Bank believes that a significant increase in credit risk occurs no later than the moment when the number of days of overdue debt on an asset exceeds 30 days. The Bank recognises the number of days overdue by counting the number of days starting from the earliest day as of which payment has not been received in full.

Definition of Default

A financial asset is classified by the Bank as a financial asset that has been in default in the following cases:

- it is unlikely that the borrower's loan obligations to the Bank will be repaid in full without the Bank taking such actions as the sale of collateral (if any); or
- the borrower's debt under any of the Bank's significant loan obligations is overdue for more than 90 days. Overdrafts are considered to be overdue debts on the next day when the client violated the recommended limit or was recommended for him, less than the amount of the current outstanding debt.

When assessing the occurrence of a default event on the borrower's obligations, the Bank takes into account the following indicators:

- qualitative: for example, violation of the restrictive terms of the contract (covenants);
- quantitative: for example, the status of overdue debts and non-payment of another obligation of the same issuer of the Bank; and
- based on data independently developed within the Bank and obtained from external sources.

The inputs to assessing the occurrence of a default event on a financial instrument and their significance may change over time to reflect changes in circumstances.

Creating a Time Structure of the Probability of Default

The credit risk stages are used as initial inputs in creating a time structure of the probability of default for positions exposed to credit risk. The Bank collects information on debt service and default rates for positions subject to credit risk, analyzed depending on the jurisdiction, type of product and borrower, and on the level of credit risk. The Bank uses statistical models to analyze the collected data and obtain estimates of the probability of default for the remaining period for positions exposed to credit risk and expect them to change over time.

This analysis includes the identification and calibration of the relationship between changes in the probability of default and changes in macroeconomic factors, as well as a detailed analysis of the impact of some other factors (for example, the practice of revising the terms of credit agreements) on the risk of default. For most positions exposed to credit risk, GDP growth is the key macroeconomic indicator.

Modification of the terms of financial assets and financial liabilities

If the terms of a financial asset change, the Bank assesses whether the cash flows for that modified asset differ significantly. If the cash flows differ significantly (a significant modification of terms), the rights to the contractual cash flows of the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and the new financial asset is recognised at fair value. Changes in the amount of cash flows of existing financial assets or financial liabilities are not considered to be modifications to terms if they are a consequence of the current terms of the contract, for example, changes in interest rates.

In addition, the Bank concludes that the modification of conditions is significant based on the following qualitative factors:

- change in the currency of a financial asset;
- change in the type of collateral or other means of improving the quality of the asset;
- a change in the conditions of a financial asset, which leads to non-compliance with the SPPI test criterion.

If the cash flows of a modified asset measured at amortised cost do not differ significantly, the modification of conditions does not result in the derecognition of the financial asset.

4.4. Cash and cash equivalents

According to the article "Cash and their equivalents", the Bank recognizes cash (cash on hand), funds in the National Bank of Ukraine, correspondent accounts and "overnight" deposits in banks, which can be converted into a known amount of cash on first demand and which carry a low risk cost changes. For the purposes of the Statement of Financial Position and the calculation of the Statement of Cash Flows, the funds of mandatory reserves or other funds and account balances are not included in the calculation of the article "Cash and their equivalents", if there are restrictions on their use.

4.5. Property, plant and equipment

Property, plant and equipment are initially recognised at cost, which consists of the actual cost of acquiring and bringing them into a usable condition.

After the initial recognition of fixed assets as assets, except for the Bank's real estate, their further accounting is carried out according to the method of initial (historical) cost.

Further accounting of the Bank's real estate objects is carried out according to the method of revalued value.

The Bank has determined the following useful lives for certain types of fixed assets:

Description	Useful life, years
Buildings and constructions	33.33
Machinery and equipment	4-15
Vehicles	10
Fixtures and fittings (furniture)	8.33
Other PP&E	12

Property, plant and equipment is depreciated on a straight-line basis.

4.6. Leases

The Bank applies the short-term lease recognition exemption for the lease agreements:

- to short-term leases (that is, leases with a lease term of no more than 12 months from the commencement date and that do not contain a purchase option).
- the underlying asset has an equivalent value of less than €5,000 (the NBU exchange rate at date of recognition);
- lease agreements without a lease term;
- free of charge;
- unidentifiable.

The decision to apply the exemption in terms of low-value assets is made to each contract separately.

4.7. Investment property

After the initial recognition of an investment property, the Bank further measures it at fair value, changes in which are recognised in profit or loss.

4.8. Income tax

Income tax expenses (income) consist of current and deferred taxes.

Such income tax expense (income) is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity. In such cases, they are recognised in other comprehensive income or directly in equity.

Deferred tax is calculated at the tax rates that will be in effect during the period in which the asset will be sold or used and the liability will be settled.

4.9. Statutory capital and share premium

Equity contributions are recognised at historical cost. Equity contributions received before 31 December 2000 are recognised at indexed cost in accordance with IAS 29 Financial Reporting in Hyperinflationary Conditions.

4.10. Commission income and expenses

Commissions that are not included in the cost of the loan (for example, fees for cash and settlement services, etc.) are recognized as commission income.

4.11. Functional currency

Items included in the Bank's separate financial statements are denominated in a currency that best corresponds to the economic substance of events and conditions relating to the Bank ("functional currency"). The functional currency and the currency of presentation of these separate financial statements is the hryvnia. All values are rounded to the nearest thousand dollars, unless otherwise stated.

Foreign Exchange Transactions

Assets and liabilities, income and expenses from transactions with foreign currencies are recorded in hryvnia equivalent at the official exchange rates of the NBU for foreign currencies and investment metals as of the date of reflection in accounting.

Accounting of income and expenses in foreign currency is carried out by converting into the currency of Ukraine at the rate of the National Bank of Ukraine on the date of the transaction under which income is received or expenses are incurred. In case of accrual of income or expenses in foreign currency, accounting is carried out at the exchange rate on the date of accrual.

In the Statement of Financial Position, foreign currency assets and liabilities are recorded at the official exchange rate set by the NBU as of the reporting date. As of 30 September 2024, the NBU has set the following exchange rates:

Currency	30 September 2024	31 December 2023
USD	41.1664	37.9824
EUR	45.9541	42.2079

Note 5. New and revised standards

The following are the new standards/amendments and clarifications that have been issued but have not yet entered into force as of the date of publication of the Bank's financial statements. The Bank plans to apply these

new standards, amendments and clarifications, if applicable, after their entry into force and believes that the changes to the standards will not have a material impact on the Bank's financial statements.

Amendments to IAS 1 – Presentation of Financial Statements

Amendments to IAS 1 Presentation of Financial Statements – Non-Current Liabilities with Special Conditions

Amendments to IFRS 16 Leases

Amendments to IFRS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

Amendments to IAS 21 Effects of Changes in Foreign Exchange Rates – Lack of Convertibility.

Note 6. Cash and cash equivalents

Table 6.1. Cash and cash equivalents

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Cash	186,715	130,181
2	Balances with the National Bank of Ukraine	1,532,297	1,568,604
3	Correspondent accounts with banks:	1,658,411	1,721,107
3.1	Ukraine	2,322	3,590
3.2	other countries	1,656,089	1,717,517
4	Provisions for cash on correspondent accounts with other banks	(887)	(853)
5	Total cash and cash equivalents	3,376,536	3,419,039

Line 5 in Table 6.1 corresponds to account “Cash and cash equivalents” in the statement of financial position.

As of 30 September 2024, the Bank placed cash on a correspondent account with JPMORGAN CHASE BANK, N.A. in the amount of UAH 1,159,547 thousand (2023: JPMORGAN CHASE BANK, N.A. in the amount of UAH 1,017,079 thousand), which represents a significant concentration.

As of 30 September 2024, and 31 December 2023, balances on correspondent accounts were not overdue and not impaired.

Table 6.2. Movements in provisions for cash on correspondent accounts with other banks as of 30 September 2024 and for the nine months then ended

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Movements in provisions	Provisions for cash on correspondent accounts with other banks	Total
1	2	3	4
1	Balance at the beginning of the year	(853)	(853)
2	(Increase) in provision for impairment during the period	16	16
3	Foreign exchange differences	(49)	(49)
4	Balance at the end of the period	(887)	(887)

Table 6.3. Movements in provisions for cash on correspondent accounts with other banks as of 31 December 2023 and for the year then ended

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Movements in provisions	Provisions for cash on correspondent accounts with other banks	Total
1	2	3	4
1	Balance at the beginning of the year	(58)	(58)
2	Increase in provision for impairment during the year	(918)	(918)
3	Foreign exchange differences	123	123
4	Balance at the end of the period	(853)	(853)

Table 6.4. Credit quality analysis of cash and cash equivalents as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	Balances on correspondent accounts with other banks by impairment stage	Cash	Balances with the National Bank of Ukraine	Total
1	2	3	4	5	6
1	Impairment Stage 1:	1,658,411	186,715	1,532,297	3,377,423
1.1	Not overdue	1,658,411	186,715	1,532,297	3,377,423
2	Provision for cash impairment	(887)	-	-	(887)
3	Total cash and cash equivalents	1,657,524	186,715	1,532,297	3,376,536

Table 6.5. Credit quality analysis of cash and cash equivalents as of 31 December 2023

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	Balances on correspondent accounts with other banks by impairment stage	Cash	Balances with the National Bank of Ukraine	Total
1	2	3	4	5	6
1	Impairment Stage 1:	1,721,107	130,181	1,568,604	3,419,892
1.1	Not overdue	1,721,107	130,181	1,568,604	3,419,892
2	Provision for cash impairment	(853)	-	-	(853)
3	Total cash and cash equivalents	1,720,254	130,181	1,568,604	3,419,039

Note 7. Loans and advances to banks

Table 7.1. Loans and advances to banks

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Deposits in other banks, which are accounted for at amortized cost:	345,036	133,375
1.1	Short-term deposits	345,036	133,375
2	Provision for impairment of amounts due from banks	(5)	(1)
3	Total amounts due from other banks less provisions	345,031	133,374

Line 3 in Table 7.1 corresponds to account “Loans and advances to banks” in the statement of financial position.

As of September 30, 2024, a time deposit was placed with Intesa Sanpaolo Bank in the amount UAH 345,036 thousand (2023: a time deposit was placed with Intesa Sanpaolo Bank in the amount UAH 133,375 thousand), which represents a significant concentration.

Table 7.2. Analysis of the book value of loans and advances to banks for the nine months 2024

(in thousands of Ukrainian hryvnias)			
Line	Movements in provisions	Stage 1	Total
1	2	3	4
1	Balance at the beginning of the year	133,375	133,375
2	Increase in balance during the period	1,838,326	1,838,326
2.1	new contracts	1,824,659	1,824,659
2.2	foreign exchange differences	13,667	13,667
3	Decrease in balance during the period	(1,626,665)	(1,626,665)
3.1	commitments that have expired	(1,626,040)	(1,626,040)
3.2	foreign exchange differences	(625)	(625)
4	Balance at the end of the period	345,036	345,036

Table 7.3. Analysis of provision for loans and advances to banks for the nine months 2024

(in thousands of Ukrainian hryvnias)			
Line	Movements in provisions	Stage 1	Total
1	2	3	4
1	Balance at the beginning of the year	(1)	(1)
2	Increase in provision for impairment during the period	(25)	(25)
2.1	provision for new commitments	(24)	(24)
2.2	foreign exchange differences	(1)	(1)
3	Decrease in provision for impairment during the period	21	21
3.1	decrease of the provision from the closing of loans	21	21
4	Balance at the end of the period	(5)	(5)

Table 7.4. Analysis of the book value of loans and advances to banks for 2023

(in thousands of Ukrainian hryvnias)			
Line	Movements in provisions	Stage 1	Total
1	2	3	4
1	Balance at the beginning of the year	132,465	132,465
2	Increase in balance during the period	1,583,057	1,583,057
2.1	new contracts	1,567,699	1,567,699
2.2	foreign exchange differences	15,358	15,358
3	Decrease in balance during the period	(1,582,147)	(1,582,147)
3.1	debt repayment	(127,745)	(127,745)
3.2	commitments that have expired	(1,449,513)	(1,449,513)
3.3	foreign exchange differences	(4,889)	(4,889)
4	Balance at the end of the period	133,375	133,375

Table 7.5. Analysis of provision for loans and advances to banks for 2023

(in thousands of Ukrainian hryvnias)			
Line	Movements in provisions	Stage 1	Total
1	2	3	4
1	Balance at the beginning of the year	(1)	(1)
2	Increase in provision for impairment during the year	(17)	(17)
2.1	provision for new commitments	(17)	(17)
3	Decrease in provision for impairment during the year	17	17
3.1	decrease of loan closing provision	1	1
3.2	decrease of the provision from the closing of loans	16	16
4	Balance at the end of the period	(1)	(1)

Note 8. Loans and advances to customers

Table 8.1. Loans and advances to customers

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Corporate loans	1,398,620	1,180,007
2	Retail mortgage loans	603,373	714,488
3	Loans to individual entrepreneurs	422	429
4	Retail consumer loans	352,217	390,615
5	Other retail loans	14	14
6	Provision for impairment of loans	(249,735)	(259,163)
7	Total loans less provisions	2,104,911	2,026,390

Line 7 in Table 8.1 corresponds to account “Loans and advances to customers” in the statement of financial position.

Loans, the terms of which were renegotiated.

From 24 February 2022 to 31 December 2022, the provision increased due to a deterioration in the quality of the loan portfolio and lost or damaged collateral as a result of the full-scale invasion of Ukraine. There was no further deterioration in the quality of the loan portfolio during 9M 2024. For loans that were deteriorated in 2022, the amount of decrease in the provision for 9 months of 2024 amounted to UAH 22,049 thousand. UAH (UAH 5,368 thousand for loans transferred to Stage 2, UAH 7,939 thousand for loans transferred to Stage 3, UAH 8,742 thousand for contracts under which collateral was blocked).

Since the beginning of the full-scale invasion of Ukraine, according to customer requests, during 2022 – 9 months of 2024, the Bank has been restructuring debt on loans and accrued interest. As at 30 September 2024, the carrying amount of the loan agreements under which the terms were revised in 2022 is USD 287,600 thousand. UAH (of which: on loans to legal entities – UAH 99,697 thousand, on loans to individuals – UAH 187,903 thousand). The amount of decrease in the provision for 9 months of 2024, for such loans, is UAH 9,250 thousand. UAH (of which: on loans to legal entities – UAH 5,513 thousand, on loans to individuals – UAH 3,737 thousand).

As at 30 September 2024, the carrying amount of the loan agreements under which the terms were revised in 2023 is UAH 69,931 thousand. UAH (of which: loans to legal entities – UAH 41,371 thousand, loans to individuals – UAH 28,560 thousand). The amount of decrease in the provision for 9 months of 2024, under such revised contracts, amounted to UAH 5,015 thousand. UAH (of which: decrease on loans to legal entities – UAH 134 thousand, decrease in loans to individuals – UAH 4,881 thousand).

As of September 30, 2024, the book value of loan agreements under which the terms and conditions were revised during 9 months of 2024 is UAH 633,256 thousand. UAH (of which: UAH 631,251 thousand for loans to legal entities, UAH 2,005 thousand for loans to individuals). The amount of the increase in the provision for 9 months of 2024, under such revised contracts, amounted to UAH 914 thousand. UAH (of which: decrease on loans to legal entities – UAH 323 thousand, increase in loans to individuals – UAH 591 thousand).

Concentration of loans to customers

The Bank believes that a potential risk of concentration relative to a single client may arise when at least 10% of the net loan portfolio value is provided to a limited number of debtors. As of September 30, 2024, the financing provided to the two clients is \$371,175 thousand. UAH, or 16% (December 31, 2023 – to two clients for UAH 312,078 thousand, or 13%).

Table 8.2. Analysis of the book value of loans and advances to customers for the nine months 2024

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	Stage 1	Stage 2	Stage 3	Total
1	2	3	4	5	6
1	Balance at the beginning of the year	1,759,612	155,815	370,126	2,285,553
2	Increase in balance for the period	2,037,095	54,559	36,758	2,128,412
2.1	Increase in balance due to new loans	242,725	-	1	242,726
2.2	Increase in balance of the current portfolio	1,731,108	30,518	9,727	1,771,353
2.3	Transition between stages	36,880	18,698	4,677	60,255
2.4	Foreign exchange differences	26,382	5,343	22,353	54,078
3	Decrease in balance for the period	(1,862,038)	(162,138)	(35,142)	(2,059,318)
3.1	Decrease in balance due to full repayment of loans	(875,710)	(53,559)	(4,886)	(934,155)
3.2	Decrease in the balance of the current portfolio	(969,126)	(77,554)	(8,865)	(1,055,545)
3.3	Write-offs against the provision	-	-	(2,162)	(2,162)
3.4	Transition between stages	(11,210)	(30,726)	(18,318)	(60,254)
3.5	Foreign exchange differences	(5,992)	(299)	(911)	(7,202)
4	Balance at the end the period	1,934 669	48,236	371,741	2,354,646

Table 8.3. Analysis of provisions for loans and advances to customers for the nine months 2024

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	Stage 1	Stage 2	Stage 3	Total
1	2	3	4	5	6
1	Balance at the beginning of the year	25,729	8,478	224,956	259,163
2	Increase in the amount of loan provisions for the period	19,070	22,167	30,524	71,761
2.1	Provision for new loans	5,546	-	-	5,546
2.2	Provision for increase in carrying amount	9,608	2,337	4,695	16,640
2.3	Increasing the provision from the transition between stages	-	2,590	2,141	4 731
2.4	Increasing the reserve from the deterioration of the quality of the portfolio	2,756	14,859	2,471	20 086
2.5	Transition between stages	880	1,863	2,603	5,346
2.6	Interest accrued on impaired loans	-	-	2,654	2,654
2.7	Foreign exchange differences	280	518	15,960	16,758
3	Decrease in the amount of loan provisions for the period	(20,343)	(24,896)	(35,950)	(81,189)
3.1	Decrease of loan closing provision	(3,181)	(4,524)	(4,215)	(11,920)
3.2	Decrease in provision by decrease in the carrying value	(11,208)	(6,385)	(4,077)	(21,670)
3.3	Decreasing the provision from the transition between stages	-	(3, 095)	(12,631)	(15,726)
3.4	Decreasing the provision from the improvement of the quality of the portfolio	(4,645)	(7,696)	(11 517)	(23,858)
3.5	Recovery of loans written off against provisions in prior periods	-	-	(2,161)	(2,161)
3.6	Transition between stages	(1,253)	(3,189)	(904)	(5,346)
3.7	Foreign exchange differences	(56)	(7)	(445)	(508)
4	Balance at the end of the period	24,456	5,749	219,530	249,735

For 9 months of 2024, loans and advances to customers that the Bank wrote off against provisions in previous years were reimbursed in the total amount of UAH 3,402 thousand (9 months of 2023: UAH 3,438 thousand). The amount of the recovery was recognized directly in profit or loss as part of “Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9”. See Note 24.

Table 8.4. Analysis of the carrying value of loans and advances to customers for 2023

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	Stage 1	Stage 2	Stage 3	Total
1	2	3	4	5	6
1	Balance at the beginning of the year	2,545,496	1,076,693	400,758	4,022,947
2	Increase in balance during the year	2,419,465	619,150	55,643	3,094,258
2.1	Increase in balance due to new loans	348,870	127,179	3	476,052
2.2	Increase in balance of the current portfolio	1,804,161	448,404	15,163	2,267,728
2.3	Transition between stages	226,127	25,639	29,408	281,174
2.4	Foreign exchange differences	40,307	17,928	11,069	69,304
3	Decrease in balance during the year	(3,205,349)	(1,540,028)	(86,275)	(4,831,652)
3.1	Decrease in balance due to full repayment of loans	(2,030,443)	(1,047,657)	(8,922)	(3,087,022)
3.2	Decrease in the balance of the current portfolio	(1,129,729)	(251,527)	(41,760)	(1,423,016)
3.3	Write-offs against the provision	-	-	(4,608)	(4,608)
3.4	Transition between stages	(22,896)	(228,746)	(29,532)	(281,174)
3.5	Foreign exchange differences	(22,281)	(12,098)	(1,453)	(35,832)
4	Balance at the end of the year	1,759,612	155,815	370,126	2,285,553

Table 8.5. Analysis of provisions for loans and advances to customers for 2023

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	Stage 1	Stage 2	Stage 3	Total
1	2	3	4	5	6
1	Balance at the beginning of the year	36,010	67,162	224,924	328,096
2	Increase in the amount of loan provisions for the year	25,965	76,948	94,138	197,051
2.1	Provision for new loans	3,082	6,097	3	9,182
2.2	Provision for increase in carrying amount	8,922	19,697	813	29,432
2.3	Increasing the provision from the transition between stages	642	4,273	9,678	14,593
2.4	Increasing the reserve from the deterioration of the quality of the portfolio	10,953	42,708	43,151	96,812
2.5	Transition between stages	2,006	2,893	16,919	21,818
2.6	Interest accrued on impaired loans	-	-	18,286	18,286
2.7	Foreign exchange differences	360	1,280	5,288	6,928
3	Decrease in the amount of loan provisions for the year	(36,246)	(135,632)	(94,106)	(265,984)
3.1	Decrease of loan closing provision	(9,998)	(27,102)	(7,831)	(44,931)
3.2	Decrease in provision by decrease in the carrying value	(15,258)	(65,889)	(33,550)	(114,697)
3.3	Decreasing the provision from the transition between stages	(205)	(15,247)	(20,100)	(35,552)
3.4	Decreasing the provision from the improvement of the quality of the portfolio	(7,963)	(8,434)	(17,814)	(34,211)
3.5	Recovery of loans written off against provisions in prior periods	-	-	(4,635)	(4,635)
3.6	Transition between stages	(2,660)	(18,086)	(1,072)	(21,818)
3.7	Interest accrued on impaired loans	-	-	(6,976)	(6,976)
3.8	Foreign exchange differences	(162)	(874)	(2,128)	(3,164)
4	Balance at the end of the year	25,729	8,478	224,956	259,163

Table 8.6. Loan structure by types of economic activity

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Economic activity	30/09/2024		31/12/2023	
1	2	3	4	5	6
1	Transactions with real estate, leasing, engineering and servicing	58,723	2.50%	48,093	2.10%
2	Trade, repair of vehicles, household equipment and items of personal use	636,914	27.05%	536,353	23.47%
3	Agriculture, hunting, forestry	217,605	9.24%	241,401	10.56%

*The interim Financial Statements
Notes to Financial Statements as at 30 September 2024 and for the 9 months then ended*

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Economic activity	30/09/2024		31/12/2023	
1	2	3	4	5	6
4	Processing industry	360,737	15.32%	227,966	9.97%
5	Retail	956,026	40.60%	1,105,547	48.37%
6	Other	124,641	5.29%	126,193	5.53%
7	Total loans and advances to customers less provisions	2,354,646	100%	2,285,553	100%

Table 8.7. Information about loans by collateral type as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>							
Li- ne	Item	Corporate loans	Retail mortgage loans	Loans to individual entrepreneurs	Retail consumer loans	Other retail loans	Total
1	2	3	4	5	6	7	8
1	Unsecured loans	5,590	582	422	331,568	14	338,176
2	Loans secured by:	1,393,030	602,791	-	20,649	-	2,016,470
2.1	cash	42,480	-	-	-	-	42,480
2.2	real estate	409,583	602,791	-	10,934	-	1,023,308
2.2.1	residential mortgage	4,517	602,791	-	6,431	-	613,739
2.2.2	non-residential mortgage	405,066	-	-	4,503	-	409,569
2.3	Other assets	940,967	-	-	9,715	-	950,682
2.3.1	equipment	369,958	-	-	-	-	369,958
2.3.2	goods in turnover	194,160	-	-	-	-	194,160
2.3.3	vehicles	376,849	-	-	9 715	-	386,564
3	Total loans and advances to customers, gross of provision	1,398 620	603,373	422	352,217	14	2,354,646

Table 8.8. Information about loans by collateral type as of 31 December 2023

<i>(in thousands of Ukrainian hryvnias)</i>							
Li- ne	Item	Corporate loans	Retail mortgage loans	Loans to individual entrepreneurs	Retail consumer loans	Other retail loans	Total
1	2	3	4	5	6	7	8
1	Unsecured loans	2,153	568	429	364,710	14	367,874
2	Loans secured by:	1,177,854	713,920	-	25,905	-	1,917,679
2.1	cash	19, 865	-	-	-	-	19,865
2.2	real estate	204,272	713,920	-	10,577	-	928,769
2.2.1	residential mortgage	6,007	713,920	-	-	-	719,927
2.2.2	non-residential mortgage	198,265	-	-	10,577	-	208,842
3	Other assets	953,717	-	-	15,328	-	969,045
3.1	equipment	347,539	-	-	-	-	347,539
3.2	goods in turnover	288,664	-	-	-	-	288,664
3.3	vehicles	317,514	-	-	15,328	-	332,842
4	Total loans and advances to customers, gross of provision	1,180,007	714,488	429	390,615	14	2,285,553

Table 8.9. Credit quality analysis as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>							
Line	Item	Corporate loans	Retail mortgage loans	Loans to individual entrepreneurs	Retail consumer loans	Other retail loans	Total
1	2	3	4	5	6	7	8
1	Impairment Stage 1:	1,095,511	576,796	422	261,923	14	1,934,666
1.1	Not overdue	1,095,511	571,293	422	257,896	14	1,925,136
1.2	Less than 30 days	-	5,503	-	4,027	-	9,530
2	Impairment Stage 2:	30,064	6,963	-	11,211	-	48,238
2.1	Not overdue	-	6,963	-	9,048	-	16,011
2.2	Less than 30 days	-	-	-	1,413	-	1,413
2.3	31 - 60 days	30,064	-	-	315	-	30,379
2.4	61 - 90 days	-	-	-	435	-	435
3	Impairment Stage 3:	273,045	19,614	-	79,083	-	371,742
3.1	Not overdue	272,895	3,669	-	1,703	-	278,267
3.2	Less than 30 days	-	170	-	875	-	1,045
3.3	31 - 60 days	-	-	-	249	-	249
3.4	61 - 90 days	-	-	-	10	-	10
3.5	91 - 180 days	-	469	-	2,685	-	3,154
3.6	181 - 270 days	-	300	-	1,392	-	1,692
3.7	More than 270 days	150	15,006	-	72,169	-	87,325
4	Total loans, gross of provision	1,398,620	603,373	422	352,217	14	2,354,646
5	Provision for loan impairment	(137,299)	(20,133)	(1)	(92,302)	-	(249,735)
6	Total loans less provisions	1,261,321	583,240	421	259,915	14	2,104,911

The Bank has developed its own approach to calculating the number of days of debt overdue in accordance with the new definition of default under Article 178 of Regulation (EU) No. 575/2013, which is used in the calculation of the provision. Note is presented according to this approach. Also, line 3.1 reflects loans that may have signs of restructuring and be assigned to Stage 3 without debt overdue.

Table 8.10. Credit quality analysis as of 31 December 2023

<i>(in thousands of Ukrainian hryvnias)</i>							
Line	Item	Corporate loans	Retail mortgage loans	Loans to individual entrepreneurs	Retail consumer loans	Other retail loans	Total
1	2	3	4	5	6	7	8
1	Impairment Stage 1:	813,512	666,007	429	279,647	14	1,759,609
1.1	Not overdue	813,512	647,176	429	270,948	14	1,732,079
1.2	Less than 30 days	-	18,582	-	8,478	-	27,060
1.3	31 - 60 days	-	156	-	217	-	373
1.4	61 - 90 days	-	24	-	-	-	24
1.5	91 - 180 days	-	69	-	-	-	69
1.6	More than 270 days	-	-	-	4	-	4
2	Impairment Stage 2:	116,275	19,125	-	20,418	-	155,818
2.1	Not overdue	86,275	18,759	-	16,833	-	121,867
2.2	Less than 30 days	-	366	-	2,678	-	3,044
2.3	31 - 60 days	30,000	-	-	262	-	30,262
2.4	61 - 90 days	-	-	-	604	-	604
2.5	91 - 180 days	-	-	-	41	-	41
3	Impairment Stage 3:	250,220	29,356	-	90,550	-	370,126
3.1	Not overdue	40,065	10,577	-	9,032	-	59,674

<i>(in thousands of Ukrainian hryvnias)</i>							
Line	Item	Corporate loans	Retail mortgage loans	Loans to individual entrepreneurs	Retail consumer loans	Other retail loans	Total
1	2	3	4	5	6	7	8
3.2	Less than 30 days	-	-	-	2,610	-	2,610
3.3	31 - 60 days	-	105	-	1,372	-	1,477
3.4	61 - 90 days	-	-	-	1,048	-	1,048
3.5	91 - 180 days	-	127	-	3,186	-	3,313
3.6	181 - 270 days	-	1,312	-	5,700	-	7,012
3.7	More than 270 days	210,155	17,235	-	67,602	-	294,992
4	Total loans, gross of provision	1,180,007	714,488	429	390,615	14	2,285,553
5	Provision for loan impairment	(126,536)	(30,557)	(1)	(102,069)	-	(259,163)
6	Total loans less provisions	1,053,471	683,931	428	288,546	14	2,026,390

As of 30 September 2024, and 31 December 2023 the majority of loans provided to corporate borrowers are short-term and are granted to borrowers with a minimal credit risk according to the Bank's assessment.

Note 9. Investments in securities

Table 9.1. Investments in securities

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Debt securities at AC	2,800,995	2,603,205
1.1	certificates of deposit of the National Bank of Ukraine	2,800,995	2,603,205
2	Debt securities at FVTOCI	2,017,706	2,013,916
2.1	certificates of deposit of the National Bank of Ukraine	936,666	1,015,664
2.2	domestic bonds refinanced by the National Bank of Ukraine	214,366	209,240
2.3	debt government securities of other countries	866,674	789,012
3	Shares of non-banking financial institutions at FVTOCI	34	34
4	Provision for impairment of securities	(34)	(31)
5	Total investments in securities less provisions	4,818,701	4,617,124

Line 5 in Table 9.1 corresponds to account "Investments in securities" in the statement of financial position.

Table 9.2. Credit quality analysis of debt securities carried at amortised cost as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	NBU certificates of deposit	Total
1	2	3	4
1	Impairment Stage 1	2,800,995	2,800,995
1.1	Not overdue	2,800,995	2,800,995
2	Provision for impairment of securities	-	-
3	Total investments in securities at AC	2,800,995	2,800,995

Table 9.3. Credit quality analysis of debt securities carried at amortised cost as of 31 December 2023

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	NBU certificates of deposit	Total
1	2	3	4
1	Impairment Stage 1	2,603,205	2,603,205
1.1	Not overdue	2,603,205	2,603,205

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	NBU certificates of deposit	Total
1	2	3	4
2	Provision for impairment of securities	-	-
3	Total investments in securities at AC	2,603,205	2,603,205

Table 9.4. Credit quality of debt securities carried at fair value through other comprehensive income as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	Domestic government loan bonds	Total
1	2	3	4
1	Impairment Stage 1	2,017,714	2,017,714
1.1	Not overdue	2,017,714	2,017,714
2	Provision for impairment of securities	(8)	(8)
3	Total investments in securities at FVTOCI	2,017,706	2,017,706

Table 9.5. Credit quality of debt securities carried at fair value through other comprehensive income as of 31 December 2023

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	Domestic government loan bonds	Total
1	2	3	4
1	Impairment Stage 1	2,013,930	2,013,930
1.1	Not overdue	2,013,930	2,013,930
2	Provision for impairment of securities	(14)	(14)
3	Total investments in securities at FVTOCI	2,013,916	2,013,916

Table 9.6. Movements in provisions for impairment of securities carried at fair value through other comprehensive income as of 30 September 2024 and for the nine months then ended

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Movements in provisions	Domestic government loan bonds	Corporate shares	Total
1	2	3	4	5
1	Balance as of 1 January 2024	(14)	(31)	(45)
2	Increase in provision for impairment during the period	6	(3)	3
3	Balance as of 30 September 2024	(8)	(34)	(42)

Table 9.7. Movements in provisions for impairment of securities carried at fair value through other comprehensive income as of 31 December 2023 and for the year then ended

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Movements in provisions	Domestic government loan bonds	Corporate shares	Total
1	2	3	4	5
1	Balance as of 1 January 2023	-	(31)	(31)
2	Increase in provision for impairment during the year	(14)	-	(14)
3	Balance as of 31 December 2023	(14)	(31)	(45)

Note 10. Investment property

The valuation of investment property was carried out by an independent appraiser, LLC “VALKOL” as of 31 October 2023. with further confirmation by the appraiser that there are no significant changes in the market as of 31 December 2023. At the time of the appraisal, the appraiser, LLC “VALKOL”, had the appropriate certification in accordance with the current legislation of Ukraine and previous experience in appraising similar properties.

Table 10.1. Fair value of investment property

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Fair value of investment property at the beginning of the period	5,353	6,831
2	Disposal (sale)	-	(343)
3	Transfer of fixed assets to the investment real estate group	2,880	-
4	(Decrease) increase in investment property value	-	(1,135)
5	Fair value of investment property at the end of the period	8,233	5,353

Line 4 in Table 10.1 corresponds to account “Investment property” in the statement of financial position.

Fair value of investment property items was determined to be equal to the market value, net of value added tax. In the process of calculating the market value of the objects of assessment, a comparative method was used, which is based on taking into account the principles of substitution, as well as demand and supply.

The comparative approach involves the following sequence of evaluation procedures:

- collection and analysis of information on the sale or offer of similar real estate and identification of objects of comparison;
- the choice of the method of calculating the value of the object of evaluation, taking into account the volume and reliability of the available information;
- comparison of the object of assessment with the objects of comparison with the subsequent adjustment of the sale price or the offer price of the objects of comparison;
- determination of the value of the object of evaluation by taking into account the amount of adjustments to the value of the objects of comparison;
- reconciliation of the received calculation results.

Comparison of the object of assessment and objects of comparison is carried out according to such indicators as the price of the object of comparison, the price of a unit of area, etc.

The main elements of the comparison are the characteristics of similar property in terms of its location, physical and functional features, terms of sale, etc. Adjustment of the value of similar property is carried out by adding or subtracting a monetary amount using a coefficient (percentage) to the sale (offer) price of the specified property or by combining them.

Table 10.2. Amounts recognised in the statement of profit or loss

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Income and expense	30/09/2024	31/12/2023
1	2	3	4
1	Gains from disposal of investment property	-	141
2	Net profit (loss) from investment property revaluation	-	(1,135)

The data on line 1 of table 10.2 are displayed as part of the note 25 “Other income” of the Statement of profit or loss. Data on line 2 of table 10.2 is displayed as a separate line in the Statement of profit or loss.

During the nine months of 2024 and 2023, the Bank did not lease investment real estate objects and did not receive income.

Note 11. Other financial assets

Table 11.1. Other financial assets

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Accounts receivable from transactions with customers	3,519	4,040
2	Amounts due on accrued income from cash and settlement services and other accrued income	2,517	2,738
3	Accounts receivable from transactions with payment cards	36,886	74,582
4	Other assets	100	103
5	Provision for impairment	(3,030)	(4,020)
6	Total other financial assets less provisions	39,992	77,443

Line 6 in Table 11.1 corresponds to account “Other financial assets” in the statement of financial position.

Table 11.2. Analysis of changes in provision for impairment of other financial assets for the nine months 2024

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Movements in provisions	Accounts receivable from transactions with customers	Amounts due on overdue accrued income from cash and settlement services, and other accrued income	Total
1	2	3	4	5
1	Balance as at 1 January 2024	(3,034)	(986)	(4,020)
2	(Increase)/decrease in provision for impairment during the period	(28)	211	183
3	Write-off at the expense of the reserve	931	-	931
4	Foreign exchange differences on provisions	(123)	(1)	(124)
5	Closing balance as of 30 September 2024	(2,254)	(776)	(3,030)

Table 11.3. Analysis of changes in provision for impairment of other financial assets for 2023

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Movements in provisions	Accounts receivable from transactions with customers	Amounts due on overdue accrued income from cash and settlement services, and other accrued income	Total
1	2	3	4	5
1	Balance as at 1 January 2023	(4,733)	(929)	(5,662)
2	(Increase)/decrease in provision for impairment during the year	1,879	(135)	1,744
3	Foreign exchange differences on provisions	(180)	78	(102)
4	Closing balance as of 31 December 2023	(3,034)	(986)	(4,020)

Table 11.4. Credit quality analysis of other financial assets as of 30 September 2024 and for the nine months then ended

<i>(in thousands of Ukrainian hryvnias)</i>						
<i>Accounts receivable without a significant financing component</i>						
Li- ne	Item	Accounts receivable from transactions with customers	Amounts due on accrued income from cash and settlement services and other accrued income	Accounts receivable from transactions with payment cards	Other assets	Total
1	2	3	4	5	6	7
1	Impairment Stage 1:	1,270	1,782	36,886	100	40,038
1.1	Not overdue	1,252	1 726	36,886	22	39,886
1.2	Less than 30 days	15	24	-	78	117
1.3	31 - 60 days	-	15	-	-	15
1.4	61 - 90 days	3	17	-	-	20
2	Impairment Stage 3:	2,249	735	-	-	2,984
2.1	91 - 180 days	4	324	-	-	328
2.2	181 - 270 days	2	36	-	-	38
2.3	More than 270 days	2,243	375	-	-	2,618
3	Total other financial assets	3,519	2,517	36,886	100	43,022
4	Provision for impairment of other assets	(2,254)	(776)	-	-	(3,030)
5	Total other financial assets less provisions	1 265	1,741	36,886	100	39,992

Table 11.5. Credit quality analysis of other financial assets as of 31 December 2023 and for the year then ended

<i>(in thousands of Ukrainian hryvnias)</i>						
<i>Accounts receivable without a significant financing component</i>						
Li- ne	Item	Accounts receivable from transactions with customers	Amounts due on accrued income from cash and settlement services and other accrued income	Accounts receivable from transactions with payment cards	Other assets	Total
1	2	3	4	5	6	7
1	Impairment Stage 1:	1,026	1,772	74,582	103	77,483
1.1	Not overdue	981	1,745	74,582	103	77,411
1.2	Less than 30 days	4	1	-	-	5
1.3	31 - 60 days	6	12	-	-	18
1.4	61 - 90 days	35	14	-	-	49
2	Impairment Stage 3:	3,014	966	-	-	3,980
2.1	Less than 30 days	-	92	-	-	92
2.2	31 - 60 days	-	73	-	-	73
2.3	61 - 90 days	-	89	-	-	89
2.4	91 - 180 days	-	78	-	-	78
2.5	181 - 270 days	2	21	-	-	23
2.6	More than 270 days	3,012	613	-	-	3,625
3	Total other financial assets	4,040	2,738	74,582	103	81,463

<i>(in thousands of Ukrainian hryvnias)</i>						
<i>Accounts receivable without a significant financing component</i>						
Li- ne	Item	Accounts receivable from transactions with customers	Amounts due on accrued income from cash and settlement services and other accrued income	Accounts receivable from transactions with payment cards	Other assets	Total
1	2	3	4	5	6	7
4	Provision for impairment of other assets	(3,034)	(986)	-	-	(4,020)
5	Total other financial assets less provisions	1,006	1,752	74,582	103	77,443

Note 12. Other non-financial assets

Table 12.1. Other non-financial assets

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/06/2024	31/12/2023
1	2	3	4
1	Accounts receivable on the acquisition of assets	5,732	79
2	Prepaid services	49,479	65,799
3	Precious metals	1,479	1,074
4	Accounts receivable from taxes and mandatory payments other than income tax	2,797	629
5	Other assets	5,820	4,363
6	Provision for other non-financial assets	(237)	-
7	Total other non-financial assets less provisions	65,070	71,944

Line 7 in Table 12.1 corresponds to account “Other non-financial assets” in the statement of financial position.

Table 12.2. Movements in provision for impairment of other non-financial assets as of 30 September 2024 and for the nine months then ended

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Movements in provisions	Prepaid services	Total
1	2	3	4
1	Balance as at 1 January 2023	-	-
2	(Increase) in provision for impairment during the year	(237)	(237)
3	Balance as at 30 September 2024	(237)	(237)

Table 12.3. Movements in provision for impairment of other non-financial assets as of 31 December 2023 and for the year then ended

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Movements in provisions	Prepaid services	Total
1	2	3	4
1	Balance as at 1 January 2023	(51)	(51)
2	Decrease in provision for impairment during the year	51	51
3	Balance as at 31 December 2023	-	-

Note 13. Due to customers

Table 13.1. Breakdown of amounts due to customers

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2023	31/12/2023
1	2	3	4
1	Government and public organisations:	44,316	26,855
1.1	Current accounts	44,316	26,755
1.2	Term deposits	-	100
2	Other legal entities:	4,804,048	5,855,240
2.1	Current accounts	2,962,616	3,108,504
2.2	Term deposits	1,841,432	2,746,736
3	Individuals:	3,680,219	3,244,850
3.1	Current accounts	2,048,784	1,988,694
3.2	Term deposits	1,631,435	1,256,156
4	Total amounts due to customers	8,528,583	9,126,945

Line 4 in Table 13.1 corresponds to account “Due to customers” in the statement of financial position.

The Bank believes that a potential concentration risk may arise when at least 10% of the carrying value of amounts due to customers (excluding subordinated debt and loans from international financial institutions) are attracted from a limited number of creditors. As of 30 September 2024, and 31 December 2023, the funds of two and two clients were respectively UAH 984 777 thousand and UAH 1,566,869 thousand, which was equal to 11.55% and 17.17%, respectively, of the amount due to customers as of the reporting date.

As of 30 September 2024, there were eight deposits in the loan collateral for loans the amount of UAH 47,615 thousand (2023: there was seven deposits in the loan collateral for loans the amount of UAH 48,077 thousand).

Table 13.2. Breakdown of amounts due to customers by types of economic activity

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Economic activity	30/09/2024		31/12/2023	
		amount	%	amount	%
1	2	3	4	5	6
1	State authorities	3	0.01	3	0.01
2	Production and distribution of electricity, natural gas and water	79,056	0.93	47,890	0.52
3	Transactions with real estate, leasing, engineering and servicing	484,034	5.68	578,530	6.34
4	Trade, repair of vehicles, household equipment and items of personal use	727,110	8.53	782,332	8.57
5	Agriculture, hunting, forestry	14,183	0.17	43,965	0.48
6	Retail	3,680,218	43.14	3,244,850	35.55
7	Processing industry	558,960	6.55	747,159	8.19
8	Financial and insurance services	1,847,653	21.66	2,570,182	28.16
9	Construction	280,224	3.29	249,470	2.73
10	Information and telecommunications	475,155	5.57	595,976	6.53
11	Other	381,987	4.47	266,588	2.92
12	Total amounts due to customers	8,528 583	100.00	9,126,945	100.00

Note 14. Other borrowed funds

Table 14.1. Other borrowed funds as of 30 September 2024 and for the nine months then ended

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Loans from international and other financial organizations	424,648	432,431
2	Total	424,648	432,431

In December 2020, the Bank signed an agreement with EUROPEAN INVESTMENT BANK for a loan totaling EUR 30,000,000, to finance and support small and medium-sized businesses in the context of the Covid-19 pandemic.

The loan is provided in the form of tranches each with a minimum amount of at least EUR 5,000,000. According to the terms of the contract, the loan can be granted both in dollars and in euros.

In December 2021, the Bank received the first two tranches on the following terms:

- 1st tranche – EUR 7 million (for a period of 7 years, at 2.315% per annum) or UAH 190,947 thousand at the exchange rate as of 31 December 2021;
- 2nd tranche – EUR 5 million (for a period of 7 years, at 0.785% per annum) or UAH 154,613 thousand at the exchange rate as of 31 December 2021;

During 2022, the Bank did not receive new loans or tranches for other borrowed funds, and the change in other borrowed funds is related only to the devaluation of the hryvnia and the change in accrued interest.

During 2023, the Bank also did not receive new loans or tranches under this article, but made a partial repayment of the tranches received in December 2021, namely:

- on 22 December 2023, a partial payment in the amount of USD 636,363.64 was made for the 1st tranche for USD 7 million (term for 7 years, at 2.315% per annum). The final balance of this tranche as of 31 December 2023, is USD 6,363,636.36 (or UAH 241,706 thousand at the exchange rate as of 31 December 2023).
- on 22 December 2023, a partial payment in the amount of EUR 454,545.45 was made for the 2nd tranche for EUR 5 million (term for 7 years, at 0.785% per annum). The final balance of this tranche as of 31 December 2023, is EUR 4,545,454.55 (or UAH 191,854 thousand at the exchange rate as of 31 December 2023).

During 9 months of 2024, the Bank did not receive new loans or tranches for other borrowed funds, but made partial repayments on tranches:

- on the 1st tranche of USD 7 million (for a period of 7 years, at 2.315% per annum) on 24.06.2024, a partial payment of USD 636,363.64 was made. The final balance of this tranche as of 30.09.2024 is USD 5,727,272.72 (or UAH 235,771 thousand at the exchange rate as of September 30, 2024);
- On the 2nd tranche of EUR 5 million (for a period of 7 years, at 0.785% per annum) on 24.06.2024, a partial payment of EUR 454,545.45 was made. The final balance on this tranche as of 30.09.2024 is EUR 4,090,909.10 (or UAH 187,994 thousand at the exchange rate as of September 30, 2024).

Note 15. Provisions for credit commitments and financial guarantee contracts and other provisions

Table 15.1. Changes in provisions for credit commitments and financial guarantee contracts as of 30 September 2024 and for the nine months then ended

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Movements in provisions	Credit-related commitments	Total
1	2	3	4
1	Balance at the beginning of the year	4,539	4,539
2	Increase (decrease) in provision for impairment during the period	(1,680)	(1,680)
3	Foreign exchange differences on provisions	157	157
4	Balance at 30 September 2024	3,016	3,016

Line 4 in Table 15.1 included to item “Provisions for credit commitments and financial guarantee contracts and other provisions” in the Statement of Financial Position. The change in commitments by stages disclosed in Note 28.

Table 15.2. Changes in provisions for credit commitments and financial guarantee contracts as of 31 December 2023 and for the year then ended

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Movements in provisions	Credit-related commitments	Total
1	2	3	4
1	Balance at the beginning of the year	43,397	43,397
2	Increase (decrease) in provision for impairment during the year	(39,649)	(39,649)
3	Foreign exchange differences on provisions	791	791
4	Balance at 31 December 2023	4,539	4,539

Note 16. Other provisions

Table 16.1. Changes in provisions for other provisions as of 30 September 2024 and for the nine months then ended.

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Movements in provisions	Litigation contingencies	Total
1	2	3	4
1	Balance at the beginning of the year	2,113	2,113
2	Decrease in provision during the period	(140)	(140)
3	Foreign exchange differences on provisions	45	45
4	Balance at 30 September 2024	2,018	2,018

Line 4 in Table 16.1 corresponds to account “Other provisions” in the statement of financial position

As of September 30, 2024, there are no fixed assets (movable property) with respect to ownership restrictions (dispositions) (2023: no fixed assets (movable property) with respect to ownership restrictions (dispositions)).

Table 16.2. Changes in other provisions as of 31 December 2023 and for the year then ended.

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Movements in provisions	Litigation contingencies	Total
1	2	3	4
1	Balance at the beginning of the year	114,538	114,538
2	Decrease in provision during the year	(112,265)	(112,265)
3	Foreign exchange differences on provisions	(160)	(160)
4	Balance at 31 December 2023	2,113	2,113

Note 17 Other financial liabilities

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Balances on the investment account of Intesa Sanpaolo S. p. A.	2,665	3,869
2	Accounts payable on transactions with customers	7,967	8,148
3	Accounts payable on debit and credit cards	33,309	68,361
4	Foreign exchange transactions and settlements	326	11
5	Accruals on other payments to employees	40,297	39,115
6	Lease liabilities	52,936	64,503
7	Other liabilities	2,908	11,901
8	Total other financial liabilities	140,408	195,908

Line 8 in Note 17 corresponds to item “Other financial liabilities” in the Statement of financial position.

Note 18. Other non-financial liabilities

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Accounts payable on taxes other than income tax	20,408	15,281
2	Accounts payable on settlements with employees of the Bank	17,181	5,554
3	Accounts payable on asset acquisitions	1,421	10,099
4	Deferred income	6 080	6,496
5	Accounts payable on recruitment services	43,992	29,946
6	Accounts payable on technical support and software maintenance services	982	33
7	Accounts payable on services and security	9,417	5,677
8	Settlements via payment systems and Ukrainian Processing Center	8,901	8,002
9	Other liabilities	284	139
10	Total other non-financial liabilities	108,666	81,227

Line 10 in Note 18 corresponds to item “Other non-financial liabilities” in the Statement of financial position.

Note 19. Statutory capital

<i>(in thousands of Ukrainian hryvnias)</i>						
Line	Item	Number of shares in issue (in thousands)	Ordinary shares	Share premium	Preference shares	Total
1	2	3	4	5	6	7
1	Balance as of 1 January 2023	1,688,085	1,047,856	4,600,754	870	5,649,480
2	Contributions for newly issued shares	-	-	-	-	-
3	Balance as of 31 December 2023 (balance as of 1 January 2024)	1,688,085	1,047,856	4,600,754	870	5,649,480
4	Contributions for newly issued shares	474,252	275,066	824,871	-	1,099,937
5	Balance as of 30 September 2024	2,162,337	1,322,922	5,425,625	870	6,749,417

As of 30 September 2024, and 31 December 2023, preference shares outstanding amount to 1,500 shares in total.

As of 30 September 2024, and 31 December 2023, the nominal value of the shares is UAH 0.58 per share.

Holders of preference shares have the right to:

- participate in profit distribution and receive dividends in the amount stipulated by their preference shares, notwithstanding the amount of the Bank’s net profit earned in the respective year;

- preferences stipulated by the terms of preference share issue are as follows: holders of registered preference shares are entitled to dividends of 18% per annum, notwithstanding the amount of the Bank's net profit earned in the respective year.

In accordance with the Ukrainian legislation, distributable reserves are restricted by retained earnings in accordance with laws and regulations.

Note 20. Revaluation reserves

Table 20.1. Securities revaluation reserves

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Balance at 1 January	1,331	-
2	Changes in gains/losses arising from revaluation of securities at FVTOCI:	(1,291)	1,774
2.1	changes in revaluation to fair value	(1,291)	1,774
3	Income tax related to change in reserve for investments in securities	322	(443)
4	Total revaluation reserves less income tax	362	1,331

Table 20.2. Movements in revaluation reserve for property, plant and equipment

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Balance on 1 January	310,552	267,857
2	Revaluation of PP&E	-	77,432
2.1	changes in revaluation to fair value	-	77,432
3	Income tax related to revaluation of property, plant and equipment	-	(34,737)
4	Total revaluation reserves less income tax	310,552	310,552

Table 20.3. Results of adjusting the value of financial instruments in transactions with shareholders

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Balance on 1 January	21	4
2	Results of adjusting the value of financial instruments in transactions with shareholders	(6)	24
2.1	Gain recognised on initial recognition of the financial instrument in transactions with the Bank's shareholders	218	254
2.2	(Loss) recognised on initial recognition and attributed to accumulated loss on disposal of the financial instrument in transactions with the Bank's shareholders	(224)	(230)
3	Income tax related to changes in the adjustment of the value of financial instruments in transactions with the Bank's shareholders	2	(7)
4	Total adjustments of the value of financial instruments, net of income tax	17	21

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Note 21. Analysis of contractual maturities of assets and liabilities

<i>(in thousands of Ukrainian hryvnias)</i>								
Line	Item	Notes	30 September 2024			31 December 2023		
			less than 12 months	more than 12 months	total	less than 12 months	more than 12 months	total
1	2	3	4	5	6	7	8	9
ASSETS								
1	Cash and cash equivalents	6	3,376,536	-	3,376,536	3,419,039	-	3,419,039
2	Loans and advances to banks	7	345,031	-	345,031	133,374	-	133,374
3	Loans and advances to customers	8	1,260,209	844,702	2,104,911	1,177,432	848,958	2,026,390
4	Investments in securities	9	4,818,701	-	4,818,701	4,617,124	-	4,617,124
5	Investment property	10	-	8,233	8,233	-	5,353	5,353
6	Current income tax receivable		29	-	29	29	-	29
7	Intangible assets other than goodwill		-	102,567	102,567	-	138,981	138,981
8	Fixed assets		-	425,176	425,176	-	473,097	473,097
9	Other financial assets	11	39,992	-	39,992	77,443	-	77,443
10	Other non-financial assets	12	65,070	-	65,070	71,944	-	71,944
11	Total assets		9,905,568	1,380,78	11,286,246	9,496,385	1,466,389	10,962,774
LIABILITIES								
12	Due to customers	13	8,528,560	23	8,528,583	9,126,944	1	9,126,945
13	Debt securities issued by the Bank		1	-	1	1	-	1
14	Other borrowed funds	13	93,934	330,714	424,648	86,447	345,984	432,431
15	Deferred tax liabilities		-	67,202	67,202	-	67,526	67,526
16	Total provisions	15, 16	2,758	2,276	5,034	5,140	1,512	6,652
17	Other financial liabilities	17	115,600	24,808	140,408	161,094	34,814	195,908
18	Other non-financial liabilities	18	108,542	124	108,666	79,089	2,138	81,227
19	Total liabilities		8,849,395	425,147	9,274,542	9,458,715	451,975	9,910,690

Note 22. Interest income and expense

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	for the 3rd quarter of 2024	for 9 months 2024	for the 3rd quarter of 2023	for 9 months 2023
1	2	3	4	5	6
Interest income					
1	Interest income on loans and advances to banks	21,660	64,234	16,144	51,767
2	Interest income on loans and advances to customers	69,673	210,045	85,346	280,107
3	Interest income on investments in securities at AC	114,975	334,937	125,306	434,393
4	Interest income on investments in securities at FVOCI	6,612	21,996	2,446	2,446
5	Interest income on other debt securities at FVOCI	9,253	25,784	7,927	9,980
6	Interest income on certificates of deposit of the National Bank of Ukraine placed in banks of Ukraine at FVOCI	36,635	122,147	54,879	64,007
7	Total interest income at effective interest rate	258,808	779,143	292,048	842,700
Interest expense:					
8	Interest expenses on term deposits of corporate customers	(46,394)	(169,349)	(89,026)	(242,608)
9	Interest income on term deposits of individuals	(24,927)	(64,900)	(14,814)	(23,235)
10	Interest income on overnight loans from other banks	-	-	(224)	(450)
11	Interest expenses on current accounts	(31,700)	(97,502)	(52,918)	(167,426)
12	Interest expenses on loans received from international and other organizations	(1,883)	(5,740)	(2,036)	(6,005)
13	Interest expense on lease liabilities	(3,019)	(10,146)	(5,953)	(12,722)
14	Total interest expenses	(107,923)	(347,637)	(164,971)	(452,446)
15	Net interest income	150,885	431,506	127,077	390,254

Line 7 and line 14 in Note 22 corresponds to account “Interest income” and “Interest expense” in the statement of profit or loss.

Note 23. Commission income and expenses

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	for the 3rd quarter of 2024	for 9 months 2024	for the 3rd quarter of 2023	for 9 months 2023
1	2	3	4	5	6
COMMISSION INCOME:					
1	Cash and settlement services	32,405	92,593	28,013	86,948
2	Bank commission for the lease of safe deposit boxes	1,877	5,730	2,218	6,759
3	Commission for insurance broker services	293	776	351	934
4	Commission on Tax Free check payments	231	536	157	370
5	Transactions with securities	296	754	202	513
6	Interbank transactions with plastic cards	6 611	17,896	5,549	14,973
7	Guarantees issued	457	1,966	652	3,001
8	Other	3	4	7	10
9	Total fee and commission income	42,173	120,255	37,149	113,508
COMMISSION EXPENSE:					
10	Cash and settlement services	(19,273)	(37,798)	(14,688)	(33,748)

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	for the 3rd quarter of 2024	for 9 months 2024	for the 3rd quarter of 2023	for 9 months 2023
1	2	3	4	5	6
11	Commission for services and other commissions	(291)	(963)	(206)	(1,100)
12	Guarantee expenses	(162)	(459)	(1,028)	(1,373)
13	Services provided by payment systems and transactions with plastic cards	(4,013)	(11,079)	(3,333)	(9,889)
14	Total fee and commission expense	(23,739)	(50,299)	(19,255)	(46,110)
15	Net fee and commission income	18,434	69,956	17,894	67,398

Line 9 and Line 14 in Note 23 correspond to accounts “Commission income” and “Commission expense” in the statement of profit or loss.

Note 24. Impairment gains (losses) determined in accordance with IFRS 9

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	for the 3rd quarter of 2024	for 9 months 2024	for the 3rd quarter of 2023	for 9 months 2023
1	2	3	4	5	6
1	Profit (loss) from impairment of loans and advances to banks	70	13	24	(945)
2	Profit (loss) from impairment of loans and advances to customers	2,094	26,169	38,186	64,552
3	Return of previously written-off bad debts of loans to customers	659	3,402	380	3,438
4	Profit (loss) from impairment of investments in securities	11	7	7	(5)
5	Profit (loss) from impairment of other financial assets	(44)	183	(342)	1,423
6	Return of previously written-off bad debt to the bank	-	-	-	2
7	Profit (loss) from impairment of issued financial guarantees and similar contractual commitments	3	1,679	2,764	31,507
8	Impairment gains (losses) determined in accordance with IFRS 9	2,793	31,453	41,019	99,972

Line 8 of note 24 correspond to accounts “Impairment gains (losses) determined in accordance with IFRS 9” in the statement of profit or loss.

Note 25. Other income

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	for the 3rd quarter of 2024	for 9 months 2024	for the 3rd quarter of 2023	for 9 months 2023
1	2	3	4	5	6
1	Operating lease income	52	71	8	18
2	Penalties and fines received	150	405	138	544
3	Undrawn funds upon expiration of limitation period	96	256	(1,044)	138
4	Shortages charged to responsible employees	20	20	10	214
5	Result from disposal of property, plant and equipment	(4)	31	(10)	9
6	Gains from recovering an advance payment for enforcement proceedings, court fees and other related costs	89	267	106	168
7	Income from lease payments discount	-	-	(279)	2
8	Result from modification of financial assets	(56)	7,105	(23)	1,037
9	Other income received from the International Payment System for transactions with payment cards	-	7,019	-	-

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<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	for the 3rd quarter of 2024	for 9 months 2024	for the 3rd quarter of 2023	for 9 months 2023
1	2	3	4	5	6
10	Other	2	931	12	144
11	Total operating income	349	16,105	(1,082)	2,274

Line 11 in Note 25 corresponds to account “Other operating income” in the statement of profit or loss.

Note 26. Other administrative and operating expenses

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	for the 3rd quarter of 2024	for 9 months 2024	for the 3rd quarter of 2023	for 9 months 2023
1	2	3	4	5	6
1	Business trips	197	859	622	1,700
2	Recruitment services	9,166	31,201	5,630	21,037
3	Maintenance of property, plant and equipment and intangible assets, telecommunication, and other operation services	71,389	208,371	62,558	183,956
4	Operating lease expenses	410	1,292	385	1,070
5	Cash collection and transportation	451	1,406	425	1,456
6	Services provided by payment systems on payment cards	3,766	11,104	3,870	11,058
7	Legal services on litigations and payments to collectors	4,765	10,182	3,974	11,024
8	Professional services	4,925	14,570	3,706	12,145
9	Marketing and advertising expenses	1,953	3,048	633	966
10	Security expenses	1,974	6,215	2,772	8,142
11	Payment of other taxes and mandatory payments other than income tax	13,584	30,505	12,420	37,549
12	Provision for cover risks of losses due to lawsuits	-	(132)	-	674
13	Net increase in provisions for impairment of other non-financial assets	85	237	986	1,332
14	Other	11,073	29,762	8,698	17,992
15	Total other administrative and operating expenses	123,738	348,620	106,679	310,101

Line 15 in Note 26 corresponds to account “Other administrative and operating expenses” in the statement of profit or loss.

Note 27. (Loss)/profit per ordinary share and preference share

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Item	30.09.2024	30.09.2023	31.12.2023
1	2	3	4	5
1	Loss attributable to holders of ordinary shares	(139,725)	(56,202)	(93,047)
2	Profit attributable to holders of preference shares	157	157	157
3	Loss for the period	(139,568)	(56,045)	(92,890)
4	Annual average number of ordinary shares outstanding (in thousands of shares)	1,802,552	1,686,586	1,686,586
5	Annual average number of preferences shares outstanding (in thousands of shares)	1,500	1,500	1,500
6	Basic and diluted (loss) per ordinary share (in UAH)	(0.08)	(0.03)	(0.06)
7	Basic and diluted profit per preference share (in UAH)	0.10	0.10	0.10

Note 28. Contingent liabilities

Capital investment commitments

As of September 30, 2024, the Bank had liabilities related to software development (intangible assets) in the amount of UAH 745 thousand. UAH (as of 31 December 2023: The Bank had liabilities related to the purchase of fixed assets and intangible assets in the amount of UAH 9,608 thousand).

Table 28.1. Structure of credit-related commitments as of 30 September 2024 and for the nine months then ended.

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	Undrawn credit commitments	1,387,235	1,392,409
2	Export letters of credit	34,151	168,396
3	Guarantees issued	6,893	2,110
4	Provision for credit-related commitments	(3,016)	(4,539)
5	Total credit-related commitments less provisions	1,425,263	1,558,376

Table 28.2. Changes in credit commitments for the nine months 2024

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Item	Stage 1	Stage 3	Total
1	2	3	4	5
1	Commitments at the beginning of the period	1,562,915	-	1,562,915
2	Increase in the amount of commitments for the period	1,215,262	1	1,215,263
2.1	New commitments	488,118	-	488,118
2.2	Increase in the amount of current commitments	621,039	1	621,040
2.3	Foreign exchange differences	106,105	-	106,105
3	Decrease in the amount of commitments for the period	(1,349,898)	(1)	(1,349,899)
3.1	Commitments settled	(721,550)	(1)	(721,551)
3.2	Commitments that have expired	(589,936)	-	(589,936)
3.3	Foreign exchange differences	(38,412)	-	(38,412)
4	Commitments at the end of the period	1,428,279	-	1,428,279

The Bank has outstanding loan commitments. These commitments are represented by approved loans and credit card limits on overdraft terms and credit lines. The total amount of outstanding loan commitments does not necessarily reflect future cash requirements, as such commitments may expire or be canceled without requiring funds.

Table 28.3. Changes in provisions for other commitments and contracts of financial guarantee as of 30 September 2024 and for the nine months then ended.

<i>(in thousands of hryvnias)</i>			
Line	Item	Stage 1	Total
1	2	3	6
1	Provisions for commitments as of the beginning of the period	4,539	4,539
2	Increase in the amount of provision for the period	3,045	3,045
2.1	Provision for new commitments	1,211	1,211
2.2	Provision for increase in commitments	1,197	1,197
2.3	The amount of transition between stages	378	378
2.4	Foreign exchange differences	259	259
3	Decrease in the amount of provision for the period	(4,568)	(4,568)
3.1	Decrease in the provision for closing commitments	(607)	(607)

<i>(in thousands of hryvnias)</i>			
Line	Item	Stage 1	Total
1	2	3	6
3.2	Decrease of the provision for decrease of commitments	(1,532)	(1,532)
3.3	Reduction of provisions from improving the quality of the portfolio	(2,327)	(2,327)
3.4	Foreign exchange differences	(102)	(102)
4	Provisions for commitments at the end of the period	3,016	3,016

Line 4 in Table 28.3 corresponds to account “Provisions for credit related commitments and financial guarantees” in the statement of financial position.

Table 28.4. Changes in credit commitments for 2023

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	Stage 1	Stage 2	Stage 3	Total
1	2	3	4	5	6
1	Commitments at the beginning of the year	1,517,744	275,828	26	1,793,598
2	Increase in the amount of commitments for the year	2,171,926	53,033	121	2,225,080
2.1	New commitments	439,420	4	8	439,432
2.2	Increase in the amount of current commitments	1,399,373	31,263	38	1,430,674
2.3	The amount of transition between stages	156,375	-	75	156,450
2.4	Exchange rate differences	176,758	21,766	-	198,524
3	Decrease in the amount of commitments for the year	(2,126,755)	(328,861)	(147)	(2,455,763)
3.1	Commitments settled	(1,105,414)	(44,883)	(40)	(1,150,337)
3.2	Commitments that have expired	(942,040)	(108,604)	(84)	(1,050,728)
3.3	The amount of transition between stages	-	(156,427)	(23)	(156,450)
3.4	Exchange rate differences	(79,301)	(18,947)	-	(98,248)
4	Commitments at the end of the year	1,562,915	-	-	1,562,915

Table 28.5. Changes in provisions for other commitments and contracts of financial guarantee as of 31.12.2023 and for the year ended on that date

<i>(in thousands of hryvnias)</i>					
Line	Item	Stage 1	Stage 2	Stage 3	Total
1	2	3	4	5	6
1	Provisions for commitments as of the beginning of the year	3,661	39,731	5	43,397
2	Increase in the amount of provision for the year	6,763	3,338	24	10,125
2.1	Provision for new commitments	1,635	-	2	1,637
2.2	Provision for increase in commitments	2,990	390	5	3,385
2.3	Increase in provisions against portfolio deterioration	700	-	1	701
2.4	Increasing of provision from the transition between stages	210	-	13	223
2.5	The amount of transition between stages	839	-	3	842
2.6	Exchange rate differences	389	2,948	-	3,337
3	Decrease in the amount of provision for the year	(5,885)	(43,069)	(29)	(48,983)
3.1	Decrease in the provision for closing commitments	(632)	(12,880)	(17)	(13,529)
3.2	Decrease of the provision for decrease of commitments	(2,145)	(910)	(6)	(3,061)
3.3	Reduction of provisions from improving the quality of the portfolio	(2,974)	(15,108)	(3)	(18,085)
3.4	Decrease of the provision from the transition between stages	-	(10,918)	(3)	(10,921)
3.5	The amount of transition between stages	-	(841)	-	(841)
3.6	Exchange rate differences	(134)	(2,412)	-	(2,546)
4	Provisions for commitments at the end of the year	4,539	-	-	4,539

Table 28.6. Credit-related commitments by currencies (including provisions)

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2024	31/12/2023
1	2	3	4
1	UAH	438,148	459,611
2	USD	-	-
3	EUR	987,115	1,098,765
4	Total	1,425,263	1,558,376

Note 29. Capital management

The Bank's shareholders place much emphasis on the capital increase, specifically, on the increase of the share capital as the key component of capital.

The Bank's capital is formed for the purpose of:

- highly profitable use of own cash;
- covering all possible risks assumed by the Bank;
- optimising assets and liabilities structure by ageing and deposits.

As of September 30, 2024, in accordance with the requirements of the NBU, banks must maintain a regulatory capital adequacy ratio (RCA) at a level not lower than 8.5%, a Tier 1 capital adequacy ratio (NK1) at a level not lower than 7.5%, and a regulatory capital ratio of at least 7.5% capital adequacy of level 1 (NOK1) at a level not lower than 5.625% in relation to the total exposure at risk.

As of September 30, 2023, banks must maintain a regulatory capital adequacy ratio of at least 10% and a core capital adequacy ratio of at least 7% in relation to risk-weighted assets, calculated in accordance with NBU regulations.

As of 30 September 2024 and 30 September 2023, the Bank complied with the following capital adequacy ratios:

- regulatory capital adequacy ratio (RQF) as of 30.09.2024 is 39.49%;
- Tier 1 capital adequacy ratio (NC1) as of 30.09.2024 is 39.45%;
- Tier 1 capital adequacy ratio (LCM1) as of 30.09.2024 is 39.45%;
- Regulatory capital adequacy ratio (N2) as of 30.09.2023 is 20.38%;
- fixed capital adequacy ratio (N3) as of 30.09.2023 is 18.73%.

In order to improve financial stability, JSC PRAVEX BANK in 2024 increased the amount of capital in the amount of UAH 1,099,937 thousand. UAH at the expense of the Shareholder's contributions.

Table 29.1. Structure of regulatory capital calculated according to the NBU requirements as of September 30, 2024

<i>(in thousands of Ukrainian hryvnias)</i>		
Line	Item	30.09.2024
1	2	3
1	Regulatory capital	1,598,570
2	Common Equity Tier 1 capital (CET1)	1,597 028
3	Components of CET1	6,679,283
4	Own funds of CET1	1,253,285
5	Emission differences CET1	5,424,648
6	Funds	1,332
7	Positive result of revaluation	18
8	Deductions of CET1	5,082,255

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<i>(in thousands of Ukrainian hryvnias)</i>		
Line	Item	30.09.2024
1	2	3
9	Losses	4,951,770
10	Intangible assets	101,822
11	Accrued income	10,582
12	Uncovered Credit Risk	12,728
13	Non operating assets	5,353
14	Tier 2 capital (Tier2)	1,542
15	Components of Tier2	1,542
16	Own funds of Tier2	870
17	Emission differences Tier2	672

Table 29.2. Structure of regulatory capital calculated according to the NBU requirements as of December 31, 2023

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	30/09/2023	30/09/2022
1	2	3	4
1	Common equity	649,570	784,743
2	Share capital	979,090	979,090
3	Share premium	4,600,449	4,600,449
4	Total reserves under Ukrainian legislation	1,332	1,332
5	Intangible assets	(603,006)	(555,466)
6	Amortization of other intangible assets	492,420	459,105
7	Capital investments in intangible assets	(4,471)	(29,018)
8	Uncovered losses of past years	(4,747,863)	(4,332,842)
9	Result of the current year (loss)	(63,258)	(331,518)
10	The amount of the book value of non-core assets, by which the fixed capital is reduced	(5,123)	(6,389)
11	Additional capital	57,305	57,305
12	Result on PP&E revaluation	57,305	57,305
13	Redeployment	(3)	(3)
14	Carrying amount of securities that are not traded on stock exchanges carried at FV	(3)	(3)
15	Total regulatory capital	706,872	842,045

Note 30. Presentation of financial instruments by measurement categories

Table 30.1. Financial assets by measurement categories as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Item	Loans and receivables at AC	Assets at FVOCI	Total
1	2	3	4	5
1	Cash and cash equivalents	3,376,536	-	3,376,536
2	Loans and advances to banks	345,031	-	345,031
3	Loans and advances to customers:	2,104,911	-	2,104,911
3.1	corporate loans	1,398,620	-	1,398,620
3.2	mortgages of individuals	603,373	-	603,373
3.3	retail loans	422	-	422
3.4	other loans to individuals	352,217	-	352,217
3.5	other loans granted to individuals	14	-	14
3.6	provision for loan impairment	(249,735)	-	(249,735)
4	Investments in securities	2,800,995	2,017,706	4,818,701
4.1	Investments in securities at AC	2,800,995	-	2,800,995

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<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Item	Loans and receivables at AC	Assets at FVOCI	Total
1	2	3	4	5
4.2	Debt securities that are accounted for at FV	-	2,017,706	2,017,706
4.3	Shares of enterprises and other variable-income securities that are not traded on stock exchanges and are recognised at FVOCI	-	34	34
4.4	Provision for impairment of securities at FVOCI	-	(34)	(34)
5	Other financial assets:	39,992	-	39,992
5.1	accounts receivable from transactions with customers	3,519	-	3,519
5.2	amounts due on accrued income from cash and settlement services and other accrued income	2,517	-	2,517
5.3	accounts receivable on credit and debit card transactions	36 886	-	36 886
5.4	other assets	100	-	100
5.5	provision for impairment	(3,030)	-	(3,030)
6	Total financial assets	8,667,465	2,017,706	10 685 171

Table 30.2. Financial assets by measurement categories as of 31 December 2023

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Item	Loans and receivables at AC	Assets at FVOCI	Total
1	2	3	4	5
1	Cash and cash equivalents	3,419,039	-	3,419,039
2	Loans and advances to banks	133,374	-	133,374
3	Loans and advances to customers:	2,026,390	-	2,026,390
3.1	corporate loans	1,180,007	-	1,180,007
3.2	mortgages of individuals	714,488	-	714,488
3.3	retail loans	429	-	429
3.4	other loans to individuals	390,615	-	390,615
3.5	other loans granted to individuals	14	-	14
3.6	provision for loan impairment	(259,163)	-	(259,163)
4	Investments in securities	2,603,205	2,013,919	4,617,124
4.1	Investments in securities at AC	2,603,205	-	2,603,205
4.2	Debt securities that are accounted for at FV	-	2,013,916	2,013,916
4.3	Shares of enterprises and other variable-income securities that are not traded on stock exchanges and are recognised at FVOCI	-	34	34
4.4	Provision for impairment of securities at FVOCI	-	(31)	(31)
5	Other financial assets:	77,443	-	77,443
5.1	accounts receivable from transactions with customers	4,040	-	4,040
5.2	amounts due on accrued income from cash and settlement services and other accrued income	2,738	-	2,738
5.3	accounts receivable on credit and debit card transactions	74,582	-	74,582
5.4	other assets	103	-	103
5.5	provision for impairment	(4,020)	-	(4,020)
6	Total financial assets	8,259,451	2,013,919	10,273,370

Note 31. Related party transactions

The methods of valuation of assets and liabilities used in the recognition of transactions with related parties do not differ from those used for transactions with other persons. Agreements concluded with parties related to the Bank do not provide for more favorable terms than agreements concluded with other parties.

Table 31.1. Balances on related-party transactions as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>													
Line	Item	UAH	Interest rate	Maturity	USD	Interest rate	Maturity	EUR	Interest rate	Maturity	Denominated in foreign currencies	Interest rate	Maturity
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Major participants (shareholders) of the Bank													
1	Cash and cash equivalents	-	-	-	-	-	-	382,308	-	on demand	5,508	-	on demand
2	Provisions for cash on correspondent accounts with other banks	-	-	-	-	-	-	5	-	on demand	-	-	-
3	Loans and advances to banks	-	-	-	-	-	-	316,937	3.25%	overnight – 1 day	13,369	5.70%	8 - 14 days
4	Provision for impairment of loans and advances to banks	-	-	-	-	-	-	4	-	overnight – 1 day	-	-	-
5	Other financial assets	20	-	22 - 30 days	-	-	-	2	-	on demand	-	-	-
6	Other non-financial assets	158	-	on demand	-	-	-	-	-	-	-	-	-
7	Other financial liabilities	1,304	-	on demand	-	-	-	1,302	-	on demand	-	-	-
8	Other non-financial liabilities	-	-	-	-	-	-	25,277	-	on demand	-	-	-
Key management personnel													
9	Loans and advances to customers	197	12%	8 days – 5 years	-	-	-	-	-	-	-	-	-
10	Loan loss provisions	2	-	more than 5 years	-	-	-	-	-	-	-	-	-
11	Due to customers	357	0 - 4%	on demand	634	0.01%	on demand -to 183days	1,098	0-0.01%	on demand -	-	-	-
12	Other financial liabilities	2,694	-	on demand - to 2 years	-	-	-	-	-	-	-	-	-
13	Other non-financial liabilities	1,121	-	on demand - to 2 years	-	-	-	208	-	on demand	-	-	-
Other related parties													
14	Other non-financial liabilities	-	-	-	-	-	-	338	-	on demand	-	-	-

Related parties comprise entities under common control, members of the Supervisory Board, key management personnel and their immediate family members, companies that are controlled or significantly influenced by shareholders, key management personnel or their close family members.

Table 31.2. Income and expenses on related-party transactions as of 30 September 2024 and for the nine months then ended.

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Item	Major participants (shareholders) of the Bank	Key management personnel	Other related parties
1	2	3	4	5
1	Interest income	26,460	22	-
2	Interest expenses	-	(5)	-
3	Net (increase) decrease in provisions for impairment of loans and advances to customers, and due from banks	(3)	-	(43)
4	Net profit from foreign exchange	3,286	-	-
5	Net gain/(loss) from foreign currency translation	83,853	(101)	(71)
6	Fee and commission income	192	10	-
7	Fee and commission expenses	(1,356)	-	-
8	Employee benefits expense	-	(18,157)	-
9	Other ncome	-	2	-
10	Other administrative and operating expenses	(34,360)	(1,244)	-

Table 31.3. Loans granted to and repaid by related parties during for the nine months 2024

<i>(in thousands of Ukrainian hryvnias)</i>		
Line	Item	Key management personnel
1	2	3
1	Amount of loans granted to related parties	-
2	Amount of loans repaid by related parties	12

Table 31.4. Other rights and obligations on related-party transactions as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>		
Line	Item	Major participants (shareholders) of the Bank
1	2	3
1	Guarantees received	-

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Table 31.5. Balances on related-party transactions as of 31 December 2023

<i>(in thousands of Ukrainian hryvnias)</i>													
Line	Item	UAH	Interest rate	Maturity	USD	Interest rate	Maturity	EUR	Interest rate	Maturity	Denominated in foreign currencies	Interest rate	Maturity
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Major participants (shareholders) of the Bank													
1	Cash and cash equivalents	-	-	-	-	-	-	665,434	-	on demand	5,859	-	on demand
2	Provisions for cash on correspondent accounts with other banks	-	-	-	-	-	-	6	-	on demand	-	-	-
3	Loans and advances to banks	-	-	-	133,376	5,52%	2 - 31 days	-	-	-	-	-	-
4	Provision for impairment of loans and advances to banks	-	-	-	1	-	2 - 31 days	-	-	-	-	-	-
5	Other financial assets	20	-	2 - 31 days	-	-	-	83	-	on demand	-	-	-
6	Other non-financial assets	24	-	on demand	-	-	-	-	-	-	-	-	-
7	Other financial liabilities	2,638	-	on demand	-	-	-	1,231	-	on demand	-	-	-
8	Other non-financial liabilities	-	-	-	-	-	-	29,946	-	on demand	-	-	-
Key management personnel													
9	Loans and advances to customers	209	12%	2 days – 5 years	-	-	-	-	-	-	-	-	-
10	Loan loss provisions	2	-	more than 5 years	-	-	-	-	-	-	-	-	-
11	Due to customers	1,046	0 – 4%	on demand	790	0.01%-1.5%	on demand - to 183 days	638	0-0.01%	on demand	-	-	-
12	Other financial liabilities	2,129	-	on demand	-	-	-	-	-	-	-	-	-

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<i>(in thousands of Ukrainian hryvnias)</i>													
Line	Item	UAH	Interest rate	Maturity	USD	Interest rate	Maturity	EUR	Interest rate	Maturity	Denominated in foreign currencies	Interest rate	Maturity
1	2	3	4	5	6	7	8	9	10	11	12	13	14
13	Other non-financial liabilities	2,236	-	on demand - to 274 days	-	-	-	-	-	-	-	-	-
	<i>Other related parties</i>												
14	Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
15	Other non-financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-

Table 31.6. Income and expenses on related-party transactions as of 30 September 2023 and for the nine months then ended.

<i>(in thousands of Ukrainian hryvnias)</i>				
Line	Item	Major participants (shareholders) of the Bank	Key management personnel	Other related parties
1	2	3	4	5
1	Interest income	21,243	22	-
2	Interest expenses	-	(704)	-
3	Net (increase) decrease in provisions for impairment of loans and advances to customers, and due from banks	3	-	(731)
4	Net profit from foreign exchange	1,333	-	-
5	Net gain/(loss) from foreign currency translation	1,598	3	(51)
6	Fee and commission income	189	6	-
7	Fee and commission expenses	(1,715)	-	(2)
8	Employee benefits expense	-	(16,537)	-
9	Other administrative and operating expenses	(26,011)	(1,975)	(1,271)

Table 31.7. Loans granted to and repaid by related parties during for the nine months 2023

<i>(in thousands of Ukrainian hryvnias)</i>		
Line	Item	Key management personnel
1	2	3
1	Amount of loans granted to related parties	-
2	Amount of loans repaid by related parties	2

Table 31.8. Other rights and obligations on related-party transactions as of 30 September 2024

<i>(in thousands of Ukrainian hryvnias)</i>			
Line	Item	Major participants (shareholders) of the Bank	30.06.202
1	2	3	4
1	Guarantees received	7,711	-

Table 31.9. Remuneration to key management personnel

<i>(in thousands of Ukrainian hryvnias)</i>					
Line	Item	expenses for the nine months 2024	accrued liabilities as of 30 September 2024	expenses for the nine months 2023	accrued liabilities as of 2023
1	2	3	4	5	6
1	Current employee benefits	17,991	3,290	16,437	2,236
2	Payments at the time of dismissal	166	-	-	-

The shareholder of “PRAVEX BANK” JSC is an Italian group of companies – Intesa Sanpaolo Group.