JOINT STOCK BANK “RADABANK”

Financial statements in accordance with International Financial Reporting Standards

together with Independent auditor’s report for the year ended December 31, 2022

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the:

Shareholders and Supervisory Board of
JOINT STOCK BANK "RADABANK"

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of JOINT BANK "RADABANK" (the "Bank"), which comprise Statement of financial position, order of liquidity, [220000], Statement of comprehensive income, profit or loss, by nature of expense [320000], Statement of cash flows, indirect method [520000] and Statement of changes in equity [610000] for the year ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements to their preparation established by Ukrainian law.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent to the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (hereinafter referred to as the IESBA Code) and ethical requirements applicable to our audit of financial statements in accordance with the Law of Ukraine *On Audit of Financial Statements and Audit Activities* and other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 810000 Corporate information and IFRS compliance report to the financial statements, which indicates that as of February 24, 2022, operations of the Bank and its counterparts are significantly affected by ongoing full-scale military invasion of Ukraine by Russian Federation, while subsequent developments, impact, and timing of when those actions will cease are uncertain.

As stated in Note 810000 Corporate information and IFRS compliance report, these events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Banks's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
Judgements and estimates of loans and advances to customers	
The recognition and measurement of expected credit losses ('ECL') is highly complex and involves the use of significant judgment and estimation, including in the formulation and incorporation of multiple forward-looking economic conditions into the ECL estimates to meet the measurement objectives of IFRS 9 *Financial Instruments*. Accordingly, this matter required significant attention from us during the audit. In determining ECL, management is required to exercise judgment in defining what is considered to be a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. The accuracy of the assumptions used in the models, including the macroeconomic scenarios, impacts the level of allowance for impairment. Management exercises judgment in making estimations that require the use of assumptions which are highly subjective and very sensitive to the risk factors, in particular to changes in economic and credit conditions. We identified the issue of impairment of loans and advances to customers as key audit matter due to the materiality of the loan balances, the high complexity and subjective nature of the ECL calculation. We refer to Note IAS1 800600 *Summary of accounting policies,* disclosing information on significant accounting policies, while Note IFRS7 822390-12 *Reconciliation of changes in allowance for impairment and explanation of changes in gross carrying amount for financial instruments* and IFRS7 822390-13 *Credit risk exposures* present disclosures and detailed information on the methods and models used and the level of the allowances for impairment of loans.	The controls management established to support their ECL calculations were tested during our audit procedures. We also assessed whether the impairment methodology used by the Bank is in line with IFRS 9 requirements. Particularly we assessed the approach of the Bank regarding application of Significant increase in credit risk ('SICR') criteria, definition of default, The Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default ('EAD') and incorporation of forward-looking information in the calculation of ECL. We have focused on assessing the Bank's assumptions and the expert adjustments applied in the model taking into account the empirical data and the existing credit and monitoring processes. For significant loans and advances assessed for impairment on an individual basis we applied our professional judgement for selection the sample taking into account different risk criteria. For selected loans and advances we checked the stage classification with assessing factors that affect the credit risk, while for selected impaired loans and advances (Stage 3) we tested the assumptions used in the ECL calculation, particularly expected scenarios and probabilities assigned to them and the timing and amount of expected cash flows, including cash flows from repayments and realization of collaterals. For individually insignificant loans and advances which are assessed for impairment on a portfolio basis we performed such procedures as testing the reliability of key data inputs and related management controls, examination of key management's judgements and assumptions, including the macro-economic scenarios and the associated probability weights, analysing of impairment coverage of credit portfolio and its changes.

Information that is not financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in Issuer report with the Management report for 2022 but does not include the financial statements and our auditor's report thereon.

We obtained Management report prior to the date of this auditor's report. It is expected that Bank's Issuer report, with exception of Management report, will be available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Bank's Issuer report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Supervisory Board.

Responsibilities of Management and the Supervisory Board for the Financial Statements

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

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

The Supervisory Board is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Banks's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGISLATIVE AND REGULATORY REQUIREMENTS

Report on the requirements of the National commission on securities and stock exchange regarding the audit report on the audit of financial statements

(This section of the independent auditor's report is included in accordance with Requirements to information related to audit or review of financial statements of participants at capital and organized commodities markets, overseen by National commission on securities and stock exchange, approved by Decision of National commission on securities and stock exchange N 555 of 22.07.2021, hereinafter – Requirements 555).

Information in line with p. 10 of section I of Requirements 555 is presented in Information on Audit entity performing audit of financial statements section of independent auditor's report.

Additional information in line with Chapter 1 of section II of Requirements 555

1) Full name (in the meaning of Civil Code of Ukraine) of legal entity (applicant or participants at capital and organized commodities markets):

   JOINT STOCK BANK "RADABANK";

2) In our opinion, the Bank complies with requirements, set forward by Regulation on form and content of ownership structure, approved by Order of Ministry of finances of Ukraine N 163 of March 19, 2021, registered by Ministry of Justice of Ukraine on June 8, 2021, registration number 768/36390, regarding completeness of disclosure on information on ultimate beneficiary owner and structure of ownership;

3) a) the Bank is not a controller/participant of non-banking financial group;

   b) the Bank is Public Interest Entity;

4) The Bank has no parent/subsidiary companies;

5) NCSSE rules and regulations do not imply prudential indicators for the sector where the Bank operates, therefore auditor's opinion on correctness of calculation of respective prudential indicators was not expressed.

Additional information in line with Chapter 8 of section II of Requirements 555

Report on Corporate governance report

We reviewed information presented in Corporate governance report of the Bank as a component of Management report (hereinafter – Corporate governance report).

Management of the Bank is responsible for Corporate governance report and its preparation in accordance with part 3 of Art. 127 of Law of Ukraine *On Capital and Organized Commodities Markets* and Art. 12^2 of Law of Ukraine *On Financial Services and State Regulation of Financial Services Market.*

Our review of Corporate governance report, including information, stated in p.p. 1 – 4 of part three of Art. 127 of Law of Ukraine *On Capital and Organized Commodities Markets*, included examination whether the information, presented in the Report, contradicts to the financial statements, and whether the Corporate governance report is prepared in compliance with current laws and regulations. Our review of Corporate governance report is not an audit, performed in accordance with International standards on auditing, being of much lesser scope. We believe that, as a result of our review, have a basis for our opinion.

Opinion

Corporate governance report is prepared, and the information there is disclosed in accordance with requirements of part 3 of Art. 127 of Law of Ukraine *On Capital and Organized Commodities Markets* and Art. 12^2 of Law of Ukraine *On Financial Services and State Regulation of Financial Services Market.* Information, stated in p.p. 5 – 9 of part 3 of Art. 127 of Law of Ukraine On Capital and Organized Commodities Markets, namely, description of major characteristics of internal-control and risk-management systems of the Bank; list of persons, who directly or indirectly own a significant share in the Bank; information on any limitations of right to participate and vote at general meeting of the Bank; rules and procedures of appointment and dismissal, and powers of Bank officials, presented in Corporate governance report, does not contradict to information gained during our audit of financial statements and complies with requirements of Law of Ukraine *On Capital and Organized Commodities Markets.*

Information on Auditing entity performing audit of financial statements

Full name of legal entity in accordance with constituent documents:

- "PKF UKRAINE" LIMITED LIABILITY COMPANY (ID code of legal entity 34619277);

Information on inclusion into Register of auditors and auditing entities:

- The audit firm is registered in *Auditing Entities, Having the Right to Perform Statutory Audits of Financial Statements of Public-Interest Entities* section of Register of auditors and Auditing Entities. Registration number 3886;

Address of the legal entity and factual place of business:

- 4^{th} floor, 52 B.Khmelnytskoho str., Kyiv, 01054, Ukraine;

Webpage/website of the audit entity:

- www.pkf.kiev.ua

Date and number of the audit agreement:

- Agreement № 41 of 12.07.2021 and additional agreement № 3 of 13.10.2022

Beginning and closing dates of the audit:

- Date of beginning: 31.10.2022
- Date of closing: 25.04.2023

Additional information in accordance with the Law of Ukraine On Audit of Financial Statements

We have been appointed for statutory audit of the annual financial statements of the Bank by resolution of the Supervisory Board № 230621-5 of 23.06.2021. The total duration of our audit engagements with the Bank is 2 years, including the reporting year.

During our audit of the financial statements, resulting in issuance of this Independent auditor's report, we performed audit procedures regarding assessment of risk of material misstatement of information in the financial statements, being audited, in particular, due to fraud.

Significant risks that required our attention but did not modify our opinion are disclosed in *Key Audit Matters* and *Material uncertainty related to going concern* sections of our report.

We have designed and performed risk-assessment procedures to obtain audit evidence as a proper basis for identification and assessment of risk of material misstatements, whether due to fraud or error, at the level of financial statements of the Bank and assertions therein. We have designed further audit procedures to identify irregularities, including fraud, and get reasonable assurance to express our opinion on the financial statements in general.

As the Bank operates in a strictly controlled environment, our assessment of risk of material misstatements covered control environment, including procedures applied by the Bank to comply with regulatory requirements. Our assessment included review of key structures, policies and standards, understanding and evaluation of supervisory function and internal control in their design and implementation, as well as monitoring of compliance and testing or related controls.

We obtained an understanding of laws and regulations applicable to the Bank and determined the most significant requirements directly related to specific assertions in the financial statements. In particular, these requirements relate to compliance of economic ratios and other laws and regulations.

ISAs limit necessary audit procedures for identification of non-compliance with laws and regulations by enquiries to management, those charged with governance, if necessary, and review of correspondence, if any, with respective licensing bodies and regulators. If non-compliance is not disclosed to us or is not evident from respective correspondence, audit may not identify this non-compliance.

According to the results of our audit, we have not identified significant misstatements that would require material corrections in the financial statements.

Our report is agreed to additional report to Supervisory Board of the Bank.

We did not provide any services to the Bank, prohibited by article 6 of the Law of Ukraine *On Audit of Financial Statements and Audit Activities*.

PKF UKRAINE LLC audit firm and the engagement partner on the audit (key audit partner) of the financial statements of the Bank as at December 31, 2022, are independent from the Bank.

We and other members of PKF International network, as well as other entities controlled by our firm, did not provide any other than statutory audit, services, information on which is not disclosed in management report and/or financial statements.

The purpose of our audit is to increase degree of confidence of intended users to the financial statements of the Bank. It is achieved by expressing our opinion whether the financial statements are prepared in all material aspects in accordance with International Financial Reporting Standards (IFRSs). We conducted our audit in accordance with ISAs and respective ethical requirements; it gives us the possibility to formulate our opinion. Inherent limitations of an audit result in most audit evidence on which the auditor draws conclusions and bases the auditor's opinion being persuasive rather than conclusive, so, audit is not an absolute guarantee that the financial statements are free of misstatements, and our audit does not guarantee future sustainability of the Bank efficiency or effectiveness of Bank management.

The engagement partner on the audit (key audit partner) resulting in this independent auditor's report is Maryna Antonova.

Engagement partner on the audit — Maryna ANTONOVA
(Registration Number in the Register of Auditors and Auditing Entities 100193)

On behalf of PKF UKRAINE LLC

Director — Iryna KASHTANOVA

Kyiv, Ukraine
April 25, 2023

JOINT STOCK BANK “RADABANK”

Financial statements in accordance with International Financial Reporting Standards

(Translation from Ukrainian original)

Information on independent auditor’s report

Information on independent auditor’s report	
Name of audit entity	PKF UKRAINE Limited Liability Company
ID Code of audit entity	34619277
Webpage of audit entity	www.pkf.kiev.ua
Webpage where financial statements together with independent auditor’s report is published	Independeent auditor’s report is published together with financial statements at i https://www.radabank.com.ua/ua/finansovaya-otchetnost.
Key audit partner who signed independent auditor’s report published together with annual financial statements at webpage stated above	Antonova Maryna Serhiivna (registration number in Register of auditors and audit entities - 100193)
Number and date of the contract on audit	Contract №41 of 12.07.2021 on audit services and Additional Agreement №3 of 13.10.2022 to Contract №41 of 12.07.2021 on audit services
Reporting period covered by audited financial statements	Year ending on December 31, 2022
Date of commencement and finalization of audit	31.10.2022 - 26.04.2023
Fee for audit of annual financial statements	UAH 580 thousand
Type of opinion	01 – unmodified opinion

General information on financial statements [110000]

General information on financial statements	
Name of the reporting entity or other means of identification	JOINT STOCK BANK RADABANK
ID number of legal entity	21322127
Website of the entity	https://www.radabank.com.ua
Character of financial statements	These financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and effective as at 31.12.2022. International Financial Reporting Standards consist of: a) International Financial Reporting Standards; b) International Accounting Standards; c) IFRIC Interpretations.
Date of the end of reporting period	31.12.2022
Period covered by financial statements	One year
Presentation currency	Financial statements of the Bank are prepared in UAH – national currency of Ukraine
Level of rounding used in financial statements	All items in financial statements and Notes are stated in UAH thousand. Data on profit (loss) per share are stated in UAH.

Statement of financial position based on liquidity [220000]

(UAH'000)

	Note	Current period	Previous period	Previous period – opening balance
Statement of financial position				
Assets				
Cash and cash equivalents	800100	1 924 213	1 107 717	678 743
Loans and due from customers	800100	1 155 729	1 843 613	972 097
Investments in securities	800100	393 411	1 878 033	1 023 290
Deferred tax assets	835110	1 519	757	456
Intangible assets, except for goodwill	823180	9 988	8 398	4 992
Fixed assets	822100	191 897	215 678	121 708
Other financial assets	800100	97 737	43 998	33 265
Other non-financial assets	800100	33 151	59 781	47 780
Total assets		**3 807 645**	**5 157 975**	**2 882 331**
Liabilities				
Due to banks	800100	-	1 047 154	350 008
Due to customers	800100	3 295 307	3 598 644	2 146 381
Provisions				
Provisions for loan commitments and financial guarantee contracts	827570	46	30	82
Provision for employee benefits	800100	5 800	11 962	9 737
Other provisions	827570	4	8	3
Total provisions		**5 850**	**12 000**	**9 822**
Other financial liabilities	800100	48 655	38 127	22 856
Other non-financial liabilities	800100	13 108	20 461	12 251
Current tax liabilities	800100	3 744	9 911	3 407
Total liabilities		**3 366 664**	**4 726 297**	**2 544 725**
Equity and liabilities				
Equity				
Share capital	610000	301 000	301 000	200 000
Retained earnings	610000	111 375	107 273	115 256
Transactions with shareholders	610000	(329)	(329)	-
Reserves and other funds of the Bank	610000	28 935	23 734	22 350
Total equity that belongs to owners of parent company		**440 981**	**431 678**	**337 606**
Total equity		**440 981**	**431 678**	**337 606**
Total equity and liabilities		**3 807 645**	**5 157 975**	**2 882 331**

Changes of presentation of Statement of financial position as at December 31, 2021, into format of Statement of financial position based on liquidity [220000] for the year of 2022, column *Previous period* are disclosed in Note 880000 Notes – Additional information.

Approved for issue and signed on March 24, 2023

Chair of Management Board **Andrii HRIHEL**

Chief accountant **Andrii AKHE**

«РАДАБАНК» Ідентифікаційний код 21322127

Statement of comprehensive income, profit or loss by nature of expenses [320000]

(UAH'000)

	Note	Current period	Previous period
Profit or loss			
Profit (loss)			
Income from usual operations		**553 012**	**499 742**
Interest income		**415 882**	**361 407**
Interest income calculated by effective interest rate method	800200	415 882	361 407
Commission income	800200	137 130	138 335
Interest expense	800200	189 104	134 094
Commission expense	800200	30 392	33 547
Other expenses		18 110	8 711
Net profit (loss) under transactions with financial instruments at fair value through profit or loss	800200	2 379	(3 957)
Net income from currency transactions	800200	72 617	44 716
Net profit from currency revaluation		(924)	3 305
Impairment gain and reversal of impairment loss (impairment loss) recognised in accordance with IFRS 9	800200	(160 754)	4 864
Other profit	800200	20 087	8 440
Labour remuneration	800200	140 761	169 024
Depreciation and amortization	800200	36 819	39 155
Other administrative and operating expenses	800200	55 739	62 870
Profit from impairment and reversal of impairment loss for non-financial assets	800200	(1)	2 872
Operating profit (loss)		**15 491**	**112 581**
Profit (loss) from derecognition of financial assets at amortized cost	800200	(423)	14 757
Earnings (loss) before taxes		**15 068**	**127 338**
Tax expenses (income from return of taxes)	835110	5 765	23 337
Profit (loss) from continuing operations		**9 303**	**104 001**
Profit (loss)		**9 303**	**104 001**
		Ordinary shares	**Ordinary shares**
Earnings per share			
Basic earnings per share			
Basin earnings (loss) per share under continuing operations		0.4652	5.2001
Total basic earnings (loss) per share	838000	**0.4652**	**5.2001**
		Ordinary shares	**Ordinary shares**
Basic earnings (loss) per share belonging to Bank owners			
Basic earnings (loss) per share belonging to Bank owners	838000	0.4652	5.2001

Change of presentation of 2021 Statement of profit or loss and other comprehensive income into format of Statement of comprehensive income, profit or loss by nature of expenses [320000] for the year of 2022, column *Previous period* is disclosed in Note 880000 Notes – Additional information.

Approved for issue and signed on March 24, 2023

Chair of Management Board **Andrii HRIHEL**

Chief accountant **Andrii AKHE**

«РАДАБАНК» ідентифікаційний код 21322127

Statement of cash flows, indirect method [520000]

(UAH'000)

	Reporting period	Previous period
Operating cash flows		
Profit (loss)	9 303	104 001
Adjustment for reconciliation of profit (loss)		
Amortization of discount/(premium)	(8 819)	(7 699)
Adjustment of income tax expenses	5 765	23 337
Accrued income	(1 377)	16 518
Accrued expense	9 501	3 635
Adjustment of depreciation and amortization charges	36 819	39 155
Adjustment of impairment loss (reversal of impairment loss) recognized in profit or loss	160 023	(18 477)
Adjustment of unrealized FX loss (gain)	(49 478)	13 207
Other adjustments for which cash effect in investment or financial cash flow	(146 095)	(189 949)
Total adjustments for reconciliation of profit (loss)	**6 339**	**(120 273)**
Net operating cash flows	**15 642**	**(16 272)**
Net (increase)/decrease of loans and due from customers	527 622	(868 978)
Net (increase)/decrease of other financial assets	(55 614)	(10 231)
Net (increase)/decrease of other assets	26 696	(9 104)
Net increase/(decrease) of due to banks	(1 041 604)	691 604
Net increase/(decrease) of due to customers	(312 504)	1 448 945
Net increase/(decrease) of provisions for liabilities	13	(48)
Net increase/(decrease) of other financial liabilities	18 537	9 671
Net increase/(decrease) of other liabilities	(13 476)	10 387
Income tax refund (payment)	(12 695)	(17 134)
Net operating cash flows	**(847 383)**	**1 238 840**
Investing cash flows		
Acquisition of securities	(55 252)	(1 995 100)
Sale of investments in securities	1 692 469	1 331 458
Sale of fixed assets	5 912	80
Acquisition of fixed assets	(23 996)	(112 238)
Acquisition of intangible assets	(3 636)	(2 822)
Net investing cash flows	**1 615 497**	**(778 622)**
Financing cash flows		
Lease payments	(12 922)	(17 223)
Dividends paid	-	(9 600)
Other cash inflows (outflows)	-	(329)
Net financing cash flows	**(12 922)**	**(27 152)**
Net increase (decrease) of cash and cash equivalents before effect of FX changes	**755 192**	**433 066**
Effect of FX changes to cash and cash equivalents		
Effect of FX changes on cash and cash equivalents	65 475	(15 381)
Effect of ECL on cash and cash equivalents	(4 171)	11 289
Net increase (decrease) of cash and cash equivalents after effect of FX changes	**816 496**	**428 974**
Cash and cash equivalents, opening balance	1 107 717	678 743
Cash and cash equivalents, closing balance	1 924 213	1 107 717

Approved for issue and signed on March 24, 2023

Chair of Management Board **Andrii HRIHEL**

Chief accountant **Andrii AKHE**

«РАДАБАНК» Ідентифікаційний код 21322127

Statement of changes in equity [610000]

(UAH’000)

	Share capital Ordinary shares		Share capital		Transactions with shareholders		Reserves and other funds of the Bank		Retained earnings			Equity belonging to owners of parent company				Equity			
	Disclosed earlier	**Disclosed in current period**	**Disclosed earlier**	**Disclosed in current period**	**Disclosed earlier**	**Disclosed in current period**	**Disclosed earlier**	**Disclosed in current period**	**Disclosed earlier**	**Increase (decrease) through changes in accounting policies and correction of errors of previous periods**	**Disclosed in current period**	**Disclosed earlier**	**Increase (decrease) through and correction of errors of previous periods**	**Increase (decrease) through changes in accounting policies and correction of errors of previous periods**	**Disclosed in current period**	**Disclosed earlier**	**Increase (decrease) through and correction of errors of previous periods**	**Increase (decrease) through changes in accounting policies and correction of errors of previous periods**	**Disclosed in current period**
Current period																			
Statement of changes in equity																			
Equity, opening balance	301 000	**301 000**	**301 000**	**301 000**	(329)	**(329)**	23 734	**23 734**	107 289	**(16)**	**107 273**	**431 694**	**(16)**	**(16)**	**431 678**	**431 694**	**(16)**	**(16)**	**431 678**
Changes in equity																			
Comprehensive income																			
Profit (loss)	-	-	-	-	-	-	-	-	9 303	-	**9 303**	**9 303**	-	-	**9 303**	**9 303**	-	-	**9 303**
Comprehensive income	-	-	-	-	-	-	-	-	**9 303**	-	**9 303**	**9 303**	-	-	**9 303**	**9 303**	-	-	**9 303**
Increase (decrease) of equity	-	-	-	-	-	-	-	-	**9 303**	-	**9 303**	**9 303**	-	-	**9 303**	**9 303**	-	-	**9 303**
Distribution of profit of previous years	-	-	-	-	-	-	5 201	**5 201**	(5 201)	-	**(5 201)**	-	-	-	-	-	-	-	-
Equity, closing balance	**301 000**	**301 000**	**301 000**	**301 000**	**(329)**	**(329)**	**28 935**	**28 935**	**111 391**	**(16)**	**111 375**	**440 997**	**(16)**	**(16)**	**440 981**	**440 997**	**(16)**	**(16)**	**440 981**
Prior reporting period																			
Statement of changes in equity																			
Equity, opening balance	200 000	**200 000**	**200 000**	**200 000**	-	-	22 350	**22 350**	115 272	**(16)**	**115 256**	**337 622**	**(16)**	**(16)**	**337 606**	**337 622**	**(16)**	**(16)**	**337 606**
Changes in equity																			
Comprehensive income																			
Profit (loss)	-	-	-	-	-	-	-	-	104 001	-	**104 001**	**104 001**	-	-	**104 001**	**104 001**	-	-	**104 001**
Comprehensive income	-	-	-	-	-	-	-	-	**104 001**		**104 001**	**104 001**	-	-	**104 001**	**104 001**	-	-	**104 001**

	Share capital – Ordinary shares – Disclosed earlier	Share capital – Ordinary shares – Disclosed in current period	Share capital – Disclosed earlier	Share capital – Disclosed in current period	Transactions with shareholders – Disclosed earlier	Transactions with shareholders – Disclosed in current period	Reserves and other funds of the Bank – Disclosed earlier	Reserves and other funds of the Bank – Disclosed in current period	Retained earnings – Disclosed earlier	Retained earnings – Increase (decrease) through changes in accounting policies and correction of errors of previous periods	Retained earnings – Disclosed in current period	Equity belonging to owners of parent company – Disclosed earlier	Equity belonging to owners of parent company – Increase (decrease) through and correction of errors of previous periods	Equity belonging to owners of parent company – Increase (decrease) through changes in accounting policies and correction of errors of previous periods	Equity belonging to owners of parent company – Disclosed in current period	Equity – Disclosed earlier	Equity – Increase (decrease) through and correction of errors of previous periods	Equity – Increase (decrease) through changes in accounting policies and correction of errors of previous periods	Equity – Disclosed in current period
Dividends recognized as distribution between owners	-	-	-	-	-	-	-	-	(9 600)	-	**(9 600)**	**(9 600)**	-	-	**(9 600)**	**(9 600)**	-	-	**(9 600)**
Increase (decrease) through other changes, equity	-	-	-	-	(329)	**(329)**	-	-	-	-	-	**(329)**	-	-	**(329)**	**(329)**	-	-	**(329)**
Increase (decrease) of equity	-	-	-	-	**(329)**	**(329)**	-	-	**94 401**	-	**94 401**	**94 072**	-	-	**94 072**	**94 072**	-	-	**94 072**
Distribution of profit of previous years	101 000	**101 000**	**101 000**	**101 000**	-	-	1 384	**1 384**	(102 384)	-	**(102 384)**	-	-	-	-	-	-	-	-
Equity, closing balance	**301 000**	**301 000**	**301 000**	**301 000**	**(329)**	**(329)**	**23 734**	**23 734**	**107 289**	**(16)**	**107 273**	**431 694**	**(16)**	**(16)**	**431 678**	**431 694**	**(16)**	**(16)**	**431 678**

Approved for issue and signed on March 24, 2023

Chair of Management Board **Andrii HRIHEL**

Chief accountant **Andrii AKHE**

«РАДАБАНК» Ідентифікаційний код 21322127

Notes – Classification of assets, liabilities and equity [800100]

(UAH’000)

	Reporting period	Previous period
Sub-classification of assets. Liabilities and equity		
Cash and cash equivalents		
Cash		
Cash in hand	152 480	572 631
Correspondent accounts, deposits and overnight loans to banks	**369 969**	**64 983**
Ukraine	270 559	34 601
Other countries	99 410	30 382
Total cash	**522 449**	**637 614**
Cash equivalents		
Short-term placement in NBU	**1 401 764**	**470 103**
NBU deposit certificates	1 401 764	470 103
Total cash equivalents	**1 401 764**	**470 103**
Total cash and cash equivalents	**1 924 213**	**1 107 717**
Loans and due from customers		
Corporate loans	1 067 735	1 666 873
Consumer loans	77 700	155 449
Loans to government	-	7 345
Mortgage	10 294	13 946
Total loans and due from customers	**1 155 729**	**1 843 613**
Categories of financial assets		
Financial assets at fair value through profit or loss		
Financial assets at fair value through other comprehensive income		
Financial assets at amortized cost	3 571 090	4 873 361
Total financial assets	**3 571 090**	**4 873 361**
Intangible assets and goodwill		
Intangible assets less goodwill		
Computer software	8 845	6 336
Licenses and franchises	698	713
Intangible asset being created	439	1 343
Other intangible assets	6	6
Total intangible assets less goodwill	**9 988**	**8 398**
Total intangible assets and goodwill	**9 988**	**8 398**
Fixed assets		
Land and buildings		
Buildings	122 155	149 881
Total land and buildings	**122 155**	**149 881**
Machinery	9 971	11 166
Vehicles		
Cars	15 738	16 155
Total vehicles	**15 738**	**16 155**
Fixtures and furniture	6 847	7 998
Office equipment	1 421	2 037
Computers	6 051	9 705
Communication and network equipment	2 054	3 123
Capital investments into fixed assets in progress	17 471	214
Other fixed assets	10 189	15 399
Total fixed assets	**191 897**	**215 678**
Different assets		
Debt instruments held		

	Reporting period	Previous period
State debt instruments held	393 411	1 878 033
Total debt instruments held	**393 411**	**1 878 033**
Deferred tax assets	1 519	757
Other financial assets		
Receivables under pay card transactions	3 578	2 309
Receivables under currency transactions	-	643
Receivables under cash transactions	4	-
Cash and cash equivalents limited in use	87 268	34 699
Other receivables	6 887	6 347
Total other financial assets	**97 737**	**43 998**
Other non-financial assets		
Receivables under taxes, except for income tax	**1**	**30**
Receivables under other taxes	1	30
Advance payments	7 240	23 401
Total advance payments and accrued income, except for contractual assets	**7 240**	**23 401**
Advance payments	**7 240**	**23 401**
Total advance payments and accrued income, including contractual assets	**7 240**	**23 401**
Bank metals	20 927	29 850
Inventories	4 983	6 497
Other assets	-	3
Total other non-financial assets	**33 151**	**59 781**
Categories of financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities at amortized cost	3 343 962	4 683 925
Total financial liabilities	**3 343 962**	**4 683 925**
Other borrowings		
Loans by types		
Loans received	**-**	**1 047 154**
Secured bank loans received	-	1 047 154
Total borrowings	**-**	**1 047 154**
Subordinated liabilities		
Classes of other provisions		
Provision for litigation	4	8
Other different provisions	5 797	11 958
Total other provisions	**5 801**	**11 966**
Other different provisions for liabilities		
Provisions under financial guarantee contracts	46	30
Total other provisions for liabilities	**46**	**30**
Other financial liabilities		
Payables under pay card transactions	19 179	9 251
Lease liability	16 993	25 035
Other financial liabilities	12 483	3 841
Total other financial liabilities	**48 655**	**38 127**
Different liabilities		
Customers’ deposits		
Balances at term deposits of customers	1 314 607	1 649 177
Balances at customers’ current accounts	1 972 655	1 919 494
Balances at other customers’ deposits	8 045	29 973
Total customers’ deposits	**3 295 307**	**3 598 644**
Liabilities to central banks	-	855 127
Liabilities to other banks	-	192 027
Current tax liabilities	3 744	9 911
Other non-financial liabilities		

	Reporting period	Previous period
Accrued deferred income including contractual liabilities		
Deferred income together with contractual liabilities		
Contractual liabilities		
Advances received, representing contractual obligations for performance obligations fulfilled at a certain time	782	718
Contractual obligations for performance obligations fulfilled over time over a period of time	1 114	2 034
Total contractual obligations	**1 896**	**2 752**
Deferred income less contractual obligations	6 932	14 058
Total deferred income including contractual obligations	**8 828**	**16 810**
Total accruals and deferred income including contractual obligations	**8 828**	**16 810**
Other debts	133	173
Payables under employee benefits	3	4
Payables under social insurance and taxes, except for income tax	**2 146**	**1 336**
Payables under VAT	479	466
Payables under other taxes	1 667	870
Other payables	2 001	2 142
Total other non-financial liabilities	**13 111**	**20 465**
Share capital		
Share capital, ordinary shares	301 000	301 000
Total Share capital	**301 000**	**301 000**
Retained earnings		
Retained earnings, profit (loss) of the period	9 303	104 001
Retained earnings less profit (loss) of the period	102 072	3 272
Total retained earnings	**111 375**	**107 273**
Different equity		
Reserves and other funds of the Bank	28 935	23 734
Transactions with shareholder	(329)	(329)
Net assets (liabilities)		
Assets	3 807 645	5 157 975
Liabilities	3 366 664	4 726 297
Net assets (liabilities)	**440 981**	**431 678**

Notes – Income and expenses [800200]

(UAH'000)

	Reporting period	Previous period
Income and expenses		
Income from usual operations		
Interest income	**415 882**	**361 407**
Interest income from cash and balances in other banks	585	409
Interest income under loans and due from customers	258 254	224 055
Interest income from other financial assets	157 043	136 943
Commission income		
Payments under loans and commission income	5 749	4 979
Income from cash settlements	102 986	101 317
Income from transactions with securities	786	676
Income from off-balance sheet transactions	6 826	7 498
Income from transactions at currency market and bank metals market	14 854	16 047
Income from transactions under asset management contracts	700	1 461
Other commission income	5 229	6 357
Total service fees and commission income	**137 130**	**138 335**
Total income from usual operations	**553 012**	**499 742**
Significant income and expenses		
Partial write-off (reversal of partial write-off) of fixed assets		
Impairment loss recognized in profit or loss, fixed assets	9 622	-
Net partial write-off (reversal of partial write-off) of fixed assets	**9 622**	**-**
Impairment loss (reversal of impairment loss), trade receivables		
Impairment loss recognized in profit or loss, trade receivables	1	-
Reversal of impairment loss recognized in profit or loss, trade receivables	-	2 872
Net impairment loss (reversal of impairment loss), recognized in profit or loss, trade receivables	**1**	**(2 872)**
Impairment loss (reversal of impairment loss) recognized in profit or loss, loans and advances		
Impairment loss recognized in profit or loss, loans and advances	160 754	-
Reversal of impairment loss recognized in profit or loss, loans and advances	-	4 864
Net impairment loss (reversal of impairment loss), recognized in profit or loss, loans and advances	**160 754**	**(4 864)**
Income from compensation of loans and advances earlier written off	130	292
Profit (loss) from disposal of fixed assets		
Profit from disposal of fixed assets	1 925	259
Losses from disposal of fixed assets	51	77
Net profit (loss) from disposal of fixed assets	**1 874**	**182**
Profit (loss) from disposal of other non-current assets	(423)	14 757
Profit (loss) from settlement of litigations		
Interest expense	**189 104**	**134 094**
Interest expense under bank loans and overdrafts	2 616	3 902
Interest expense under customers' deposits	128 650	78 009
Interest expense under liabilities to central banks	55 035	49 557
Interest expense under other financial liabilities	2 803	2 626
Repair and maintenance	20 504	31 246
Other operating income (expenses)	16 274	7 205
Charity and subsidies	2 533	1 235
Lease income	860	277
Lease expenses	1 165	1 055
Fines and penalties received	569	484
Profit (loss) from change of fair value of derivatives		
Expenses under cash settlements	30 361	33 486

	Reporting period	Previous period
Expenses under transactions with securities	31	61
Total Commission expense	**30 392**	**33 547**
Profit (loss) under sales		
Profit (loss) from sale of debt instruments	-	231
Profit (loss) from sale of derivatives	2 379	(4188)
Profit (loss) from sale under currency contracts	72 617	44 716
Total sales profit (loss)	**2 379**	**(3 957)**
Expenses by nature		
Services	28 514	27 267
Professional services	812	1 282
Communications	7 315	7 846
Utilities	7 815	6 556
Advertising	1 477	2 335
Classes of expenses under employee benefits		
Short-term expenses under employee benefits		
Salaries	113 851	135 312
Social insurance due	26 030	30 839
Other short-time employee benefits	880	2 873
Total short-term expenses under employee benefits	**140 761**	**169 024**
Total expenses under employee benefits	**140 761**	**169 024**
Depreciation and amortization and impairment loss (reversal of impairment loss), recognized in profit or loss **Depreciation and amortization**		
Depreciation	35 677	38 396
Amortization	1 142	759
Total depreciation and amortization	**36 819**	**39 155**
Total depreciation and amortization and impairment loss (reversal of impairment loss), recognized in profit or loss	**36 819**	**39 155**
Expenses under taxes, except for income tax	2 643	2 068
Other expenses	8 488	8 711
Total expenses, by nature	**217 225**	**246 225**

Notes – Disclosure of accounting policies [800600]

Disclosure of information on significant accounting policies
The Bank initially measures assets and liabilities at fair value, which generally corresponds to the transaction price (cost). Subsequently, assets and liabilities are accounted for in accordance with IFRS. The accounting policies for certain of the Bank's assets and liabilities are set out below.

Accounting policies for derivative financial instruments
The Bank entered into transactions with derivative financial instruments, namely foreign exchange swap contracts. Derivative financial instruments are carried at fair value. Transactions of purchase and sale of one currency and precious metals for another currency on repurchase terms (currency swap) are accounted for in off-balance sheet accounts as claims to receive one currency and precious metals and obligations to deliver another currency and precious metals. When settling the first conversion transaction, the Bank simultaneously makes reverse entries on off-balance sheet accounts to record this conversion transaction in the Bank's balance sheet. The Bank continues to account for the second conversion transaction on off-balance sheet accounts until the contractual terms are fully fulfilled. Revaluation to fair value on the second conversion transaction is performed at least once a month at each balance sheet date and at the date of closing the transaction. The result of the transaction is recognized in the Statement of Comprehensive Income, Profit or Loss, by the nature of the expense [320000].

Accounting policies for determination of components of cash and cash equivalents
The Bank's cash consists of cash on hand, balances on correspondent accounts with the National Bank of Ukraine and other banks, deposit certificates issued by the National Bank of Ukraine with original maturity of up to 90 days, overnight loans to other banks, less allowance for credit losses.

Amounts due from and placed with other banks that are subject to restrictions on their use and bullion deposits with banks in liquidation are presented in the statement of financial position in the order of liquidity [220000] as Other financial assets.

Accounting policies for dividends
The Bank recognizes dividends when the right to receive payment is established.

Accounting policies for earnings per share
During the reporting period, the Bank did not have any potentially dilutive financial instruments outstanding. Therefore, basic earnings per share are equal to diluted earnings per share. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year.

Accounting policies for employee benefits
The Bank makes the following payments to employees:

- remuneration of labour, including under civil law contracts and social insurance contributions;
- social benefits not related to the performance of labour duties;
- payment for the first 5 days of temporary disability;
- payment of the main annual vacation;
- payment of social and additional vacations in accordance with the laws of Ukraine;
- severance payments provided for by applicable law;
- medical insurance.

Employee benefit costs, other than basic annual leave, are recognized in the bank's expenses in the period the service is rendered (wages and social insurance) or in the period they are paid. Employee social insurance costs are a statutory percentage of the amount of the respective payments. During 2022, the social security contribution rate for key employees was 22%, for disabled employees - 8.41% of the accrued payroll.

Until the amount is paid to the employees, it is accounted for as a current liability of the Bank. To pay for basic annual leave and social security costs, the Bank establishes a vacation provision in accordance with the requirements of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The provision is calculated as the actual amount of payments to the Bank's employees for unused days of basic vacation and the amount of the unified social tax for the respective category of employee, at the rate that will be effective during the following period (payment period).

Accounting policies for fair value measurement

Methods and assumptions used to determine the fair value of financial instruments not carried at fair value in the financial statements.

Assets whose fair value approximates their carrying amount
For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months), it is assumed that their carrying amounts approximate fair value. This assumption is also applied to demand deposits and funds on current and correspondent accounts.

Financial instruments with fixed rate
The fair value of fixed rate financial instruments carried at amortized cost is estimated by discounting the cash flows of the respective financial instrument using market interest rates offered by the Bank for similar financial instruments with similar terms, credit risk and remaining maturity at the reporting date.

For the purposes of fair value disclosures, the Bank has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy:
- Level 1: measurement model using quoted market prices;
- Level 2: measurement model that uses observable data based directly or indirectly on market data;
- Level 3: measurement model based on data that are not publicly available.

Accounting policies for payment for services and commission income and expenses
Fees and commissions that are integral to the financial instrument are recognized as part of the related financial instrument in the discount (premium) accounts and amortized to interest income (expense) using the effective interest rate over the life of the contract.

Fees and commissions on overdraft and revolving credit facilities are recorded as deferred income and amortized on a straight-line basis to interest income over the life of the facility.

Fee and commission income (expense) for once-off services are generally recognized (paid) when the service is provided (received) or upon achievement of the result specified in the agreement, without recognizing accrued income (expense).

Revenue (expense) for continuing services is accrued on a monthly basis throughout the term of the service agreement.

Income (expense) for services provided in stages is accrued upon completion of each stage of the transaction during the term of the service agreement.

Financial guarantee fees received are amortized to fee and commission income on a straight-line basis over the life of the agreement.

Accounting policies for financial guarantees
A financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when they become due in accordance with the original or modified terms of a debt instrument. Financial guarantees issued are initially measured at fair value. At the date a guarantee is issued, its fair value is equal to the premium received. Subsequently, the guarantees are measured at the higher of cost less amortization of the fee and commission income received or the amount of loss allowance determined in accordance with IFRS 9 Financial Instruments. The fee is amortized on a straight-line basis over the life of the guarantee and recognized in the Statement of Comprehensive Income, Profit or Loss, by the nature of the expense [320000], as fee and commission income from guarantees. The Bank fully amortizes the amount of guarantee fees received if it is virtually certain that it will be paid and, if necessary, adjusts the amount of the allowance to the amount payable. The Bank fulfils the requirements under the provided guarantee at the expense of the formed provision.

Accounting policies for financial instruments
In accordance with IAS 32 *Financial Instruments: Presentation*, the Bank defines a financial instrument as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. The Bank recognizes a financial asset or financial liability on its balance sheet when it becomes a party to the contractual provisions of the instrument (a party to the contractual obligation). In the ordinary course of purchase or sale of financial assets, the Bank uses the trade date method of accounting.

Except for trade receivables that do not contain a substantial financing component, the Bank measures a financial asset or financial liability at initial recognition at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that can be directly attributed to the acquisition or issue of the financial asset or financial liability. As a practical expedient, the Bank generally does not adjust the promised amount of consideration to account for a significant financing component if, at the inception of the contract, the period between the time the Bank transfers the promised good or service to the customer and the time the customer pays for the good or service is no more than one year.

Financial asset is any asset that is:

- cash;
- equity instrument of other entity (*acquired shares of other issuers, etc.*)*;*
- contractual right to:
- receive cash or another financial asset from another entity (*loans granted, deposits placed, debt securities of another issuer, receivables to be settled in cash or other financial instruments*);
- exchange financial instruments with another entity under conditions that are potentially favourable (*purchased or sold derivatives, the execution of which is favourable: forwards, futures, swaps, options*);
- a contract that will or may be settled with the Bank's own equity instruments and is:
- a non-derivative instrument for which the Bank is or may be obliged to receive a variable number of its own equity instruments,
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Bank's own equity instruments. For this purpose, the Bank's own equity instruments do not include instruments that are themselves contracts to receive or grant the Bank's own equity instruments.

If an irrevocable designation as at fair value through profit or loss does not apply at initial recognition, an entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss based on both of the following criteria:

(a) the Bank's business model for managing financial assets; and
(b) contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold the financial assets to collect the contractual cash flows (conventionally, Model 1 "To maturity"); and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is to collect contractual cash flows from both sales and purchases of financial assets (conventionally, Model 2, Held-to-maturity or for sale), and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

To determine that cash flows on a financial instrument are solely payments of principal and interest, the Bank performs a test to determine whether they meet these requirements (SPPI test). The procedure for the SPPI test is regulated by the Bank's internal regulations. For the purposes of applying the above paragraphs, principal is the fair value of the financial asset at initial recognition, and interest is compensation for the time value of money, for the credit risk of principal over time and for other basic lending risks and costs, and for the profit margin.

If the business model does not meet Model 1 or 2, or the SPPI test under these models is not met, the financial asset is measured at fair value through profit or loss (Model 3).

At initial recognition of initially impaired originated (purchased) financial assets, the Bank records expected credit losses on the analytical discount/premium account.

A financial liability is any obligation that is:

- contractual obligations:
- provide cash or another financial asset to another entity (*loans received, deposits taken, debt securities issued by the entity, accounts payable to be settled in cash or other financial instruments*);
- exchange financial instruments or financial liabilities with another business entity under conditions that are potentially unfavourable for the Bank (*purchased derivatives, the execution of which is unfavourable: forwards, futures, swaps, options*);
- a contract that will or may be settled in equity instruments and that is:

- a non-derivative instrument under which the Bank is, or may become, obliged to deliver a variable number of its own equity instruments,
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Bank's own equity instruments. For this purpose, the Bank's equity instruments do not include instruments that are themselves contracts to receive or grant the Bank's equity instruments in the future.

The Bank classifies all financial liabilities as subsequently measured at amortized cost (AC), except for:

(a) Financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

(b) financial liabilities arising when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach is applied.

(c) financial guarantee contracts. Subsequent to initial recognition, the issuer of such a contract shall subsequently measure it at the higher of:

- the amount of provision for losses,
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15.

(d) commitments to provide a loan at a lower than market interest rate. Subsequently, such commitments are measured at the higher of the following amounts:

- the amount of provision for losses,
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15.

(e) contingent consideration recognized by the acquirer in a business combination to which IFRS 3 applies.

The Bank may irrevocably designate a financial liability as at fair value through profit or loss upon initial recognition if such a designation provides more relevant information because of one of the following reasons:

(a) it eliminates or significantly reduces a measurement or recognition mismatch that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different bases; or

(b) the group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

An equity instrument is any contract that evidences a residual interest in the assets of the Bank after deducting all its liabilities. An instrument is an equity instrument if, and only if, both conditions (a) and (b) are met**:**

(a) the instrument does not contain a contractual obligation:

i) Provide cash or another financial asset to another entity, or

ii) Exchange financial assets or financial liabilities with another entity on terms that are potentially unfavourable to the issuer;

(b) if the instrument is or may be redeemed with the issuer's own equity instruments, the instrument:

i) is a non-derivative instrument that does not contain a contractual obligation for the issuer to deliver a variable number of its own equity instruments, or

ii) is a derivative that will be settled by the issuer by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers those rights, options or warrants pro rata to all existing holders of the same class as its own non-derivative equity instruments.

Equity instruments at fair value through profit or loss or other comprehensive income.

A derivative is a financial instrument or other contract that has all three of the following characteristics:

- its value changes in response to changes in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, price or rate index, credit rating or creditworthiness index, or similar variable, provided that in the case of a non-financial variable, the variable is not determinable by a party to the contract (sometimes referred to as basic);
- that does not require an initial net investment or an initial net investment that is less than that required for other types of contracts that are expected to respond similarly to changes in market factors;
- - repayable at a future date.

Derivative financial instruments, including futures contracts, forward contracts and other derivative financial instruments, are measured at fair value through profit or loss.

Other terms of recognition of financial instruments

Upon initial recognition of financial instruments at fair value through profit or loss, the Bank measures them at fair value, net of transaction costs. The Bank recognizes transaction costs for the acquisition of such financial instruments in the accounting records on the date of their execution.
The Bank measures all other financial instruments at initial recognition at fair value plus transaction costs. The Bank recognizes transaction costs and other payments directly attributable to the recognition of a financial instrument in the accounts of discount/premium on this financial instrument (except for financial instruments at fair value through profit or loss). The Bank accounts for equity instruments held for trading at fair value through profit or loss.

The Bank elects, irrevocably, to recognize the fair value of equity instruments not held for trading in other comprehensive income. Cumulative changes in fair value are not reclassified from other comprehensive income to profit or loss but may be recycled through other comprehensive income only when the equity instruments at fair value through other comprehensive income are derecognized.

At initial recognition of a financial instrument, the Bank recognizes a gain or loss on the difference between the fair value of the financial asset or financial liability and the contractual amount in correspondence with the discount/premium accounts if the effective interest rate on the instrument is higher or lower than the market rate. The difference between the fair value of a financial asset or financial liability and the contractual amount in transactions with the bank's shareholders is recognized in equity in accounts of class 5 "Bank's equity" of the Chart of Accounts and included in retained earnings (loss) over the period of its holding or in the total amount upon disposal of the financial instrument.

Subsequent measurement of financial assets
After initial recognition, the Bank measures a debt financial asset based on its business model and contractual cash flow characteristics at:

(a) amortized cost (AC);
(b) at fair value through other comprehensive income (FVOCI);
(c) at fair value through profit or loss (FVPL).

The Bank determines the business model not for each asset, but at the level of groups of financial assets that it manages in aggregate to achieve a specific business goal. The Bank reclassifies debt financial assets only if there has been a change in the business model used to manage the financial assets, except for financial assets that are designated at fair value through profit or loss at initial recognition. The Bank measures and accounts for a debt financial asset at amortized cost if the following conditions are met simultaneously:

1) the financial asset is held within a business model whose objective is to hold financial assets to collect the contractual cash flows;
2) the financial asset contract provides for the receipt of cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

The Bank measures and recognizes a debt financial asset at fair value through other comprehensive income if all of the following conditions are met:

1) the financial asset is held within a business model whose objective is to collect contractual cash flows from both sales and purchases of financial assets;
2) the financial asset contract provides for the receipt of cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

The Bank recognizes gains or losses on such financial assets in other comprehensive income until the date of derecognition or reclassification, except for impairment gains or losses, interest income and gains or losses from changes in the official exchange rate of the hryvnia to foreign currencies.

The Bank measures and accounts for all other debt financial assets at fair value through profit or loss unless they do not meet the criteria for subsequent measurement at amortized cost or at fair value through other comprehensive income.

The Bank accounts for debt financial instruments that are not repaid within the contractual maturity using certain parameters of analytical accounts of the respective balance sheet accounts of the accounts for debt financial instruments.

Subsequent measurement of financial liabilities
Upon initial recognition, the Bank measures and accounts for all financial liabilities at amortized cost, except for:

1) financial liabilities at fair value through profit or loss;
2) financial liabilities that arise if the transfer of a financial asset does not meet the conditions for derecognition or the continuing involvement principle is applied;
3) financial guarantee, aval, surety agreements;
4) loan commitments at a rate below the market rate;

5) contingent consideration recognized by the acquirer in a business combination to which IFRS 3 *Business Combinations* applies. Such contingent consideration is subsequently measured at fair value with remeasurement recognized through profit or loss.

The Bank, at its discretion, designates a financial liability upon initial recognition without the right to subsequently reclassify it as at fair value through profit or loss if:

(1) the classification eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from using different measurement bases for the assets or liabilities or for the recognition of related gains and losses;

2) a group of financial liabilities or a group of financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and internal information about the group is provided to key management personnel on this basis;

3) the contract contains one or more embedded derivatives, while the host contract is not a financial asset (unless the embedded derivative is insignificant or its separation from the host contract would be prohibited).

The Bank recognizes changes in the fair value of a financial liability accounted for at fair value through profit or loss due to changes in own credit risk in other comprehensive income. The Bank recognizes in profit or loss other amounts of changes in the fair value of a financial liability.

Upon initial recognition, the Bank measures and records financial guarantees and firm commitments to extend credit at a rate below market interest rates at fair value. Subsequent to initial recognition, the Bank measures commitments to extend credit at a lower than market rate and financial guarantees at the higher of the following:

1) the amount of the allowance for expected credit losses;

2) the amount of the fair value of the financial liability less amortization of the cumulative gain in accordance with the principles of its recognition.

The Bank does not reclassify financial liabilities.

Modification of financial assets and liabilities

The Bank accounts for a change in the terms of a contract or modification of a financial asset that results in a revision of the cash flows on that asset as:

1) derecognition of the original financial asset and recognition of a new financial asset at fair value (substantial modification); or

2) continuation of recognition of the original financial asset with new terms and conditions (not a substantial modification).

The Bank recalculates the gross carrying amount of a financial asset (not a substantial modification) and recognizes a modification gain or loss if the terms of the contractual arrangements for a financial asset are renegotiated by agreement of the parties (other than a renegotiation that results in derecognition of the asset or any other modification that results in derecognition of the original financial asset or a substantial change in the carrying amount of the asset (change in carrying amount exceeding 5 percent)). The Bank calculates the new gross carrying amount as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (or the original effective interest rate adjusted for credit risk for purchased or originated impaired financial assets). The Bank includes transaction costs in the carrying amount of the modified financial asset and amortizes them over the life of the asset. The Bank recognizes the difference between the gross carrying amount under the original terms and the gross carrying amount under the renegotiated or modified terms as a modification gain or loss.

The Bank derecognizes the original financial asset and recognizes a new financial asset (substantial modification) if the revised or modified cash flows stipulated by the contract result in derecognition of the original financial asset. Such contracts include contracts in which the debtor is changed, or the currency of the contract is changed, or a part of the debt is forgiven (written off) in the course of debt restructuring related to the financial difficulties of the debtor, or changes in the terms of the contract result in a change in the carrying amount of the asset by more than 5 percent. At the date of modification, the Bank recognizes a new financial asset at fair value, taking into account transaction costs/income related to the creation of a new financial asset (except for a new asset accounted for at fair value through profit or loss), and determines the amount of expected credit losses within 12 months.

The Bank recognizes, on the date of derecognition of the original financial asset, a gain or loss on derecognition equal to the difference between the carrying amount of the original financial asset and the fair value of the new financial asset, if the modification is at a market interest rate. If the terms of the contract are modified at market terms, the fair value of the new financial asset is equal to the present value of future cash flows at the revised effective rate at the date of recognition of the new asset.

If the modification is not at a market rate, the difference between the carrying amount of the original financial asset and the present value of future cash flows of the new financial asset discounted at the market rate of interest is recognized as income (expense) on initial recognition of the financial asset at a value higher/lower than fair value. When assets classified as Stage 3 are substantially modified, a newly created impaired financial asset (POCI asset) arises. If the balance sheet accounts for accounting for a financial asset are not changed upon a significant modification, the Bank does not open new analytical accounts for accounting for a separate contract. When an initially impaired asset is identified, the balances on the loan accounting accounts are transferred to new analytical accounts opened on the balance sheet accounts for initially impaired assets. If a modification that results in derecognition of the original asset results in an initially impaired asset, a portion of the valuation allowance for the derecognized asset, in the amount of the unused valuation allowance, is recorded on a separate analytical discount account and accounted for until the asset is derecognized.

The Bank recognizes cumulative changes in expected credit losses over the life of the financial asset if the modification results in a new financial asset that was impaired on initial recognition (classified as Stage 3 of impairment). At each reporting date, the Bank recognizes the results of changes in expected credit losses over the life of a financial asset that is impaired at initial recognition (including positive changes) in profit or loss as expenses/income from the formation/release of allowance accounts. Income from the dissolution of allowances is recognized even if the amount of the previously formed allowance for such a financial asset is too high.

If the terms of a contract for overdue debt are changed that do not involve a change in the maturity of the overdue debt, such changes do not result in a modification of the asset. The asset continues to be accounted for in overdue accounts.

The Bank accounts for substantial changes in the terms of a financial liability or its part as an extinguishment of the original financial liability (its part) and the recognition of a new financial liability. A significant change in the terms of a financial liability is a change in the terms that results in a change in the net present value of cash flows under the new terms, discounted at the original effective interest rate (for a financial liability with a floating interest rate, the effective interest rate calculated at the last change in the nominal interest rate) of at least 10% of the discounted present value of cash flows remaining to maturity of the original financial liability.

If the modification does not result in derecognition of the original liability, the result of the modification is recognized in gains (losses) on modification of liabilities. If the modification results in derecognition of the original liability, the result of the modification is recognized in gains (losses) from derecognition of liabilities as if the modification were made at market terms. If the modification is not on an arm's length basis, the difference between the carrying amount of the original financial liability and the present value of future cash flows of the new financial liability is recognized as income (expense) on initial recognition of financial liabilities at a value higher/lower than fair value.

Derecognition of a financial asset

The Bank derecognizes a financial asset or a group of financial assets if:

1) the rights to cash flows from the financial asset, as determined by the terms of the contract, expire;
2) the transfer of the financial asset meets the criteria for derecognition set out below;
3) a write-off was made at the expense of an allowance.

The Bank transfers a financial asset if one of the following conditions is met:

1) the bank transfers the rights to receive contractual cash flows from the financial asset;
2) the bank retains the rights to receive cash flows from the financial asset under the transfer agreement, but assumes an obligation to pay cash flows to one or more recipients under a contract that meets the following conditions:

- the bank has no obligation to pay amounts to final customers until it receives equivalent amounts from the original asset;
- the terms of the agreement prohibit the bank from selling or pledging the original financial asset, except for its transfer to the ultimate recipients as collateral for the obligation to pay cash flows;
- the bank has an obligation to transfer any cash flows it receives on behalf of its ultimate beneficiaries without material delay. In addition, the bank is not allowed to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in IAS 7 *Statement of Cash Flows*) within the short-term maturity from the date of collection to the date of required transfer to the ultimate recipients. Interest on such investments is transferred to the final recipients.

The Bank assesses the extent to which it retains substantially all the risks and rewards of ownership of a financial asset in a transfer of a financial asset by considering the following:

1) the bank derecognizes a financial asset and recognizes the rights and obligations created or retained in the transfer separately as an asset or liability if it transfers substantially all the risks and rewards of ownership of the financial asset;
2) the bank continues to recognize a financial asset if it retains substantially all the risks and rewards of ownership of the financial asset;

3) the bank determines whether it retains control over a financial asset if it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

The Bank does not retain control over a transferred asset if the transferor has the ability to sell the asset in its present condition to an unrelated third party and is free to do so without needing to impose additional restrictions on the transfer. The Bank derecognizes the asset and recognizes the rights and obligations created or retained in the transfer separately as assets or liabilities, if control over the financial asset is not retained. The Bank continues to recognize the transferred financial asset to the extent of its continuing involvement in the transferred financial asset while retaining control of the financial asset.

The Bank recognizes the difference between the carrying amount of the financial asset measured at the date of derecognition and the sum of the consideration received (including the amount of the new asset received less the amount of the liability assumed) as a gain or loss on derecognition of the financial asset.

Derecognition of a financial liability
The Bank derecognizes a financial liability or part of it in the balance sheet if the liability is discharged, cancelled or expired or the statute of limitations has expired.

The Bank accounts for an exchange between a borrower and a lender of debt financial liabilities on substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. The Bank accounts for significant changes in the terms and conditions (modification) of a financial liability or its part as an extinguishment of the original financial liability (its part) and recognition of a new financial liability.

The Bank defines substantially different terms as those under which the net present value of the cash flows under the new terms, discounted at the original effective interest rate (for a floating rate financial liability P the effective interest rate calculated at the last repricing) differs by at least 10% from the discounted present value of the cash flows remaining to maturity of the original financial liability. The Bank recognizes any costs or benefits as gains or losses on derecognition if an exchange of debt or modification of the terms of a financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Bank recognizes the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including the non-cash assets transferred and liabilities assumed, as a gain or loss on derecognition. The Bank adjusts the carrying amount of the financial liability for any costs and fees incurred and amortizes them using the effective interest rate, taking into account the changed cash flows, unless an exchange of debt financial liabilities or a change in the terms of the debt financial liabilities (modification) is accounted for as a settlement.

Netting a financial asset and a financial liability
Financial assets and liabilities are offset, and the net amount reported in the statement of financial position if, and only if, the Bank:

(a) currently has a legally enforceable right to reverse the amounts recognized;

b) intends to settle the liability on a net basis or to sell the asset and settle the liability simultaneously.

When accounting for a transfer of a financial asset that does not qualify for derecognition, an entity shall not offset the transferred asset and the associated liability.

Accounting policies for currency translation
The Bank's functional and presentation currency is the Ukrainian Hryvnia, the national currency of Ukraine. Monetary assets and liabilities denominated in foreign currencies are translated into the Bank's functional currency at the official exchange rate of the National Bank of Ukraine at the respective reporting date. Transactions in foreign currencies are also accounted for in the functional currency at the official exchange rate at the date of the transaction.

The exchange rates of the Ukrainian hryvnia to foreign currencies at which assets and liabilities are reported in the financial statements at the end of the respective years were as follows:

(UAH)

	December 31, 2022	December 31, 2021
USD	36,5686	27,2782
EUR	38,9510	30,9226
Gold (troy ounce)	66 075,80	49 115,22

All monetary items denominated in foreign currencies are revalued at each change in the official exchange rate of the National Bank of Ukraine. The results of revaluation are recognized in the line "Net gain (loss) from foreign currency translation" in the Statement of Comprehensive Income, Profit or Loss, by the nature of expenses [320000]. The Bank's income and expenses in foreign currency are recognized at the official exchange rate of the National Bank of Ukraine at the date of their recognition (accrual).

Accounting policies for impairment of assets

In accordance with IFRS 9, the Bank applies an approach to the classification of financial assets based on the business model to which the asset belongs and the characteristics of its cash flows and applies a single model for impairment of expected credit losses to measure financial assets.

The Bank recognizes an allowance for expected credit losses for debt financial assets carried at amortized cost and debt financial assets at fair value through other comprehensive income. The Bank estimates the allowance for credit losses at each reporting date. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Bank estimates the allowance for losses on such financial instrument in an amount equal to 12-month expected credit losses (Stage 1). The Bank estimates the allowance for losses on a financial instrument in an amount equal to the expected credit losses for the entire life of the financial instrument if the credit risk on such a financial instrument has increased significantly since initial recognition (Stage 2) or there is objective evidence of impairment (default) (Stage 3).

If in the previous reporting period the Bank measured an allowance for losses on a financial instrument in an amount equal to the expected credit losses for the entire life of the financial instrument, but as of the current reporting date it has found out that the credit quality has improved, the Bank measures the allowance for losses in an amount equal to the 12-month expected credit losses as of the current reporting date. For financial instruments to which a restructuring instrument has been applied, the Bank estimates a loss allowance equal to the lifetime of expected credit losses. For such financial instruments, the Bank monitors their servicing and the possibility of restoring the debtor/counterparty's solvency for at least 6 consecutive months. No earlier than after the end of the monitoring period, the Bank may estimate a loss allowance equal to 12-month expected credit losses as at the current reporting date if, at that date, it has determined that the credit quality of the restructured financial instrument has improved, namely, the debtor/counterparty has been making payments under the restructuring plan/conditions, including repayment of principal and interest, with a maximum delay of up to 30 calendar days, and the debtor/counterparty has no signs of potential problems.

A borrower is considered to be in default as long as the Bank believes that it is unlikely that all or part of the obligation will be paid without realizing some of the collateral. The Bank analyses this fact for borrowers before reclassifying defaulted exposures and their possible migration to performing assets. If, after a monitoring period of at least 6 months, the Bank believes that it is unlikely that the obligation will be paid in full without recourse to collateral, the exposure should continue to be classified as defaulted.

The Bank analyses the credit quality of financial assets based on the number of days past due and classifies credit risk into the following range:

Risk level	Number of days overdue		
	Transactions with resident and non-resident banks	Transactions with individuals	Transactions with entities (including private entrepreneurs)
Minimal credit risk	Not overdue	Not overdue	Not overdue
Low credit risk	Up to 3 days	Up to 7 days	Up to 30 days
Medium credit risk	4 - 15 days	8 - 60 days	31 - 60 days
High credit risk	16 - 30 days	61 – 90 days	61 - 90 days
Default	over 31 day	Over 91 day	Over 91 day

The amount of the provision (expected credit losses) for transactions with debt securities refinanced by the NBU issued in foreign currency is calculated depending on the stage of impairment, taking into account the following:

- the PD value is determined by adjusting the value of the probability of default to the specified time horizon of each homogeneous pool of securities;
- the macroeconomic impact coefficient for debt securities refinanced by the NBU and issued in foreign currency is determined by experts;
- debt securities refinanced by the National Bank of Ukraine issued in the national currency have an expected credit loss ratio of zero.

To calculate the impairment of receivables, the Bank applies a simplified approach and creates an allowance for losses in an amount equal to the expected credit losses for the entire term of the receivables. The Bank has developed criteria for detecting a significant increase in credit risk and impairment (default) at each stage, depending on the type of counterparty (legal entities, individuals and banks). The value of the probability of default is adjusted depending on the forecast of the economic development scenario based on the forecast macroeconomic indicators (Mf), in particular

- Real GDP
- Current account balance, percent of GDP
- Gross domestic product (at purchasing power parity) per capita)
- Unemployment rate.

The Bank assesses the cumulative effect of future economic conditions on the amount of expected credit losses compared to the situation in the period for which the statistical values of the probability of default were calculated.
Adjustment factor for macroeconomic indicators, determined for each group of loans depending on the stage of loan impairment, taking into account scenarios of events.

The Bank uses various data sources to calculate the probability of borrower default (PD):
- internal data on credit loss experience adjusted on the basis of available current data to reflect the effects of current conditions and to make its own projections of future conditions that did not affect the period to which the historical data relate and to remove the effects of historical conditions that are not relevant to future contractual cash flows;
- industry statistics of Ukraine and research data from leading global rating agencies.

The Bank uses expert judgment in weighing the factors influencing the final value of PD.

For the purpose of historical credit loss experience, the Bank allocates lending transactions to groups of financial assets with similar risk characteristics. The Bank aggregates loan transactions of legal entities by the scale of customers' activities and forms the following portfolios of homogeneous transactions: small enterprises portfolio and large and medium enterprises portfolio. The Bank aggregates loan transactions of individuals by groups of loan products and forms the following portfolios of homogeneous transactions: overdrafts portfolio of individuals, mortgage loans portfolio, vehicle loans portfolio and other consumer loans for individuals.

For portfolios of homogeneous transactions of legal entities and individuals, the calculation of the probability of borrower default (PD) is performed according to a single algorithm. To determine the PD for each portfolio of homogeneous transactions, the Bank applies a statistical approach based on the Bank's past loss experience for each portfolio. In the absence or insufficiency of loss experience, the Bank uses experience obtained from specialized sources of information for similar portfolios of loans. The historical sampling horizon is 36 months.

The macroeconomic assumptions in the models are reviewed taking into account the available up-to-date estimates of changes in macroeconomic indicators published by the National Bank, the International Monetary Fund, the World Bank, etc.; information is monitored, taking into account the speed of changes in forecasts, facts and circumstances; post-model (expert) adjustments to estimates of expected credit losses are made if the impact of negative factors cannot be taken into account in models for estimating expected credit losses or model estimates are not sensitive to deterioration of macroeconomic assumptions by increasing the share of indicators that determine expectations in the model compared to statistical data of the model; the level of losses in the event of default is reviewed, taking into account current economic conditions, in particular, the risks of a decrease in the value of collateral and an increase in its realization period; the criteria for transferring financial assets between stages of impairment are reviewed, taking into account professional judgment of changes in the risk of default.

The value of the level of losses in the event of default is estimated taking into account collateral. The amounts recoverable from the sale of collateral are based on their market value and represent the difference between the expected amount of realization of the collateral in a foreclosure proceeding and the costs of the foreclosure. The future cash flows from collateral are discounted taking into account the time required for the Bank to realize the collateral.

The Bank recognizes the amount of expected credit losses (or performs a reversal of impairment) necessary to adjust the allowance for losses at the reporting date to the amount that should be recognized as an impairment gain or loss in profit or loss in accordance with IFRS 9. The Bank recognizes cumulative changes in expected credit losses over the life of the financial asset if the modification results in a new financial asset that was impaired at initial recognition (classified as Stage 3 of impairment). At each reporting date, the Bank recognizes the results of changes in expected credit losses over the life of a financial asset that is impaired at initial recognition (including positive changes) in profit or loss as expenses/income from the formation/release of allowance accounts. Income from the dissolution of allowances is recognized even if the amount of the previously formed allowance for such a financial asset is too high.

At the reporting date, the Bank recognizes an impairment of non-current assets if there is an indication that there is a possible loss of economic benefit, namely:
• During the period of operation, the value of the asset has declined significantly more than expected due to the passage of time or use;

• Significant changes in the use of the facility have occurred (or will occur in the near future) due to the negative impact of both external (technological, market, economic, legal) and internal (cessation of operation, restructuring, liquidation of the asset before the expected date, etc.;

• Market interest rates or other market-based measures of investment returns have increased, and the increase is likely to affect the discount rate used to measure the asset's value in use;

• Moral obsolescence or physical damage to objects;

• Economic efficiency is (or will be) lower than expected.

Non-current assets are impaired if their carrying amount exceeds their estimated recoverable amount.

Accounting policy for income tax

Income tax consists of current income tax and deferred income tax. The current income tax was calculated and paid by the Bank in accordance with the applicable tax regulations at the rate of 18%, which was effective for 2021 - 2022. Income tax is recognized in the Statement of comprehensive income, profit or loss, by the nature of the expense [320000] in full.

Current income tax is calculated on the basis of the taxable profit for the reporting period using the income tax rate enacted during the reporting period. The amount of current tax payable to the budget is recognized in the Statement of Financial Position, in order of liquidity [220000], as current tax liabilities.

Deferred tax is the amount of income tax recognized as a deferred tax liability and a deferred tax asset. Deferred tax is provided for all temporary differences. A temporary difference is a difference between the carrying amount of an asset or liability in the statement of financial position and its tax bases that will result in a future increase or decrease in current income tax. Deferred tax liabilities and assets are measured at the tax rate that is expected to apply to the period when the asset or liability is settled. The tax rate at which the deferred assets and liabilities are calculated is 18% as at 31.12.2022 and 31.12.2021. Deferred taxes are recognized in the statement of comprehensive income, profit or loss, by the nature of the expense [320000], unless they relate to items recognized in other comprehensive income. Deferred taxes on items recognized in other comprehensive income are also recognized in other comprehensive income and in the statement of financial position, in order of liquidity [220000] as revaluation reserves. Due to the fact that the tax is paid to the same tax authority, deferred income tax for 2022 is calculated as the difference between deferred tax assets and liabilities at the beginning and end of the year, taking into account changes in tax legislation.

Accounting policies for intangible assets and goodwill

An intangible asset is a non-monetary asset that has no physical substance and can be identified. Upon recognition, intangible assets are measured at cost (actual costs incurred to acquire them). Subsequently, intangible assets are measured at a cost less than any subsequent accumulated amortization and any impairment losses.

Intangible assets with finite useful lives are amortized on a monthly basis using the straight-line method to allocate their cost to their residual values over their estimated useful lives, with the residual value being zero. Such assets are tested for impairment whenever there is an indication that an intangible asset may be impaired. The useful life of intangible assets ranges from 2 to 20 years.

If there is no finite period during which the intangible asset is expected to generate net cash inflows, the Bank determines that the asset has an indefinite useful life. No amortization is charged on such intangible asset. Annually, at the date of the annual inventory, the useful life of an intangible asset with an indefinite useful life is reviewed to determine whether events and circumstances continue to exist that support the assessment of an indefinite useful life. Amortization periods and methods for intangible assets with finite useful lives are reviewed annually, usually as part of the annual inventory. During 2022, the amortization method and rates for intangible assets did not change. There were no adjustments to the useful lives of intangible assets in the reporting year. Within intangible assets, the Bank has an asset with an indefinite useful life in the form of a lump sum payment under a license agreement for the use of the VISA trademark and the cost of perpetual licenses for certain types of business activities. The Bank tests intangible assets with indefinite useful life to determine whether events and circumstances continue to exist that support the indefinite life assessment annually as of the date of the annual inventory, as of November 1.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use and no future economic activity is expected. Any resulting gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

Accounting policies for interest income and Interest expense

Interest income (expense) on financial assets (liabilities) carried at amortized cost is recognized using the effective interest rate method: interest is accrued daily at the nominal rate, and the discount (premium) is amortized. Accrued income and amortization of the discount (premium) are equal to the recognized income (expense) accrued using the effective interest rate. Interest income and expense on financial assets and liabilities with maturities on demand and up to 3 months, as well as on transactions where cash flows cannot be estimated (overdrafts, revolving credit lines) are accrued at the nominal rate of interest without applying the effective interest rate method.

Interest income on a financial asset that is recognized as impaired at stage 3 is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset. For financial assets recognized as impaired in stages 1 and 2, interest income is calculated using the effective interest rate to the gross carrying amount of the financial asset. For purchased or originated credit-impaired financial assets, the Bank applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

Accounting policies for Share capital

Ordinary shares are recognized in share capital. External costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds in equity.

Accounting policies for lease

Bank as a lessee

The Bank leases non-residential premises, which it uses to house its own structural units. Lease terms range from 2 to 3 years. Almost all leases contain an option to extend the lease term.

The Bank has contracts with a term not exceeding 12 months and contracts with a low asset value. To such contracts, the Bank applies the practical expedients for exemptions from recognition provided for short-term leases and low-value assets.

Bank as a lessor

The Bank entered into operating lease agreements for its non-residential premises. The lease terms do not exceed 3 years. As a lessee, the Bank assesses a lease agreement as a whole or its individual components as a lease if the following criteria are met:

- the asset is identifiable;
- the lessee (lessee) is transferred the right to obtain substantially all the economic benefits from the use of the identified asset throughout the period of use of the asset;
- the lessee is transferred the right to determine how the asset is used throughout the period of use in exchange for compensation;
- the lessor does not have a substantial right to replace the asset during its useful life.

The Bank defines the lease term as the non-cancellable lease period together with:

- periods covered by the right to extend the lease if the lessee is reasonably certain to exercise the option;
- periods covered by the right to terminate the lease if the lessee is reasonably certain that it will not exercise the right.

The Bank renegotiates the lease term if, after the occurrence of a significant event or a significant change in circumstances that is within the lessee's control and that affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term or whether the lessee will not exercise an option not previously included in its determination of the lease term.

The Bank does not recognize an agreement as a lease (does not apply IFRS 16) in the case of a short-term lease or a lease for which the underlying asset has a low value (low-value underlying asset) and does not recognize a right-of-use asset and a lease liability. A short-term lease is a lease that has a lease term of 12 months or less at the commencement date. A lease that contains an option to purchase is not a short-term lease.

The lessee recognizes a new lease if there is a modification of a short-term lease or any change in the term of the lease that the Bank accounted for as an exception to IFRS 16.

A low-value underlying asset includes:
- leased premises with a total area of no more than 6 square meters;
- certain movable property items, if the cost of similar new items as of the date of the lease agreement does not exceed UAH 100,000.

The Bank recognizes lease payments as an expense on a straight-line basis over the lease term if it applies the lease recognition exemption in IFRS 16. The Bank accounts for the components of an arrangement that are leases separately from the non-lease components of the arrangement.

For leases of premises and real estate, the terms of which do not provide for separate compensation for utilities and maintenance services, the Bank, as a lessee, applies simplification and accounts for all components of these leases as a single lease component.

At the commencement date, the Bank, as a lessee, recognizes a right-of-use asset and a lease liability (lease obligation). At the commencement date, the lessee recognizes a lease liability at the present value of the lease payments not yet made at that date. The lessee discounts the payments for the right to use the underlying asset during the lease term (lease payments) using the interest rate specified in the lease agreement. If the lease does not specify a rate, the Bank applies the lessee's incremental borrowing rate, which corresponds to the rate at which the Bank seeks to raise funds for the relevant period. The additional borrowing rate is determined based on the judgment of the Bank's specialists and approved by the relevant body of the Bank. To determine the borrowing rate by the terms of use of the underlying asset, the Bank uses the following scale:

- up to 1 year (inclusive);
- from 1 to 2 years (inclusive);
- 2 to 3 years (inclusive);
- 3 to 5 years (inclusive);
- over 5 years.

After the commencement date, the lessee measures the lease liability as follows:

- by increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made;
- remeasuring the carrying amount to reflect a revaluation, lease modification, or revision of an essentially fixed lease payment.

The lessee accounts for the accrual of interest expense on the lease liability as an expense of the period. Interest is accrued monthly, usually on the day preceding the payment and the last business day of the month. After the commencement date, the lessee recognizes as other operating expenses variable lease payments that are not included in the measurement of the lease liability in the period in which the event or conditions that trigger the payment occurred (and that are not dependent on an index or rate).

At each reporting date, the lessee measures the lease liability by discounting the revised lease payments using the revised discount rate if all of the following conditions are met:

- changes in the lease term (including in connection with a review of the probability of exercising an option to extend or terminate the lease early);
- change in the assessment of the ability to acquire the underlying asset (if the purchase option is exercised);
- changes in payments due to changes in the floating interest rate.

A lessee remeasures a lease liability using a constant discount rate in the following cases:

- change in amounts expected to be paid under a salvage value guarantee;
- changes in future lease payments as a result of changes in an index or rate used to determine those payments.

The lessee determines the revised lease payments for the remaining term of the lease by applying the interest rate at the commencement date. The lessee recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset (unless the carrying amount of the right-of-use asset is reduced to zero). If the carrying amount of the right-of-use asset is reduced to zero and the lease liability is further reduced, the lessee recognizes the remaining amount in profit or loss.

The Bank applies the cost model for the subsequent measurement of a right-of-use asset. The Bank measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The lessee accounts for the right-of-use asset after initial recognition in a manner similar to the accounting for property, plant and equipment and intangible assets.

The Bank depreciates the right-of-use asset on a monthly basis from the commencement date of the lease to the end of the useful life of the underlying asset if the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects the fact that the lessee will exercise an option to purchase the asset. Otherwise, the lessee depreciates the right-of-use asset from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term. Once a month, the Bank recognizes in its accounting records the accrued depreciation of a right-of-use asset (except for a right-of-use asset whose underlying asset is investment property accounted for by the Bank at fair value) through profit or loss on a straight-line basis. For practical purposes, depreciation of an asset is first depreciated in the month following the month in which the right of use is determined and ends in the month determined as the end of depreciation.

A lessee accounts for a lease modification as a separate lease if both of the following conditions are met:

- the modification expands the scope of the lease agreement by adding the right to use one or more underlying assets;
- the lease consideration is increased by an amount commensurate with the price of the separate contract for the increased volume, as well as for appropriate adjustments to that price that reflect the circumstances of the particular contract.

The lessee does not derecognize the right-of-use asset and the lease liability under the existing lease and accounts for the modification as a separate lease not related to the existing lease. A lessee accounts for a lease modification that is not a separate agreement at the effective date of the lease modification (change in the lease term, change in the lease payment amount, reduction in the number of leased assets, etc.) as follows:

- distributes the compensation specified in the modified lease agreement;
- determines the terms of the modified lease;
- remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the lessee's incremental lease interest rate for the remaining term of the lease, if that rate is readily determinable, or as the lessee's incremental borrowing rate at the effective date of the lease modification if the incremental lease interest rate is not readily determinable.

A modification that reduces the scope of the lease (reduction in the number of leased objects, reduction in the leased area, etc.) reduces the carrying amount of the right-of-use asset by the amount of partial or complete termination. The amount of the reduction in the asset and liability (including accumulated depreciation) in proportion to the amount of the leased object is written off the Bank's balance sheet. The difference between the carrying amount of the underlying asset and the lease liability is recognized in profit or loss. A lessee accounts for adjustments to a right-of-use asset, taking into account all other (other than those that reduce the scope of the lease) lease modifications that are not a separate agreement, by adjusting the right-of-use asset and the lease liability.

The amount of completed improvements is depreciated by the Bank on a monthly basis over the shorter of the non-cancellable lease term or the useful life of the underlying asset.

The Bank, as a lessor, classifies each of its leases as either an operating lease or a finance lease. A lessor classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. A lessor classifies a lease as an operating lease if it does not transfer substantially all the risks and rewards of ownership of the underlying asset.

A lessor uses the following criteria, individually or in combination, to classify a lease as a finance lease:

- at the end of the lease term, ownership of the underlying asset is transferred to the lessee;
- the lessee has the right to purchase the underlying asset at a price that is substantially below its fair value at the date the right is exercised and it is reasonably certain that the right will be exercised at the inception of the lease term;
- the lease term is for most of the useful life of the underlying asset, even if ownership is not transferred;
- at the inception of the lease, the present value of the minimum lease payments approximates the fair value of the underlying asset leased;
- - the underlying assets leased are of a specialized nature that only the lessee has the right to use them without significant modifications.

A lessor determines the classification of a lease at the commencement date and reassesses it only when a lease is modified. A change in estimate or change in circumstances does not result in a new lease classification. At the inception of the lease term, a lessor recognizes assets provided under a finance lease as a loan [finance lease] in the amount of the net investment in the lease and derecognizes the finance lease (lease). A lessor calculates the net investment in a lease as the present value of lease payments and the present value of the asset's residual value, discounted at the contractual interest rate. Initial direct costs are included in the initial measurement of the net investment. The permissible rate of interest in a lease shall be determined so that initial direct costs are included automatically in the net investment in the lease and are not added separately.

For a lessor, lease payments also include any residual value guarantees given to the lessor by a lessee, a party related to the lessee, or a third party not related to the lessor that has the financial ability to make good the guarantee. Lease payments do not include payments allocated to non-lease components. A lessor recognizes finance income over the lease term based on a pattern that reflects a consistent periodic rate of return on the lessor's net investment in the lease. The lessor applies the requirements of IFRS 9 *Financial Instruments* for impairment to the net investment in leases by forming an allowance for expected credit losses.

A lessor accounts for a finance lease modification as a separate contract if both of the following conditions are met:

- the modification expands the scope of the lease by adding the right to use one or more underlying assets; and
- the lease consideration is increased by an amount commensurate with the stand-alone price of the lease extension and appropriate adjustments to that stand-alone price to reflect the circumstances of the particular arrangement.

The lessor accounts for the modification depending on the classification of the modified lease:

- if the lease would have been classified as an operating lease and the modification would have been effective at the lease commencement date, the lessor accounts for the modification as a new lease from the effective date of the lease modification. The lessor measures the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the modification;
- if the lease would have been classified as a finance lease and the modification would have been effective at the commencement date, the lessor accounts for the net investment in the lease by applying the requirements of IFRS 9 *Financial Instruments*.

The lessor recognizes the financial lease object that is returned to it under the terms of the agreement at the amount of the non-guaranteed residual value and accounts for them on the respective accounts for fixed assets and intangible assets. The lessor accounts for non-current assets transferred under an operating lease on the balance sheet accounts for the respective property, plant and equipment and depreciates them in accordance with the rules for accounting for property, plant and equipment. A lessor recognizes lease payments from an operating lease as income on a straight-line basis. A lessor adds initial direct costs incurred in negotiating an operating lease to the carrying amount of the underlying asset and recognizes them as an expense over the lease term on the same basis as lease income. The lessor impairs the underlying assets in an operating lease in accordance with similar assets of the bank.

The lessor reassesses the criteria for classifying an operating lease at the date of the lease modification. A lessor accounts for a modification of an operating lease as a new lease from the effective date of the modification if it meets the criteria for lease recognition. A lessor accounts for any prepayments or accrued lease payments made in respect of the original lease as part of the lease payments under the new lease.

Accounting policies for loans and receivables
Loans are financial assets with fixed or determinable payments that are not quoted in an active market.

When the Bank originates loans, the loans are initially measured at fair value, including related costs (income) under the loan agreement. At the balance sheet date, loans are measured at amortized cost using the effective interest rate for the purposes of amortization of the discount (premium) and accrual of interest. In the statement of financial position in the order of liquidity [220000], the cost of loans includes the principal amount of loans, accrued interest and any discounts and premiums thereon, less any allowance for credit losses.

In some cases, a financial asset is considered credit-impaired upon initial recognition because the credit risk is very high and, in case of purchase, such an asset is acquired at a significant discount. Upon initial recognition of such assets, the Bank includes initial expected credit losses in the estimated cash flows when calculating the credit-adjusted effective interest rate of financial assets that are considered to be purchased or originated credit-impaired at initial recognition. At each reporting date, the Bank recognizes impairment of loans through monthly provisioning of expenses to cover credit risk. The allowance is formed in accordance with the requirements of International Financial Reporting Standards.

The Bank accounts for the loan debt not repaid within the term specified in the agreement on a separate analytical account on the same balance sheet account as the loan accounting with a separate parameter of the analytical account for overdue debt. The Bank shall account for the overdraft loan debt not repaid within the term specified in the agreement on the respective balance sheet account for accounting for a term loan with a separate parameter of the analytical account of overdue debt. If a loan is recognized by the Bank as uncollectible and meets the criteria for derecognition, it is written off against the allowance account by the decision of the Management Board of the Bank. Funds received on account of repayment of loans written off against the related allowances are recognized as income if the loans were written off in prior years or reduce the expense for provisioning if the loans were written off in the current year.

In accordance with the current legislation, in case of financial difficulties of the debtor and the need to create favourable conditions for the fulfilment of its obligations under the asset, the Bank may conduct a financial restructuring procedure by changing the interest rate, partial debt forgiveness, changing the debt repayment schedule (terms and amounts of principal repayment, payment of interest/commissions), changing the amount of commission, etc.

Receivable is an entity's right to compensation that is unconditional. A right to compensation is unconditional if only the passage of time is required for the compensation to become due. Under contracts within the scope of IFRS 15 Revenue from Contracts with Customers, if the Bank provides services (transfers goods) before the customer pays consideration or before the due date, the Bank recognizes it as a contractual asset, except for any amounts recognized as receivables.

Accounts receivable are subdivided into financial and non-financial. Financial receivables are receivables that will be settled using cash or another financial instrument. Non-financial receivables arise in the course of business transactions and are generally settled by delivery of non-financial assets or performance of work (provision of services). Accounts receivable are initially recognized at transaction price (as defined in IFRS 15) unless the receivable contains a significant financing component. Subsequently, financial receivables, including contractual assets, are measured at amortized cost less an estimated allowance for losses equal to expected credit losses.

Non-financial receivables are carried at transaction value less any impairment losses calculated in accordance with the requirements of IAS 36 Impairment of Assets. Impairment is recognized in separate accounts for provision for non-financial receivables.

The amortized cost of financial receivables with original maturities exceeding 1 year is estimated as the present value of all future cash flows discounted at the prevailing market rate(s) of interest for a similar instrument (similar in terms of currency, maturity, type and other characteristics) with a similar credit risk profile. In accordance with IFRS 9 Financial Instruments, the Bank applies a simplified approach to calculate the allowance for credit losses on financial receivables and establishes a loss allowance on the first day of each month equal to the expected credit losses for the entire term. The allowance is recorded on separate accounts for the provision for accounts receivable. For non-financial receivables, the Bank assesses impairment based on the number of calendar days of its recognition in the balance sheet.

Uncollectible receivables are written off the balance sheet at the expense of the provision/impaired amount by the decision of the Management Board of the Bank following the same procedures as for writing off loans.

Accounting policies for fixed assets
Property, plant, and equipment are tangible items held for use in the production or supply of goods or services for rental or administrative purposes, which are expected to last for a period of more than one year.

Items of property and equipment are initially recognized as assets at cost, which includes all costs related to their acquisition, delivery, installation and commissioning. Subsequent accounting for property, plant and equipment is carried out using the depreciated cost method. After initial recognition, all property, plant and equipment are measured using the cost model. This model provides for the measurement at historical cost less accumulated depreciation and impairment losses as follows. Depreciation and amortization of property and equipment is calculated on a monthly basis using the straight-line method. Depreciation of property and equipment is calculated over its useful life until the carrying amount of the asset reaches its residual value. The Bank performs the test for compliance of the useful life of property, plant and equipment with the expected use of the asset annually on the date of annual inventory, as of November 01.

During 2022, the Bank did not change its depreciation method for property, plant and equipment.

As of the year-end, the Bank has the following estimated useful lives of property, plant and equipment by groups:

Group	Useful life
Buildings and structures with walls made of stone materials, or reinforced concrete, or other durable materials	360 months
Buildings and structures made of other materials	240 months
Transmission devices	180 months
Motor vehicles, except for collection vehicles	84 months
Collection vehicles	72 months
Electronic computers, other machines for automatic information processing, other information systems and related means of reading or printing information, switches, routers, modules, modems, monitors (except for video surveillance monitors), multifunctional devices, printers, scanners, uninterruptible power supplies and means of connecting them to telecommunication networks, TV sets, POS terminals	60 months

Group	Useful life
Household electronic, optical, electronic and mechanical machines, telephones, faxes, office equipment and machinery, self-service banking machines (ATMs), cash register equipment, other machinery and equipment (except for those specified in the previous paragraph)	96 months
Tools, instruments and equipment	60 months
Fire and burglar alarm systems, video surveillance systems and devices included in them, including video surveillance monitors	96 months
Furniture	96 months
Safes (various) and file boxes (metal)	144 months
Other property, plant and equipment	144 months

In the case of a longer or shorter (more than one year) expected period of use of non-current assets than provided for in the above paragraph, a different useful life of fixed assets may be established for this object.

The useful life of intangible assets is determined by the Bank independently when recognizing this item as an asset and, as a rule, corresponds to the term of use of the asset specified in the relevant agreement.

In the case of acquisition of used property, plant and equipment, by the decision of management, their useful life may be reduced to 20 percent of the determined period for new property, plant and equipment of the respective group.

Taking into account the Bank's experience of further use of non-current assets after the expiration of their useful life, the residual value of the Vehicles asset group is set at 8 percent of the original cost of the vehicle at recognition.

For the group of assets "Buildings and structures with walls of stone materials, or reinforced concrete, other durable materials" and "Buildings and structures of other materials", the residual value is set at 2 percent of the original cost at the time of recognition of the asset.

As of the date of the annual inventory (as of November 01, 2022), the Bank performed an impairment test for property, plant and equipment. Non-current assets are impaired if their carrying amount exceeds their estimated recoverable amount. The recoverable amount of an asset is the higher of the asset's fair value less costs of disposal and its value in use. Given the fact that the non-current assets held by the Bank are used to provide banking services, it is impracticable or rather improbable to directly measure the value of the asset in use in this way, and therefore, for the purposes of determining the recoverable amount, The Bank determines only the fair value less costs to sell of an asset. Given the insignificance of the costs to sell and their uncertainty, their value is usually determined at zero. The fair value of non-current assets is determined by the Bank at the level of its market value both by the Bank's specialists and an independent expert in accordance with the Law of Ukraine *On the Valuation of Property, Property Rights and Professional Appraisal Activities in Ukraine*. In connection with the military aggression of russian federation against Ukraine, there is a significant risk of physical damage to property, plant and equipment, lack of access to them, as well as the risk of impairment of assets due to a decrease in the amount of expected recovery of their value due to changes that have had a significant negative impact on the Bank in the market, economic and legal environment during the current year. The impairment test identified property, plant and equipment with significant changes in fair value and property, plant and equipment that are not accessible. The amount of impairment of property, plant and equipment is disclosed in the note "Property, plant and equipment" [822100].

Based on the principle of materiality, low-value non-current tangible assets are not capitalized, i.e. are not recognized as an asset in the balance sheet, and their cost is fully expensed in the first month of use. The amount of expenses is recognized by the Bank in account 7423 "Depreciation". Low-value non-current tangible assets (assets whose value is not significant) include fixed assets with a value not exceeding UAH 20,000.

Depreciation expense is included in the Statement of comprehensive income, profit or loss, by nature of expense [320000].

Expenses for repairs and maintenance of property, plant and equipment are recognized in the Statement of comprehensive income, profit or loss by the nature of the expense [320000] in the period in which they are incurred and included in "Other administrative and operating expenses", unless such expenses qualify for capitalization. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in income or expense.

The Bank did not provide assets in the form of property, plant and equipment as collateral for liabilities.

Accounting policies for provisions and allowances

Provisions are liabilities of uncertain timing or amount. Provisions are recognized as liabilities (if a reliable estimate can be made) because they represent an existing obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The Bank recognizes a provision when:

a) has an existing obligation (legal or constructive) as a result of a past event;

b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.;

c) the amount of the obligation can be measured reliably.

A contingent liability is a possible obligation arising from past events that will be confirmed only after one or more uncertain future events not wholly within the control of the entity or an existing obligation arising from past events but not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation can be made. Contingent liabilities are not recognized as liabilities because they are either contingent liabilities (because it is not yet probable that the entity will be obliged to settle an obligation that may result in an outflow of resources embodying economic benefits) or an existing obligation that does not meet the criteria for recognition (because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured reliably).

As at the reporting date, the Bank has revised the amount of contingent liabilities and provisions. As at the reporting date, the Bank has provided for future expenses for vacation payments to employees of the Bank and expenses for lawsuits to recover funds in which the Bank is a defendant. The terms of fulfilment of obligations for certain future expenses are not determined, but it is expected that the obligation will be fulfilled within the next year.

Accounting policies for reporting by segments

A segment is a distinguishable component of the Bank that is engaged in providing a particular product or service (business segment), which is subject to risks and returns that are different from those of other business segments. As the Bank operates exclusively within Ukraine, the Bank has determined the following criteria for its reportable segments:

- Corporate Banking and Retail Banking segments by type of service user;
- Financial markets operations segment - by the nature of the legal environment.

The Corporate Banking segment includes servicing current accounts of organizations, opening deposits, providing overdrafts, loans and other types of financing to business entities.

The Retail Banking segment includes the provision of banking services to retail customers in the areas of opening and maintaining current accounts, attracting funds for deposits, providing safe deposit boxes for temporary use, consumer and mortgage lending, and cash transfer services without opening an account.

The Financial Markets segment includes transactions with securities, transactions in the interbank market.

The basis for allocating the Bank's income and expenses to segments is the Bank's internal financial reporting. In determining segment income, segment expenses, segment assets and segment liabilities, the Bank includes items directly attributable to a segment as well as items that can be allocated on a reasonable basis to a segment. Administrative expenses that are not directly attributable to a particular segment are allocated to segment expenses in proportion to the revenue of the respective segment.

In order to encourage Business Segments to make decisions on the dynamics of assets and liabilities in order to reduce liquidity risks and optimize the profit of the segments and the Bank as a whole, the Bank determines the result of Business Segments taking into account the internal cost of resources, at which the conditional purchase/sale of free/surplus resources in Business Segments/Business Segments (transfer income/expense) takes place.

Property, plant and equipment and intangible assets, capital investments, depreciation and amortization and other non-cash income/expense are not allocated to the respective segments for internal reporting purposes. Cash on hand and on the correspondent account with the National Bank of Ukraine are not allocated to the respective segments.

Accounting policies for related party transactions

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if the parties are under common control, or if one party controls the other party or has the ability to exercise significant influence over the other party in making financial or operational decisions.

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In the normal course of business, the Bank enters into banking transactions with its major shareholders and other related parties. These transactions include settlements, loans, deposits, financing of commercial activities and foreign exchange transactions. The list of related parties is compiled by the Bank on the basis of available information in accordance with internal regulations based on IAS 24.

Transactions with the Bank's related parties do not provide for terms that are not current market conditions. Transactions concluded by the Bank with related parties on terms that are not current market conditions are recognized as invalid from the moment of their conclusion. The procedure for organizing transactions with the Bank's related parties is defined in the Bank's internal regulations.

Other aspects of accounting policies relevant for understanding of financial statements

Borrowings

Borrowings are financial liabilities of the Bank. Borrowings, in accordance with the items of the Statement of Financial Position in order of liquidity [220000], include Due to banks, Due to customers and Other financial liabilities. By maturity, borrowings are subdivided into current liabilities, short-term and long-term liabilities. The Bank recognizes financial liabilities in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at their fair value, which generally consists of the contractual amount and transaction costs. The Bank subsequently accounts for financial liabilities at amortized cost using the effective interest method, except as provided for in IFRS 9 *Financial Instruments*. The effective interest method may not be applied to current and short-term financial liabilities with a maturity of up to 3 months (except for financial liabilities raised on off-market terms).

Interest expense on borrowed funds is recognized in the Statement of Comprehensive Income, Profit or Loss, by the nature of the expense [320000] as interest expense. The Bank derecognizes a financial liability (or part of a financial liability) from its statement of financial position when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Investments in securities

For the purposes of measurement and accounting, the Bank classifies its financial investments as follows:

1) Financial investments at fair value through profit or loss.
Financial investments at fair value through profit or loss include debt securities, equity securities and other financial investments held for trading, as well as financial investments that are included in a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking upon initial recognition.
2) Financial investments at fair value through other comprehensive income.
The Bank accounts for debt securities, equity securities and other financial investments available-for-sale that are held to collect contractual cash flows or to sell.
3) Financial investments measured at amortized cost.
The Bank includes in this category debt securities purchased that have fixed or determinable payments and fixed maturities and which are intended to collect principal and interest cash flows.

The Bank accounts for purchase and sale of financial investments using settlement date accounting. That is, until the specified settlement date, claims and liabilities under the concluded agreement are reflected on off-balance sheet accounting. The Bank recognizes changes in the fair value of acquired financial investments (other than financial investments at amortized cost) between the date of the transaction and the date of settlement in income (for financial investments at fair value through profit or loss) and equity (for financial investments available-for-sale).

Upon initial recognition, the Bank recognizes financial investments at fair value through profit or loss, net of transaction costs, in its financial statements. Transaction costs for the acquisition of such financial investments are recognized on the expense accounts on the date of their incurrence. All other financial investments are measured at fair value at initial recognition, plus transaction costs. Transaction costs on purchases of debt securities are recognized in the discount (premium) account.

The Bank recognizes interest income on debt securities [coupon accrual, amortization of discount (premium)] at the effective interest rate over the period from the date of purchase to the date of derecognition (sale, redemption), reclassification, except for debt securities accounted for in the Bank's trading portfolio at fair value through profit or loss. The Bank accrues interest income at least once a month, and always at the date of revaluation, reclassification or sale. The Bank recognizes interest income on debt securities at fair value through profit or loss as part of the fair value revaluation. For debt securities measured at fair value through profit or loss, interest is not accrued and the discount or premium is not amortized. When purchasing coupon securities with accrued interest, the Bank accounts for them under premium (discount) accounts, the amount of the coupon received reduces the amount of the premium or increases the amount of the discount.

The fair value of securities traded on organized markets is determined by reference to their quoted market prices. If a quoted market price for a security is not available, the Bank uses observable inputs to determine fair value, if any (such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; observable rates and yield curves, etc.) or unobservable inputs (the Bank's own data, such as budgets, forecasts, historical information on economic performance, etc.). If the data are not available, the bank applies the income method by determining the present value of future cash flows discounted at the rate of return of the same or similar security.

Financial investments accounted for at amortized cost are carried at amortized cost at each subsequent balance sheet date using the effective interest rate. If the maturity of a financial investment does not exceed 3 months, the effective interest rate method may not be applied. The Bank reviews its debt financial investments carried at amortized cost and fair value through other comprehensive income to assess impairment. The Bank recognizes impairment at each balance sheet date by establishing an allowance.

Revaluation (recalculation of the hryvnia equivalent of foreign currency balances) of debt securities denominated in foreign currency due to changes in the official exchange rate of the hryvnia to foreign currencies is carried out in accordance with the general procedure for revaluation of financial assets and liabilities denominated in foreign currency at each change in the official exchange rate of the National Bank of Ukraine.

The Bank derecognizes a financial asset (in whole or in part) in accordance with the requirements of IFRS 9 *Financial Instruments*, including when the asset is written off against an allowance account.

Notes - Corporate Information and IFRS Compliance Report [810000]

Disclosure of notes and other explanatory information	
Name of the reporting entity or other means of identification	JOINT STOCK BANK “RADABANK”
ID code of the entity	21322127
Origination of the entity	Ukraine
Legal form of the entity	Joint stock company
Country of registration	Ukraine
Registered address of the entity	During the reporting year, the bank's legal address changed, namely: 5 Volodymyr Monomakha Str., Dnipro, 49000.
Principal place of business	Ukraine
Branches of the reporting entity, addresses and telephone numbers	As of January 01, 2023, the Bank has 26 branches located in: 11 branches in Dnipro city and region, three branches each in Kyiv and Lviv, two branches each in Kharkiv and Zaporizhzhia, one branch each in Odesa, Ternopil, Cherkasy, Vinnytsia, Khmelnytskyi. The Bank's branches are fully operational in cities where no active hostilities are taking place and provide all banking services that meet the NBU's regulatory requirements. The operations of the branches where there is an increased threat to the lives of the Bank's customers and employees (such as Kharkiv) have been temporarily suspended, and customers are served remotely in other regions of the Bank's presence. In 2022, the Bank joined the unified network of Ukrainian bank branches created at the initiative of the NBU, which will operate and provide the necessary services to customers even during blackout (POWER BANKING Network). 18 branches of the Bank in all regions of its presence are provided with alternative energy sources and backup communication channels, enhanced cash collection and additional staff. During 2022, 4 branches of the Bank were closed: 3 cash branches (2 branches in Dnipro and 1 branch in Zaporizhzhia) and 1 full-fledged branch in Kyiv.
Description of the nature of the entity's functioning and main activities	JOINT STOCK BANK "RADABANK" was registered by the National Bank of Ukraine and entered into the State Register of Banks on December 3, 1993 under No. 220. **Name of the Bank** Full name:

	In Ukrainian - АКЦІОНЕРНЕ ТОВАРИСТВО «АКЦІОНЕРНИЙ БАНК «РАДАБАНК»; In English – JOINT STOCK BANK «RADABANK». Short name: In Ukrainian – АТ «АБ «РАДАБАНК»; In English – JOINT STOCK BANK «RADABANK». Based on the licenses issued during 2022, the Bank provided the following banking and financial services in pursuance of its business activities: • Providing cash and settlement services to clients in national and foreign currencies; • Maintaining correspondent accounts with authorized banks of Ukraine and performing transactions on them; • Maintaining correspondent accounts with non-resident banks in foreign currencies and performing transactions on them; • Raising funds from legal entities and individuals; • Granting loans to business entities and individuals; • Factoring operations; • Providing guarantees to legal entities; • Granting loans to banking institutions; • Conducting transactions with foreign currency and precious metals, namely: • Purchase, sale, exchange of foreign currency in cash; • Foreign currency trading in the Ukrainian foreign exchange market; • Non-trading operations with currency valuables; • Trading in precious metals and coins of foreign countries in the foreign exchange market of Ukraine; • Brokerage, dealer and depository activities with securities in the stock market; • Storage of valuables and provision of an individual bank safe for property lease; • Sale of commemorative and anniversary coins of Ukraine; • Accepting payments for utilities and other payments from the public; • Transfer and payment of funds through money transfer systems such as Western Union, Welsend, MoneyGram International; RIA Money Transfer; • Cash collection and transportation of currency valuables; • Issuance of bank payment cards and performing transactions using these cards; • Trust operations
Statement of compliance with IFRS requirements	These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Law of Ukraine *On Accounting and Financial Reporting in Ukraine* No. 996-XIV of July 16, 1999 on the preparation of financial statements.
Disclosures about uncertainties about an entity's ability to continue as a going concern	During 2022, the Bank's ability to continue as a going concern was not significantly affected; however, the consequences of the military aggression of the Russian Federation against Ukraine may have a significant impact on the financial position and results of operations of the Bank and its counterparties. Further developments, the timing of when these actions will cease and the consequences are uncertain. These events create a material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern in the future. To ensure prompt measures to restore financial stability in the event of a deterioration in the financial condition and/or a stressful situation, the Bank has activated the Going Concern Plan and the Business Recovery Plan. The consequences of Russian terrorist attacks on critical infrastructure facilities will threaten the realization of operational risks, in particular due to problems with energy supply. The Bank is developing and constantly updating measures to ensure continuous operation in the event of a blackout. Due to the temporary restriction of electricity supply as a result of Russian attacks on Ukraine's energy infrastructure, a list of emergency branches has been determined to ensure the provision of services to the Bank's customers in the event of a prolonged power outage. The emergency branches are provided with backup power sources (powerful electric generators) with a reserve of resources/fuel for at least two to three days and reliable sources of their replenishment Provided customers with access to information about the Bank's emergency branches (including their location, contact numbers and working hours) that operate in the event of a prolonged power outage. Continuous operation of the information and telecommunication systems ensuring the

	functioning of the Bank's critical business processes was ensured by, inter alia, using backup power sources (diesel generators) in the data centers and in the premises where the Bank's customer support department operates and having resources/fuel available for their operation for at least seven days. An additional backup communication channel was set up at the NBU's data center using S2S VPN technology. The Bank's management approved the introduction and use of satellite communication technologies by purchasing a Starlink kit. The Bank operated steadily even in the conditions of a full-scale war, maintaining liquidity and operational efficiency. This was due, in particular, to the fact that at the beginning of the Russian aggression the Bank was sufficiently capitalized, had well-established operations and crisis management plans. Today, the entire Bank's team is focused on clear and consistent actions under martial law. The Bank's branches are fully operational in cities where no active hostilities are taking place and provide all banking services that meet the NBU's regulatory requirements. Operations of branches where there is a high threat to the lives of customers and employees (such as Kharkiv) have been temporarily suspended, and customers are being served remotely in other regions of the Bank's presence. The bank managed to withstand the onslaught of numerous cyberattacks, which intensified significantly in wartime. The Bank's current business continuity plan allowed us to quickly ensure uninterrupted communication and power supply channels, save customer data, restart the infrastructure, and take all the necessary measures to quickly transition to work in the new environment. The implementation of anti-crisis measures provided for in the Business Continuity Plan mitigated the initial shock of the war by ensuring the uninterrupted operation of all the Bank's systems. The Bank meets its obligations to customers promptly and in full. The structure and volume of the Bank's resource base are generally consistent with the approved business model, namely, a universal bank with corporate and retail business and a list of services that correspond to its risk profile. The Bank's funding sources are diversified. The risks of significant outflows of funds with the start of a full-scale offensive did not materialize. Gradual economic recovery contributed to the accumulation of hryvnia funds on the accounts of enterprises and individuals. Depositors' confidence in the Bank has been maintained. Currently, the Bank's liquidity is not a concern, although liquidity risk may still be realized during the war, so it cannot be ignored. <u>During 2022:</u> • refinancing loan from the NBU was fully repaid; • the Bank's fixed assets have not been physically damaged, are not located in the territories temporarily uncontrolled by the Armed Forces of Ukraine and in the area of active hostilities; • the borrowers' collateral is mostly located in the territory controlled by the Ukrainian armed forces and has not been destroyed; • the Bank's operations are profitable; the Bank fully complies with the economic standards established by the regulations of the National Bank of Ukraine, including capital, solvency and liquidity ratios; • measures were taken to reduce administrative costs; • since the beginning of the military aggression, the Bank has significantly replenished reserves for active banking operations. In general, the Bank is operating normally and performing the function of financial support to the economy and customers in a quality manner. There are no restrictions on the operation of cash desks. The Bank has sufficient cash in both hryvnia and foreign currency to meet its obligations to customers in full. The consequences of Russia's terrorist attacks on critical infrastructure facilities will threaten the realization of operational risks, in particular due to problems with energy supply. The Bank develops and constantly updates business continuity measures in case of a blackout.
Available licenses: type, periods	The Bank operates based on BANKING LICENSE on National Bank of Ukraine № 166 of 14.11.2011. The Bank has the LICENSES of the National Commission on Securities and Stock Market to perform professional activities at stock market: • License АД 034429 of 13.06.2012. Professional activities at stock market – trading in securities – brokerage, unlimited term, redrafted by decisions of the National Commission on Securities and Stock Market №420 of 23.06.2021 as a license on professional activities on trading in financial instruments, including brokerage and sub-brokerage, at capital markets.

<table>
<tr><td></td><td>License AE 294570 of 04.11.2014. Professional activities at stock market – trading in securities – dealership, unlimited term, redrafted by decisions of the National Commission on Securities and Stock Market №420 of 23.06.2021 as a license on professional activities on trading in financial instruments, including dealership.
License AE 286562 of 08.10.2013. Professional activities at stock market – depository operations. Depository activities of a depository.
JSC RADABANK is a member of the Deposit guarantee fund. Registration number in the Deposit guarantee funds is 119, date of registration - 02.09.1999, certificate of membership № 110 of 06.11.2012.</td></tr>
<tr><td colspan="2">Disclosure of significant accounting policies</td></tr>
<tr><td>Explanation of the measurement bases used in the preparation of the financial statements</td><td>The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses, and the disclosure of contingent assets and liabilities. Judgments are constantly evolving and are based on the Bank's experience and other factors, including future events that are believed to be reasonable under the circumstances. Judgments that have the most significant effect on the amounts recognized in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next period include:
Initial recognition of financial assets and liabilities
In accordance with IFRS 9 Financial Instruments, financial assets and liabilities are initially recognized at fair value. Judgment is applied to determine whether transactions are priced at market or non-market interest rates in the absence of an active market for such transactions. Judgments are based on pricing for similar transactions with independent and knowledgeable parties in the ordinary course of business, interest rates for financial instruments with similar terms and conditions established by the Bank and effective interest rate analysis.
Impairment of financial assets and calculation of provisions for liabilities
Loss allowances are established in an amount equivalent to the sum of expected losses on all financial assets recognized at amortized cost, all equity instruments recognized at fair value through other comprehensive income (FVOCI) and expected credit losses (ECL) on loan commitments and financial guarantees are recorded at different stages. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when estimating future cash flows. In determining whether an impairment loss should be recorded in profit or loss for the year, the Bank makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio.
In estimating the timing and amount of future cash flows, the impact of military actions and possible consequences in case of their further escalation were not taken into account. If these events are taken into account and estimates of future cash flows change, including taking into account the quality of debt servicing, the estimated amount of the required provision may increase. When calculating cash flows from the sale of collateral, the terms determined by the Bank's experts are taken into account, which may differ from the actual terms and amounts of funds received.
Fair value of collateral
The fair value of buildings and structures (real estate) used as collateral for lending transactions should be determined by the Bank at market value. As there was no active real estate market as at the reporting date and the existing property valuation standards and rules do not contain an algorithm for determining market value, the valuation of collateral is based on the comparative or income capitalization method, which relies more on the professional opinion of valuation specialists than on market factors. Changes in these assumptions could affect the fair value of collateralized loans.
Determination of useful lives of fixed assets and residual values
Useful lives and residual values of property, plant and equipment are determined on the basis of historical experience of use of groups of property, plant and equipment similar in function. In this regard, the actual useful life of a particular property, plant and equipment and its residual value may differ from the estimated useful life and residual value of the respective group and, as a result, the presence of fully depreciated property, plant and equipment or derecognition of property, plant and equipment before the expiration of their useful life.
Determination of lease terms and additional borrowing rate
The Bank considers all available facts and circumstances that give rise to an economic incentive to exercise an option to renew the lease or not to exercise an option to terminate the lease. As a rule,</td></tr>
</table>

the lease term is taken into account in accordance with the concluded agreements and is 3 years. However, if the lease agreement provides for the lessee's unconditional right to extend the lease term, the bank takes into account management's judgment about the useful life of the leased property, but not more than the term of the lease extension option in the agreement, when determining the non-cancellable lease term.

As a lessee, at the date of commencement of the lease or its modification, the Bank uses the discount rate directly specified in the relevant agreement to determine the lease liability. If no rate is specified in the agreement, the Bank applies the lessee's incremental borrowing rate, which is set based on the judgment of the Bank's experts and corresponds to the rate at which the Bank tries to raise funds for the relevant period. These assumptions may affect the determination of the lease liability and right-of-use asset at the time of recognition (modification) of the lease agreement.

Fair value of assets and liabilities

The fair values of financial assets and financial liabilities recognized in the statement of financial position are based on prices in an active market. Where an active market is not available, fair values are determined using a variety of valuation techniques and calculations. Inputs to such models and calculations, where available, are determined based on observable markets. In the absence of observable market data, management's judgment is used to estimate fair value.

Disclosure of capital management objectives, policies and processes

The Bank's capital management policy is aimed at achieving the following objectives: compliance with the capital requirements set by the National Bank of Ukraine; ensuring the Bank's ability to continue as a going concern and maintaining a sufficient capital base to ensure that the Bank achieves a sufficient capital adequacy ratio. Compliance with capital adequacy ratios set by the National Bank of Ukraine is monitored on a daily and monthly basis with reports containing relevant calculations reviewed and signed by the Bank's Chairman of the Management Board and Chief Accountant. Other capital management objectives are assessed on an annual basis.

The Bank complies with the capital requirements set by the National Bank of Ukraine - regulatory capital adequacy ratio H2 at the level not less than the regulatory value (10%) and core capital adequacy ratio (H3) at the level not less than the regulatory value (7%).

The regulatory capital adequacy ratio (N2) is defined as the ratio of regulatory capital to the total carrying amount of assets and off-balance sheet liabilities weighted by credit risk after reduction by the amount of collateral. In calculating the regulatory capital adequacy ratio, the aggregate amount of the bank's open currency position in all foreign currencies and precious metals, the minimum amount of operational risk multiplied by a factor of 10, and the amount of uncovered credit risk are added to the total carrying amount of assets and off-balance sheet liabilities weighted by the degree of credit risk, and the amount of uncovered credit risk is excluded.

Core capital adequacy ratio (N3) is defined as the ratio of core capital to the sum of assets and off-balance sheet liabilities weighted by the respective credit risk ratios.

The actual value of the H2 ratio, taking into account adjusting entries for the reporting period, amounted to 19.7% at the end of 2022 (previous year: 13%), and the H3 ratio was 16.38% (previous year: 13%).

The structure of regulatory capital calculated in accordance with the requirements of the National Bank of Ukraine, taking into account adjusting entries for the reporting period, as of the end of 2022:

(UAH’000)

		December 31, 2022	December 31, 2021
1	Basic capital	316 395	316 007
2	Additional capital	64 049	29 882
3	**Total regulatory capital**	**380 443**	**345 889**

During the financial years 2021 and 2022, the Bank complied with all capital requirements set by the National Bank of Ukraine.

Notes - Accounting policies, changes in accounting estimates and errors [811000].

Disclosure of changes in accounting policies, accounting estimates and errors

The accounting policies adopted are consistent with those of the previous reporting year, except for the adoption of new standards effective as at 1 January 2022. The Bank has not adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Effect of changes in accounting policies, accounting estimates and correction of material errors and their presentation in the financial statements

In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", in the reporting period, the Bank made an adjustment to its financial statements related to income tax for 2020. This adjustment resulted in the restatement of the following items in the Statement of Financial Position, in order of liquidity [220000] for 2021 and the Statement of Changes in Equity [610000] for 2020 and 2021.

Impact of changes

(UAH’000)

		Balance	Adjusted balance	Impact of changes
Statement of financial position, in order of liquidity, as of December 31, 2021				
1	Current tax liabilities	9 895	9 911	16
2	Total liabilities	4 726 281	4 726 297	16
3	Retained earnings	107 289	107 273	(16)
4	Total equity attributable to owners of the parent company	431 694	431 678	(16)
5	Total equity	431 694	431 678	(16)
Statement of changes in equity for 2020				
6	Retained earnings	115 272	115 256	(16)
7	Total equity attributable to owners of the parent company	337 622	337 606	(16)
8	Equity	337 622	337 606	(16)
Statement of changes in equity for 2021				
9	Retained earnings	107 289	107 273	(16)
10	Total equity attributable to owners of the parent company	431 694	431 678	(16)
11	Equity	431 694	431 678	(16)

Disclosures about the first-time adoption of standards or interpretations

The accounting policies adopted are consistent with those of the previous reporting year, except for the adoption of new standards effective as of 1 January 2022. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The following is the information on the standards that the Bank has adopted in the reporting period and that did not have a material impact on the Bank's operations.

Amendments to IFRS 1, First-time Adoption of IFRSs, which allow a subsidiary that adopts IFRSs later than its parent to measure the cumulative translation differences of all foreign operations in its financial statements at the carrying amounts at which they were included in the parent's consolidated financial statements. A similar option is available to an associate and a joint venture.

Amendments to IFRS 9 "Financial Instruments" - clarify which fees should be taken into account when applying the 10 percent test in IFRS 9.3.6 to assess whether a financial liability should be derecognized.

Amendments to IAS 41 "Agriculture". Effective from January 1, 2022, the requirement to exclude tax cash flows when measuring fair value in paragraph 22 of IAS 41 will be removed. Now the requirements of IAS 41 for measuring fair value are fully consistent with the provisions of IFRS 13 Fair Value Measurement.

Amendments to IFRS 3 Business Combinations relate to the references to the revised Conceptual Framework for Financial Reporting (the "Framework"), in particular, the reference to the Framework in the provision that sets out the conditions for recognizing identifiable assets acquired and liabilities assumed in an acquisition has been amended. Such assets and liabilities must meet the definition of assets and liabilities set out in the Conceptual Framework.

Amendments to IFRS 16 "Property, Plant and Equipment" relate to the accounting and disclosure of proceeds from property, plant and equipment before they are used for their intended purpose. In particular, the amendments prohibit the exclusion from the cost of property, plant and equipment of amounts received from the sale of products manufactured during the period of preparation of an asset for its intended use. The following sales income and related expenses should be recognized in profit or loss.

Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" clarify which costs should be included in the assessment of the costs of fulfilling obligations under a contract to determine whether it is onerous. On January 1, 2022, it was established that the costs of fulfilling a contract include costs that are directly related to the contract and include:

- additional costs of performing this contract, such as direct labour and materials; and
- allocated other costs directly attributable to the performance of contracts, for example, the allocated portion of depreciation expense for an item of property, plant and equipment used to perform, among other things, a given contract.

Explanation of new standards or interpretations not yet applied

The following new IFRSs and amendments to IFRSs are effective from January 01, 2023:
IFRS 17 replaces the interim standard - IFRS 4, requires consistent accounting for all insurance contracts based on the current valuation model, provides useful information on the profitability of insurance contracts.

The amendments to IAS 1 Presentation of Financial Statements replace the requirement for entities to disclose their significant accounting policies with a requirement to disclose material accounting policies.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarify the difference between changes in accounting policies and accounting estimates and define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty.

Amendments to IAS 12 Income Taxes clarify how entities should account for deferred taxes on transactions such as leases and obligations of disposal.

Amendments to IFRS 17 Insurance Contracts - Entities must apply IFRS 17 and IFRS 9 on the date of initial application of IFRS 17. When applying the Amendments to the classification of financial assets, entities shall present comparative information as if the classification and measurement requirements of IFRS 9 had been applied in the comparative period. The impairment requirements (IFRS 9.5) may not apply.

The following amendments to IFRS will become effective from January 1, 2024:
Amendments to IAS 1 Presentation of Financial Statements - classification of Liabilities as Current and Non-current.

Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with covenants stipulate that if an entity's right to defer settlement of a liability is subject to additional conditions (covenants) within 12 months after the reporting date, the entity must disclose additional information in the notes to enable users of the financial statements to understand the risk that the liability will be settled within 12 months of the reporting date. In particular, it will be necessary to disclose:

- Information on the nature of the covenants, when the entity must fulfill these additional conditions, and the carrying amount of the related liabilities;
- Facts and circumstances that indicate that the organization may have difficulty meeting the additional conditions, including those that can be estimated at the end of the reporting period.

Notes – Subsequent Events [815000]

Disclosure of information on subsequent events	On March 21, 2023, the International Monetary Fund (IMF) announced that it had reached an agreement with the Ukrainian authorities on a new program. Unlike the previous monitoring program, it will provide for the allocation of significant funding. Once signed and approved by the IMF Board of Directors, Ukraine will be able to receive $15.6 billion in loan financing over the next 48 months. In addition, the fund's program will help the government raise tens of billions of dollars from other partners, which will be useful not only during the active phase of the war but also after it ends. The

	IMF's new program for Ukraine is called unique: it is the first time the Fund has provided funds to the country in the face of unprecedented economic uncertainty. To receive the funding, Ukraine will have to fulfill a number of requirements. The key one is not to worsen its financial situation and not to experiment with taxes during the war. The uniqueness of the new IMF program that Ukraine received has become a precedent. Although the IMF had no direct prohibition on lending to countries at war, it cannot provide funds to countries without a clear macroeconomic forecast. And it is impossible to make one for a country where active hostilities are ongoing. У the country will receive an Extended Fund Facility or EFF program from the IMF. Such programs are usually long-term and larger in size but require structural reforms by the recipient country. As part of this program, the IMF agreed to provide Ukraine with a loan in the amount of 577% of its quota in the IMF - SDR 11.6 billion. SDRs or $15.6 billion at the current exchange rate. Of this, Ukraine will be able to receive about $4.5 billion in 2023. The program is valid for four years, with a loan repayment schedule of up to ten years. Providing funds under conditions of uncertainty and amending IMF procedures are not the only features of the program. Another feature of the program will be its division into two phases: military and post-war. Each stage will have different tasks and requirements. Even before the great war, Ukraine viewed the IMF not only as a source of financing, but also as a guarantee that would allow it to attract more funding from other sources. Although external capital markets are currently closed to Ukraine, the role of the IMF program does not diminish. Having a program with the IMF will help Ukraine mobilize large-scale concessional financing throughout its duration. Thanks to the program, Ukraine will be able to receive not only $15.6 billion from the IMF, but also about $40 billion from donors and partners to cover its financial needs.

Notes - Related parties [818000].

Disclosure of information about related parties	In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if the parties are under common control, or if one party controls the other party or can exercise significant influence over the other party in making financial or operational decisions. The list of related parties is compiled by the Bank on the basis of available information in accordance with internal regulations based on IAS 24. Transactions with the Bank's related parties do not provide for terms that are not current market conditions. Transactions concluded by the Bank with related parties on terms that are not current market conditions are recognized as invalid from the moment of their conclusion. The procedure for organizing transactions with the Bank's related parties is defined in the Bank's internal regulations.
Related parties	In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.
Key management personnel of the entity or parent company	The Bank's key management personnel include individuals who directly or indirectly have the authority and responsibility for planning, managing and controlling the activities of the Bank: The Chairman and members of the Supervisory Board, the Management Board, the Credit Committee, the Tariff Committee, the Assets and Liabilities Committee, the Tender Committee.
Other related parties	The Bank's other related parties include the Bank's individual shareholders and all other persons other than key management personnel.
Disclosure of related party transactions	In the normal course of business, the Bank conducts banking transactions with its major shareholders and other related parties. These transactions include settlements, loans, deposits, financing of commercial activities and foreign exchange transactions.

(UAH’000)

					Related parties	
	Key management personnel of the entity or parent company		**Other related parties**			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Related party transactions						
Assets						
Loans and due from customers, including:	269	334	28 050	64 395	28 319	64 729

	Key management personnel of the entity or parent company		Other related parties		Related parties	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Allowance for loan losses	(4)	(3)	(3 363)	(15 235)	(3 367)	(15 238)
Other financial assets, incl:			32	11	32	11
Provision for other financial assets	-	-	(1)	(1)	(1)	(1)
Other non-financial assets			6	13	6	13
Total assets	**269**	**334**	**28 088**	**64 419**	**28 357**	**64 753**
Liabilities						
Due to customers	6 686	3 063	47 695	153 598	54 381	156 661
Other financial liabilities	23	58	6 388	8 251	6 411	8 309
Other non-financial liabilities	557	1 008	374	443	931	1 451
Total liabilities	**7 266**	**4 129**	**54 457**	**162 292**	**61 723**	**166 421**
Income and expenses						
Interest income	**68**	**84**	**9 531**	**6 958**	**9 599**	**7 042**
Interest income calculated using the effective interest method	68	84	9 531	6 958	9 599	7 042
Interest expense	63	44	941	662	1 004	706
Commission income	101	105	872	720	973	825
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(8)	(11 872)	10 683	(11 872)	10 675
Other profit (losses)			351		351	
Employee benefits	9 276	8 224			9 276	8 224
Other administrative and operating expenses	638	1 232	7 267	6 832	7 905	8 064
Impairment gain and reversal of impairment loss (impairment loss) for non-financial assets				(2)		(2)
Profit (loss) from operating activities	**(9 808)**	**(9 303)**	**14 418**	**(10 497)**	**4 610**	**(19 800)**
Loans to related parties	**2 507**	**3 595**	**5 326**	**118 951**	**7 833**	**122 546**
Loans repaid by related parties	**2 574**	**3 559**	**53 795**	**62 180**	**56 369**	**65 739**
Other changes in carrying amount	**2**	**(1 822)**	**12 124**	**(10 747)**	**12 126**	**(12 569)**
Loan commitments	**878**	**1 138**	**1 635**	**2 808**	**2 513**	**3 946**

The contractual interest rate on loans and advances to related parties in the current reporting period was 0.01-30% (0.01-38% in the previous reporting period). The contractual interest rate on funds raised from related parties in the current reporting period was in USD 0.1-2.5%; in EUR 0.1%; in UAH 12-17.5% (in the previous reporting period - in USD 1-2.05%; in UAH 6.5-10.1%).

Notes - Property, plant and equipment [822100a] - property, plant and equipment under operating lease

(UAH’000)

	Buildings						
	Gross carrying amount		**Accumulated depreciation and amortization of tangible and intangible assets**		**Accumulated impairment**	**Carrying amount**	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**
Disclosure of detailed information on property, plant and equipment							
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	20 - 30 years	20 - 30 years	20 - 30 years	20 - 30 years	20 - 30 years	20 - 30 years	20 - 30 years
Reconciliation of changes in fixed assets							
Property, plant and equipment, opening balance	172 962	102 520	(23 081)	(23 437)	-	**149 881**	**79 083**
Changes in property, plant and equipment							
Increase other than from business combinations, property, plant and equipment	9 553	85 437	-	-	-	**9 553**	**85 437**
Depreciation, property, plant and equipment	-	-	16 966	17 461		**16 966**	**17 461**
Impairment loss recognized in profit or loss, property, plant and equipment	-	-	-	-	9 141	**9 141**	-
Increase (decrease) due to revaluation, property, plant and equipment	1 273	1 901	(8 102)	(11 374)	-	**(6 829)**	**(9 473)**
Increase (decrease) due to transfers and other changes, property, plant and equipment							
Increase (decrease) due to transfers, property, plant and equipment	**991**	**12 295**	-	-	-	**991**	**12 295**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	991	12 295	-	-	-	**991**	**12 295**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**991**	**12 295**	-	-	-	**991**	**12 295**
Disposals and decommissioning, property, plant and equipment							
Disposals, property, plant and equipment	-	-	-	-	-	-	-
Decommissioning, fixed assets	17 018	29 191	(11 684)	(29 191)	-	**5 334**	-
Total disposals and decommissioning, property, plant and equipment	**17 018**	**29 191**	**(11 684)**	**(29 191)**	-	**5 334**	-
Total increase (decrease) in property, plant and equipment	**(5 201)**	**70 442**	**(13 384)**	**356**	**(9 141)**	**(27 726)**	**70 798**
Property, plant and equipment, closing balance	**167 761**	**172 962**	**(36 465)**	**(23 081)**	**(9 141)**	**122 155**	**149 881**

	Machines					
					Carrying amount	
	Gross carrying amount		Accumulated depreciation and amortization of tangible and intangible assets			
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of detailed information on property, plant and equipment						
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 - 8 years	5 - 8 years	5 - 8 years	5 - 8 years	5 - 8 years	5 - 8 years
Reconciliation of changes in fixed assets						
Property, plant and equipment, opening balance	18 598	14 606	(7 432)	(5 607)	**11 166**	**8 999**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	955	2 475	-	-	**955**	**2 475**
Depreciation, property, plant and equipment	-	-	2 243	1 920	**2 243**	**1 920**
Increase (decrease) due to transfers and other changes, property, plant and equipment						
Increase (decrease) due to transfers, property, plant and equipment	**144**	**1 656**	-	-	**144**	**1 656**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	144	1 656	-	-	**144**	**1 656**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**144**	**1 656**	-	-	**144**	**1 656**
Disposals and decommissioning, property, plant and equipment						
Disposals, property, plant and equipment	41	-	(17)	-	**24**	-
Decommissioning, fixed assets	165	139	(138)	(95)	**27**	**44**
Total disposals and decommissioning, property, plant and equipment	**206**	**139**	**(155)**	**(95)**	**51**	**44**
Total increase (decrease) in property, plant and equipment	**893**	**3 992**	**(2 088)**	**(1 825)**	**(1 195)**	**2 167**
Property, plant and equipment, closing balance	**19 491**	**18 598**	**(9 520)**	**(7 432)**	**9 971**	**11 166**

	Vehicles						
	Gross carrying amount		Accumulated depreciation and amortization of tangible and intangible assets		Accumulated impairment	Carrying amount	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Current reporting period	Previous reporting period
Disclosure of detailed information on property, plant and equipment							
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	6 - 7 years	6 - 7 years	6 - 7 years	6 - 7 years	6 - 7 years	6 - 7 years	6 - 7 years
Reconciliation of changes in fixed assets							
Property, plant and equipment, opening balance	22 901	17 115	(6 746)	(7 246)	-	**16 155**	**9 869**
Changes in property, plant and equipment							
Increase other than from business combinations, property, plant and equipment	2 918	3 489	-	-	-	**2 918**	**3 489**
Depreciation, property, plant and equipment	-	-	3 076	2 308		**3 076**	**2 308**
Impairment loss, recognized in profit or loss, fixed assets	-	-	-	-	276	**276**	-
Increase (decrease) due to transfers and other changes, property, plant and equipment							
Increase (decrease) due to transfers, property, plant and equipment	**17**	**5 105**	-	-	-	**17**	**5 105**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	17	5 105	-	-	-	**17**	**5 105**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**17**	**5 105**	-	-	-	**17**	**5 105**
Disposals, property, plant and equipment							
Disposal, fixed assets	-	2 808	-	(2 808)	-	-	-
Total disposals and decommissioning, property, plant and equipment	-	**2 808**	-	**(2 808)**	-	-	-
Total increase (decrease) in property, plant and equipment	**2 935**	**5 786**	**(3 076)**	**500**	**(276)**	**(417)**	**6 286**
Property, plant and equipment, closing balance	**25 836**	**22 901**	**(9 822)**	**(6 746)**	**(276)**	**15 738**	**16 155**

	Devices and accessories					
					Carrying amount	
	Gross carrying amount		Accumulated depreciation and amortization of tangible and intangible assets			
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of detailed information on property, plant and equipment						
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 - 12 years	5 - 12 years	5 - 12 years	5 - 12 years	5 - 12 years	5 - 12 years
Reconciliation of changes in fixed assets						
Property, plant and equipment, opening balance	12 120	10 323	(4 122)	(3 731)	**7 998**	**6 592**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	836	2 653	-	-	**836**	**2 653**
Depreciation, property, plant and equipment			1 674	1 381	**1 674**	**1 381**
Increase (decrease) by revaluation, fixed assets	103	19	(297)	-	**(194)**	**19**
Increase (decrease) due to transfers and other changes, property, plant and equipment						
Increase (decrease) due to transfers, property, plant and equipment	**34**	**127**	-	-	**34**	**127**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	34	127	-	-	**34**	**127**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**34**	**127**	-	-	**34**	**127**
Disposals and decommissioning, fixed assets						
Disposals, fixed assets	204	4	(51)	(2)	**153**	**2**
Decommissioning, fixed assets	216	998	(216)	(988)		**10**
Total disposals and decommissioning, property, plant and equipment	**420**	**1 002**	**(267)**	**(990)**	**153**	**12**
Total increase (decrease) in property, plant and equipment	**553**	**1 797**	**(1 704)**	**(391)**	**(1 151)**	**1 406**
Property, plant and equipment, closing balance	**12 673**	**12 120**	**(5 826)**	**(4 122)**	**6 847**	**7 998**

	Office equipment					
	Gross carrying amount		**Accumulated depreciation and amortization of tangible and intangible assets**		**Carrying amount**	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment						
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 - 8 years	5 - 8 years	5 - 8 years	5 - 8 years	5 - 8 years	5 - 8 years
Reconciliation of changes in fixed assets						
Property, plant and equipment, opening balance	4 530	3 717	(2 493)	(1 818)	**2 037**	**1 899**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	56	841	-	-	**56**	**841**
Depreciation, property, plant and equipment	-	-	672	718	**672**	**718**
Increase (decrease) due to transfers and other changes, property, plant and equipment						
Increase (decrease) due to transfers, property, plant and equipment	-	**23**	-	-	-	**23**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	-	23	-	-	-	**23**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	-	**23**	-	-	-	**23**
Disposals and decommissioning, fixed assets						
Disposals, fixed assets	26	51	(26)	(43)	-	**8**
Total disposals and decommissioning, property, plant and equipment	**26**	**51**	**(26)**	**(43)**	**-**	**8**
Total increase (decrease) in property, plant and equipment	**30**	**813**	**(646)**	**(675)**	**(616)**	**138**
Property, plant and equipment, closing balance	**4 560**	**4 530**	**(3 139)**	**(2 493)**	**1 421**	**2 037**

	Computer equipment					
					Carrying amount	
	Gross carrying amount		**Accumulated depreciation and amortization of tangible and intangible assets**			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment						
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 years	5 years	5 years	5 years	5 years	5 years
Reconciliation of changes in fixed assets						
Property, plant and equipment, opening balance	20 740	13 577	(11 035)	(8 163)	**9 705**	**5 414**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	44	6 929	-	-	**44**	**6 929**
Depreciation, property, plant and equipment			3 697	2 920	**3 697**	**2 920**
Increase (decrease) due to transfers and other changes, property, plant and equipment						
Increase (decrease) due to transfers, property, plant and equipment	-	**282**	-	-	-	**282**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	-	282	-	-	-	**282**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	-	**282**	-	-	-	**282**
Disposals and decommissioning, fixed assets						
Disposals, fixed decommissioning	131	48	(130)	(48)	**1**	-
Total disposals and decommissioning, property, plant and equipment	**131**	**48**	**(130)**	**(48)**	**1**	-
Total increase (decrease) in property, plant and equipment	**(87)**	**7 163**	**(3 567)**	**(2 872)**	**(3 654)**	**4 291**
Property, plant and equipment, closing balance	**20 653**	**20 740**	**(14 602)**	**(11 035)**	**6 051**	**9 705**

	Communication and network equipment					
	Gross carrying amount		Accumulated depreciation and amortization of tangible and intangible assets		Carrying amount	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment						
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 - 15 years	5 - 15 years	5 - 15 years	5 - 15 years	5 - 15 years	5 - 15 years
Reconciliation of changes in fixed assets						
Property, plant and equipment, opening balance	6 377	5 263	(3 254)	(2 208)	**3 123**	**3 055**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	91	1 127	-	-	**91**	**1 127**
Depreciation, property, plant and equipment	-	-	1 160	1 059	**1 160**	**1 059**
Disposals and decommissioning, fixed assets						
Disposals, fixed assets	-	13	-	(13)	-	-
Total disposals and decommissioning, property, plant and equipment	-	**13**	-	**(13)**	-	-
Total increase (decrease) in property, plant and equipment	**91**	**1 114**	**(1 160)**	**(1 046)**	**(1 069)**	**68**
Property, plant and equipment, closing balance	**6 468**	**6 377**	**(4 414)**	**(3 254)**	**2 054**	**3 123**

	Capital investments in property, plant and equipment				
				Carrying amount	
	Gross carrying amount		**Accumulated depreciation and amortization of tangible and intangible assets**		
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment					
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Not depreciated	Not depreciated	Not depreciated	Not depreciated	Not depreciated
Reconciliation of changes in fixed assets					
Property, plant and equipment, opening balance	214	3 015	-	**214**	**3 015**
Changes in property, plant and equipment					
Increase other than from business combinations, property, plant and equipment	19 175	28 584	-	**19 175**	**28 584**
Depreciation, property, plant and equipment					
Impairment loss recognized in profit or loss	-	-	206	**206**	-
Increase (decrease) due to transfers and other changes, property, plant and equipment					
Increase (decrease) due to transfers, property, plant and equipment	**(1 712)**	**(31 385)**	-	**(1 712)**	**(31 385)**
Increase (decrease) through transfer from construction in progress, fixed assets	(1 712)	(31 385)	-	**(1 712)**	**(31 385)**
Total increase (decrease) from disposals and decommissioning, property, plant and equipment	**(1 712)**	**(31 385)**	-	**(1 712)**	**(31 385)**
Total disposals and decommissioning, property, plant and equipment					
Total increase (decrease) in property, plant and equipment	**17 463**	**(2 801)**	**(206)**	**17 257**	**(2 801)**
Property, plant and equipment, closing balance	**17 677**	**214**	**(206)**	**17 471**	**214**

	Other property, plant and equipment					
					Carrying amount	
	Gross carrying amount		Accumulated depreciation and amortization of tangible and intangible assets			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment						
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	12 years	12 years	12 years	12 years	12 years	12 years
Reconciliation of changes in fixed assets						
Property, plant and equipment, opening balance	36 696	17 100	(21 297)	(13 318)	**15 399**	**3 782**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	827	10 171	-	-	**827**	**10 171**
Depreciation, property, plant and equipment	-	-	6 189	10 436	**6 189**	**10 436**
Increase (decrease) due to transfers and other changes, property, plant and equipment						
Increase (decrease) due to transfers, property, plant and equipment	**526**	**11 897**	-	-	**526**	**11 897**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	526	11 897	-	-	**526**	**11 897**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**526**	**11 897**	-	-	**526**	**11 897**
Disposals and decommissioning, property, plant and equipment						
Disposals, property, plant and equipment	26	6	(25)	(6)	**1**	-
Decommissioning, property, plant and equipment	528	2 466	(155)	(2 451)	**373**	**15**
Total disposals and decommissioning, property, plant and equipment	**554**	**2 472**	**(180)**	**(2 457)**	**374**	**15**
Total increase (decrease) in property, plant and equipment	**799**	**19 596**	**(6 009)**	**(7 979)**	**(5 210)**	**11 617**
Property, plant and equipment, closing balance	**37 495**	**36 696**	**(27 306)**	**(21 297)**	**10 189**	**15 399**

	Fixed assets						
	Gross carrying amount		**Accumulated depreciation and amortization of tangible and intangible assets**		**Accumulated impairment**	**Carrying amount**	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment							
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	At cost	At cost	At cost	At cost	At cost	At cost
Property, plant and equipment, opening balance	**295 138**	**187 236**	**(79 460)**	**(65 528)**		**215 678**	**121 708**
Changes in property, plant and equipment							
Increase other than from business combinations, property, plant and equipment	**34 455**	**141 706**	**-**	**-**	**-**	**34 455**	**141 706**
Depreciation, property, plant and equipment	-	-	35 677	38 203	-	35 677	38 203
Impairment loss recognized in profit or loss, property, plant and equipment	-	-	-	-	9 623	9 623	-
Increase (decrease) due to revaluation, property, plant and equipment	1 376	1 920	(8 399)	(11 374)	-	(7 023)	(9 454)
Disposals and decommissioning, property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals, property, plant and equipment	271	2 818	(93)	(2 816)	-	178	2
Decommissioning, fixed assets	18 084	32 906	(12 349)	(32 829)	-	5 735	77
Total disposals and decommissioning, property, plant and equipment	**18 355**	**35 724**	**(12 442)**	**(35 645)**	**-**	**5 913**	**79**
Total increase (decrease) in property, plant and equipment	**17 476**	**107 902**	**(31 634)**	**(13 932)**	**(9 623)**	**(23 781)**	**93 970**
Property, plant and equipment, closing balance	**312 614**	**295 138**	**(111 094)**	**(79 460)**	**(9 623)**	**191 897**	**215 678**

Notes - Property, plant and equipment [822100b] - property, plant and equipment under operating lease

(UAH’000)

	Buildings					
	Property, plant and equipment subject to operating lease		**Property, plant and equipment not subject to operating leases**		**Property, plant and equipment by operating lease status**	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment						
Basics of valuation, fixed assets	At cost	At cos	At cos	At cos	At cos	At cos
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	20 - 30 years	20 - 30 years	20 - 30 years	20 - 30 years	20 - 30 years	20 - 30 years
Reconciliation of changes in fixed assets						
Fixed assets, opening balance	24 001	18 302	**125 880**	**60 781**	**149 881**	**79 083**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	9 553	29 914	-	**55 523**	**9 553**	**85 437**
Depreciation, property, plant and equipment	12 616	14 742	**4 350**	**2 719**	**16 966**	**17 461**
Impairment loss recognized in profit or loss, property, plant and equipment	-	-	**9 141**	-	**9 141**	-
Increase (decrease) due to revaluation, property, plant and equipment	(6 829)	(9 473)	-	-	**(6 829)**	**(9 473)**
Increase (decrease) due to transfers and other changes, property, plant and equipment						
Increase (decrease) due to transfers, property, plant and equipment	-	-	**991**	**12 295**	**991**	**12 295**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	-	-	**991**	**12 295**	**991**	**12 295**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	-	-	**991**	**12 295**	**991**	**12 295**
Disposals and decommissioning, property, plant and equipment						
Disposal of property, plant and equipment	-	-	**5 334**	-	**5 334**	-
Total disposals and decommissioning, property, plant and equipment	-	-	**5 334**	-	**5 334**	-
Total increase (decrease) in property, plant and equipment	**(9 892)**	**5 699**	**(17 834)**	**65 099**	**(27 726)**	**70 798**
Property, plant and equipment, closing balance	**14 109**	**24 001**	**108 046**	**125 880**	**122 155**	**149 881**

	Machines			
	Property, plant and equipment subject to operating lease		**Property, plant and equipment not subject to operating leases**	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 – 8 years	5 – 8 years	5 – 8 years	5 – 8 years
Fixed assets, opening balance	**11 166**	**8 999**	**11 166**	**8 999**
Changes in property, plant and equipment				
Increase other than from business combinations, property, plant and equipment	955	2 475	955	2 475
Depreciation, fixed assets	2 243	1 920	2 243	1 920
Increase (decrease) due to transfers and other changes, property, plant and equipment				
Increase (decrease) due to transfers, property, plant and equipment	**144**	**1 656**	**144**	**1 656**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	144	1 656	144	1 656
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**144**	**1 656**	**144**	**1 656**
Disposals and decommissioning, fixed assets				
Disposals, property, plant and equipment	24	-	24	-
Disposal of property, plant and equipment	27	44	27	44
Total disposals and decommissioning, property, plant and equipment	**51**	**44**	**51**	**44**
Total increase (decrease) in property, plant and equipment	**(1 195)**	**2 167**	**(1 195)**	**2 167**
Fixed assets, closing balance	**9 971**	**11 166**	**9 971**	**11 166**

	Vehicles			
	Property, plant and equipment by operating lease status			
	Property, plant and equipment not subject to operating leases			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	6 - 7 years	6 - 7 years	6 - 7 years	6 - 7 years
Reconciliation of changes in fixed assets				
Fixed assets, opening balance	**16 155**	**9 869**	**16 155**	**9 869**
Changes in property, plant and equipment				
Increase other than from business combinations, property, plant and equipment	**2 918**	**3 489**	**2 918**	**3 489**
Depreciation, fixed assets	**3 076**	**2 308**	**3 076**	**2 308**
Impairment loss recognized in profit or loss, fixed assets	**276**	-	**276**	-
Increase (decrease) due to transfers and other changes, property, plant and equipment				
Increase (decrease) due to transfers, property, plant and equipment	**17**	**5 105**	**17**	**5 105**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	**17**	**5 105**	**17**	**5 105**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**17**	**5 105**	**17**	**5 105**
Total increase (decrease) in property, plant and equipment	**(417)**	**6 286**	**(417)**	**6 286**
Fixed assets, closing balance	**15 738**	**16 155**	**15 738**	**16 155**

	Devices and accessories					
	Property, plant and equipment subject to operating lease		Property, plant and equipment not subject to operating leases		Property, plant and equipment by operating lease status	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of detailed information on property, plant and equipment						
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 - 12 years	5 - 12 years	5 - 12 years	5 - 12 years	5 - 12 years	5 - 12 years
Reconciliation of changes in fixed assets						
Fixed assets, opening balance	1 092	297	**6 906**	**6 295**	**7 998**	**6 592**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	-	1 091	**836**	**1 562**	**836**	**2 653**
Depreciation, fixed assets	358	315	**1 316**	**1 066**	**1 674**	**1 381**
Impairment loss recognized in profit or loss, fixed assets	-	-	-	-	-	-
Increase (decrease) due to revaluation, property, plant and equipment	(195)	19	**1**	-	**(194)**	**19**
Increase (decrease) due to transfers and other changes, property, plant and equipment						
Increase (decrease) due to transfers, property, plant and equipment	-	-	**34**	**127**	**34**	**127**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	-	-	**34**	**127**	**34**	**127**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	-	-	**34**	**127**	**34**	**127**
Disposals and decommissioning, property, plant and equipment						
Disposals, property, plant and equipment	-	-	**153**	**2**	**153**	**2**
Disposal of property, plant and equipment	-	-	-	**10**	-	**10**
Total disposals and decommissioning, property, plant and equipment	-	-	**153**	**12**	**153**	**12**
Total increase (decrease) in property, plant and equipment	**(553)**	**795**	**(598)**	**611**	**(1 151)**	**1 406**
Fixed assets, closing balance	**539**	**1 092**	**6 308**	**6 906**	**6 847**	**7 998**

	Office equipment			
	Property, plant and equipment by operating lease status			
	Property, plant and equipment not subject to operating leases			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 - 8 years	5 - 8 years	5 - 8 years	5 - 8 years
Reconciliation of changes in fixed assets				
Fixed assets, opening balance	**2 037**	**1 899**	**2 037**	**1 899**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	**56**	**841**	**56**	**841**
Depreciation method, property, plant and equipment	**672**	**718**	**672**	**718**
Increase (decrease) due to transfers and other changes, property, plant and equipment				
Increase (decrease) due to transfers, property, plant and equipment	-	**23**	-	**23**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	-	**23**	-	**23**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	-	**23**	-	**23**
Disposals and decommissioning, property, plant and equipment				
Disposal of property, plant and equipment	-	**8**	-	**8**
Total disposals and decommissioning, property, plant and equipment	-	**8**	-	**8**
Total increase (decrease) in property, plant and equipment	**(616)**	**138**	**(616)**	**138**
Fixed assets, closing balance	**1 421**	**2 037**	**1 421**	**2 037**

	Computer equipment			
	Property, plant and equipment by operating lease status			
	Property, plant and equipment not subject to operating leases			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 years	5 years	5 years	5 years
Reconciliation of changes in fixed assets				
Fixed assets, opening balance	**9 705**	**5 414**	**9 705**	**5 414**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	**44**	**6 929**	**44**	**6 929**
Depreciation method, property, plant and equipment	**3 697**	**2 920**	**3 697**	**2 920**
Increase (decrease) due to transfers and other changes, property, plant and equipment				
Increase (decrease) due to transfers, property, plant and equipment	-	**282**	-	**282**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	-	**282**	-	**282**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	-	**282**	-	**282**
Disposals and decommissioning, property, plant and equipment				
Disposal of property, plant and equipment	**1**	-	**1**	-
Total disposals and decommissioning, property, plant and equipment	**1**	-	**1**	-
Total increase (decrease) in property, plant and equipment	**(3 654)**	**4 291**	**(3 654)**	**4 291**
Fixed assets, closing balance	**6 051**	**9 705**	**6 051**	**9 705**

	Communication and network equipment			
	Property, plant and equipment by operating lease status			
	Property, plant and equipment not subject to operating leases			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	5 – 15 years	5 – 15 years	5 – 15 years	5 – 15 years
Reconciliation of changes in fixed assets				
Fixed assets, opening balance	**3 123**	**3 055**	**3 123**	**3 055**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	**91**	**1 127**	**91**	**1 127**
Depreciation method, property, plant and equipment	**1 160**	**1 059**	**1 160**	**1 059**
Total increase (decrease) in property, plant and equipment	**(1 069)**	**68**	**(1 069)**	**68**
Fixed assets, closing balance	**2 054**	**3 123**	**2 054**	**3 123**

	Capital investments in property, plant and equipment			
	Property, plant and equipment by operating lease status			
	Property, plant and equipment not subject to operating leases			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Not deprecated	Not deprecated	Not deprecated	Not deprecated
Reconciliation of changes in fixed assets				
Fixed assets, opening balance	**214**	**3 015**	**214**	**3 015**
Changes in property, plant and equipment				
Increase other than from business combinations, property, plant and equipment	**19 175**	**28 584**	**19 175**	**28 584**
Depreciation, fixed assets	-	-	-	-
Impairment loss recognized in profit or loss, property, plant and equipment	**206**	-	**206**	-
Increase (decrease) due to transfers and other changes, property, plant and equipment				
Increase (decrease) due to transfers, property, plant and equipment	**(1 712)**	**(31 385)**	**(1 712)**	**(31 385)**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	**(1 712)**	**(31 385)**	**(1 712)**	**(31 385)**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**(1 712)**	**(31 385)**	**(1 712)**	**(31 385)**
Total increase (decrease) in property, plant and equipment	**17 257**	**(2 801)**	**17 257**	**(2 801)**
Fixed assets, closing balance	**17 471**	**214**	**17 471**	**214**

	Other fixed assets			
	Property, plant and equipment by operating lease status			
	Property, plant and equipment not subject to operating leases			
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of detailed information on property, plant and equipment				
Basics of valuation, fixed assets	At cost	At cost	At cost	At cost
Depreciation method, property, plant and equipment	Straight-line	Straight-line	Straight-line	Straight-line
Useful life measured as a period of time, property, plant and equipment	12 years	12 years	12 years	12 years
Reconciliation of changes in fixed assets				
Fixed assets, opening balance	**15 399**	**3 782**	**15 399**	**3 782**
Changes in property, plant and equipment				
Increase other than from business combinations, property, plant and equipment	**827**	**10 171**	**827**	**10 171**
Depreciation, fixed assets	**6 189**	**10 436**	**6 189**	**10 436**
Increase (decrease) due to transfers and other changes, property, plant and equipment				
Increase (decrease) due to transfers, property, plant and equipment	**526**	**11 897**	**526**	**11 897**
Increase (decrease) due to transfer from construction in progress, property, plant and equipment	526	11 897	526	11 897
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**526**	**11 897**	**526**	**11 897**
Disposals and decommissioning, property, plant and equipment				
Disposals, property, plant and equipment	**1**	**-**	**1**	**-**
Decommissioning, fixed assets	**373**	**15**	**373**	**15**
Total increase (decrease) due to transfers and other changes, property, plant and equipment	**374**	**15**	**374**	**15**
Total increase (decrease) in property, plant and equipment	**(5 210)**	**11 617**	**(5 210)**	**11 617**
Fixed assets, closing balance	**10 189**	**15 399**	**10 189**	**15 399**

	Fixed assets					
	Property, plant and equipment subject to operating lease		**Property, plant and equipment not subject to operating leases**		**Property, plant and equipment by operating lease status**	
Disclosure of detailed information on property, plant and equipment	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Reconciliation of changes in fixed assets						
Fixed assets, opening balance	**25 090**	**18 596**	**190 588**	**103 112**	**215 678**	**121 708**
Changes in property, plant and equipment						
Increase other than from business combinations, property, plant and equipment	**9 553**	**31 005**	**24 902**	**110 701**	**34 455**	**141 706**
Depreciation, fixed assets	12 974	15 057	22 703	23 146	35 677	38 203
Impairment loss recognized in profit or loss, property, plant and equipment	-	-	9 623	-	9 623	-
Increase (decrease) due to revaluation, property, plant and equipment	(7 024)	(9 454)	1	-	(7 023)	(9 454)
Increase (decrease) due to transfers and other changes, property, plant and equipment						
Disposals and decommissioning, property, plant and equipment						
Disposals, property, plant and equipment	-	-	178	2	178	2
Decommissioning, fixed assets	-	-	5 735	77	5 735	77
Total increase (decrease) due to transfers and other changes, property, plant and equipment	-	-	**5 913**	**79**	**5 913**	**79**
Total increase (decrease) in property, plant and equipment	**(10 445)**	**6 494**	**(13 336)**	**87 476**	**(23 781)**	**93 970**
Fixed assets, closing balance	**14 646**	**25 090**	**177 251**	**190 588**	**191 897**	**215 678**

Notes - Financial instruments [822390-00].

(UAH’000)

Current reporting period										Financial instruments
	Loan commitments	**Financial guarantee agreements**	**Cash and cash equivalents**	**Mortgage**	**Consumer loans**	**Corporate loans**	**Loans to governm ent**	**Sate debt instruments held**	**Other receivables under financial assets**	
Disclosure of detailed information about financial instruments										
Maximum exposure to credit risk	14 250	195 128	1 924 213	10 294	77 700	1 067 735	0	393 411	97 737	**3 780 468**

Previous reporting period										Financial instruments
	Loan commitments	**Financial guarantee agreements**	**Cash and cash equivalents**	**Mortgage**	**Consumer loans**	**Corporate loans**	**Loans to governm ent**	**Sate debt instruments held**	**Other receivables under financial assets**	
Disclosure of detailed information about financial instruments										
Maximum exposure to credit risk	24 051	352 356	1 107 717	13 946	155 449	1 666 873	7 345	1 878 033	43 998	**5 249 768**

Notes - Financial assets [822390-01]

(UAH’000)

	Financial assets at amortized cost		Financial assets	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of financial assets				
Cash and cash equivalents	1 924 213	1 107 717	**1 924 213**	**1 107 717**
Loans and due from customers				
Corporate loans	1 067 735	1 666 873	**1 067 735**	**1 666 873**
Consumer loans	77 700	155 449	**77 700**	**155 449**
Loans to government	0	7 345	**0**	**7 345**
Mortgage	10 294	13 946	**10 294**	**13 946**
Total loans and due from customers	**1 155 729**	**1 843 613**	**1 155 729**	**1 843 613**
Investments in securities				
State debt instruments held	393 411	1 878 033	**393 411**	**1 878 033**
Total investments in securities	**393 411**	**1 878 033**	**393 411**	**1 878 033**
Other financial assets				
Other receivables under financial assets	97 737	43 998	**97 737**	**43 998**
Total other financial assets	**97 737**	**43 998**	**97 737**	**43 998**
Total financial assets	**3 571 090**	**4 873 361**	**3 571 090**	**4 873 361**

Loan agreements revised with modification gains/losses recognized:

	Current reporting period	Previous reporting period
Amortized cost before modification	36 214	-
Net gain (loss) on modification	36	-

Notes - Credit ratings [822390-02]

(UAH’000)

Entity's total exposure to internal credit ratings

	Financial assets											
	Financial assets at amortized cost											
	Cash and cash equivalents other than cash		Mortgage		Consumer loans		Corporate loans		Loans to government		Loans and due from customers	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Value of credit risk 1	1 776 663	535 846	7 925	14 120	62 101	158 371	782 853	1 888 313	-	7 358	**852 879**	**2 068 162**
Value of credit risk 2	-	-	-	-	5 533	1 912	87 198	9 672	-	-	**92 731**	**11 584**
Value of credit risk 3	-	-	-	-	4 347	2 998	88 006	341	-	-	**92 353**	**3 339**
Value of credit risk 4	-	-	1 798	-	2 708	890	393 645	0	-	-	**398 151**	**890**
Value of credit risk 5	-	-	3 219	-	59 490	12 258	125 373	28 947	-	-	**188 082**	**41 205**

Entity's total exposure to internal credit ratings

									Financial assets	
									Financial assets at amortized cost	
	Government debt instruments held		Debt securities		Other receivables on financial assets					
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Value of credit risk 1	398 883	1 878 033	**398 883**	**1 878 033**	99 341	44 524	**3 127 766**	**4 526 565**	**3 127 766**	**4 526 565**
Value of credit risk 2	-	-	-	-	24	30	**92 755**	**11 614**	**92 755**	**11 614**
Value of credit risk 3	-	-	-	-	78	21	**92 431**	**3 360**	**92 431**	**3 360**
Value of credit risk 4	-	-	-	-	27	12	**398 178**	**902**	**398 178**	**902**
Value of credit risk 5	-	-	-	-	1 686	778	**189 768**	**41 983**	**189 768**	**41 983**

Notes - Financial liabilities [822390-03]

(UAH’000)

	Financial liabilities			
	Financial liabilities at amortized cost			
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of financial liabilities				
Due to banks	-	1 047 154	-	**1 047 154**
Due to customers	3 295 307	3 598 644	**3 295 307**	**3 598 644**
Other financial liabilities	48 655	38 127	**48 655**	**38 127**
Total financial liabilities	**3 343 962**	**4 683 925**	**3 343 962**	**4 683 925**

Notes - Income, expenses, gains or losses from financial instruments [822390-08]

(UAH’000)

	Current reporting period	Previous reporting period
Income, expenses, gains or losses from financial instruments		
Profit (loss) under financial instruments		
Profit (loss) from financial assets at amortized cost	(161 312)	(7 084)
Interest income and interest expense on financial assets or financial liabilities not at fair value through profit or loss		
Interest expense on financial liabilities not at fair value through profit or loss	186 301	131 467
Interest income from financial assets measured at amortized cost	415 882	361 407
Commission income and expenses		
Interest income from financial assets measured at amortized cost	5 749	4 979
Interest expense financial assets measured at amortized cost	30 392	33 547
Profit (loss) arising on derecognition of financial assets measured at amortized cost		
Profit from derecognition of financial assets measured at amortized cost	3 284	14 757
Losses on derecognition of financial assets measured at amortized cost	3 707	-
Net profit (loss) arising on derecognition of financial assets measured at amortized cost	**(423)**	**14 757**

Notes - Nature and extent of risks arising from financial instruments [822390-11].

	Risks
	Credit risk
Disclosures about the nature and extent of risks associated with financial instruments	
Description of the risk exposure	Significant risk
Description of risk management objectives, policies and processes	The Bank has set the following credit risk management objectives. - maximizing the Bank's profitability with limited exposure to credit risk; - determining the level of the Bank's tolerance to credit risk, including by setting limits and thresholds; - regulation of the distribution of responsibilities, functional duties, and preparation of reporting forms in the process of credit risk management; - Ensuring compliance with the requirements of the NBU, international organizations, audit companies and rating agencies on credit risk management;

	- promoting the value of the Bank's equity while ensuring the achievement of the goals of many stakeholders, namely: customers and counterparties; investors and creditors; banking supervisors and other parties.
Methods used for risk assessment	The Bank determines the amount of credit risk on all active banking operations on a monthly basis in accordance with the Regulation on Determination of Credit Risk on Active Banking Operations of JSB "RADABANK". The Bank calculates and recognizes the provision for expected credit losses in accordance with the Methodology for assessing the loss of value of credit transactions of JSC JSB "RADABANK". The Bank subdivides its credit risk management methods into two groups: credit risk management at the level of an individual loan; consolidation and management of credit risk at the level of the loan portfolio as a whole. The Bank's methods of managing individual credit risk include: **a)** Determination of acceptable risk levels and limitation of lending transactions in accordance with the requirements of the regulations of the National Bank of Ukraine. **b)** Comprehensive analysis of the debtor's credit and solvency, both at the stage of granting credit funds and subsequently, in the process of servicing the credit debt. **c)** Cooperation with credit bureaus, etc.. **d)** Acceptance of guarantees and sureties from third parties. **e)** Thorough and consistent documentation of the lending process. **f)** Monitoring the status of collateral for an active transaction. **g)** Insurance of collateral and financial risks. In order to reduce the level of credit risk, the bank introduced a mechanism for preliminary accreditation of insurance companies, setting a general limit of liability of the insurance company.
Description of changes in risk exposure	Credit risk has the greatest negative impact on the Bank's capital. This is due to the increased probability of borrowers' inability to service their debts as a result of the full-scale invasion of the territory of Ukraine by the Russian troops. Physical destruction of assets of many enterprises and infrastructure, disruption of production processes and supply chains, increased business costs, reduced production, and lower real incomes have hampered economic activity in all sectors of the economy. The business is adapting to the new environment, but still maintains negative expectations about its economic performance. In the current environment, not all borrowers are able to service their loans, which negatively affects the amount of interest income earned by the Bank.
Description of changes in risk management objectives, policies and processes	Internal regulatory documents on risk management are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Description of changes in the methods used for risk assessment	The methods are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Summarized quantitative data on risk exposure for the entity	As of the end of the day on December 31, 2022, the values of credit risk ratios were as follows: maximum credit risk exposure per counterparty (N7) - 19.77%, while the NBU established the standard value of no more than 25%. large credit risks (N8) - 84.10%, while the NBU established the standard value of no more than 800%. As of the end of the day on December 31, 2022, the values of credit risk ratios were as follows: maximum credit risk exposure per counterparty (N7) - 19.77%, while the NBU established the standard value of no more than 25%. large credit risks (N8) - 84.10%, while the NBU established the standard value of no more than 800%. As of the end of the day on December 31, 2022, the values of credit risk ratios were as follows: maximum credit risk exposure per counterparty (N7) - 19.77%, while the NBU established the standard value of no more than 25%. large credit risks (N8) - 84.10%, while the NBU established the standard value of no more than 800%. maximum credit risk exposure on transactions with related parties (N9) - 6.54%, while the NBU set the standard at no more than 25%.
Description of the concentration of risk	The Bank measures concentration risk by: the amount of debt by debtors and groups of related counterparties; maturity of loans; loan products; geographical regions; types of economic activity; and types of loan collateral.

Description of how management determines concentration

Concentration is a concentration, accumulation of risk, i.e. its uneven distribution among objects. Concentration arises when the Bank's assets or liabilities characterized by a common factor exceed a certain limit of its capital.

Description of common concentration characteristics

The Bank sets credit risk limits at least in relation to the authority of the Bank's collective body to make credit decisions both for the loan portfolio as a whole and for one debtor or a group of related counterparties; individual debtors, as well as groups of related counterparties; concentration risk (maximum amount of debt): per debtor or group of related counterparties; debtors with a common type of economic activity; debtors of the same geographical region (the region in which the debtor operates or resides, which may differ from the region of its registration); counterparty risk in the context of each of them; the maximum amount of collateral that may be accepted on the Bank's balance sheet in case the Bank exercises its rights as a pledgee.

The Bank manages concentration risk in its loan portfolio by currencies, geography, industries, products, and financial classes of borrowers.

Analysis of geographical concentration of financial assets and liabilities for the current reporting period

(UAH’000)

	Ukraine	OECD	Other	Total
ASSETS				
Cash and cash equivalents	1 824 803	99 410	-	1 924 213
Loans and due from banks	1 155 729	-	-	1 155 729
Investments in securities	393 411	-	-	393 411
Other financial assets	97 737	-	-	97 737
Total financial assets	**3 471 680**	**99 410**	**-**	**3 571 090**
LIABILITIES				
Due to customers	3 162 152	69 747	63 408	3 295 307
Other financial liabilities	48 651	4	-	48 655
Total financial liabilities	**3 210 803**	**69 751**	**63 408**	**3 343 962**
Net position under financial instruments	**260 877**	**29 659**	**(63 408)**	**227 128**
Loan commitments	**1 037 704**	**-**	**-**	**1 037 704**

Analysis of geographical concentration of financial assets and liabilities for the previous reporting period

(UAH’000)

	Ukraine	OECD	Other	Total
ASSETS				
Cash and cash equivalents	1 077 335	25 537	4 845	1 107 717
Loans and due from banks	1 843 613	-	-	1 843 613
Investments in securities	1 878 033	-	-	1 878 033
Other financial assets	43 156	414	428	43 998
Total financial assets	**4 842 137**	**25 951**	**5 273**	**4 873 361**
LIABILITIES				
Due to customers	1 047 154	-	-	1 047 154
Other financial liabilities	3 546 931	3 343	48 370	3 598 644
Total financial liabilities	38 092	7	28	38 127
Net position under financial instruments	**4 632 177**	**3 350**	**48 398**	**4 683 925**
Loan commitments	**209 960**	**22 601**	**(43 125)**	**189 436**
ASSETS	**1 525 605**	**-**	**-**	**1 525 605**

Information on loans by type of collateral for the current reporting period

(UAH’000)

	Corporate loans	Customer loans	Mortgage	Total
Unsecured loans	504 640	59 520	2 633	566 793
Secured loans:	972 436	74 659	10 308	1 057 403
in cash	33 991	-	-	33 991
real estate, including residential property	641 992	70 848	10 308	723 148
real estate, including residential property	69 820	53 899	7 410	131 129
other assets	296 453	3 811	-	300 264
Total loans and due from customers, gross of provisions	**1 477 076**	**134 179**	**12 941**	**1 624 196**

Information on loans by type of collateral for the previous reporting period

(UAH’000)

	Corporate loans	Customer loans	Mortgage	Total	Corporate loans
Unsecured loans	466 169	56 472	-	3 137	525 778
Secured loans:	1 461 106	119 956	7 358	10 983	1 599 403
in cash	148 686	1 193	-	-	149 879
real estate, including residential property	873 168	114 724	-	10 983	998 875
Unsecured loans	96 136	82 332	-	7 760	186 228
other assets	439 252	4 039	7 358	-	450 649
Total loans and due from customers, gross of provisions	**1 927 275**	**176 428**	**7 358**	**14 120**	**2 125 181**

Information on the amount of collateral for loans for the current reporting period

(UAH’000)

	Loans with excessive collateral		Loans with insufficient collateral	
	Carrying amount of the loan without provision	Cost of collateral	Carrying amount of the loan without provision	Cost of collateral
Corporate loans	702 583	1 437 125	774 493	269 853
Consumer loans	74 659	182 719	59 520	-
Mortgage	10 308	16 982	2 633	-
Total loas	**787 550**	**1 636 826**	**836 646**	**269 853**

Information on the amount of collateral for loans for the previous reporting period

(UAH’000)

	Loans with excessive collateral		Loans with insufficient collateral	
	Carrying amount of the loan without provision	Cost of collateral	Carrying amount of the loan without provision	Cost of collateral
Corporate loans	1 250 491	2 405 012	676 784	210 616
Consumer loans	119 956	248 830	56 472	-
Loans to government	7 358	10 676	-	-
Mortgage	10 983	17 291	3 137	-
Total loas	**1 388 788**	**2 681 809**	**736 393**	**210 616**

Additional information about the entity's vulnerability	The ongoing war exacerbates most risks. The biggest one - credit risk - is already being realized and losses from it will continue to grow. The Bank timely and adequately recognizes credit losses and reflects the impact of negative events on asset quality. At the same time, the Bank continues to carry out prudent loan restructurings that help to normalize the debt burden of borrowers and increase the Bank's resilience. The Bank makes every effort to minimize credit risk, in particular, adequately and fully reflects the level of losses on the loan portfolio. The Bank's provisioning level is considered acceptable. The Bank uses pessimistic and rather conservative assumptions about the expected quality of the loan portfolio and adequately reflects the migration of loans between the stages of impairment based on strict credit risk assessment parameters. Therefore, the level of loan loss provisioning has been growing significantly since the beginning of the military aggression against the background of a decline in the loan portfolio. The Bank reviews certain approaches to the estimation of expected credit losses in accordance with International Financial Reporting Standard 9 "Financial Instruments" and prudential requirements on a quarterly basis. For the period of martial law, the Bank revised the main approaches, requirements and restrictions of the Credit Policy to minimize the negative impact of credit risk caused by the consequences of the Russian military aggression against Ukraine on the risk profile and financial position. Stricter lending approaches and requirements to borrowers were introduced in accordance with the risk segment.
Sensitivity analysis by type of market risk	Sensitive

<table>
<tr><td rowspan="2"></td><td>Risks</td></tr>
<tr><td>Liquidity risk</td></tr>
<tr><td colspan="2">Disclosures about the nature and extent of risks associated with financial instruments</td></tr>
<tr><td>Description of the risk exposure</td><td>Significant risk</td></tr>
<tr><td>Description of risk management objectives, policies and processes</td><td>The Bank has defined the following objectives of the Liquidity Risk Management Policy:
maximizing the Bank's profitability with limited exposure to liquidity risk;
determining the level of the Bank's tolerance to liquidity risk, including by setting limits and thresholds;
regulation of the distribution of responsibilities, functional duties, and preparation of reporting forms in the process of liquidity risk management;
ensuring compliance with the requirements of the NBU, international organizations, audit companies and rating agencies on liquidity risk management;
ensuring uninterrupted functioning of the Bank in unstable (crisis) situations;
promoting the value of the Bank's equity while ensuring the achievement of the goals of many stakeholders, namely: customers and counterparties; investors and creditors; banking supervisors and other parties.

Key standards for liquidity risk management:
a system of day-to-day liquidity management agreed with management;
creating an effective management structure for efficient liquidity management;
Development and implementation of regulations, provisions, instructions, rules/methods for liquidity risk management and their constant updating;
building adequate information systems for identification (detection), quantitative and qualitative assessment (measurement), control, monitoring and reporting of liquidity risk;
continuous measurement and monitoring of net funding needs;
application of stress testing in liquidity risk management;
continuous updating of the liquidity risk management strategy and selected indicators/assumptions used in liquidity management;
diversifying liabilities and maintaining liquidity of assets;
application of anti-crisis plans that regulate the strategy of liquidity risk management in crisis conditions and contain procedures for addressing the problem of cash flow insufficiency in unforeseen situations;
measurement, monitoring and control of foreign currency positions and determination of foreign currency liquidity needs;
establishing an adequate system of internal control over the liquidity risk management process.

Basic principles of liquidity risk management:
Prioritizing liquidity over profitability;
taking into account the relationship between liquidity risk and other operating risks of the Bank;
regular calculation of liquidity indicators that would ensure accurate reflection of the current state of the Bank's liquidity;
management both on a consolidated basis and at the level of the Bank's departments;
Identification (detection), quantitative and qualitative assessment (measurement), monitoring and control of liquidity risk both in general for all currencies and separately for major foreign currencies in which the Bank conducts its operations;
promptly informing the Bank's management about the Bank's current and term payment position;
use of scenario analysis to determine the forecast level of liquidity.</td></tr>
<tr><td>Methods used to measure the risk</td><td>Liquidity risk is managed at three levels, namely:
liquidity position is managed on a daily basis on the basis of liquidity analysis;
Tactical management of current and term liquidity positions is based on analysis, which is carried out by daily preparation of plans for expected cash inflows and outflows in the following periods, preferably for a period of 365 days (payment calendar), regulation of future cash flows to ensure an acceptable level of liquidity and control over the actual implementation of these plans;
Strategic liquidity management, which is carried out by comparing the amounts of assets and liabilities of the forecast balance sheet (by months) that mature within the same time interval and developing measures to maintain an appropriate level of liquidity in the future.</td></tr>
</table>

	For strategic liquidity management, the Bank uses the GAP analysis method, both static and dynamic (including comparison of assets and liabilities in each significant currency). The resource gap method assesses the degree of discrepancy between the structure of assets and the structure of liabilities, their balance by calculating the absolute gap between the flows of the carrying value of assets and liabilities by time intervals.
Description of changes in risk exposure	The main liquidity risk factors for the Bank are: concentration of legal entities' funds on demand interval, which causes a negative gap in this interval; significant concentration of individuals' funds in the Bank's liabilities. The increase in liquidity gaps in 2022 was caused by lower business expectations of customers amid the beginning of the full-scale invasion of Ukraine by Russian troops, the introduction of martial law throughout Ukraine (keeping funds mainly on current accounts, early termination of deposits, lower share of deposit re-investment, and, as a result, lower share of conditionally stable liabilities of the Bank).
Description of changes in risk management objectives, policies and processes	Internal regulatory documents on risk management are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Description of changes in the methods used for risk assessment	The methods are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Description of the concentration of risk	Based on the results of the GAP analysis, the following are determined. resource gap for each time interval; cumulative resource gap; cumulative resource gap, including adjustments for conditionally stable balances on current accounts of customers and banks, non-performing assets and insurance provisions.
Description of how management determines concentration	The analysis of current liabilities concentration is performed by dividing current liabilities balances into groups by the amount of balances, determining the number of customers included in each group, and determining the share of each group in the total amount of current liabilities. This analysis makes it possible to analyse the concentration of current account balances in a particular group in order to prevent a significant outflow of liquidity in the future. The analysis of the concentration of the Bank's liabilities by major groups of debtors/creditors, namely the concentration ratios in total liabilities of the Bank is carried out with: the five and ten largest depositors/groups of related counterparties in terms of the aggregate amount of funds raised under all concluded agreements; the Bank's five and ten largest creditors/groups of related counterparties in terms of the aggregate amount of funds raised under all concluded agreements; significant depositors and other creditors of the Bank/groups of related counterparties; types of counterparties (banks, non-bank financial institutions, legal entities, bank-related entities, individuals, etc.); for significant instruments/products or groups of instruments/products. A significant instrument/product is one instrument/product or a group of instruments/products with similar characteristics, the aggregate amount of funds raised on which exceeds one percent of the Bank's liabilities at the date of analysis. Concentration of the Bank's liabilities is analysed both by all currencies in total and by significant currencies. The Bank calculates these ratios both for the Bank's liabilities in general and by time intervals: up to 1 month, 1-3 months, 3-6 months, 6-9 months, 9-12 months and over 12 months.
Description of common concentration characteristics	When monitoring liquidity resource gaps, considerable attention is paid to the following points: liquidity of securities (corporate and government); availability and changes in the amount of highly liquid funds (cash, funds on correspondent accounts). maturity of deposits of legal entities and individuals, in terms of actual maturities, taking into account their turnover; quality of the loan portfolio; volumes of the open currency position.
Additional information about the entity's vulnerability	During 2022, the Bank complied with the liquidity risk ratios set by the National Bank of Ukraine, adhered to internal limits and restrictions, as well as the established indicators of risk appetite for liquidity risk, compliance with which is a prerequisite for ensuring the liquidity of the balance sheet. The risks of significant outflows of funds with the start of the full-scale offensive were partially realized. Gradual economic recovery contributed to the accumulation of hryvnia funds on the

	accounts of enterprises and individuals. Depositors' confidence in the Bank was maintained. The structure and volume of the Bank's resource base generally correspond to the approved Funding Program, the Bank's business model, and its risk profile. The Bank's funding sources are diversified, the Bank has a sufficient level of resource base to finance profitable active operations. The available amount of high-quality liquid assets is sufficient to absorb possible shocks.
Sensitivity analysis by type of market risk	Moderately sensitive

	Risks
	Currency risk
Disclosures about the nature and extent of risks associated with financial instruments	
Description of the risk exposure	Significant risk
Description of risk management objectives, policies and processes	Currency risk is the risk that threatens income and capital and arises from unfavourable changes in foreign exchange rates in the market when the Bank has open currency positions. Foreign currency risk arises from unfavourable fluctuations in foreign currency exchange rates affecting assets, liabilities and off-balance sheet positions held in the Bank's trading and bank books. The Bank classifies currency risk as follows: Transaction currency risk is the risk that adverse changes in foreign exchange rates on transactions, usually of a speculative nature, affect the real value of open currency positions. The object of transaction risk is mainly the Bank's arbitrage operations (dealer operations of the Bank, both in the interbank foreign exchange market and in the international currency market). The Bank minimizes transaction risk when managing commercial and hedging currency positions. Transaction risk is a source of profit on arbitrage currency positions. The sources of transaction risks are cross-rate and forward exchange rates on both foreign and domestic currency markets. Translation risk is the risk that the equivalent of a foreign currency position in the financial statements will change as a result of fluctuations in exchange rates used to translate foreign currency balances into the base (national) currency at the official NBU exchange rate. This category of currency risk is the main object of management. This type of currency risk is managed by optimizing the Bank's balance sheet and managing the Bank's overall currency position. Sources of translation currency risk are changes in cross-rates of foreign currencies and official exchange rates of the NBU. Economic currency risk is the risk of changes in the Bank's competitiveness in the foreign market due to significant changes in exchange rates. This risk can be quantified only in terms of the Bank's competitiveness and value in international markets. Nevertheless, the risk is taken into account and forecasted as an element of the Bank's integrated risk management system. Sources of economic risk are exchange rates to the national currency in the international currency markets.
Methods used for risk assessment	Currency risk is assessed based on external data: macroeconomic indicators of the financial market (exchange rates, volatility indicators, current account dynamics, international reserves, etc.), as well as internal data on the amount of the Bank's open currency positions (their dynamics and structure by currency) and actual exchange rates for individual transactions. The main source of information for currency risk assessment is the Bank's currency position. The currency position is determined daily, separately for each foreign currency and each precious metal.
Description of changes in risk exposure	The impact of exchange rate fluctuations on regulatory capital is estimated to be low, and the VaR limit for the foreign currency portfolio as of January 1, 2023 was not violated. The Bank's open currency position is generally balanced, and the Bank will not incur additional financial losses from currency fluctuations in the event of returning to the floating exchange rate. In 2022, a technical violation of the total short open currency position standard was recorded, which was due to the beginning of the full-scale invasion of Ukraine by Russian troops, the introduction of martial law throughout Ukraine, and the inability to conduct interbank transactions to close the currency position due to the suspension of the Ukrainian foreign exchange market and the inability to close transactions concluded with resident banks of the aggressor country. As of 05.05.2022, the violation of the total short open foreign currency loan ratio was eliminated. Balancing the currency position reduced the Bank's sensitivity to currency risk.
Description of changes in risk management	Internal regulatory documents on risk management are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the

objectives, policies and processes	Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Description of changes in the methods used for risk assessment	The methods are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Summarized quantitative data on risk exposure for the entity	As of the end of the day on December 31, 2022, the currency position ratios were as follows. total long open currency position ratio - 2.1231% (previous year - 5.3285%); regulatory value - no more than 5% (previous year - 15%); total short open currency position ratio - 2.2873% (previous year - 8.8205%); regulatory value - not more than 5% (previous year - 15%). The calculated level of aggregate possible losses on the Bank's total open currency position 10-day VaR is UAH 1,193.99 thousand, which is less than the established risk appetite indicator.

Currency risk

(UAH'000)

		as at December 31, 2022			as at December 31, 2021		
		Monetary assets	Monetary assets	Net position	Monetary assets	Monetary assets	Net position
1	USD	609 930	632 465	(22 535)	822 643	559 484	(20 251)
2	EUR	269 703	279 561	(9 858)	265 958	121 047	17 725
3	Other currencies	30 008	31 845	(1 837)	147 517	65 052	12 190
4	Total	909 641	943 871	(34 230)	1 236 118	745 583	9 664

Other currencies include: Russian roubles (net long position of UAH 3,379 thousand), pounds sterling (net long position of UAH 125 thousand), zloty (net long position of UAH 580 thousand), Swiss franc (net short position of UAH 3 thousand) and gold (net short position of UAH 5,918 thousand).

Changes in profit or loss (before tax) and equity resulting from possible changes in the official exchange rate of the Ukrainian hryvnia to foreign currencies at the reporting date, with all other variables held constant

(UAH'000)

		as at December 31, 2022		as at December 31, 2021	
		Impact on profit/(loss)	Impact on equity	Impact on profit/(loss)	Impact on equity
1	USD strengthened by 40%	(9 014)	(9 014)	(8 171)	(8 171)
2	Weakening of the USD by 20%	4 507	4 507	4 086	4 086
3	EUR strengthened by 40%	(3 943)	(3 943)	1 448	1 448
4	EUR depreciation by 20%	1 972	1 972	(724)	(724)
5	Strengthening of other currencies by 40%	(735)	(735)	1 184	1 184
6	Weakening of other currencies by 20%	367	367	(592)	(592)

Changes in profit or loss (before tax) and equity resulting from possible changes in the official exchange rate of the Ukrainian hryvnia to foreign currencies, which is set as the weighted average exchange rate for the reporting period, with all other variables held constant

(UAH'000)

		as at December 31, 2022		as at December 31, 2021	
		Impact on profit/(loss)	Impact on equity	Impact on profit/(loss)	Impact on equity
1	USD strengthened by 40%	(7 988)	(7 988)	(8 143)	(8 143)
2	Weakening of the USD by 20%	3 994	3 994	4 072	4 072
3	EUR strengthened by 40%	(3 445)	(3 445)	1 681	1 681
4	EUR depreciation by 20%	1 722	1 722	(841)	(841)
5	Strengthening of other currencies by 40%	(510)	(510)	827	827
6	Weakening of other currencies by 20%	253	253	(413)	(413)

Description of the concentration of risk	The Bank identifies currency risk by the following currency groups (according to the NBU classification): convertible currencies widely used for making payments in international transactions, currencies of the European Union member states and precious metals (Group 1); convertible currencies that are not widely used to make payments in international transactions (Group 2);

	non-convertible currencies (Group 3).
Description of how management determines concentration	Concentrations of foreign currency risk are defined as the amount of the foreign currency component of the loan portfolio, the amount of highly liquid assets in different currencies, and the concentration of the funding base in different currencies.
Description of common concentration characteristics	Currency risk management involves differentiated calculation of currency positions by classified currencies and precious metals.
Additional information about the entity's vulnerability	The impact of exchange rate fluctuations on regulatory capital is estimated to be low, and the VaR limit for the foreign currency portfolio as of January 1, 2023 was not violated. The Bank's open currency position is generally balanced, and the Bank will not incur additional financial losses from currency fluctuations in case of returning to the floating exchange rate. The results of the assessment are within the established risk appetite for the Bank's currency risk. In 2022, a technical violation of the total short open currency position standard was recorded, which was due to the beginning of the full-scale invasion of Ukraine by Russian troops, the introduction of martial law throughout Ukraine, and the inability to conduct interbank transactions to close the currency position due to the suspension of the Ukrainian foreign exchange market and the inability to close transactions concluded with resident banks of the aggressor country. As of 05.05.2022, the violation of the total short open foreign currency loan ratio was eliminated. Balancing the currency position reduced the Bank's sensitivity to currency risk.
Sensitivity analysis by type of market risk	Moderately sensitive

	Risks
	Interest rate risk
Disclosures about the nature and extent of risks associated with financial instruments	
Description of the risk exposure	Significant risk
Description of risk management objectives, policies and processes	Key standards for interest rate risk management of the banking book: The Bank carefully complies with all requirements and recommendations of the supervisory authorities on interest rate risk management of the bankbook; The Bank has a permanent unit (Risk Management Department) responsible for identification, assessment, control and monitoring of interest rate risk of the bankbook; The Bank quantitatively and qualitatively assesses the interest rate risk of the banking book as a component of the Bank's aggregate risk indicator; In the process of managing assets and liabilities in order to optimize the amount of interest rate risk of the banking book, the Bank takes into account the interdependence of interest rate risk of the banking book and other banking risks; the Bank has a system of limiting the accepted amount of interest rate risk of the bankbook; The interest rate risk of the Bank's banking book is managed on the basis of preliminary forecasting of key parameters, scenario risk modelling (stress testing); Quantitative assessment of interest rate risk in the banking book can be expressed in terms of changes in net interest income, falling economic value of capital, and VaR (volatility of interest income). Objectives of interest rate risk management: regularity of calculation of the interest rate risk level of the bankbook. management both on a consolidated basis and at the level of the Bank's departments; monitoring and controlling the interest rate risk of the bankbook both in general and separately for each currency; promptly informing the Bank's management about the current level of interest rate risk of the Bank's bankbook; use of stress testing to determine the forecast level of interest rate risk of the bankbook.
Methods used for risk assessment	The Bank uses the following instruments to manage interest rate risk in the banking book: financial planning and budgeting of the Bank, which determines the target net interest income, net interest margin and spread; setting price conditions for bank transactions;

	analysis of the structure of gaps in the terms before revaluation of assets, liabilities and off-balance sheet instruments, as well as the dynamics of market interest rates; quantitative assessment of interest rate risk of the bankbook; forecasting the level of interest rates in the future based on the analysis of the impact of factors on their growth or decline; stress testing of the interest rate risk of the banking book by analysing the impact of changes in interest rates on the amount of open interest positions; setting and monitoring limits on interest rate risk of the bankbook; studying and applying in practice the modern experience of interest rate risk management in the banking book. The Bank measures the interest rate risk of the banking book as net interest income (hereinafter referred to as the NII method) based on a complete and economically justified list of interest rate changes and stress scenarios. The NII method reflects the possible changes in the Bank's net interest income over a specified period of time, which will lead to a corresponding change in the Bank's capital. This indicator by currency is subject to mandatory limits. The EVE method reflects the possible change in the net present value of assets, liabilities and off-balance sheet positions of the banking book as a result of certain scenarios of interest rate changes in the market. This indicator by currency is subject to mandatory limits. The Bank also uses the modified duration method as a tool for measuring interest rate risk in the bankbook.
Description of changes in risk exposure	The interest rate risk in the reporting period is moderate and acceptable for the Bank. The increase in the NBU discount rate and accelerating inflation gradually prompted the Bank to increase the cost of deposits. In addition, the need for term funds motivates the Bank. The growth of customer funds allowed the Bank to refuse from expensive refinancing loans, which the Bank actively attracted during the periods of greatest uncertainty during the coronavirus crisis and at the beginning of military aggression. The Bank fulfilled all its obligations to the NBU ahead of schedule due to a prudent and cautious asset and liability management policy.
Description of changes in risk management objectives, policies and processes	Internal regulatory documents on risk management are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Description of changes in the methods used for risk assessment	The methods are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Summarized quantitative data on risk exposure for the entity	The Bank's annual spread is 7.00%, which indicates the profitability of the Bank's activities. During the reporting period, the Bank complied with the limit of monthly possible decline in net interest income (NII), maximum decline in economic value of capital (EVE) and the amount of the established risk appetite for income volatility Earning-at-Risk. The possible change in the economic value of the Bank's capital, calculated on the basis of the EVE method, is 0.03% of the RC, and does not have a material adverse effect on the Bank's operations.
Description of the concentration of risk	Sensitive assets and liabilities are those that bear interest and within a certain time interval are subject to contractual interest rate revisions or expiration of the contract. The result of the GAP analysis is a quantitative assessment of the possible change in the Bank's net interest income over the next 12 months as a result of changes in interest rates under the selected scenario.
Description of how management determines concentration	The mandatory steps in conducting a GAP analysis as a tool for measuring the amount of interest rate risk of the bankbook are: 1. allocation of all interest rate risk-sensitive assets, liabilities and off-balance sheet positions of the Bank by certain time intervals, by the date of the next change in the index value - for instruments with floating interest rates; 2. determination of the amount of mismatch between the Bank's assets and liabilities sensitive to interest rate risk of the banking book in each time interval based on the results of the distribution.
Description of common concentration characteristics	Assets and liabilities of the Bank that are sensitive to changes in interest rates within a specified time interval.

Additional information about the entity's vulnerability	The results of the interest rate risk assessment do not exceed the established risk appetite indicators NII and EVE. During the reporting period, the Bank pursued a prudent interest rate policy in line with the banking system trends and current monetary policy conditions during the martial law.
Sensitivity analysis by type of market risk	Moderately sensitive

	Risks
	Other price risk
	Commodity price risk
Disclosures about the nature and extent of risks associated with financial instruments	
Description of the risk exposure	Significant risk
Description of risk management objectives, policies and processes	Commodity risk arises from unfavourable changes in the market value of commodities, including precious metals, held in the Bank's trading and banking books. Identification (detection) of commodity risk is the identification and understanding of risks of changes in the market value of commodities, including precious metals, held in the Bank's trading and bank books. Identification of commodity price risk is an ongoing process that is carried out both at the level of banking operations with commodities and in the process of monitoring financial markets. Commodity risk is assessed based on external data: macroeconomic indicators of the financial market (precious metals prices, volatility indicators, etc.), as well as internal data on the size of the Bank's open commodity positions (their dynamics and structure by commodity). The commodity risk assessment is performed in the following sequence. calculating the Bank's balance sheet to determine the amount of open commodity positions in precious metals; collecting and preparing data (dynamics of precious metals prices) to calculate indicators of volatility of precious metals prices; calculating the value at risk (VaR); performing stress testing to assess the nature and value of the Bank's commodity positions and to assess the level of commodity risk to which the Bank is or will be exposed; applying back testing by means of retrospective analysis, which involves calculating the frequency of cases when actual daily losses exceed the VaR over a long period of time in the past. One of the key performance indicators of the above analysis is the amount of the Bank's losses. This indicator reflects the degree of the Bank's dependence on the market situation. Based on the results of the analysis, the following decisions may be made setting/changing limits on certain assets or transactions; restructuring of the asset and liability structure; suspension of certain transactions that carry increased risks; taking certain measures to limit commodity risk; other decisions aimed at preventing the Bank's losses.
Methods used for risk assessment	Commodity risk is assessed based on external data: macroeconomic indicators of the financial market (precious metals prices, volatility indicators, etc.), as well as internal data on the size of the Bank's open commodity positions (their dynamics and structure by commodity). Commodity risk is assessed using the Value at Risk (VaR) model based on historical modelling
Description of changes in risk exposure	The commodity risk is formed by precious metals stored as inventories in the Bank's assets, the share of which remains unchanged in accordance with the Bank's Development Strategy. Commodity risk does not have a material adverse effect on the Bank's capital.
Description of changes in risk management objectives, policies and processes	Internal regulatory documents on risk management are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Description of changes in the methods used for risk assessment	The methods are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018

Summarized quantitative data on risk exposure for the entity	In the reporting period, the Bank complied with the 10-day VaR limit for aggregate commodity risk in the amount of 0.2% of the Bank's regulatory capital
Description of the concentration of risk	Commodity risk is measured on transactions for the purchase or sale of commodity items where the underlying asset is a variety of commodities, including precious metals (except for gold, which is measured as a currency and included in the calculation of currency risk). A commodity is defined as a physical product that is or may be traded in a secondary market.
Description of how management determines concentration	Concentrations of commodity risk, in particular, are defined as the size of the Bank's open commodity positions (their dynamics and structure by commodity)
Description of common concentration characteristics	Souvenir coins are accounted for in the Bank's balance sheet on balance sheet accounts 3400 and 3500 in the national currency, respectively, and are not revalued. The coins are not included in the calculation of the currency position and do not give rise to additional currency risk.
Additional information about the entity's vulnerability	The Bank's commodity risk is assessed as insignificant and does not have a material adverse effect on the Bank's capital.
Sensitivity analysis by type of market risk	Low sensitivity

	Risks
	Market risk
Disclosures about the nature and extent of risks associated with financial instruments	
Description of the risk exposure	Significant
Description of risk management objectives, policies and processes	Key standards for market risk management. The Bank carefully complies with all requirements and recommendations of the supervisory authorities on market risk management. The Bank has a unit (Risk Management Department) responsible for identifying, assessing, controlling and monitoring market risk on a regular basis; The Bank quantitatively and qualitatively assesses market risk as a component of the Bank's overall risk profile; In the process of assets and liabilities management, in order to optimize the amount of market risk, the Bank takes into account the interdependence of market risk and other banking risks; the Bank has a system of limiting the amount of market risk accepted; The Bank's market risk management is based on retrospective analysis, preliminary forecasting of key parameters, and scenario risk modelling (stress testing); Quantitative assessment of market risk can be expressed both in terms of open market position and VaR (value at risk). Basic principles of market risk management: regularity of calculation of the level of market risk, which would ensure accurate reflection of the current level of open positions in relation to the Bank's market risk; management both on a consolidated basis and at the level of the Bank's departments; monitoring and controlling market risk both in general (overall position) and separately by its types. promptly informing the Bank's management about the current level of the Bank's market risk; use of stress testing to determine the forecast level of market risk.
Methods used for risk assessment	The main approaches to quantifying market risks are the VaR approach and the stress testing approach. VaR defines the maximum statistically possible limit of potential losses that will not be exceeded with a given probability during a given period and is used to estimate the maximum amount of capital required for a particular risk for a given period. The historical simulation method is used to calculate VaR. Stress testing allows us to assess the impact of various scenarios and market risk factors on the Bank's profit/loss and ability to continue as a going concern.
Description of changes in risk exposure	As at 01.01.2023, the Bank determined its exposure to market risk (including currency risk) as moderate, equity risk as low, and commodity risk as low. Given the small size of the securities portfolio and the absence of the Bank's trading book instruments, the results

	of the market risk assessment in terms of possible losses from stock risk and risks of the Bank's trading book instruments are within the statistical error limits.
Description of changes in risk management objectives, policies and processes	Internal regulatory documents on risk management are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018.
Description of changes in the methods used for risk assessment	The methods are updated in accordance with the requirements of the internal banking regulations and NBU Resolution No. 64 Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups dated 11.06.2018
Summarized quantitative data on risk exposure for the entity	In 2022, the level of market risk was primarily determined by the structure and volume of transactions performed by the Bank, as well as market conditions, competitive environment, the situation in the domestic and foreign financial and commodity markets, and changes in the applicable laws.
Description of the concentration of risk	The Bank identifies currency risk by the following currency groups (according to the NBU classification): convertible currencies widely used for making payments in international transactions, currencies of the European Union member states and precious metals (Group 1); convertible currencies that are not widely used to make payments in international transactions (Group 2); non-convertible currencies (Group 3).
Description of common concentration characteristics	Currency risk management involves differentiated calculation of currency positions by classified currencies and precious metals.
Additional information about the entity's vulnerability	The Bank does not intend to accept or retain market risk inherent in trading book instruments to achieve its business objectives and has a zero-risk appetite for them.
Sensitivity analysis by type of market risk	Moderately sensitive

Other risks, including strategic risks, are not material to the Bank. The Bank does not intend to accept and retain market risks inherent in trading book instruments (default risk, trading book interest rate risk, credit spread risk, volatility risk, equity risk, etc.) for the purpose of achieving its business objectives.

Notes - Reconciliation of Changes in ECL and Explanation of Changes in Gross Carrying Amount for Financial Instruments [822390-12]

(UAH’000)

Financial assets for the current reporting period	**Cash and cash equivalents other than cash**								
	12-month expected credit losses			**Expected lifetime credit losses**			**Types of expected credit loss measurements**		
	Gross carrying amount	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**
Financial assets, opening balance	**532 802**	**(707)**	**532 095**	**3 043**	**(52)**	**2 991**	**535 845**	**(759)**	**535 086**
Including financial instruments with good credit quality	532 802	(707)	532 095	-	-	-	532 802	(707)	532 095
Including financial instruments with deteriorated credit quality	-	-	-	3 043	(52)	2 991	3 043	(52)	2 991
Increase (decrease) in financial assets									
Decrease due to derecognition, financial assets	470 193	(2)	470 191	1 054	(18)	1 036	471 247	(20)	471 227
Increase due to issue or acquisition, financial assets	1 401 764	-	1 401 764	28	(3)	25	1 401 792	(3)	1 401 789
Increase (decrease) due to transfer between stages	(7 179)	114	(7 065)	7 179	(2 871)	4 308	-	(2 757)	(2 757)
Increase (decrease) due to exchange rate and other changes, financial assets									
Increase (decrease) due to foreign exchange differences, financial assets	17 869	(488)	17 381	18 718	(493)	18 225	36 587	(981)	35 606
Increase (decrease) due to other activities, financial assets	245 177	(944)	244 233	28 510	493	29 003	273 687	(451)	273 236
Total increase (decrease) due to foreign exchange and other changes, financial assets	263 046	(1 432)	261 614	47 228	-	47 228	310 274	(1 432)	308 842
Total increase (decrease) in financial assets	1 187 438	(1 316)	1 186 122	53 381	(2 856)	50 525	1 240 819	(4 172)	1 236 647
Financial assets, closing balance	**1 720 240**	**(2 023)**	**1 718 217**	**56 424**	**(2 908)**	**53 516**	**1 776 664**	**(4 931)**	**1 771 733**
Including financial instruments with good credit quality	1 720 240	(2 023)	1 718 217	-	-	-	1 720 240	(2 023)	1 718 217
Including financial instruments with deteriorated credit quality	-	-	-	56 424	(2 908)	53 516	56 424	(2 908)	53 516
Expected credit losses based on individual measurement	**1 720 240**	**(2 023)**	**1 718 217**	**56 424**	**(2 908)**	**53 516**	**1 776 664**	**(4 931)**	1 771 733

Financial assets for the previous reporting period	**Cash and cash equivalents other than cash**								
	12-month expected credit losses			**Expected lifetime credit losses**			**Types of expected credit loss measurements 12-month expected credit losses**		
	Gross carrying amount	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**
Financial assets, opening balance	**273 996**	**(593)**	**273 403**	**8 628**	**(8 628)**	**-**	**282 624**	**(9 221)**	**273 403**
Including financial instruments with good credit quality	273 996	(593)	273 403	-	-	-	273 996	(593)	273 403
Including financial instruments with deteriorated credit quality	-	-	-	8 628	(8 628)	-	8 628	(8 628)	-
Increase (decrease) in financial assets									
Decrease due to derecognition, financial assets	225 097	(1)	225 096	-	-	-	225 097	(1)	225 096
Increase due to issue or acquisition, financial assets	470 388	(5)	470 383	-	-	-	470 388	(5)	470 383
Increase (decrease) due to transfer between stages	7 473	(85)	7 388	(7 473)	8 576	1 103	-	8 491	8 491
Increase (decrease) due to exchange rate and other changes, financial assets									
Increase (decrease) due to foreign exchange differences, financial assets	(4 962)	406	(4 556)	(982)	393	(589)	(5 944)	799	(5 145)
Increase (decrease) due to other activities, financial assets	11 004	(431)	10 573	2 870	(393)	2 477	13 874	(824)	13 050
Total increase (decrease) due to foreign exchange and other changes, financial assets	6 042	(25)	6 017	1 888	-	1 888	7 930	(25)	7 905
Total increase (decrease) in financial assets	258 806	(114)	258 692	(5 585)	8 576	2 991	253 221	8 462	261 683
Financial assets, closing balance	**532 802**	**(707)**	**532 095**	**3 043**	**(52)**	**2 991**	**535 845**	**(759)**	**535 086**
Including financial instruments with good credit quality	532 802	(707)	532 095	-	-	-	532 802	(707)	532 095
Including financial instruments with deteriorated credit quality	-	-	-	3 043	(52)	2 991	3 043	(52)	2 991
Expected credit losses based on individual measurement	**532 802**	**(707)**	**532 095**	**3 043**	**(52)**	**2 991**	**535 845**	**(759)**	**535 086**

Financial assets for the current reporting period	Mortgage								
	12-month expected credit losses			Expected lifetime credit losses			Types of expected credit loss measurements		
	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount
Financial assets, opening balance	**12 821**	**(71)**	**12 750**	**1 299**	**(103)**	**1 196**	**14 120**	**(174)**	**13 946**
Including financial instruments with good credit quality	12 821	(71)	12 750	-	-	-	12 821	(71)	12 750
Including financial instruments with deteriorated credit quality	-	-	-	1 299	(103)	1 196	1 299	(103)	1 196
Increase (decrease) in financial assets									
Decrease due to derecognition, financial assets	800	(8)	792	694	(24)	670	1 494	(32)	1 462
Increase due to issue or acquisition, financial assets	547	(11)	536	1 151	(188)	963	1 698	(199)	1 499
Increase (decrease) due to transfer between stages	(4 977)	22	(4 955)	4 977	(2 277)	2 700	-	(2 255)	(2 255)
Increase (decrease) due to exchange rate and other changes, financial assets									
Increase (decrease) due to other activities, financial assets	(1 505)	(110)	(1 615)	122	59	181	(1 383)	(51)	(1 434)
Total increase (decrease) due to foreign exchange and other changes, financial assets	(1 505)	(110)	(1 615)	122	59	181	(1 383)	(51)	(1 434)
Total increase (decrease) in financial assets	(6 735)	(91)	(6 826)	5 556	(2 382)	3 174	(1 179)	(2 473)	(3 652)
Financial assets, closing balance	**6 086**	**(162)**	**5 924**	**6 855**	**(2 485)**	**4 370**	**12 941**	**(2 647)**	**10 294**
Including financial instruments with good credit quality	6 086	(162)	5 924	-	-	-	6 086	(162)	5 924
Including financial instruments with deteriorated credit quality	-	-	-	6 855	(2 485)	4 370	6 855	(2 485)	4 370
Expected credit losses based on individual measurement	**6 086**	**(162)**	**5 924**	**6 855**	**(2 485)**	**4 370**	**12 941**	**(2 647)**	**10 294**

Financial assets for the previous reporting period	**Mortgage**								
	12-month expected credit losses			**Expected lifetime credit losses**			**Types of expected credit loss measurements**		
	Gross carrying amount	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**
Financial assets, opening balance	**2 717**	**(39)**	**2 678**	**3 827**	**(547)**	**3 280**	**6 544**	**(586)**	**5 958**
Including financial instruments with good credit quality	2 717	(39)	2 678	-	-	-	2 717	(39)	2 678
Including financial instruments with deteriorated credit quality	-	-	-	3 827	(547)	3 280	3 827	(547)	3 280
Increase (decrease) in financial assets									
Decrease due to derecognition, financial assets	1 334	(25)	1 309	1 911	-	1 911	3 245	(25)	3 220
Increase due to issue or acquisition, financial assets	11 860	(68)	11 792	-	-	-	11 860	(68)	11 792
Increase (decrease) due to exchange rate and other changes, financial assets									
Increase (decrease) due to other activities, financial assets	(422)	11	(411)	(617)	444	(173)	(1 039)	455	(584)
Total increase (decrease) due to foreign exchange and other changes, financial assets	(422)	11	(411)	(617)	444	(173)	(1 039)	455	(584)
Total increase (decrease) in financial assets	10 104	(32)	10 072	(2 528)	444	(2 084)	7 576	412	7 988
Financial assets, closing balance	**12 821**	**(71)**	**12 750**	**1 299**	**(103)**	**1 196**	**14 120**	**(174)**	**13 946**
Including financial instruments with good credit quality	12 821	(71)	12 750	-	-	-	12 821	(71)	12 750
Including financial instruments with deteriorated credit quality	-	-	-	1 299	(103)	1 196	1 299	(103)	1 196
Expected credit losses based on individual measurement	**12 821**	**(71)**	**12 750**	**1 299**	**(103)**	**1 196**	**14 120**	**(174)**	**13 946**

Financial assets for the current reporting period	**Consumer loans**								
	12-month expected credit losses			**Expected lifetime credit losses**			**Types of expected credit loss measurements**		
	Gross carrying amount	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**
Financial assets, opening balance	**123 048**	**(520)**	**122 528**	**53 380**	**(20 459)**	**32 921**	**176 428**	**(20 979)**	**155 449**
Including financial instruments with good credit quality	123 048	(520)	122 528	-	-	-	123 048	(520)	122 528
Including financial instruments with deteriorated credit quality	-	-	-	53 380	(20 459)	32 921	53 380	(20 459)	32 921
Increase (decrease) in financial assets									
Decrease due to derecognition, financial assets	18 260	(103)	18 157	20 522	(3 725)	16 797	38 782	(3 828)	34 954
Increase due to issue or acquisition, financial assets	5 763	(82)	5 681	6 860	(3 618)	3 242	12 623	(3 700)	8 923
Decrease due to write-offs, financial assets	-	-	-	1 447	(1 447)	-	1 447	(1 447)	-
Increase (decrease) due to transfer between stages	(65 967)	210	(65 757)	65 967	(32 903)	33 064	-	(32 693)	(32 693)
Increase (decrease) due to exchange rate and other changes, financial assets									
Increase (decrease) due to other activities, financial assets	(12 181)	(178)	(12 359)	(2 462)	(4 204)	(6 666)	(14 643)	(4 382)	(19 025)
Total increase (decrease) due to foreign exchange and other changes, financial assets	(12 181)	(178)	(12 359)	(2 462)	(4 204)	(6 666)	(14 643)	(4 382)	(19 025)
Total increase (decrease) in financial assets	(90 645)	53	(90 592)	48 396	(35 553)	12 843	(42 249)	(35 500)	(77 749)
Financial assets, closing balance	**32 403**	**(467)**	**31 936**	**101 776**	**(56 012)**	**45 764**	**134 179**	**(56 479)**	**77 700**
Including financial instruments with good credit quality	32 403	(467)	31 936	-	-	-	32 403	(467)	31 936
Including financial instruments with deteriorated credit quality	-	-	-	101 776	(56 012)	45 764	101 776	(56 012)	45 764
Expected credit losses based on individual measurement	**32 403**	**(467)**	**31 936**	**101 776**	**(56 012)**	**45 764**	**134 179**	**(56 479)**	**77 700**

Financial assets for the previous reporting period	**Consumer loans**								
	12-month expected credit losses			**Expected lifetime credit losses**			**Types of expected credit loss measurements**		
	Gross carrying amount	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**
Financial assets, opening balance	**55 614**	**(282)**	**55 332**	**24 187**	**(12 827)**	**11 360**	**79 801**	**(13 109)**	**66 692**
Including financial instruments with good credit quality	55 614	(282)	55 332	-	-	-	55 614	(282)	55 332
Including financial instruments with deteriorated credit quality	-	-	-	24 187	(12 827)	11 360	24 187	(12 827)	11 360
Increase (decrease) in financial assets									
Decrease due to derecognition, financial assets	15 458	(69)	15 389	7 071	(1 127)	5 944	22 529	(1 196)	21 333
Increase due to issue or acquisition, financial assets	94 278	(341)	93 937	32 469	(4 912)	27 557	126 747	(5 253)	121 494
Decrease due to write-offs, financial assets	-	-	-	432	(432)	-	432	(432)	-
Increase (decrease) due to transfer between stages	(4 671)	25	(4 646)	4 671	(5 051)	(380)	-	(5 026)	(5 026)
Increase (decrease) due to exchange rate and other changes, financial assets									
Increase (decrease) due to other activities, financial assets	(6 715)	9	(6 706)	(444)	772	328	(7 159)	781	(6 378)
Total increase (decrease) due to foreign exchange and other changes, financial assets	(6 715)	9	(6 706)	(444)	772	328	(7 159)	781	(6 378)
Total increase (decrease) in financial assets	67 434	(238)	67 196	29 193	(7 632)	21 561	96 627	(7 870)	88 757
Financial assets, closing balance	**123 048**	**(520)**	**122 528**	**53 380**	**(20 459)**	**32 921**	**176 428**	**(20 979)**	**155 449**
Including financial instruments with good credit quality	123 048	(520)	122 528	-	-	-	123 048	(520)	122 528
Including financial instruments with deteriorated credit quality	-	-	-	53 380	(20 459)	32 921	53 380	(20 459)	32 921
Expected credit losses based on individual measurement	**123 048**	**(520)**	**122 528**	**53 380**	**(20 459)**	**32 921**	**176 428**	**(20 979)**	**155 449**

Financial assets for the current reporting period	Corporate loans								
	12-month expected credit losses			Expected lifetime credit losses			Types of expected credit loss measurements		
	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount
Financial assets, opening balance	**1 064 366**	**(2 303)**	**1 062 063**	**862 909**	**(258 099)**	**604 810**	**1 927 275**	**(260 402)**	**1 666 873**
Including financial instruments with good credit quality	1 064 366	(2 303)	1 062 063	-	-	-	1 064 366	(2 303)	1 062 063
Including financial instruments with deteriorated credit quality	-	-	-	862 909	(258 099)	604 810	862 909	(258 099)	604 810
Increase (decrease) in financial assets									
Increase (decrease) due to transfers, financial assets	-	-	-	(735)	734	(1)	(735)	734	(1)
Decrease due to derecognition, financial assets	579 304	(1 370)	577 934	401 818	(130 700)	271 118	981 122	(132 070)	849 052
Increase due to issue or acquisition, financial assets	234 609	(1 671)	232 938	347 063	(130 293)	216 770	581 672	(131 964)	449 708
Decrease due to write-offs, financial assets	-	-	-	6 362	(6 362)	-	6 362	(6 362)	-
Increase (decrease) due to transfer between stages	(232 836)	452	(232 384)	232 836	(155 832)	77 004	-	(155 380)	(155 380)
Increase (decrease) due to exchange rate and other changes, financial assets									
Increase (decrease) due to foreign exchange differences, financial assets	37 694	(676)	37 018	67 018	(14 073)	52 945	104 712	(14 749)	89 963
Increase (decrease) due to other activities, financial assets	(83 219)	187	(83 032)	(65 145)	13 801	(51 344)	(148 364)	13 988	(134 376)
Total increase (decrease) due to foreign exchange and other changes, financial assets	(45 525)	(489)	(46 014)	1 873	(272)	1 601	(43 652)	(761)	(44 413)
Total increase (decrease) in financial assets	(623 056)	(338)	(623 394)	172 857	(148 601)	24 256	(450 199)	(148 939)	(599 138)
Financial assets, closing balance	**441 310**	**(2 641)**	**438 669**	**1 035 766**	**(406 700)**	**629 066**	**1 477 076**	**(409 341)**	**1 067 735**
Including financial instruments with good credit quality	441 310	(2 641)	438 669	-	-	-	441 310	(2 641)	438 669
Including financial instruments with deteriorated credit quality	-	-	-	1 035 766	(406 700)	629 066	1 035 766	(406 700)	629 066
Expected credit losses based on individual measurement	**441 310**	**(2 641)**	**438 669**	**1 035 766**	**(406 700)**	**629 066**	**1 477 076**	**(409 341)**	**1 067 735**

Financial assets for the previous reporting period	Corporate loans								
	12-month expected credit losses			Expected lifetime credit losses			Types of expected credit loss measurements		
	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount
Financial assets, opening balance	**408 951**	**(8 910)**	**400 041**	**776 490**	**(284 034)**	**492 456**	**1 185 441**	**(292 944)**	**892 497**
Including financial instruments with good credit quality	408 951	(8 910)	400 041	-	-	-	408 951	(8 910)	400 041
Including financial instruments with deteriorated credit quality	-	-	-	776 490	(284 034)	492 456	776 490	(284 034)	492 456
Increase (decrease) in financial assets									
Increase (decrease) due to transfers, financial assets	-	-	-	(10 904)	10 904	-	(10 904)	10 904	-
Decrease due to derecognition, financial assets	275 712	(8 169)	267 543	360 563	(108 462)	252 101	636 275	(116 631)	519 644
Increase due to issue or acquisition, financial assets	832 610	(2 036)	830 574	722 573	(218 218)	504 355	1 555 183	(220 254)	1 334 929
Decrease due to write-offs, financial assets	-	-	-	36 116	(36 116)	-	36 116	(36 116)	-
Increase (decrease) due to transfer between stages	94 277	98	94 375	(94 277)	19 939	(74 338)	-	20 037	20 037
Increase (decrease) due to exchange rate and other changes, financial assets									
Increase (decrease) due to foreign exchange differences, financial assets	(7 102)	292	(6 810)	(5 898)	1 066	(4 832)	(13 000)	1 358	(11 642)
Increase (decrease) due to other activities, financial assets	11 342	84	11 426	(128 396)	67 666	(60 730)	(117 054)	67 750	(49 304)
Total increase (decrease) due to foreign exchange and other changes, financial assets	4 240	376	4 616	(134 294)	68 732	(65 562)	(130 054)	69 108	(60 946)
Total increase (decrease) in financial assets	655 415	6 607	662 022	86 419	25 935	112 354	741 834	32 542	774 376
Financial assets, closing balance	**1 064 366**	**(2 303)**	**1 062 063**	**862 909**	**(258 099)**	**604 810**	**1 927 275**	**(260 402)**	**1 666 873**
Including financial instruments with good credit quality	1 064 366	(2 303)	1 062 063	-	-	-	1 064 366	(2 303)	1 062 063
Including financial instruments with deteriorated credit quality	-	-	-	862 909	(258 099)	604 810	862 909	(258 099)	604 810
Expected credit losses based on individual measurement	**1 064 366**	**(2 303)**	**1 062 063**	**862 909**	**(258 099)**	**604 810**	**1 927 275**	**(260 402)**	**1 666 873**

Financial assets for the current reporting period	**Loans to government**					
				Types of measurement of ECL		
	12-month ECL					
	Gross carrying amount	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**
Financial assets, opening balance	**7 358**	**(13)**	**7 345**	**7 358**	**(13)**	**7 345**
Including financial instruments with good credit quality	7 358	(13)	7 345	7 358	(13)	7 345
Increase (decrease) in financial assets						
Decrease due to derecognition, financial assets	7 358	(13)	7 345	7 358	(13)	7 345
Total increase (decrease) in financial assets	(7 358)	13	(7 345)	(7 358)	13	(7 345)
Financial assets, closing balance	**-**	**-**	**-**	**-**	**-**	**-**
Including financial instruments with good credit quality	-	-	-	-	-	-
Expected credit losses based on individual measurement	**-**	**-**	**-**	**-**	**-**	**-**

Financial assets, previous reporting period						
Financial assets, opening balance	**7 365**	**(414)**	**6 951**	**7 365**	**(414)**	**6 951**
Including financial instruments with good credit quality	7 365	(414)	6 951	7 365	(414)	6 951
Increase (decrease) in financial assets						
Increase due to issue or acquisition, financial assets	1 957	(4)	1 953	1 957	(4)	1 953
Increase (decrease) due to exchange rate and other changes, financial assets						
Increase (decrease) due to other activities, financial assets	(1 964)	405	(1 559)	(1 964)	405	(1 559)
Total increase (decrease) due to foreign exchange and other changes, financial assets	(1 964)	405	(1 559)	(1 964)	405	(1 559)
Total increase (decrease) in financial assets	(7)	401	394	(7)	401	394
Financial assets, closing balance	**7 358**	**(13)**	**7 345**	**7 358**	**(13)**	**7 345**
Including financial instruments with good credit quality	7 358	(13)	7 345	7 358	(13)	7 345
Expected credit losses based on individual measurement	**7 358**	**(13)**	**7 345**	**7 358**	**(13)**	**7 345**

Financial assets for the current reporting period	**State bonds held**					
					Types of measurement of ECL	
	12-month ECL					
	Gross carrying amount	**Accumulated impairment**	**Carrying amount**	**Gross carrying amount**	**Accumulated impairment**	**Carrying amount**
Financial assets, opening balance	**1 878 033**	**-**	**1 878 033**	**1 878 033**	**-**	**1 878 033**
Including financial instruments with good credit quality	1 878 033	-	1 878 033	1 878 033	-	1 878 033
Increase (decrease) in financial assets						
Decrease due to derecognition, financial assets	1 475 104	-	1 475 104	1 475 104	-	1 475 104
Increase due to issue or acquisition, financial assets	26 534	(453)	26 081	26 534	(453)	26 081
Increase (decrease) due to exchange rate and other changes, financial assets						
Increase (decrease) due to foreign exchange differences, financial assets	56 448	-	56 448	56 448	-	56 448
Increase (decrease) due to other activities, financial assets	(87 028)	(5 019)	(92 047)	(87 028)	(5 019)	(92 047)
Total increase (decrease) due to foreign exchange and other changes, financial assets	(30 580)	(5 019)	(35 599)	(30 580)	(5 019)	(35 599)
Total increase (decrease) in financial assets	(1 479 150)	(5 472)	(1 484 622)	(1 479 150)	(5 472)	(1 484 622)
Financial assets, closing balance	**398 883**	**(5 472)**	**393 411**	**398 883**	**(5 472)**	**393 411**
Including financial instruments with good credit quality	398 883	(5 472)	393 411	398 883	(5 472)	393 411
Expected credit losses based on individual measurement	**398 883**	**(5 472)**	**393 411**	**398 883**	**(5 472)**	**393 411**

Financial assets for the previous reporting period						
Financial assets, opening balance	**1 023 290**	**-**	**1 023 290**	**1 023 290**	**-**	**1 023 290**
Including financial instruments with good credit quality	1 023 290	-	1 023 290	1 023 290	-	1 023 290
Increase (decrease) in financial assets						
Decrease due to derecognition, financial assets	870 262	-	870 262	870 262	-	870 262
Increase due to issue or acquisition, financial assets	1 725 497	-	1 725 497	1 725 497	-	1 725 497
Increase (decrease) due to exchange rate and other changes, financial assets						
Increase (decrease) due to foreign exchange differences, financial assets	441	-	441	441	-	441
Increase (decrease) due to other activities, financial assets	(933)	-	(933)	(933)	-	(933)
Total increase (decrease) due to foreign exchange and other changes, financial assets	(492)	-	(492)	(492)	-	(492)
Total increase (decrease) in financial assets	854 743	-	854 743	854 743	-	854 743
Financial assets, closing balance	**1 878 033**	**-**	**1 878 033**	**1 878 033**	**-**	**1 878 033**
Including financial instruments with good credit quality	1 878 033	-	1 878 033	1 878 033	-	1 878 033
Expected credit losses based on individual measurement	**1 878 033**	**-**	**1 878 033**	**1 878 033**	**-**	**1 878 033**

Notes - Credit risk exposures [822390-13]

(UAH’000)

Current reporting period			**Types of measurement of ECL**
	12-month ECL	**Lifetime ECL**	
Disclosure of credit risk exposure			
Financial assets	**2 840 250**	**1 213 129**	**4 053 379**
Credit risk exposure 1	2 652 788	627 461	3 280 249
Credit risk exposure 2	54 340	38 414	92 754
Credit risk exposure 3	615	91 815	92 430
Credit risk exposure 4	132 507	265 671	398 178
Credit risk exposure 5	-	189 768	189 768
Exposure to credit risk under loan commitments and financial guarantee contracts	**209 424**	**-**	**209 424**
Credit risk exposure 1	209 424	-	209 424
Previous reporting period			
Disclosure of credit risk exposure			
Financial assets	**4 226 293**	**930 763**	**5 157 056**
Credit risk exposure 1	4 223 835	875 363	5 099 198
Credit risk exposure 2	2 311	9 303	11 614
Credit risk exposure 3	56	3 304	3 360
Credit risk exposure 4	-	902	902
Credit risk exposure 5	91	41 891	41 982
Exposure to credit risk under loan commitments and financial guarantee contracts	**376 437**	**-**	**376 437**
Credit risk exposure 1	376 437	-	376 437

Current reporting period			**Types of measurement of ECL**
	Expected credit losses based on individual assessment	**Expected credit losses based on the aggregate assessment**	
Disclosure of credit risk exposure			
Financial assets	**4 052 475**	**904**	**4 053 379**
Credit risk exposure 1	3 279 965	284	3 280 249
Credit risk exposure 2	92 730	24	92 754
Credit risk exposure 3	92 401	29	92 430
Credit risk exposure 4	398 151	27	398 178
Credit risk exposure 5	189 228	540	189 768
Exposure to credit risk under loan commitments and financial guarantee contracts	**209 424**	**-**	**209 424**
Credit risk exposure 1	209 424	-	209 424
Previous reporting period			
Disclosure of credit risk exposure			
Financial assets	**5 156 311**	**745**	**5 157 056**
Credit risk exposure 1	5 098 851	347	5 099 198
Credit risk exposure 2	11 584	30	11 614
Credit risk exposure 3	3 339	21	3 360
Credit risk exposure 4	890	12	902
Credit risk exposure 5	41 647	335	41 982
Exposure to credit risk under loan commitments and financial guarantee contracts	**376 437**	**-**	**376 437**
Credit risk exposure 1	376 437	-	376 437

Current reporting period Disclosure of credit risk exposure	Financial instruments are not credit-impaired	Financial instruments acquired or originated are credit-impaired	Financial instruments are credit-impaired upon acquisition or origination	Financial instruments are credit-impaired	Impairment of credit financial instruments
Financial assets	**2 852 557**	**-**	**1 200 822**	**1 200 822**	**4 053 379**
Credit risk exposure 1	2 663 279	-	616 970	616 970	3 280 249
Credit risk exposure 2	54 365	-	38 389	38 389	92 754
Credit risk exposure 3	693	-	91 737	91 737	92 430
Credit risk exposure 4	132 534	-	265 644	265 644	398 178
Credit risk exposure 5	1 686	-	188 082	188 082	189 768
Exposure to credit risk under loan commitments and financial guarantee contracts	**209 424**	**-**	**-**	**-**	**209 424**
Credit risk exposure 1	209 424	-	-	-	209 424

Previous reporting period Disclosure of credit risk exposure					
Financial assets	**4 236 425**	**-**	**920 631**	**920 631**	**5 157 056**
Credit risk exposure 1	4 233 125	-	866 073	866 073	5 099 198
Credit risk exposure 2	2 342	-	9 272	9 272	11 614
Credit risk exposure 3	77	-	3 283	3 283	3 360
Credit risk exposure 4	12	-	890	890	902
Credit risk exposure 5	869	-	41 113	41 113	41 982
Exposure to credit risk under loan commitments and financial guarantee contracts	**376 437**	**-**	**-**	**-**	**376 437**
Credit risk exposure 1	376 437	-	-	-	376 437

Current reporting period Disclosure of credit risk exposure	Gross carrying amount	Accumulated impairment	Carrying amount
Financial assets	**4 053 379**	**(482 290)**	**3 571 089**
Credit risk exposure 1	3 280 249	(153 976)	3 126 273
Credit risk exposure 2	92 754	(17 730)	75 024
Credit risk exposure 3	92 430	(46 697)	45 733
Credit risk exposure 4	398 178	(101 663)	296 515
Credit risk exposure 5	189 768	(162 224)	27 544
Exposure to credit risk under loan commitments and financial guarantee contracts	**209 424**	**(46)**	**209 378**
Credit risk exposure 1	209 424	(46)	209 378

Previous reporting period Disclosure of credit risk exposure			
Financial assets	**5 157 056**	**(283 695)**	**4 873 361**
Credit risk exposure 1	5 099 198	(238 793)	4 860 405
Credit risk exposure 2	11 614	(2 782)	8 832
Credit risk exposure 3	3 360	(804)	2 556
Credit risk exposure 4	902	(588)	314
Credit risk exposure 5	41 982	(40 728)	1 254
Exposure to credit risk under loan commitments and financial guarantee contracts	**376 437**	**(30)**	**376 407**
Credit risk exposure 1	376 437	(30)	376 407

Notes - Provision for liability matrix [822390-14]

(UAH’000)

	Financial instruments							
	Loan commitments		Financial guarantee agreements		Other receivables on financial assets			
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of information on the collateral matrix								
Financial assets	14 250	24 051	195 174	352 386	101 157	45 365	310 581	421 802
ECL	-	-	0.02%	0.01%	3.38%	3.01%	1.12%	0.33%

	Overdue									
	Current		More than one month and no more than two months		More than two months and no more than three months		More than three months			
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of information on the collateral matrix										
Financial assets	308 824	420 996	48	21	25	10	1 684	775	310 581	421 802
ECL	0.53%	0.16%	55.90%	42.73%	71.73%	36.62%	100.00%	97.77%	1.12%	0.33%

	Carrying amount					
	Gross carrying amount		Accumulated impairment			
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of information on the collateral matrix						
Financial assets	310 581	421 802	(3 466)	(1 397)	307 115	420 405
ECL	1.12%	0.33%	1.12%	0.33%	1.12%	0.33%

Notes - Financial assets that are past due or impaired [822390-15]

	Mortgage														
	Gross carrying amount					Accumulated impairment					Carrying amount				
					Overdue					Overdue					Overdue
	Current	**Over 1 month but not more than 2 months**	**Over 2 months**	**Over 3 months**		**Current**	**Over 1 month but not more than 2 months**	**Over 2 months**	**Over 3 months**	**Current**	**Over 1 month but not more than 2 months**	**Over 2 months**	**Over 3 months**	**Current**	
Disclosure of financial assets that are past due or impaired															
Financial assets	**7 925**	**-**	**1 798**	**3 219**	**12 942**	**371**	**-**	**722**	**1 554**	**2 647**	**7 554**	**-**	**1 076**	**1 664**	**10 294**
Including financial assets that are neither past due nor impaired	187	-	-	-	187	-	-	-	-	-	187	-	-	-	187
Including impairment of financial assets individually assessed for credit losses	7 738	-	1 798	3 219	12 755	371	-	722	1 554	2 647	7 367	-	1 076	1 664	10 107

	Customer loans														
			Gross carrying amount					Accumulated impairment					Carrying amount		
					Overdue					Overdue					Overdue
	Current	Over 1 month but not more than 2 months	Over 2 months	Over 3 months	Current	Over 1 month but not more than 2 months	Over 2 months	Over 3 months	Current	Over 1 month but not more than 2 months	Over 2 months	Over 3 months	Current	Over 1 month but not more than 2 months	
Disclosure of financial assets that are past due or impaired															
Financial assets	**67 869**	**1 686**	**836**	**63 787**	**134 178**	**13 242**	**1 166**	**390**	**41 680**	**56 478**	**54 627**	**520**	**446**	**22 107**	**77 700**
Including financial assets that are neither past due nor impaired	9 627	-	-	-	9 627	-	-	-	-	-	9 627	-	-	-	9 627
Including financial assets past due but not impaired	-	-	-	3 509	3 509	-	-	-	-	--	-	-	-	3 509	3 509
Including impairment of financial assets individually measured for credit losses	58 242	1 686	836	60 278	121 042	13 242	1 166	390	41 680	56 478	45 000	520	446	18 598	64 564

	Corporate loans														
	Gross carrying amount					Accumulated impairment					Carrying amount				
		Overdue					Overdue					Overdue			
	Current	Over 1 month but not more than 2 months	Over 2 months	Over 3 months		Current	Over 1 month but not more than 2 months	Over 2 months	Over 3 months		Current	Over 1 month but not more than 2 months	Over 2 months	Over 3 months	
Disclosure of financial assets that are past due or impaired															
Financial assets	**1 235 394**	**75 002**	**5 957**	**160 721**	**1 477 074**	**222 318**	**30 494**	**5 794**	**150 733**	**409 339**	**1 013 076**	**44 508**	**163**	**9 988**	**1 067 735**
Including financial assets that are neither past due nor impaired	90 782	-	-	-	90 782	-	-	-	-	-	90 782	-	-	-	90 782
Including financial assets past due but not impaired	-	-	-	736	736	-	-	-	-	-	-	-	-	736	736
Including impairment of financial assets individually measured for credit losses	1 144 612	75 002	5 957	159 985	1 385 556	222 318	30 494	5 794	150 733	409 339	922 294	44 508	163	9 252	976 217

Note - Analysis of non-derivative/derivative financial liabilities by maturity [822390-16]

(UAH'000)

	On demand and less than 1 month	1 -3 months	3 – 12 months	12 months – 5 years	Total
Current reporting period					
Due to customers	2 267 739	381 383	638 411	36 454	3 323 987
Due to individuals	377 277	348 202	466 557	36 453	1 228 489
Other	1 890 462	33 181	171 854	1	2 095 498
Lease liabilities	1 356	2 231	7 928	5 479	16 993
Other financial liabilities	21 474	-	9 853	335	31 662
Loan commitments	47 817	50 898	108 101	2 562	209 378
Total potential future payments under financial liabilities	**2 338 386**	**434 512**	**764 293**	**44 830**	**3 582 020**

Previous reporting period					
Due to banks	547 131	8 537	38 417	614 048	1 208 133
Due to customers	2 387 597	263 402	881 338	93 140	3 625 477
Due to individuals	472 051	171 417	634 164	93 139	1 370 771
Other	1 915 546	91 985	247 174	1	2 254 706
Lease liabilities	2 179	2 674	9 568	10 614	25 035
Other financial liabilities	11 311	-	1 491	290	13 092
Loan commitments	36 053	168 902	162 509	8 956	376 420
Total potential future payments under financial liabilities	**2 984 271**	**443 515**	**1 093 323**	**727 048**	**5 248 157**

Notes - Liquidity risk management [822390-17]

(UAH’000)

	On demand and less than 1 month	1 -3 months	3 – 12 months	12 months – 5 years	Over 5 years	Total
Current reporting period						
ASSETS						
Cash and cash equivalents	1 924 213	-	-	-	-	1 924 213
Loans and due from customers	153 533	88 285	712 836	182 182	18 893	1 155 729
Investments in securities	74 998	33 903	284 511	-	-	**393 411**
Other financial assets	97 417	-	-	320	-	**97 737**
Total financial assets	**2 250 161**	**122 188**	**997 347**	**182 502**	**18 893**	**3 571 090**
LIABILITIES						
Due to customers	1 064 085	969 925	1 224 766	36 531	-	**3 295 306**
Other financial and lease liabilities	22 830	2 231	17 781	5 814	-	**48 656**
Total financial liabilities	**1 086 915**	**972 156**	**1 242 547**	**42 345**	**0**	**3 343 962**
Net liquidity gap as at the end of the day December 31	**1 163 246**	**(849 968)**	**(245 200)**	**140 157**	**18 893**	**227 128**
Cumulative liquidity gap as at the end of the day December 31	**1 163 246**	**313 278**	**68 078**	**208 235**	**227 128**	**-**

	On demand and less than 1 month	1 -3 months	3 – 12 months	12 months – 5 years	Over 5 years	Total
Previous reporting period						
ASSETS						
Cash and cash equivalents	1 107 717	-	-	-	-	1 107 717
Loans and due from customers	249 511	278 896	572 765	732 323	10 119	1 843 613
Investments in securities	375 607	563 410	939 017	-	-	1 878 033
Other financial assets	43 678	-	-	320	-	43 998
Total financial assets	**1 776 513**	**842 306**	**1 511 782**	**732 643**	**10 119**	**4 873 361**
LIABILITIES						
Due to banks	542 027	-	-	505 127	-	1 047 154
Due to customers	1 185 966	866 248	1 453 215	93 216	-	3 598 644
Other financial and lease liabilities	11 478	-	1 491	25 158	-	38 127
Total financial liabilities	**1 739 471**	**866 248**	**1 454 706**	**623 501**	**-**	**4 683 925**
Net liquidity gap as at the end of the day December 31	**37 042**	**(23 942)**	**57 076**	**109 142**	**10 119**	**189 436**
Cumulative liquidity gap as at the end of the day December 31	**37 042**	**13 100**	**70 176**	**179 318**	**189 436**	**-**

Notes - Sensitivity analysis [822390-18].

	Floating interest rate		Fixed rate of interest		Types of interest rates	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of Financial Instruments by Type of Interest Rate [Articles]						
Financial assets	306 532	302 273	3 264 558	4 571 088	**3 571 090**	**4 873 361**
Financial liabilities	-	-	3 343 962	4 683 925	**3 343 962**	**4 683 925**

The weighted average floating interest rate at the end of the current reporting period was 17.5% (13.3% at the end of the previous reporting period).

Notes - Fair Value Measurements of Assets [823000-1] and Fair Value Measurements of Liabilities [823000-2]

Analysis of financial instruments carried at amortized cost

(UAH’000)

	Current reporting period		Previous reporting period	
	Fair value	**Carrying amount**	**Fair value**	**Carrying amount**
FINANCIAL ASSETS				
Cash and cash equivalents	1 924 213	1 924 213	1 107 717	1 107 717
Loans and due from banks	1 149 542	1 155 729	1 842 976	1 843 613
Investments in securities	389 223	393 411	1 872 869	1 878 033
Other financial assets	97 737	97 737	43 998	43 998
FINANCIAL LIABILITIES				
Due to banks	-	-	1 047 154	1 047 154
Due to customers	3 297 439	3 295 307	3 600 372	3 598 644
Other financial liabilities	48 655	48 655	38 127	38 127

Analysis of the fair value of financial instruments by level of measurement for the current reporting period

	Fair value under different valuation models			Total fair value
	Level 1	Level 2	Level 3	
Assets whose fair value is disclosed				
Assets whose fair value is disclosed	-	1 924 213	-	1 924 213
Assets whose fair value is disclosed	-	-	1 149 542	1 149 542
Assets whose fair value is disclosed	-	389 223	-	389 223
Assets whose fair value is disclosed	-	-	97 737	97 737
Liabilities for which fair value is disclosed				
Due to customers	-	3 297 439	-	3 297 439
Other financial liabilities	-	48 655	-	48 655

Analysis of the fair value of financial instruments by levels of valuation for the previous reporting period.

	Fair value under different valuation models			Total fair value
	Level 1	Level 2	Level 3	
Assets whose fair value is disclosed				
Assets whose fair value is disclosed	-	1 107 717	-	1 107 717
Assets whose fair value is disclosed	-	-	1 842 976	1 842 976
Assets whose fair value is disclosed	-	1 872 869	-	1 872 869
Assets whose fair value is disclosed	-	-	43 998	43 998
Liabilities for which fair value is disclosed				
Due to banks	-	1 047 154	-	1 047 154
Due to customers	-	3 600 372	-	3 600 372
Other financial liabilities	-	38 127	-	38 127

Notes - Intangible assets [823180]

(UAH'000)

	Computer software					
	Gross carrying amount		Accumulated depreciation and amortization of tangible and intangible assets		Carrying amount	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of detailed information about intangible assets						
Amortization method, intangible assets other than goodwill	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets excluding goodwill, opening balance	8 654	5 833	(2 318)	(1 575)	**6 336**	**4 258**
Changes in intangible assets other than goodwill						
Gains other than from business combinations, intangible assets excluding goodwill	1 822	2 821	-	-	**1 822**	**2 821**
Amortization, intangible assets excluding goodwill	-	-	1 127	743	**1 127**	**743**
Increase (decrease) due to transfers and other changes, intangible assets excluding goodwill						
Increase (decrease) due to other changes, intangible assets excluding goodwill	1 814	-	-	-	**1 814**	**-**
Total increase (decrease) due to transfers and other changes, intangible assets excluding goodwill	**1 814**	**-**	**-**	**-**	**1 814**	**-**
Total increase (decrease) in intangible assets excluding goodwill	**3 636**	**2 821**	**(1 127)**	**(743)**	**2 509**	**2 078**
Intangible assets excluding goodwill, closing balance	**12 290**	**8 654**	**(3 445)**	**(2 318)**	**8 845**	**6 336**

	Licenses and franchises					
Disclosure of detailed information about intangible assets						
Amortization method, intangible assets other than goodwill	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets excluding goodwill, opening balance	857	857	(144)	(129)	**713**	**728**
Changes in intangible assets other than goodwill						
Gains other than from business combinations, intangible assets excluding goodwill	-	-	-	-	**-**	**-**
Amortization, intangible assets excluding goodwill	-	-	15	15	**15**	**15**
Total increase (decrease) in intangible assets excluding goodwill	**-**	**-**	**(15)**	**(15)**	**(15)**	**(15)**
Intangible assets excluding goodwill, closing balance	**857**	**857**	**(159)**	**(144)**	**698**	**713**

Intangible assets under development				
	Gross carrying amount		Carrying amount	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Disclosure of detailed information about intangible assets				
Amortization method, intangible assets other than goodwill	unamortized	unamortized	unamortized	unamortized
Reconciliation of changes in intangible assets other than goodwill				
Intangible assets excluding goodwill, opening balance	1 343	-	**1 343**	-
Changes in intangible assets other than goodwill				
Gains other than from business combinations, intangible assets excluding goodwill	910	1 343	**910**	**1 343**
Increase (decrease) due to transfers and other changes, intangible assets excluding goodwill				
Increase (decrease) due to other changes, intangible assets excluding goodwill	(1 814)	-	**(1 814)**	-
Total increase (decrease) due to transfers and other changes, intangible assets excluding goodwill	**(1 814)**	-	**(1 814)**	-
Total increase (decrease) in intangible assets excluding goodwill	**(904)**	**1 343**	**(904)**	**1 343**
Intangible assets excluding goodwill, closing balance	**439**	**1 343**	**439**	**1 343**

Other intangible assets				
Other intangible assets				
Other intangible assets	Straight-line	Straight-line	Straight-line	Straight-line
Reconciliation of changes in intangible assets other than goodwill				
Intangible assets excluding goodwill, opening balance	6	6	**6**	**6**
Changes in intangible assets other than goodwill				
Total increase (decrease) in intangible assets excluding goodwill	-	-	-	-
Intangible assets excluding goodwill, closing balance	**6**	**6**	**6**	**6**

	Intangible assets and goodwill					
	Gross carrying amount		**Accumulated depreciation and amortization of tangible and intangible assets**		**Carrying amount**	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets excluding goodwill, opening balance	**10 860**	**6 696**	**(2 462)**	**(1 704)**	**8 398**	**4 992**
Changes in intangible assets other than goodwill						
Gains other than from business combinations, intangible assets excluding goodwill	**2 732**	**4 164**	**0**	**0**	**2 732**	**4 164**
Amortization, intangible assets excluding goodwill	**-**	**0**	**1 142**	**758**	**1 142**	**758**
Increase (decrease) due to transfers and other changes, intangible assets excluding goodwill						
Increase (decrease) due to other changes, intangible assets excluding goodwill	-	-	-	-	-	-
Total increase (decrease) due to transfers and other changes, intangible assets excluding goodwill	-	-	-	-	-	-
Disposals and decommissioning, intangible assets other than goodwill						
Total increase (decrease) in intangible assets excluding goodwill	**2 732**	**4 164**	**(1 142)**	**(758)**	**1 590**	**3 406**
Intangible assets excluding goodwill, closing balance	**13 592**	**10 860**	**(3 604)**	**(2 462)**	**9 988**	**8 398**

Notes - Other provisions, contingent liabilities and contingent assets [827570].

Litigation

As at 31 December 2022, the Bank is a defendant in the following lawsuits:
- on invalidation of the sale and purchase agreement, mortgage agreement, cancellation of the decision and records on state registration of ownership, renewal of the mortgage and encumbrance;
- on debt collection in the amount of UAH 1,839.8 thousand;
- on debt collection in the amount of UAH 3,000 thousand;
- recovery of average earnings for the period of delay in payment and compensation for non-pecuniary damage;
- on the protection of the rights of financial services consumers and termination of the contract.

Potential tax liabilities

The tax, currency, customs and other legislation within Ukraine is not stable and is subject to frequent changes, and sometimes conflicting and varying interpretations. Therefore, there is a possible risk that management's interpretation of such legislation could differ from that of the relevant authorities. As a result, additional tax liabilities, fines and other financial penalties may be assessed. Fiscal periods remain open to review by the tax authorities in respect of tax matters for three financial years after the end of the year.

Changes in provisions for liabilities (UAH’000)

Changes in provisions	**Current reporting period**	**Previous reporting period**
Balance as at January 1	**38**	**86**
Formation/dissolution of provision for liabilities	13	(48)
Balance as at December 31	**51**	**38**

As at the reporting date, the Bank has provided for future expenses under lawsuits for the recovery of funds in which the Bank is a defendant in the amount of UAH 4 thousand and for lending-related liabilities in the amount of UAH 46 thousand.

Loan commitments

The primary purpose of these instruments is to provide funds to meet the financial needs of customers. Financial guarantees, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Loan commitments to extend credit represent unused portions of authorized loan commitments in the form of overdrafts and credit lines. With respect to credit risk on these commitments, the Bank is potentially exposed to future losses in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most of these commitments are contingent upon the Bank's customers maintaining specific credit standards.
The total outstanding contractual amount of undrawn loan commitments, overdrafts and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded.
In terms of credit risk under the methodology for determining revocable and irrevocable commitments to extend credit, the Bank believes that it is not exposed to additional credit risk under revocable commitments, as credit is extended after the Bank receives financial collateral in the form of a financial guarantee or deposit, which fully covers the possible risk.

Structure of loan commitments

(UAH’000)

	Current reporting period	**Previous reporting period**
Loan commitments issued, incl:	842 576	1 173 248
Irrevocable commitments subject to credit risk	14 250	24 051
Guarantees and avals issued	195 174	352 386
Provision for loan commitments	(46)	(30)
Total loan commitments net of provision	**1 037 704**	**1 525 604**

Loan commitments by currencies

(UAH’000)

		Current reporting period	**Previous reporting period**
1	UAH	952 535	1 396 742
2	USD	54 889	114 716
3	EUR	30 280	14 146
4	**Total**	**1 037 704**	**1 525 604**

Notes - Leases [832610].

	Current reporting period	Previous reporting period
Disclosure of lease information		
Presentation of the lease for the lessee		
Right-of-use assets that do not comply with definition of investment property, opening balance	25 090	18 596
Right-of-use assets that do not comply with definition of investment property, closing balance	14 646	25 090
Description of statement of financial position items that include right-of-use assets	Right-of-use assets are presented in the statement of financial position within other property, plant and equipment.	Right-of-use assets are presented in the statement of financial position within other property, plant and equipment.
Lease liabilities, opening balance		
Current lease liabilities, opening balance	14 421	13 617
Non-current lease liabilities, opening balance	10 614	5 938
Lease liabilities, opening balance	**25 035**	**19 555**
Lease liabilities, closing balance		
Current lease liabilities, closing balance	11 514	14 421
Non-current lease liabilities, closing balance	5 479	10 614
Lease liabilities, closing balance	**16 993**	**25 035**
Description of statement of financial position items that include lease liabilities	Lease liability is presented within other non-financial liabilities.	Lease liability is presented within other non-financial liabilities.

	Current reporting period	Previous reporting period
Interest expense under lease liabilities	2 803	1 055
Expenses related to short-term leases that qualify for the recognition exemption	892	768
Expenses related to the lease of low-value assets that qualify for the recognition exemption	273	287
Cash outflows under lease agreements	-	-
Increase of right-of-use assets	9 553	31 005
Disclosure of quantitative lease information for the lessor		
Operating lease income	860	277

	Buildings		Land and buildings		Devices and accessories		Property, plant and equipment		Assets	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of quantitative information on assets with the right of use										
Depreciation, right-of-use assets	12 616	14 742	**12 616**	**14 742**	358	315	**12 974**	**15 057**	**12 974**	**15 057**
Right-of use assets	14 109	24 001	14 109	24 001	539	1 092	14 648	25 093	14 648	25 093
Right-of-use assets, increase (decrease) in surplus after revaluation	-6 829	-9 473	**-6 829**	**-9 473**	-195	19	**-7 024**	**-9 454**	**-7 024**	**-9 454**

	Not over 1 year		More than 1 year but not over 2 years		More 2 years but not over 3 years		Total time intervals	
	Current reporting period	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**	**Current reporting period**	**Previous reporting period**
Disclosure of the analysis of payments receivable under finance leases by maturity								
Undiscounted finance lease payments receivable	1 410	1 430	1 421	2 503	931	0	**3 762**	**3 933**

Notes - Income taxes [835110]

Income tax disclosures

Current reporting period

Income tax is calculated at the current tax rate of 18%. The tax is paid to one tax authority, therefore, DTA and DLA are offset in the bank's balance sheet. Tax losses on securities trading operations that can be carried forward amount to UAH 3,495 thousand. Due to the fact that it is not probable that taxable profit will be generated against which unused tax losses can be utilized in the foreseeable future, the amount of unrecognized OTL amounted to UAH 629 thousand.

Previous reporting period

Income tax is calculated at the current tax rate of 18%. The tax is paid to one tax authority, therefore, DTA and DLA are offset in the bank's balance sheet.

	Current reporting period	**Previous reporting period**
Significant components of tax expense (tax refund income)		
Current tax expense (income from tax refunds) and adjustments to current tax of prior periods		
Current tax expense (income from tax refunds)	6 527	23 638
Adjustment of current tax of previous periods	-	-
Total amount of current tax expense (tax refund income) and current tax adjustments for prior periods	**6 527**	**23 638**
Deferred tax expense (income from tax refunds) related to the origination and reversal of temporary differences	(762)	(301)
Total tax expense (tax refund income)	**5 765**	**23 337**
Description of the expiration date of temporary differences, unused tax losses and unused tax credits	until fully utilized	until fully utilized
Unused tax losses for which no deferred tax asset is recognized	3 495	-
Disclosure of temporary differences, unused tax losses and unused tax benefits	Temporary differences consist of differences arising from different depreciation rates for property, plant and equipment and intangible assets in accounting and taxation, provisioning of provisions recognized in taxation when used and allowance for unconditional loan commitments.	Temporary differences consist of differences arising from different depreciation rates for property, plant and equipment and intangible assets in accounting and taxation, provisioning of provisions recognized in taxation when used and allowance for unconditional loan commitments.

Current reporting period				**Temporary differences, unused tax losses and unused tax benefits**
	Allowance for credit losses	**Other temporary differences**	**Temporary differences**	
Disclosure of temporary differences, unused tax losses and unused tax benefits				
Deferred tax assets and liabilities				
Deferred tax assets	8	1 511	1 519	1 519
Net deferred tax liability (asset)	(8)	(1 511)	(1 519)	(1 519)
Net deferred tax assets and liabilities				
Net deferred tax assets	8	1 511	1 519	1 519
Deferred tax expense (income from tax refunds)				
Deferred tax expense (income from tax refunds)	(3)	(759)	(762)	(762)
Deferred tax expense (tax refund income) recognized in profit or loss	(3)	(759)	(762)	(762)

Current reporting period	**Allowance for credit losses**	**Other temporary differences**	**Temporary differences**	**Temporary differences, unused tax losses and unused tax benefits**
Reconciliation of changes in deferred tax liability (asset)				
Deferred tax liability (asset), opening balance	(5)	(752)	(757)	(757)
Changes in deferred tax liability (asset)				
Deferred tax expense (tax refund income) recognized in profit or loss	(3)	(759)	(762)	(762)
Total increase (decrease) in deferred tax liability (asset)	**(3)**	**(759)**	**(762)**	**(762)**
Deferred tax liability (asset), closing balance	**(8)**	**(1 511)**	**(1 519)**	**(1 519)**

Previous reporting period	**Allowance for credit losses**	**Other temporary differences**	**Temporary differences**	**Temporary differences, unused tax losses and unused tax benefits Other temporary differences**
Disclosure of temporary differences, unused tax losses and unused tax benefits				
Deferred tax assets and liabilities				
Deferred tax assets	5	752	757	757
Net deferred tax liability (asset)	(5)	(752)	(757)	(757)
Net deferred tax assets and liabilities				
Net deferred tax assets	5	752	757	757
Deferred tax expense (income from tax refunds)				
Deferred tax expense (income from tax refunds)	10	(311)	(301)	(301)
Deferred tax expense (tax refund income) recognized in profit or loss	10	(311)	(301)	(301)
Reconciliation of changes in deferred tax liability (asset)				
Deferred tax liability (asset), opening balance	(15)	(441)	(456)	(456)
Changes in deferred tax liability (asset)				
Deferred tax expense (tax refund income) recognized in profit or loss	10	(311)	(301)	(301)
Total increase (decrease) in deferred tax liability (asset)	**10**	**(311)**	**(301)**	**(301)**
Deferred tax liability (asset), closing balance	**(5)**	**(752)**	**(757)**	**(757)**

	Current reporting period	**Previous reporting period**
Reconciliation of accounting profit multiplied by applicable tax rates		
Accounting profit	15 068	127 338
Tax expense (tax refund income) at the applicable tax rate	2 712	22 921
Tax effect of non-deductible expenses in determining taxable profit (tax loss)	2 424	258
Tax effect of tax losses	629	-
Other tax effect on the reconciliation of accounting profit to tax expense (tax refund income)	-	158
Total tax expense (tax refund income)	**5 765**	**23 337**
Reconciliation of the average effective tax rate and the applied tax rate		
Accounting profit	15 068	127 338
Applicable tax rate	18.00%	18.00%
Effect of tax rate related to expenses that are not deductible in determining taxable profit (tax loss)	16.09%	0.20%
Tax rate effect related to tax losses	4.17%	0.00%
Other effect of the tax rate on the reconciliation of accounting profit with tax expense (tax refund income)	0.00%	0.12%
Overall average effective tax rate	38.26%	18.32%

Notes - Earnings per share [838000]

	Current reporting period	Previous reporting period
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0.4652	5.2001
Total basic earnings (loss) per share	**0.4652**	**5.2001**
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	20 000	20 000

Notes - Share capital, reserves and other equity [861200].

Disclosure of share capital, reserves and other additional capital

	Ordinary shares	Share capital
Current reporting period		
Disclosure of information on classes of share capital		
Number of shares authorized for issue	20 000	20 000
Number of shares in issue		
Number of shares issued and fully paid up	20 000	20 000
Total number of issued shares	**20 000**	**20 000**
The nominal value of a share	15.05	15.05
Reconciliation of the number of shares in circulation		
Number of shares in circulation, opening balance	20 000	20 000
Number of shares in circulation, closing balance	**20 000**	**20 000**
Previous reporting period		
Disclosure of information on classes of share capital		
Number of shares authorized for issue	20 000	20 000
Number of shares in issue		
Number of shares issued and fully paid up	20 000	20 000
Total number of issued shares	**20 000**	**20 000**
The nominal value of a share	15.05	15.05
Reconciliation of the number of shares in circulation		
Number of shares in circulation, opening balance	20 000	20 000
Number of shares in circulation, closing balance	**20 000**	**20 000**

Disclosure of reserves in equity	To cover unforeseen losses, the Bank annually creates a reserve fund.

Disclosure of reserves in equity	**Reserve and other funds of the bank**
Description of the nature and purpose of reserves in equity	Annual allocations to the reserve fund amount to 5% of the Bank's net profit.

Notes - Operating segments [871100].

Disclosure of information about operating segments	
Reporting segment 1	**Corporate customers**
Reporting segment 2	**Retail bank transactions**
Reporting segment 3	**Operations in financial markets**
All other segments	**Other segments and operations**

(UAH’000)

Current reporting period	**Operating segments**				
	Reporting segments			**All other segments**	**Segment**
Disclosure of information about operating segments	**Reporting segment 1**	**Reporting segment 2**	**Reporting segment 3**		
Interest income	228 269	29 985	157 628	-	**415 882**
Interest expense	59 288	72 163	57 653	-	**189 104**
Commission income	51 176	85 469	485	-	**137 130**
Commission expense	-	23 485	6 907	-	**30 392**
Depreciation charges	-	-	-	36 819	**36 819**
Significant income and expense items	(65 636)	(24 222)	(31 016)	-	**(120 874)**
Tax expense (tax refund income)	-	-	-	5 765	**5 765**
Other significant non-monetary	(58 552)	31 053	(127 931)	(5 325)	**(160 755)**
Profit (loss) before taxes	**95 969**	**26 637**	**(65 394)**	**(42 144)**	**15 068**
Profit (loss) from continuing operations	-	-	-	9 303	**9 303**
Profit (loss)	-	-	-	9 303	9 303
Assets	**1 068 610**	**183 642**	**1 990 762**	**564 631**	**3 807 645**
Liabilities	**2 092 059**	**1 240 456**		**34 149**	**3 366 664**
Net operating cash flows (used in operating activities)	-	-	-	(847 383)	(847 383)
Net investing cash flows (used in investing activities)	-	-	-	1 615 497	**1 615 497**
Net financing cash flows (used in financing activities)	-	-	-	(12 922)	**(12 922)**

Previous reporting period					
Disclosure of information about operating segments					
Interest income	200 837	23 218	137 352		**361 407**
Interest expense	36 716	43 896	53 482		**134 094**
Commission income	60 097	76 970	1 268		**138 335**
Commission expense		27 405	6 142		**33 547**
Depreciation charges				39 155	**39 155**
Significant income and expense items	(81 310)	(35 724)	(56 310)		**(173 344)**
Tax expense (tax refund income)				23 337	**23 337**
Other significant non-monetary	42 805	80 547	(88 108)	(27 508)	**7 736**
Profit (loss) before taxes	**185 713**	**73 710**	**(65 422)**	**(66 663)**	**127 338**
Profit (loss) from continuing operations				104 001	**104 001**
Profit (loss)				104 001	104 001
Assets	**1 675 763**	**209 459**	**2 403 966**	**868 787**	**5 157 975**
Liabilities	**2 251 670**	**1 368 742**	**1 047 154**	**58 731**	**4 726 297**
Net operating cash flows (used in operating activities)				1 238 840	**1 238 840**
Net investing cash flows (used in investing activities)				(778 622)	**(778 622)**
Net financing cash flows (used in financing activities)				(27 152)	**(27 152)**

Notes – Additional information [880000]

(UAH’000)

Change in presentation of the Statement of Financial Position as at December 31, 2021 to the format of the Statement of Financial Position, in order of liquidity [220000] for 2022, column "Previous reporting period"

Statement of financial position	As presented in Form 220000 of the financial statements for 2022 in the column "Previous reporting period"	Item in the financial statements as at December 31, 2021
Assets		
Cash and cash equivalents	1 107 717	Cash and cash equivalents
Loans and due from customers	1 843 613	Loans and due from customers
Investments in securities	1 878 033	Investments in securities
Deferred tax assets	757	Deferred tax assets
Intangible assets other than goodwill	8 398	Property, plant and equipment, intangible assets and right-of-use assets
Property, plant and equipment	215 678	Property, plant and equipment, intangible assets and right-of-use assets
Other financial assets	43 998	Other assets
Other non-financial assets	59 781	Other assets
Total assets	**5 157 975**	**Total assets**
Liabilities		
Due to banks	1 047 154	Due to banks
Due to customers	3 598 644	Due to customers
Provisions		
Provisions for loan commitments and financial guarantee contracts	30	Provisions for liabilities
Provisions for employee benefits	11 962	Other liabilities and lease liabilities
Other provisions	8	Provisions for liabilities
Total liabilities	**12 000**	
Other financial liabilities	38 127	Other liabilities and lease liabilities
Other non-financial liabilities	20 461	Other liabilities and lease liabilities
Current tax liabilities	9 911	Liabilities under current income tax
Total liabilities	**4 726 297**	**Total liabilities**
Equity and liabilities		
Equity		
Authorized capital	301 000	Authorized capital
Retained earnings	107 273	Retained earnings
Result from transactions with shareholder	(329)	Transactions with shareholders
Reserves and other funds of the bank	23 734	Reserves and other funds of the bank
Total equity attributable to owners of the parent company	**431 678**	**Total equity**
Total equity	**431 678**	**Total equity**
Total equity and liabilities	**5 157 975**	**Total equity and liabilities**

Change in presentation of the Statement of Financial Position as of December 31, 2020 to the format of the Statement of Financial Position, in order of liquidity [220000] for 2022, column "Previous period, opening balance"

Statement of financial position	As presented in Form 220000 of the financial statements for 2022 in the column "Previous reporting period"	Item in the financial statements as at December 31, 2021
Assets		
Cash and cash equivalents	678 743	Cash and cash equivalents
Loans and due from customers	972 097	Loans and due from customers
Investments in securities	1 023 290	Investments in securities
Deferred tax assets	456	Deferred tax assets
Intangible assets other than goodwill	4 992	Property, plant and equipment, intangible assets and right-of-use assets
Property, plant and equipment	121 708	Property, plant and equipment, intangible assets and right-of-use assets
Other financial assets	33 265	Other assets
Other non-financial assets	47 780	Other assets
Total assets	**2 882 331**	**Total assets**
Liabilities		
Due to banks	350 008	Due to banks
Due to customers	2 146 381	Due to customers
Provisions		
Provisions for loan commitments and financial guarantee contracts	82	Provisions for liabilities
Provisions for employee benefits	9 737	Other liabilities and lease liabilities
Other provisions	3	Provisions for liabilities
Total liabilities	**9 822**	
Other financial liabilities	22 856	Other liabilities and lease liabilities
Other non-financial liabilities	12 251	Other liabilities and lease liabilities
Current tax liabilities	3 407	Liabilities under current income tax
Total liabilities	**2 544 725**	**Total liabilities**
Equity and liabilities		
Equity		
Authorized capital	200 000	Authorized capital
Retained earnings	115 256	Retained earnings
Result from transactions with shareholder	22 350	Transactions with shareholders
Reserves and other funds of the bank	**337 606**	Reserves and other funds of the bank
Total equity attributable to owners of the parent company	**337 606**	**Total equity**
Total equity	**2 882 331**	**Total equity and liabilities**

Change in presentation of the Statement of Profit or Loss and Other Comprehensive Income for 2021 to the format of the Statement of Comprehensive Income, Profit or Loss, by Nature of Expenses [320000] for 2022, column "Previous Reporting Period"	As presented in Form 320000 of the financial statements for 2022 in the column "Previous reporting period"	Item in the financial statements as at December 31, 2021
Statement of profit or loss and other comprehensive income		
Profit (loss)		
Income from ordinary activities	**499 742**	
Interest income	**361 407**	Interest income
Interest income calculated using the effective interest method	361 407	Interest income
Commission income	138 335	Commission income
Interest expense	134 094	Interest expense
Commission expense	33 547	Commission expense
Other expenses	8 711	Other administrative and operating expenses
Net gain (loss) on financial instruments at fair value through profit or loss	(3 957)	Net gain (loss) on financial instruments at fair value through profit or loss
Net profit (loss) from currency transactions	44 716	Net profit (loss) from currency transactions
Net gain (loss) on foreign currency translation	3 305	Net loss from impairment of financial assets
Impairment gains and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9	4 864	Net loss from impairment of financial assets Net (loss)/gain on (increase)/decrease in provisions for liabilities
Other profit (losses)	8 440	Other operating income
Employee benefit costs	169 024	Employee benefit costs
Depreciation charges	39 155	Depreciation and amortization charges
Other administrative and operating expenses	62 870	Other administrative and operating expenses
Impairment gains and reversal of impairment loss (impairment loss) for non-financial assets	2 872	Other administrative and operating expenses
Profit (loss) from operating activities	**112 581**	
Profit (loss) arising from derecognition of financial assets measured at amortized cost	14 757	Net profit from derecognition of financial assets measured at amortized cost
Profit (loss) before taxes	**127 338**	**Profit before taxes**
Tax expense (tax refund income)	23 337	Income tax expenses
Profit (loss) from continuing operations	**104 001**	**Profit for the year**
Profit (loss)	**104 001**	**Total comprehensive income for the year**
	Ordinary shares	
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	5.2001	Net and adjusted earnings per ordinary share (UAH)
Total basic earnings (loss) per share	**5.2001**	**Net and adjusted earnings per ordinary share (UAH)**
	Ordinary shares	
Earnings per share attributable to owners of the bank		
Basic earnings per share attributable to owners of the bank		
Basic earnings (loss) per share attributable to owners of the bank	5.2001	Net and adjusted earnings per ordinary share (UAH)

Trust management accounts

The Bank offers developers a transparent and proven mechanism for financing the construction of facilities through Construction Financing Funds (CFF). Cooperation with the Bank allows the developer to receive financial support from the Bank and ensures the inflow of investors at the initial stage of construction by providing them, as principals of the CFF, with additional guarantees: control over the targeted use of funds and obtaining ownership of investment objects.

		December 31, 2022	December 31, 2021	Changes (+;–)
1	Current accounts of the trust management bank	111	6 568	(6 457)
2	Receivables from trust management transactions	193 110	216 579	(23 469)
3	**Total, active trust management accounts**	**193 221**	**223 147**	**(29 926)**
4	Bank management funds	193 221	223 147	(29 926)
5	**Total, passive trust management accounts**	**193 221**	**223 147**	**(29 926)**

Approved for issue and signed on March 24, 2023

Chair of Management Board **Andrii HRIHEL**

Chief accountant **Andrii AKHE**

Україна м. Дніпро * АКЦІОНЕРНЕ ТОВАРИСТВО «АКЦІОНЕРНИЙ БАНК «РАДАБАНК»
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Ідентифікаційний код 21322127