

Translation from Ukrainian original

**JOINT STOCK COMPANY
"DEUTSCHE BANK DBU"**

IFRS financial statements and management report

***For the year ended 31 December 2025,
and Independent Auditors' Report***

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Management report (executive report)

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**JOINT STOCK COMPANY
“DEUTSCHE BANK DBU”**

Management report (executive report) for 2025

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1. General Information About the Bank

Joint Stock Company “Deutsche Bank DBU” (hereinafter referred to as “the Bank”) is a part of a bank group under foreign control. All shares in the Bank (100%) are owned by Deutsche Bank AG, a corporation established and operating in accordance with the laws of the Federal Republic of Germany. Deutsche Bank AG is a direct parent company of the Bank and its ultimate controlling party. The Bank has not bought or sold any shares during the year. The shareholder has no restrictions on participation and voting rights at the general meeting.

The Bank has an office in Kyiv, Ukraine. As of 31 December 2025, the Bank employed 35 employees, including 17 men and 18 women.

According to Deutsche Bank Group’s global classification, the Bank is represented in Ukraine by Corporate Bank and by Investment Bank divisions, which served corporate clients and provided a wide range of services, in particular:

- Cash flows management;
- Trade finance;
- Foreign exchange transactions;
- Overdrafts and fixed-term financing;
- Term deposits, etc.

In order to support B2B segment, the Bank also carries out transactions in the interbank market, in particular:

- Foreign exchange transactions;
- Interbank lending;
- Swaps;
- Dealing in debt securities of the National Bank of Ukraine (NBU), Ministry of Finance, etc.

The business sector is supported by the following core business units:

- Corporate bank operations department;
- Treasury and currency exchange operations department;
- Human resources department;
- Finance department;
- Legal department;
- Treasury department;
- Risk management department;
- Compliance and anti-financial crime department;
- Information security unit;
- Local banking system unit.

All the revenues and expenses retained in the core business units are redistributed among the business units in accordance with the approved global allocation methods.

The Bank’s parent company and its subsidiaries make one of the major bank groups in the world. The Bank’s business is deeply integrated into the general structure of the group, which explains its regular interaction with the shareholder regarding a wide range of financial transactions and services. For instance, the Bank conducts transactions to borrow and lend funds in foreign currencies, currency exchange transactions, trade finance transactions, etc. directly with the parent company and its branches. The pricing of such transactions is carried out based on an arm’s length principle.

Also, the highly-qualified professionals of the group provide a number of services to the Bank, including management, IT, professional services of group’s units, etc. The pricing of such services is based on the principle of allocation of costs pursuant to the methodologies approved at the level of the parent company for all the subsidiaries of the banking group.

The impact upon the financial result of the transactions with the shareholder is disclosed by the Bank in Note 26 "Related-Party Transactions" of its annual financial statements.

Membership of the executive body, committees and meetings

The members of the Management Board of the Bank are as follows:

1. Roman Topolnytsky, Chairman of the Management Board
2. Yaroslav Romanenko, Deputy Chairman of the Management Board, Head of Treasury
3. Oleksandra Green, Member of the Management Board, Compliance and Anti Financial Crime Head.

During the year there were no changes in the Management Board.

The following committees of the Management Board have been established in the Bank:

- Assets and liabilities management committee;
- Credit committee;
- Information security committee

Within 2025 reporting year, the Management Board held 19 meetings, where the following main issues were discussed:

- Approval of the report of the Management Board for 2024;
- Approval of the list of persons related to the Bank and changes to it;
- Approval or amending the Bank's internal programs, instructions, rules and regulations;
- Discussion of problematic issues in the area of combating money laundering and terrorist financing;
- Monthly review of information on risk management, financial performance indicators, operations and IT activities;
- Consideration of issues related to the selection of candidates and the process of filling vacancies;
- Review of the monthly compliance risk report;
- Review and approval of the bank's business processes (including critical ones);
- Approval of the decision of the Credit Committee to set a limit on credit operations with counterparties / borrowers in excess of 10 percent of the regulatory capital of the Bank;
- Review, determination and approval of the list of persons whose professional activity has a significant impact on the Bank's risk profile;
- Other issues.

Membership of the Supervisory Board, committees and meetings

During the year 2025, the members of the Supervisory Board were:

1. Joerg Bongartz, Chairman of the Supervisory Board, representative of the shareholder.
2. Thomas Agoston, Deputy of the Supervisory Board, representative of the shareholder.
3. Dinev Penko Stefanov, Independent Member of the Supervisory Board.
4. Wolfgang Gomernik, Independent Member of the Supervisory Board
5. Kevin Jones, Independent Member of the Supervisory Board.

During 2025, the Supervisory Board held regular meetings, namely: ten (10) meetings in the form of joint presence (one in each quarter, according to the frequency stipulated by current legislation, and six (6) additional extraordinary meetings during the year), as well as three (3) votes by poll.

The following main issues were discussed by the Supervisory Board:

- Macroeconomic overview;
- Financial performance indicators of the Bank;
- Key legislative changes and their implementation methods;
- Risk management;
- Issues of compliance control;
- Issues related to internal and external audit;

- Issues related to corporate governance in the Bank that fall within the competence of the Supervisory Board; and
- Other matters.

The general meeting of the Shareholder

Throughout 2025, the Shareholder held regular annual general meetings where decisions were made regarding:

- Review and approval of the Bank's annual financial statements for 2024, confirmed by an external auditor; the Bank's management report for 2024; and the audit report based on the review of the Bank's annual financial statements for 2024.
- Decision on the distribution of profit and coverage of losses of the Bank based on the Bank's performance in 2024.
- Review and decision on the results of the consideration of the report of the Bank's Supervisory Board for 2024.
- Review and approval of the Supervisory Board's remuneration report for 2024.
- Annual review of the Bank's regulations.

There were no limitations on participation and voting rights of shareholder on general meeting of the shareholder.

Procedure for appointment and dismissal of officers of the issuer

Managerial personnel (The Supervisory Board, the Management Board, Chief Accountant and his deputies, and the Internal Auditor) are appointed and dismissed in compliance with the following regulations:

- Charter of the Bank;
- Regulation on the Shareholders General Meeting;
- Regulation on the Supervisory Board;
- Regulation on the Management Board;
- Regulation on the Internal Audit Department

The Bank's Supervisory Board is elected by the General Meeting from among the Bank's participants, their representatives, and independent members (hereinafter referred to as "independent directors") in a number of no less than five (5) persons. Members of the Supervisory Board are elected for a term established by the relevant decision of the General Meeting, or for the maximum term established by the legislation of Ukraine.

The General Meeting may decide on the early termination of the powers of the Supervisory Board members and the simultaneous election of new members. Without a decision of the General Meeting, the powers of the Supervisory Board members are terminated in cases provided for by the legislation of Ukraine.

Members of the Management Board, including the Chairman of the Management Board, are appointed for a period of five (5) years, unless a longer period is determined by the Supervisory Board. In the event of termination of the powers of a Management Board member or in the event of expiration of these powers, a Management Board member is appointed to the vacant position by a decision of the Supervisory Board.

Managerial personnel competence

Managerial personnel competence is prescribed by the Charter of JSC "Deutsche Bank DBU" and by other documents, in particular: Regulation on the Shareholders General Meeting; Regulation on the Supervisory Board; Regulation on the Management Board; Regulation on Internal Audit Department. Functions and powers of the members of the Management Board of JSC "Deutsche Bank DBU" are defined by employment contracts and job descriptions.

Capital structure

	31 December 2024
(in UAH thousand)	
Core Capital	334 899
Tier 1 Capital	334 899
Total Regulatory Capital	669 798

	31 December 2025
(in UAH thousand)	
Core Capital	641 516
Tier 1 Capital	641 516
Total Regulatory Capital	641 516

2. Report on Corporate Governance

The Bank's corporate governance principles underpin everyday work and are integral part of changes in the corporate culture of Deutsche Bank Group. They regulate cooperation between the Bank's governing bodies and other decision makers in order to achieve the Bank's overall goals. In addition, the corporate governance principles ensure the establishment and allocation of roles, competences, and responsibilities within the regulatory framework governing the Bank's activities and help to clearly define responsibilities and duties.

The Bank's corporate governance functions also include compliance with the corporate governance principles of Deutsche Bank Group. Employees regularly review, improve and support compliance with Deutsche Bank Group's corporate governance fundamentals and the Bank's corporate governance principles. Each representative or employee of the Bank considers and adheres to the corporate governance principles to the extent that they affect, directly or indirectly, his/her corresponding duties.

The corporate governance principles system is based on the relationship of trust and cooperation between the Bank management, the Supervisory Board, the shareholder, and the supervisory authorities regarding compliance with local laws, as well as delegation of powers and responsibilities.

The members of the Management Board and the heads of the structural units are responsible for taking necessary measures to assist the management in complying with these requirements.

The human, technical and financial resources constitute elements of the defined strategy and appropriate risk control means:

- Each representative of the management evaluates whether the unit he/she represents has adequate resources to achieve the unit's strategic goals.
- Human resources should have the appropriate knowledge, skills and experience to perform the relevant tasks, as well as to receive effective training; diverse background of team members generates diverse opinions.
- Assessed shortcomings must be analysed considering the effective use of resources, their consequences are evaluated and transparently communicated.

Ensuring general awareness of the organization structure:

- The organization structure should be transparent and clear for internal stakeholders and be in line with the business strategy and risk profile.

- The top management should foster a structure reducing any difficulties, where necessary.

Proper documentation enables facts reconstruction, where necessary:

- Decisions and processes should be properly documented without creating an unnecessary formality burden.
- Decisions taken at committees' meetings should allow for meaningful dialogue and exchange of ideas, be recorded and provided to all interested committee members in a timely manner for review, and then to the person that delegated authority. In addition, all internal and external potential stakeholders should be properly informed of the decisions taken.
- Decisions taken outside the committees should be properly communicated to stakeholders, ensuring that the latter clearly understand what needs to be done, considering the matrix structure.

Ensuring adequate and effective information flow and reporting, especially on the risk issues:

- It is crucial to address the problem of fragmented data and provide relevant information to other structural units of the Bank that need such information to respond effectively and comply with the information provision rules on the need-to-know principle.
- The decision-making procedures should be transparent and adequately and effectively recorded in internal reports.
- IT management systems should provide support to the Management Board.
- Risk sensitive information should be immediately communicated to the management and responsible functions so that they can take the appropriate actions at the initial stages.
- In particular, the risks arising within the same area should be addressed. Information about them should be communicated and transferred to the management for the departments to learn useful practices.

The Management Board and each senior executive should give a lead in compliance with the Code of Business Conduct and Ethics:

- "Giving a lead" means being responsible for accurate formulation of the corporate strategy and risk levels, creation of a culture promoting honesty and accountability in order to protect clients' and shareholders' interests and support responsibility for the proper conduct of activities while being aware of risks and adhering to the corporate values.
- Proper behaviour should be acknowledged and rewarded. Inappropriate behaviour, on the contrary, should be made public and eliminated by countermeasures.

Proper business organization underpins each entity:

- Proper business organization is based on efficient and reliable administration and requires clear written organizational and operational principles, as well as clear definition and monitoring of processes, tasks, competencies, responsibilities, and controls.
- Responsibilities should be clearly defined within the organizational and operational framework. Incompatible tasks leading to conflicts of interest should not be performed by the same employees.
- Any possible drawbacks threatening the proper business organization should be resolved appropriately.

A culture of compliance and control is important for all organization activities:

- Such culture means compliance with the laws, on the one hand, and internal regulations, policies and procedures, on the other hand.
- It is very important that each employee contributes to and supports a culture of compliance.
- The appropriate code of conduct and relevant controls should be provided.

IT systems should be compatible with the organizational, operational and supervisory structures:

- Each senior executive should be informed of the IT systems needed to ensure support to organizational,

operational and supervisory structures within his/her responsibilities.

- Potential drawbacks should be analysed and evaluated, and the consequences should be transparently communicated.

The corporate governance principles of Deutsche Bank Group are applied to the entire Bank, including the relevant governing bodies (i.e. the Management Board, the Supervisory Board, etc.), while ensuring the structure used to set the Bank's goals and determining the means of their achievement and performance controls. Good corporate governance should create incentives for the Bank management to achieve goals that are in line with the Bank's business strategy, shareholders' interests, and contribute to effective monitoring of work.

The Bank adheres to the global corporate governance principles set by Deutsche Bank Group (<https://country.db.com/ukraine/mandatory-disclosure-of-information/corporate-documents/>), namely:

Principle 1: Obligation to Act Lawfully. This obligation, being one of the key obligations of the Management Board, defines the actions of all representatives and employees of the Bank. It comprises of two elements:

- Know your regulations, i.e. building and maintaining awareness of the regulations and provisions at the Board level.
- The entity should ensure organization transparency by defining, distributing and measuring responsibilities at an employee's or a committee's level, transferring certain definitions of links and interfaces, and eliminating gaps or cases of overlapping responsibilities or duties. In addition, it includes risk prevention and mitigation mechanisms in order to avoid or minimise violations.

Principle 2: Business Decision Rule:

- Business decisions (which may be subject to freedom of action as opposed to Principle 1) are taken in the Bank's interests based on the relevant information and should not be affected by conflicts of interest or personal interests.

Principle 3: Values and Principles Adherence:

- The Bank adheres to the corporate culture, acquires and develops talents, promotes teamwork and partnership, supports independent thinking, respect for other people's ideas, and courage to express opinions.

According to the Deutsche Bank Group's global approach, the Bank's compliance with these standards is reflected in six core values:

Integrity

- We live up to the highest integrity standards in everything we say or do.
- We do what is right, not just what is allowed.
- We speak openly; we welcome, express and respect opposite views.

Continuous Effectiveness

- We provide value to shareholders, because we prefer long-term success to short-term benefits.
- We support the entrepreneurial spirit balancing risks and profits.
- We achieve sustainable performance by developing, cultivating and investing in the best talents and by guiding them based on the merits of each.

Focus on Clients' Needs

- We deserve to be trusted by our clients who are in the heart of our organization.
- We provide true value by understanding and satisfying the needs of our clients in the best possible way.
- We strive to develop mutually beneficial relations with our clients and share their values.

Innovation

- We support innovation and appreciate intellectual curiosity of our staff.
- We enable our clients to succeed by constantly searching for solutions suitable to their issues.
- We are constantly improving our processes and platforms by introducing new and more effective ways of doing business.

Discipline

- We protect corporate resources, always thinking and acting as owners.

- We observe rules and are responsible for our promises – no excuses.
- We achieve high expertise, striving to “do everything right from the very beginning”.

Partnership

- We build different teams to create the best ideas and make more informed decisions.
- We put corporate goals over “individual” loyalty by trusting, respecting and working with each other.
- We act as responsible partners with all our stakeholders and regulatory authorities, as well as meet the wider public interests.

Monitoring Obligation:

- Monitoring of the effectiveness of power delegation chains and escalation of relevant issues to the management, as well as vesting with powers and ensuring regular and timely exchange of information in order to timely identify critical issues and make necessary adjustments.

When adhering to Principle 1, management should ensure that they have necessary skills and experience to perform the function assigned, can devote enough time and efforts to perform their work, and make decisions being sufficiently informed and weighing possible consequences.

The Management Board and the Supervisory Board (hereinafter referred to as the Corporate Bodies) interact on the basis of trust and cooperation in order to meet the best interests of the Bank, employees and other stakeholders, considering their tasks and responsibilities. The tasks and responsibilities of the Management Board and the Supervisory Board complement each other and form a solid corporate governance system:

- Performance of own tasks and responsibilities – each corporate body consistently performs its tasks and responsibilities.
- Prohibition of excess of powers – each corporate body should not exceed its powers and interfere with internal affairs and responsibilities of other corporate bodies.
- Mutual trust – cooperation of corporate bodies with each other, as well as among its members, is based on mutual trust. Members of the Management Board should act in good faith for the benefit of the Bank.
- Good faith – members of the Management Board are obliged to act reasonably in respect of the Bank.
- Open debate and maintenance of confidentiality – both corporate bodies openly debate with each other, but always maintain confidentiality.
- Sufficient information – the Management Board is responsible to ensure adequate, accurate and timely information. The Management Board regularly informs the Supervisory Board of all material issues related to strategies, planning, business development, risk levels, risk management, compliance with the established requirements, structural mechanisms and culture in a timely manner. The Management Board indicates deviations from the previously formulated plans and goals and provides the relevant reasons. The Supervisory Board should ensure that it is properly informed.
- Effective interaction – all members of corporate bodies should have enough time to fully perform their duties.

Relations with supervisory authorities. The Bank ensures cooperation with relevant supervisory authorities based on the following principles:

- Trust-based relations – the Management Board is committed to building and maintaining relations with supervisory authorities on the basis of trust and open communication.
- Available experience – the Management Board has members with experience and expertise in the relevant field to ensure interaction with supervisory authorities of the appropriate level.
- Supervision of the relations between the management and supervisory authorities – the Management Board monitors the Bank’s relations with supervisory authorities and supports the exchange of knowledge among all executives.
- Commitment to implementation – the Management Board ensures that all relevant regulations are properly complied with.
- Active interaction with supervisory authorities – the Management Board ensures active interaction with supervisory authorities and not just communicates with them in response to their inquiries.

Know your structure / know your business

- The Bank internal management system is represented by the organizational structure. The full transparency

principle of the Bank structure is applied in all areas of its activity and corresponds to the changes in the laws, prevents conflicts of interest (including the division of functions), and ensures the effective operation of the Bank.

- The Bank recognises that the maximum transparency and understanding of the organizational and operational structure, business activity and related risks, ensuring the correspondence of the Bank's structure and activity with the approved business strategy, are crucial for the management.

Delegation of powers. The Management Board adheres to a set of corporate governance principles in the context of delegation of powers and duties of the Bank under the relevant corporate governance principles, in particular:

- Prohibition to delegate duties not subject to delegation. Some duties are assigned to certain persons/units in accordance with the applicable laws and are not subject to delegation.
- One duty is one delegation. One duty may be delegated to "one person" only – either to an individual or a committee.
- Delegation of powers to committees in case of reasonable diversification. If a duty may be fulfilled by an individual, this duty should be delegated to such individual, rather than to a committee. However, an individual may consult with others.
- Delegation within one vertical only. A delegating person may delegate a duty only to his/her direct subordinate.
- Prohibition of delegation of powers to other legal entities. Delegation of duties to legal entities is possible only within specific contractual obligations (for example, outsourcing), which allows the principal responsible party to control its service provider.
- Delegation of basic organizational duties. Heads of business units and infrastructure support functions shall assist the Management Board and its members in fulfilling their basic (core) duties within their own duties.

3. Bank Performance Indicators

Bank's Key Performance Indicators as of the year-end 2025.

Net revenue — UAH 695.5 mln (UAH 466.5 mln for 2024)
Profit before tax — UAH 373.1 mln (UAH 237.9 mln for 2024)
Return on Equity (ROE weighted avg.) — 24% (11% in 2024)
Risk-weighted assets — UAH 366.4 mln (UAH 274.6 mln for 2024)
Capital adequacy ratio — 60.7% (72% in 2023)
Liquidity coverage ratio LCR (all currencies) — 250% (258% in 2024).

Financial results

The NBU key policy rate increased at the beginning and remained unchanged until the end of 2025 at 15.5%. The overall higher level of interest rates compared to the previous year led to an increase in profitability. Additionally, the growth in corporate client deposits influenced the revenue side, and net interest income increased by 40%. Commission expenses significantly increased due to more active use of guarantees to cover risks. As a result, net commission income decreased by 6%.

In 2025, the Bank continued to invest in domestic government bonds issued by the Ministry of Finance of Ukraine and formed additional provisions for loan losses for this instrument totalling UAH 46.6 million.

The volume of foreign exchange operations increased throughout the year, leading to an increase in net trading income by UAH 5.6 million or 37%.

Personnel expenses increased by 14% during 2025 and amounted to UAH 99 million. Administrative and other operating expenses increased in 2025 by UAH 15 million or 12%. The increase was driven by inflationary factors, as well as a higher average exchange rate of the national currency against the euro, given that a significant portion of expenses under current contracts is denominated in foreign currency.

A significant increase in the Bank's total revenues (by 35%) with a simultaneous slight increase in expenses (by 12%) by the end of the year led to an increase in pre-tax profit to UAH 373 million, which is 57% more than in 2024.

Income statement

(in UAH thousand)	2025	2024	Deviation, UAH thousand	Deviation, %
Interest income	1 361 078	811 456	549 622	67.7%
Interest expenses	(717 539)	(351 231)	(366 308)	104%
Net interest income	643 539	460 225	183 314	40%
Fee and commission income	39 014	29 339	9 675	33%
Fee and commission expenses	(24 598)	(13 977)	(10 621)	76%
Result from transactions with debt financial instruments at FVOCI	-	(897)	897	-100%
Result from foreign currency transactions	20 805	15 207	5 598	37%
Result from the revaluation of foreign currency	(1 571)	(1 835)	264	-14%
Impairment result determined in accordance with IFRS 9	(46 678)	(21 832)	(24 846)	114%
Result of impairment for non-financial assets	(955)	287	(1 242)	-433%
Other operating income	49	-	49	n/a*
Total non-interest revenues	(13 934)	6 292	(20 226)	-321%
Salaries and employee benefits	(100 190)	(86 889)	(13 301)	15%
Depreciation and amortization	(13 108)	(12 910)	(198)	2%
Administrative and other operating expenses	(143 133)	(128 785)	(14 348)	11%
Profit before tax	373 174	237 934	135 240	57%
Income tax expense	(106 999)	(152 410)	45 411	-30%
Profit for the year	266 175	85 524	180 651	211%
Gains (losses) on financial assets measured at FVOCI	52 918	26 474	26 444	100%
Income tax related to other comprehensive income	(3 761)	(1 138)	(2 623)	230%
Other comprehensive income for the year	49 157	25 336	23 821	94%
Total comprehensive income	315 332	110 860	204 472	184%

Balance sheet

Assets:	31 December2025	31 December2024	Deviation, UAH thousand	Deviation, %
Cash and cash equivalents	9 394 904	7 503 108	1 891 796	25%
Loans and advances to customers	77 974	401 039	(323 065)	-81%
Investment in securities	1 427 034	797 584	629 450	79%

Assets:	31 December2025	31 December2024	Deviation, UAH thousand	Deviation, %
Deferred tax asset	5 243	1 816	3 427	189%
Fixed assets and right of use assets	16 348	23 558	(7 210)	-31%
Intangible assets	3 672	2 134	1 538	72%
Other financial assets	155	12	143	1192%
Other non-financial assets	4 601	1 542	3 059	198%
Total assets	10 929 931	8 730 793	2 199 138	25%
Liabilities and equity:				
Due to customers	9 744 659	7 813 469	1 931 190	25%
Liabilities for current income tax	32 854	91 242	(58 388)	-64%
Provisions for credit-related commitments	34	11	23	209%
Other financial liabilities	39 719	34 035	5 684	17%
Other non-financial liabilities	21 745	16 448	5 297	32%
Total liabilities	9 839 011	7 955 205	1 883 806	24%
Share capital	301 839	301 839	-	0%
Retained earnings	647 627	385 728	261 899	68%
Reserve and other bank's funds	45 887	41 611	4 276	10%
Revaluation reserves	95 567	46 410	49 157	106%
Total equity	1 090 920	775 588	315 332	41%
Total liabilities and equity	10 929 931	8 730 793	2 199 138	25%

n/a* - not applicable

The Bank's total balance increased by 25% during 2025, from UAH 8,731 million to UAH 10,930 million. The main component of this growth was the attraction of additional corporate client funds, which grew by UAH 1,931 million or 25%. Client balances increased in both national and foreign currencies.

Client demand for loans significantly increased from the beginning of 2025. Average annual loan balances grew by 72%, although there was a sharp episodic decrease in loan demand at the end of the year. As of the end of December 2025, the corresponding balance sheet item reached UAH 78 million. At the beginning of the year, investments in NBU deposit certificates increased significantly. Average annual balances for this item grew by 48%. The unchanged requirements for mandatory reserves throughout the year led to a constant need to maintain larger balances in national currency on the nostro account with the NBU. Additionally, the Bank increased investments in domestic government bonds and German government bonds. The total portfolio of investments in securities grew by 79% from the beginning of the year.

In 2025, there were minor investments in fixed assets (UAH 2.9 million) and software (UAH 2.8 million). By the end of the year, other non-financial assets significantly increased, mainly due to an increase in commercial accounts receivable.

The Bank's liabilities for accrued current income tax decreased by 64%. This significant reduction is due to the fact that in 2024 a 50% tax rate was retrospectively applied to bank profits. In 2025, the tax rate remained at 25%.

The Bank's capital increased by UAH 315 million, mainly due to the current year's profit. The Bank's acquisition of new debt obligations, which are reflected on the balance sheet at fair value through other comprehensive income, led to the formation of an additional revaluation reserve totaling UAH 49 million.

4. Economic Environment

Economy of Ukraine

In 2025, Ukraine's macroeconomic environment was defined by the continued impact of the full-scale military conflict, gradual stabilization of price movements, moderate economic growth, and an active flexible monetary policy from the National Bank of Ukraine (NBU).

According to the NBU estimates, Ukraine's real gross domestic product (GDP) showed moderate growth rates, reflecting a limited but stable recovery of economic activity amidst ongoing hostilities, destruction of energy infrastructure, and labor shortages. The central bank revised its GDP growth forecast for 2025 downwards (to 1.8%) from previous expectations, taking into account the impact of energy and labor challenges on business activity, as well as infrastructure destruction.

The inflationary environment in 2025 was characterized by seasonal fluctuations and a gradual slowdown in price growth. At the beginning of the year, inflationary pressure remained elevated due to the impact of high energy costs, the effects of the previous season's poor harvest, excise taxes increases, and rising production costs. In May, consumer inflation reached a peak of 15.9% y/y, but subsequently, the NBU recorded a slowdown to single-digit figures by the end of the year. By year-end, inflation decreased to 8.0% y/y, but remained 3 percentage points higher than the inflation target. In its latest Inflation Report, the NBU forecasts a gradual return to the target inflation level in 2028.

Throughout 2025, the NBU maintained a monetary policy with a high key policy rate aimed at curbing inflationary expectations and ensuring financial market stability. The policy of maintaining the key policy rate relatively stable contributed to reducing inflationary pressure, although it limited a rapid recovery of lending activity. The main factors influencing the macroeconomic situation in 2025 were: prolonged military confrontation, which continued to pressure energy infrastructure, logistics chains, and production capacities in many sectors; the impact of weather conditions on crop yields, which caused fluctuations in food inflation; a difficult labor market situation, leading to a shortage of qualified personnel; active international support and financial assistance, which significantly contributed to maintaining the balance of payments and currency stability.

The National Bank continued to respond to developments in risks, including vulnerabilities associated with energy constraints, changes in global energy prices, and uncertainty regarding foreign trade. These factors remained significant limitations for accelerating economic growth and normalizing financial conditions. Collectively, the high level of uncertainty associated with the security situation remained a key risk factor for macroeconomic stability, but political and monetary authorities continued to work to minimize these risks and create conditions for the gradual recovery of Ukraine's economy.

Thanks to external assistance, the NBU has reached a new record level of international reserves (approximately USD 57 billion by the end of the year) and maintains a high capacity to ensure a stable situation in the foreign exchange market. The significant increase was provided by substantial inflows of international financial support, revenues from the placement of foreign currency government bonds, and the NBU's reserve management policy.

In 2025, the environmental situation remained complex due to the consequences of the war. The social sphere was characterized by a high burden due to the need to support the population and restore infrastructure.

Thus, these events or conditions, including possible future development of military activities in Ukraine and their duration, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. See Note 2 to the financial statements.

Banking sector

In 2025, the Ukrainian banking sector continued to operate with 60 banks. Of these, 7 banks are state-owned, 14 banks are controlled by international banks/financial groups, and 39 banks are privately owned.

The banking sector maintained resilience and withstood the challenges of the war, demonstrating sufficient levels of capital, liquidity, and profitability. Banks ended the year with a net profit of UAH 126.8 billion, which is 39.4% more than in the previous year. The main source of income remained a high net interest margin, which averaged 7.7% for the year. The sector's net assets grew by 17.2% during the year, mainly due to active lending.

The quality of the loan portfolio improved — the share of non-performing loans (NPLs) significantly decreased during the year to historical lows (13.9%), indicating strengthened credit discipline and mitigation of balance sheet risks. A key factor was the write-off of old NPLs by state-owned banks in Q4, which reduced their NPL share to 19.8%.

The main source of funding remained a stable inflow of client funds. Over the year, hryvnia denominated funds of individuals increased by 18.6%, and foreign currency funds by 9.5%. The level of dollarization of household deposits continued to decline and stood at 33.2% at the end of the year. Hryvnia funds of legal entities increased by 22.2% during the year, demonstrating typical seasonal acceleration in Q4.

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

The sector as a whole was well-capitalized and passed stress testing with acceptable results, although the NBU highlighted the need for further strengthening of individual banks. The main factors supporting stability were active lending, demand for government bonds, and regulatory measures for supervision and risk management in wartime conditions. The regulatory capital of the banking sector increased, particularly due to the growth of reserves and funds, and its adequacy ratio at the end of December was 16.4% (Tier 1 capital adequacy – 16.1%). Authorized capital remained almost unchanged.

The NBU continues to introduce European standards for banks. Since September, banks have adhered to the leverage ratio, and a new regular viability assessment has begun.

Potential risks for the sector include a possible increase in the corporate income tax rate to 50% in 2026, which could negatively impact the stability of banks and their lending activity.

Overall, the Ukrainian banking system remains stable and profitable, with further improvement in asset quality and growth in lending. However, challenges such as a potential increase in the tax burden will require attention in the future.

5. Bank Development Strategy

As an integral part of a global group, the Bank plays an important role in the relationships between Deutsche Bank Group and key strategic global clients, providing its services in cash flow management, trade finance, and lending in the Ukrainian market. The global investment banking division carries out foreign exchange operations for clients, satisfying the main needs of corporate clients in Ukraine. As part of one of the world's leading banking groups, the Bank helps clients optimize their working capital and liquidity, manage global supply chains and sales channels, and manage risks.

Due to the ongoing military aggression against Ukraine, the Bank's strategic development goals for 2026 will continue to be aimed, first and foremost, at ensuring and supporting the Bank's operational stability and business continuity, as well as the physical safety of its personnel.

The main business goals are to continue profitable growth in the transactional banking segment and expand market share among multinational corporations (MNCs). In line with its global strategy, the Bank aimed to

become the bank of choice for German and European corporations operating in Ukraine. Important goals also include optimizing its presence in the country, maintaining the current level of expenses, adhering to a zero-loss level of lending activities, and maintaining a zero-tolerance policy for regulatory violations.

The Bank continues to conduct commercial activities, taking into account available resources and risk appetite within the defined target market and products.

The main strategy involves supporting and organically developing the existing business with a priority on low-risk multinational corporate (MNC) clients. The Bank actively works to establish and deepen relationships with new and existing priority MNC clients through targeted marketing initiatives. Business with selected local corporations is supported subject to strict adherence to the established risk appetite level.

Significant attention is paid to increasing cross-selling and transitioning from single-product relationships to a comprehensive "sell-the-bank" approach. Capital allocation efficiency is ensured through a balanced, risk-weighted approach to credit products. The Bank also aims to enhance brand recognition in the local market as an innovative and stable banking institution, maintaining high standards of security and reliability.

Information security, business continuity, and personnel safety and well-being remain the Bank's priorities. Robust control of non-financial risks is ensured, with an emphasis on strong governance objectives for full compliance. A continuous focus is maintained on processes improvement and digitalization.

At least until the end of military operations, the country as a whole, and the banking system in particular, will operate under martial law with all security and regulatory restrictions. The main efforts of management are focused on daily control of all types of risks to which the Bank is exposed in the course of its operational activities.

Given the degree of uncertainty, further strategic initiatives will correlate with the development of events on the front and in the sphere of overall security in the country, the adaptation of the economy to new realities of existence, as well as anticipated socio-political changes and integration initiatives in the post-war period.

6. Compensation Report

Report on Compensation to Members of the Management Board

The Supervisory board is responsible for structuring the compensation system for members of the Management Board, as well as for defining their individual compensation.

The compensation package consists of the fixed and variable parts.

Fixed compensation is a component not related to performance. When determining the appropriate level of basic salary, various factors are taken into account. Firstly, the salary is paid for appointment of a member of the Management Board and his/her corresponding general duties. In addition, the basic salary size is adjusted for the current level of remuneration in the competitive market.

Fixed compensation not related to the achievement of goals also includes additional benefits. Additional benefits are the monetary value of non-cash benefits, such as company cars and driver's services, insurance premiums, costs of social functions associated with a company, and security measures, including taxes on these benefits, if any, and taxable reimbursement costs.

Variable compensation is a component related to performance. This part primarily depends on the performance of the short- and mid-term plans and corporate goals of the Bank. Attitude toward employees or clients who underpin the cultural and business environment in the Bank has a significant impact on the variable part.

Compensation for the Management Board for 2025 fiscal year is as follows:

- fixed part for 2025 in monetary form – UAH 13.7 million.
- accrued variable part in monetary form based on results of 2025 – UAH 2.1 million
- variable part in monetary form based on results of 2025, deferred – equivalent to EUR 9.4 thousand;
- variable part in non-monetary instruments based on results of 2025, deferred – equivalent to EUR 23.5 thousand;
- variable part for previous years paid in 2025 – UAH 3.9 million, including deferred payouts of UAH 1.7 million.

Bank Employees Compensation Report

Regulatory environment. Compliance is a comprehensive point in the compensation strategy. The Bank seeks to be at the forefront of regulatory changes regarding compensation and will continue to work closely with regulatory authorities to meet all existing and new requirements.

Compensation strategy. The Bank recognises that the compensation system plays an important part in supporting its strategic goals. This allows the Bank to attract and retain the individuals needed to achieve the goals. The compensation strategy is in line with the strategic goals of Deutsche Bank Group and its corporate values and principles. The Group Compensation Policy informs employees about the compensation strategy, compensation management processes, as well as reimbursement practices and structures.

General compensation system. The compensation system coordinates incentives for sustainable development at all levels of the Bank, while enhancing the transparency of compensation decisions and their effect on shareholders or employees. The compensation structure ensures a balance between its fixed and variable parts, which together constitute the “total compensation”.

Deutsche Bank Group introduced a conceptual idea of the “total compensation”. Each employee has the right to an approximate total compensation in accordance with his/her role in the Bank. This reference information provides the Bank employees with a benchmark for fixed and variable compensation parts.

The actual total compensation may be larger or smaller than a reference amount. It is set by the Bank at its own discretion subject to regulatory constraints, depending on the achievement of goals at the individual and units’ and Deutsche Bank Group’s levels.

Fixed payment is used to compensate employees for their skills, experience, and competencies. It should be competitive and match the labour market level, as well as consistent with other roles at the Bank and comply with regulations. It plays a key role in achieving the Bank’s strategic goals by acquiring and retaining the most talented staff. Most of our employees receive this fixed part in the form of salary, the proportion of which far exceeds 50% of total compensation.

The variable compensation allows the Bank to differentiate individual indicators and employees’ conduct through the appropriate incentive system, which also has a positive impact on business culture. The variable part also provides the flexibility of the cost base and increases the Bank’s resistance to market crises.

Supervisory Board Members Compensation Report

In 2025, the Supervisory board headcount remained unchanged. Two members of the Supervisory board represented Deutsche Bank Group and performed their functions within the framework of duties of Deutsche Bank Group and did not receive a separate compensation from the Bank. Four members of the Supervisory board were independent and received only fixed compensation in 2025.

The total payments to the members of the Supervisory board in 2025 amounted to UAH 6.3 million. They were paid on a quarterly basis. The total cost of the Supervisory Board amounted to UAH 9.9 million including SSC.

7. Risk Management System

The Bank has a comprehensive, adequate and efficient risk management system that meets the following principles:

- efficiency — ensure an objective assessment of the magnitude of the Bank's risks and the completeness of risk management measures with optimal use of financial resources, personnel and information systems for the bank's risk management;
- timeliness — ensure timely (at an early stage) identification, measurement, monitoring, control, reporting and mitigation of all types of risks at all organisational levels;
- structuredness — clear distribution of functions, responsibilities and powers of risk management between all structural divisions and employees of the Bank, and their responsibilities in accordance with such distribution;
- segregation of duties (separation of control roles from performance of bank transactions) — avoiding a situation where the same person performs bank transactions and is in charge of control at the same time;
- integrity and comprehensiveness — coverage of all types of Bank's activities at all organisational levels and in all of its departments, as well as assessment of reciprocal impact of risks;
- adequacy — relevance of the risk management system to the bank's business model, its systemic importance, as well as the complexity of transactions carried out by the Bank;
- independence — freedom from circumstances that threaten unbiased execution of functions by the Risk Management Department and the Compliance and Anti-Financial Crime Department (i.e. Compliance and AFC);
- confidentiality — restricted access to information which is to be protected from unauthorised access;
- transparency — disclosure of information on the risk management system by the Bank;
- risk management and risk profile.

The Bank conducts the complex assessment of the following types of risks:

- credit risk;
- liquidity risk;
- bankbook interest rate risk;
- market risk;
- operational risk;
- compliance risk;
- money laundering/terrorist financing risks
- other types, including reputational and legal risks.

The Bank's risk management system ensures ongoing risk analysis for the purposes of timely and adequate managerial decision-making regarding mitigation of risks and reduction of related losses (damages).

The risk management system is based on the segregation of duties between the bank's departments and uses three lines of defence model:

- the first line is defence at the level of the bank's business units and the bank's business support units. These departments assume risks and bear responsibility for them;

- the second line is risk management departments and the department of compliance and combating financial crimes;
- the third line is defence at the level of the internal audit unit covering the verification and assessment of the effectiveness of the risk management system.

The organisational structure of the risk management system in the Bank ensures clear division of roles, duties and powers in respect of risk management among all risk management system subjects.

The risk management system subjects are:

- Supervisory Board;
- Management Board;
- Credit Committee;
- Asset and Liability Committee;
- Information Security Management Committee;
- Risk Management Committee;
- Department of Compliance and Combating Financial Crimes;
- Internal Audit Unit;
- business and support departments (first line of defence).

The risk management strategy is developed in conjunction with the Bank's business development strategy. The Strategy development and adoption is within sole competence of the Supervisory Board of the Bank which identifies the purposes, principles, tools of the risk management and the risk appetite for various risk areas.

The Bank Management Board, the Bank committees assigned by the Management Board, the Risk Management Department as well as managers of other departments of the Bank are responsible for implementing the Strategy.

Development of internal risk management procedures, as well as the distribution of duties between the roles shall be conducted in full compliance with the Bank's internal policies. Following the Strategy provisions and risk management policies is mandatory for all management bodies, departments and employees of the Bank.

The Risk Management System is an integral part of the decision-making process in the Bank which allows to pay the necessary attention to the main banking risks in line with the policies and procedures of risks identification, assessment and to further apply the methodologies designed for risk reduction, informing about risks and monitoring of the results.

The strategy goal is to reduce the Bank's losses from various banking risks and to address the following issues:

- implement the Bank business development strategy;
- maintain the best risk-income ratio;
- align risks to the scale of the Bank's transactions;
- fulfil all Bank's obligations to all contractors, creditors and depositors.

According to the strategy, the Bank prepare Risk Appetite Declaration that defines:

- the Bank's risk appetite in respect of every risk mentioned below;
- respective risk thresholds/limitations which the Bank must observe in the course of its operations so that the risk on the Bank's transactions stays within the total risk appetite.

The Bank's system of limits is subject to review from time to time or in case of material changes in the Bank's external or internal environment.

The risk management in the Bank rests on the following principles:

- three lines of defence of the risk management structure, which consider different levels of the Bank's organizational structure to the risk management process;
- corporate decision-making process;
- relevance of information for decision-making;
- the relevance of risk management processes, which includes reviewing policies, methods, approaches and procedures in accordance with changes in regulatory requirements and the business environment.

The risk management in the Bank involves:

- documenting banking service (product) provision procedures and handling transactions in concordance with the Bank's internal policies;
- qualitative and quantitative assessment of all significant banking risks and identification of acceptable risk levels;
- employing a system of limits that restrict the size of portfolios and positions, as well as decision making powers;
- employing credit rating for clients and contractors;
- regular monitoring of levels of risks taken by the Bank.

Risk management structure and allocation of responsibilities.

The following falls within the sole competence of the Supervisory Board of the Bank:

- approval of the Bank's development strategy in light of main areas of activity;
- definition and approval of the risk management strategy and policy, risk appetite as well as the list of risks and risk caps;
- ensure functioning and control over efficiency of the Bank's internal control system;
- control over the efficiency of the risk management system;
- approval of risk reports and stress test results.

The following falls within the competence of the Management Board:

- preparation of strategy projects and a business plan for Supervisory Board's approval, their further post-approval realisation;
- implementation of risk management strategy and policy approved by the Bank Supervisory Board, implementation of risk identification, assessment, control and monitoring procedures;
- informing the Supervisory Board about the indicators of the Bank's activity, detected violations of legislation, the Bank's internal regulations and about any deterioration of the Bank's financial position or about the threat of such deterioration, about the level of risks arising in the course of the Bank's activities;
- establishing special-purpose committees involved in the risk management system, namely: Credit Committee, Asset and Liability Committee, etc.

The following falls within the competence of the special-purpose committees established by the Bank:

- assessment of risks inherent in the Bank's operations;
- decision-making regarding lending transactions (and/or any significant changes to them) with the Bank's borrowers (i) except for the cases where the decisions regarding certain loan transactions are taken by the other body of the Bank, according to the Bank's effective by-laws and/or statutes and regulations of Ukraine in effect, or (ii) subject to approval of such decision by another body of the Bank.

The following falls within the competence of the Risk Management Department:

- involvement in elaborating the Bank's strategy and the business plan for further Bank's development;
- involvement in development and implementation of the strategy, policy and other internal regulations relating to the risk management that delineate arrangement and functioning of the risk management system and keep them up to date;

- risk appetite calculation;
- ensure functioning of the risk management system by timely detection, identification, assessment, monitoring, control, reporting and minimization of all types of risks inherent to the Bank's activities, as well as assessment of internal capital adequacy and the Bank's liquidity ratios with respect to the Bank's risk profile, market and macroeconomic environment;
- ensure ongoing analysis of all types of risks, to which the Bank is exposed in its activities, for the purpose of managerial decision-making to minimise certain types of risk and/or losses under certain types of the Bank's activity for which such risks are inherent;
- carrying out a quantitative and qualitative assessment of the risks inherent in the Bank's activities;
- stress testing;
- reporting on risk management system functioning by preparing regular quarterly risk management reports and their submission to the Supervisory Board and monthly reports — to the Bank Management Board.

The competence of the Department of Compliance and Combating Financial Crimes includes:

- ensuring the organization of control over the Bank's compliance with legislation, internal bank documents and relevant standards of professional associations, the effect of which applies to the Bank;
- ensuring the management of risks related to the conflict of interests that may arise at all levels of the Bank's organizational structure, the transparency of the implementation of the Bank's processes and, in case of discovery of any facts indicating the existence of a conflict of interests in the Bank, informing the Supervisory Board/Bank's Management Board;
- ensuring coordination of compliance risk management activity between the Bank's structural units;
- ensuring the functioning of the risk management system by implementing timely detection, measurement, monitoring, control, reporting and providing recommendations for mitigation of compliance risk;
- taking all possible measures to prevent the adoption of decisions that expose the Bank to a significant compliance risk, and provide adequate information to the Bank's managers;
- preparation and submission of compliance risk reports to the Supervisory Board of the Bank at least once a quarter, to the Management Board of the Bank - at least once a month, and in the event of situations requiring immediate notification of the Supervisory Board of the Bank, no later than on the next working day;
- calculation of the compliance-risk profile;
- participation in the development of internal bank documents and control of their compliance.

The following falls within the competence of managers of the Bank's departments:

- routine monitoring of the Bank's transactions and risks;
- observe established procedures, rules and limits;
- escalate breaches of limits, operations-related incidents and any significantly increased risks.

The Bank's risk management strategy includes qualitative provisions on acceptable risk parameters which are in line with acceptable risk parameters for the Deutsche Bank Group and setting the limits within which the Bank's business functions and infrastructure should operate, and it should be guaranteed that every risk taken by the Bank will be appropriately compensated and subjected to assessment and control.

Qualitative provisions on acceptable risk parameters are set for every significant type of risk relating to the bank activities.

Credit risk

Credit risk covers all operations that may lead to actual, unforeseen or possible lawsuits against any counterparty, any person that has undertaken commitment or any loan recipient, including claims that the Bank plans to distribute

in case where the Bank will bear the risk of losses should the recipient fail to fulfil its liabilities. This includes the contractor risk, country risk, product risk and industry risk.

Credit risk management involves strict application of a range of qualitative principles and quantitative metric parameters with attraction of skilled risk management expert services and system of restrictions. Contractor quality, transaction scheme and aspects associated with securing obligations and portfolios with consideration of the size of a country, product and industry are of particular concern.

Types of risk covered:

- contractor risk
- specific country-related risk
- product-specific risk
- industry-related risk

Qualitative regulations on acceptable risk parameters:

- accept credit risk only with creditworthy clients, based on appropriate client's due diligence;
- manage concentration risk at the level of contractor, product, country and industry. Actively reduce concentration risk by fulfilling loan obligations, hedging and/or by means of allocation;
- define parameters of acceptable risk considering risk/profit ratio stability;
- when calculating the amount of credit risk, apply the principles of IFRS 9 and the requirements of Resolution of the NBU dated 30 June 2016 No. 351;
- control impact of non-liquid assets and/or assets, where prices are unobservable; and
- act prudently in respect of unsecured monetary risk.

Practical aspects of credit risk management

In accordance with IFRS 9, the Bank has the right to assume that, where the credit risk of a financial asset at the moment of its recognition is assessed as low, the expected credit loss is to be calculated for a 12-month term.

The concept of general approach for calculating expected losses is used to recognise allowance for credit losses in the P&L statement for financial assets recognised in the Bank's financial statements. Provision for impairment of assets to cover expected losses is defined as the reduced value of a financial asset recorded in the Bank balance sheet.

General approach for expected losses regulates both assets with properly executed contract terms and those with improper fulfilment of contract terms. This approach does not govern the originated or purchased financial instruments which are credit-impaired at the moment of their recognition by the Bank.

In accordance with the concept of expected losses, provision for impairment of assets is measured as:

- expected credit losses for 12 months, or
- expected credit losses for the entire term of an asset (life-time losses).

Which of the above to choose depends on whether there is significant increase of credit risk from the moment of initial recognition of the financial asset. If such significant increase occurred after the initial recognition of the financial asset, the impairment should be measured as expected credit losses for the entire term of asset. Thus, the general underlying principle of IFRS 9 is recognition of expected credit losses in line with changes in financial asset credit quality during its entire term.

The Bank uses the following method to assess the actual provision for credit losses:

1. In respect of financial assets for which no negative changes in credit risk occurred since the moment of initial recognition (origination or purchase), 12 months of expected credit losses approach shall apply (Stage 1);

2. In respect of financial assets for which negative changes in credit risk occurred since the moment of initial recognition (origination or purchase), the approach of expected credit losses for the entire term of asset shall apply (Stage 2).

3. For assets defined by the Bank's risk management as defaulted/non-performing assets, the approach of expected credit losses for the entire term of asset shall apply as well (Stage 3).

As of 31 December 2025, the Bank formed the following provisions in accordance with IFRS 9:

Type of asset	Amount of provision for possible losses, UAH thousand
Nostro accounts	363
Loans to customers	33
Off-balance-sheet financial liabilities	34
Other financial assets	39
Other non-financial assets	980
Debt securities	87 727
Total	89 176

There was significant increase in reserves in 2025 due to additional accrual of provisions for investment in local government bonds in amount UAH 46 591 mln. The additional provisions originated due to increase in the government bonds portfolio.

The size of the provisions for transactions with corporate customers is insignificant due to the following factors:

- high credit rating of clients
- clients' liabilities are covered by warranties from parent companies
- revocable liabilities of the Bank

According to the requirements of Resolution of the NBU dated 30 June 2016 No. 351, according to the data of statistical reporting as of 31 December 2025, the Bank determined the following amount of credit risk:

Type of asset	Credit risk, UAH thousand
Nostro accounts	1 473
Loans to customers	2 117
Off-balance-sheet financial liabilities	136
Other financial assets	105
Other non-financial assets	2 506
Debt securities	831
Total	7 168

Bank book interest rate risk and currency risk

Both risks arise as a consequence of uncertainty in respect of changes in market prices and interest/exchange rates (e. g.: interest rates, stock pricing, exchange rates, commodity prices), their inter-relation and their volatility levels.

Market risk values acceptable for the Bank are set with account to the Bank's goals and the allocation, starting from the level of risks acceptable for the Group. When setting acceptable risks, the following should be considered:

- avoid concentration risk and risk of loss of liquidity in the markets, with the issuers and during the emissions. These risks are identified, monitored and managed with consideration of their absolute and relative sizes, as well as liquidity at normal and complicated market conditions;

- ensure sustainable potential for reduction of the market risk which may occur due to certain events and the principal risks. They are analysed using measures that include stress resistance of the Bank where progression of events under macroeconomic scenario or the scenario typical for commercial activity is assessed;
- control of interest gaps and maximum size of foreign exchange positions;
- ensure that the Bank's market activities are in line with its strategy;
- ensure product complexity limitation via monitoring and recognition of risks encountered by the Bank.

There is a limit calculation procedure approved in the Bank that involves a complex of inter-related actions aimed at calculation, assessment, monitoring and control over the effects of changes in the interest rates and foreign exchange rates to prevent and reduce losses that may occur in case of unfavourable changes.

The system includes both internal Bank metrics (Net sensitivity, Stress, VaR, Stress VaR) and limits set by the National Bank of Ukraine (NII, EVE, min market risk), which are part of regular reporting.

Liquidity risk

Risk of liquidity loss is the risk resulting from our potential failure to perform all payment obligations when due or as a consequence of failure to fulfil these obligations due to excessive expenses.

Qualitative provisions on acceptable risk parameters are as follows:

- The Bank pays special attention to the operational management of the risk of loss of liquidity, which is based on the preparation of a schedule of cash flows considering highly liquid assets, as well as compliance with current regulations regarding the monthly liquidity coverage ratio (LCR) and net stable financing within the year (NSFR);
- With all currencies, the Bank must be able to survive in severe combined market conditions and to outlast the specific stress event associated with the liquidity during minimum initial period of up to 8 weeks, while keeping the adequate net liquidity reserve;
- The Bank shall monitor excessive concentrations and has the right to limit them considering the prospects of their liquidity and financing;
- The internal transfer pricing limit is used as a tool that ensures that prices for commercial operations are set considering basic liquidity loss risks to which the Bank is exposed in the course of such commercial operations.

The Bank uses the following tools to manage liquidity risk:

1. Calculation of cash flows within one month. Calculation includes liquid assets and current liabilities (current accounts of the clients are divided into stable and unstable), 100% of cash flows under term loans and deposits; the overdrafts are included to be repaid at the 30th day.

2. Short-term liquidity coverage ratio — LCR.

The actual average arithmetic value of the ratio as of 31 December 2025:

for all currencies — 250%

for foreign currencies — 377%

The actual average arithmetic value of the ratio as of 31 December 2024:

for all currencies — 258%

for foreign currencies — 610%

3. The net stable funding ratio within one year (NSFR).

The actual value of the ratio as of 31 December 2025 for all currencies is 2 915%

The actual value of the ratio as of 31 December 2024 for all currencies is 1 275%

Operational risk

Operational risk is the risk of losses occurring as a result of improper or erroneous internal processes, staff incompetence and faulty functioning of the systems or as a consequence of external events; legal risk belongs to such risk. Operational risk includes business risk and reputation risk.

The occurrence of operational risk is caused by a number of basic risk types, which are defined in the classification of risk types. The types of risk listed below are viewed as significant in the context of risk identification and its significance assessment:

- Internal fraud
- External fraud
- HR management and labour protection
- Customers, products, and business practices
- Damaging or destruction of assets
- Disabling the systems activity and functioning
- Money transfers, issue of money orders to make transfers and manage processes.

Qualitative provisions on acceptable risk parameters:

Uniform scheme

- The Bank uses the scheme of operational risks management which is uniform for the entire organisation. All departments must observe risk acceptance and management standards available for every risk type in the risk classification.
- Control environment
- To reach the desired degree of internal control, the Bank has established the controls to:
 - ensure continued operation in case of any events that influence business processes and systems serving these processes;
 - ensure comprehensive observance of information security;
 - ensure relevant measures are taken to resume IT and other infrastructures to allow the Bank to continue its operation and fulfil its obligations to the clients, as well as market and regulatory obligations during unforeseen events that destabilise the Bank's operation;
 - ensure that the Legal Department is responsible solely for interpretation of the laws, decrees and rules in the Bank, for the legal contents of any and all documentation, and for handling any and all disputable matters;
 - support monitoring and management system to identify and prevent significant misrepresentation of information in financial reports and financial information, as well as management of internal risk, liquidity and capital;
 - support of comprehensive monitoring system to ensure that the Bank observes relevant laws and regulations, including prevention and identifying potential money laundering, fraud, bribery and corruption or non-observance of sanctions and embargos;
 - identify and prevent untimely, inaccurate or incomplete processing of transactions and reduce frequency and overall severity of such events.
- develop modalities to cooperate with the outsourcers;
- identify and monitor key risk indicators;
- archive documentation in relevant repositories in order to provide timely, full and accurate responses to authorised information requests, as well as to store any and all documentation and to manage it as prescribed by the law, regulations and business operations;

Operational risk management system is defined as a complex and a sequence of steps to identify, assess, further monitor, report and calculate economic indicators of operational risk, and is implemented via the following:

1. Arranging of and methodological support in mapping the Bank's operational risks;
2. Identifying operational risk appetite;
3. Setting the internal controls system including the Bank's control plan update and its methodological support;
4. Arranging of and methodological support of the data collection system for operational events;
5. Arranging, methodological support and maintenance of the roadmap database;
6. Initiating and methodological support for trainings to promote risk management (including fraud risks) culture among the Bank employees.

Identifying operational risk appetite

The Bank uses the Group's model of cascading global tolerance to operational risks up to the level of a specific country. The risk appetite of the Bank for the current year is considered and approved by the Supervisory Board at the beginning of the year or at the end of the previous year.

Current losses and other operational risk related events shall be monitored daily within the defined risk appetite level. Any actual or potential breach of the risk appetite shall be escalated as needed.

The level of acceptable operational risk for 2025 was calculated based on the current environment for operational activities, influence of Russian aggression towards Ukraine and the level of actual operational losses in 2024. For example, costs of maintaining the office in the event of power outages, refueling and maintenance of the diesel generator, support for employees and other operating costs that may occur as a result of hostilities.

Actual risk appetite at the year-end:

Operational risk appetite for 2025, EUR thousand		Q 1	Q 2	Q 3	Q 4	2025
Financial losses from operational incidents for the year	300	0,19	0,24	18,9	99,4	118,73
Number of operational incidents per quarter	7	1	0	1	0	

The actual financial losses from operational incidents didn't exceed the risk appetite for 2025.

Reputational risk

Risk of possible damage to the Bank's brand and reputation and the associated risk of income and capital or liquidity arising out of any association, action or omission that may be perceived by stakeholders as unethical or inconsistent with the Bank's values.

The Bank strives to create an environment where reputation risk is "as low as it is reasonably possible". Since it is impossible to eliminate the reputation risk and, besides, it occurs due to any unpredictable changes in the practices of our various stakeholders (e.g.: general public/clients, shareholders, regulators), the Group strives to have consistent standards in place which will ensure higher profits and reduced risk that stakeholders might treat any association, acts or omission as improper, unethical or contradictory to the Bank's values and principles.

The Bank has efficient internal control system in place in order to achieve the following objectives:

- efficient bank transactions, protection against potential errors, breaches, losses in the Bank's operation;
- efficient risk management;
- adequate, comprehensive, complete, reliable, available, timely provision of information to users for proper decision-making, including submission of financial, statistical, managerial, tax and other reporting;
- complete, timely and correct presentation of the bank transactions in accounting records;
- compliance with regulatory requirements;

- efficient staff management;
- prevention of use of the Bank's services for illegal purposes, identifying and prevention of financial transactions aimed to legalize proceeds from crime (laundering) or to finance terrorism.

To achieve the above and ensure functioning of internal control system, the Bank ensures the following:

- the Bank's management monitors compliance with Ukrainian laws and the Bank's internal regulations;
- segregates duties when carrying out bank operations;
- monitors functioning of the risk management system;
- monitors information security and information exchange;
- has internal control procedures in place;
- monitors internal controls;
- internal audit.

The Bank's internal control system includes the following:

- managerial control over the Bank's operations;
- control over the risk assessment and management system of the Bank;
- control over the allocation of powers when carrying out transactions and agreements;
- control over information flows (retrieval and transfer of information) and information security;
- monitoring of internal control system to assess its relevance to the objectives and operations of the Bank, identifying weaknesses, development of recommendations and control over the solutions aimed to improve the Bank's internal control system.

Control over the risk assessment and management system of the Bank. The Bank controls the risk management system on an ongoing basis and as per its internal documents. The Bank's risk assessment involves identifying and analysis of internal factors (complex organisational structure, level of skills of its employees, organisational changes, personnel turnover etc.) and external factors (change in the economic environment of the Bank etc.) affecting the Bank's operation.

The Bank has the following procedure to escalate identified factors that may increase banking risks:

- Employees of the Bank who become aware of the facts of violations of the legality and rules of the Bank's operations (deals), as well as the facts of harming the Bank, depositors, clients, are obliged to immediately bring these facts to the attention of their immediate supervisors, the risk management department and the department of compliance and anti-financial crimes. Managers of relevant departments of the Bank are responsible for cover-ups.
- The Department of Risk Management, the Department of Compliance and Anti-Financial Crime and the Bank's Internal Audit Unit in the event of detection of violations of legislation, rules of operations, exceeding of authorized powers, violations of decision-making and risk assessment procedures, as well as other actions (omissions) in the activities of the Bank's divisions and/or employees), which may cause both direct losses to the Bank and the imposition of sanctions on the Bank by the controlling authorities, promptly inform the Bank's management about such events in order to make decisions about the measures necessary to eliminate the detected violations.
- Managers of departments where violations were identified must timely take measures to eliminate such violations.

Monitoring of the internal control system is carried out on an-ongoing basis by management and employees of various divisions, including divisions that carry out banking operations and other transactions, their reflection in accounting and reporting, as well as by the internal audit department.

The Bank takes measures necessary to improve internal control, ensure its proper functioning, with due account of changing internal and external factors that affect the Bank's operation.

Compliance risk

Compliance risk means the probability of losses/sanctions, additional costs or lack of planned revenue or loss of reputation due to the Bank's failure to comply with requirements of the legislation, regulations, market standards, rules of fair competition, rules of corporate ethics, rules of resolution of conflict of interest, as well as the Bank's internal banking documents.

Compliance risk is determined by various basic types of risks, which are defined in the Classification of Risk Types. In particular, the following groups of compliance risk are identified:

- Risks associated with obligations to customers;
- Risks associated with market and banking activities;
- Conflict of interest;
- Market abuse;
- Unauthorised transactions with securities;
- Risks associated with management oversight;
- Antitrust measures risks;
- Regulatory risks.

The Bank seeks to ensure that compliance risks are avoided in its operations, in particular using the following methods:

- Preventing conflicts of interest and managing them in a timely manner.
- Preventing violations of the requirements of Ukrainian legislation [tax legislation, consumer protection legislation, labour legislation, antitrust legislation, legislation on prevention of and counteraction to legalisation (laundering) of proceeds from crime, terrorist financing and financing of proliferation of weapons of mass destruction, other laws, regulations of the National Bank of Ukraine] and internal banking documents.
- Preventing violations of the Code of Conduct (Ethics) by the Bank's employees.
- Preventing the Bank or its employees from engaging in illegal activities, including internal fraud, bribery and corruption, money laundering and terrorism financing.
- Taking appropriate measures when servicing customers (fair customer relations, professional communication, proper disclosure of information, handling complaints, etc.).
- Timely response to changes in legislation and their implementation, etc.

Accordingly, the compliance risk management strategy is aimed at ensuring that the Bank's employees are aware of the requirements of the law and internal documents by conducting and/or ensuring that they undergo appropriate training, implementing appropriate control measures, timely identifying compliance risks and developing measures to mitigate them.

Money laundering / terrorism financing risks/sanctions risk

Money laundering / terrorism financing risks mean a hazard (threat, vulnerabilities) for the Bank to be used for the purpose of legalisation (laundering) of proceeds from crime, terrorism financing and/or financing of proliferation of weapons of mass destruction in the course of providing services by the Bank pertaining to the scope of its activity.

Risk of sanctions - the risk of full or partial use of the Bank's products and services for violation or circumvention of sanctions, as well as knowingly or with a reasonable suspicion of participation in the sanctioned financial activities, including sectoral sanctions. The risk includes the scenario of using the Bank's services by customers, against whom sanctions have been applied.

Risk types include:

- Risk of money laundering.
- Risk of terrorism financing.
- Risk of financing the proliferation of weapons of mass destruction.
- Risk of sanctions and embargoes, etc.

The process of assessing money laundering / terrorism financing risks and determining the risk appetite is set out in the Bank's internal documents on combating money laundering / terrorism financing.

Legal risk

Legal risk means probability of incurring losses or additional costs, or failure to receive the planned income as a result of failure of the parties to fulfil the terms of contracts due to their non-compliance with the requirements of the legislation.

8. Information on the external auditor of the financial institution appointed by the Supervisory Board during the year

Information on the activities of the external auditor:

Total experience in auditing

Date of issue of the certificate of the UBA (Ukrainian board of auditors) - 26 January 2001 (25 years).

The number of years during which KPMG has provided audit services to such a financial institution

KPMG Audit provided audit services for the Bank's financial statements for the years ended 31 December 2023, 31 December 2024 and 31 December 2025.

List of other services provided to the financial institution during the year

PrJSC KPMG Audit provided the Bank with non-audit services in 2025, namely, the first stage of assessment of the Bank's resilience, including analysis of quality of the Bank's assets and the appropriateness of collateral for lending transactions as of 01 January 2025 (end of 31 December 2024).

PrJSC KPMG Audit provided the Bank with non-audit services in 2026, namely, the first stage of assessment of the Bank's resilience, including analysis of quality of the Bank's assets and the appropriateness of collateral for lending transactions as of 01 January 2026 (end of 31 December 2025).

Cases of conflict of interest and/or combining the functions of an internal auditor

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

Rotation of auditors in a financial institution over the past five years

Rotation of auditors at JSC Deutsche Bank DBU over the past five years:

- for 2020 - RSM Ukraine Audit LLC - services for the audit of annual financial statements prepared in accordance with the requirements of the International Financial Reporting Standards.
- for 2021 - RSM Ukraine Audit LLC - services for the audit of annual financial statements prepared in accordance with the requirements of International Financial Reporting Standards.
- for 2022 – RSM Ukraine Audit LLC – services for the audit of annual financial statements prepared in accordance with the requirements of International Financial Reporting Standards.
- for 2023 - PrJSC KPMG Audit - provision of audit services of the financial statements for the year ended 31 December 2023, prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS") and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" regarding the preparation of financial statements;
- for 2024 - PrJSC KPMG Audit - provision of audit services of the financial statements for the year ended 31 December 2024, prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS") and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" regarding the preparation of financial statements;
- for 2025 - PrJSC KPMG Audit - provision of audit services of the financial statements for the year ended 31 December 2025, prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS") and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" regarding the preparation of financial statements;

Penalties applied to the auditor by the Audit Chamber of Ukraine during the year, and the facts of submission of inaccurate statements of a financial institution, confirmed by the auditor's report, revealed by the bodies that carry out state regulation of financial services markets.

Over the past year, KPMG Audit has not been subject to penalties by the Audit Chamber of Ukraine, and there is no information on the facts of submission of inaccurate financial statements of a financial institution, which is confirmed by the auditor's report, identified by the regulators of financial services markets.

Information on the amount of remuneration for the audit of annual financial statements

The amount of remuneration of KPMG Audit:

- for the audit of the annual financial statements for the year ended 31 December 2025 is UAH 4,746,363.60 (incl. VAT), which is the equivalent of €98,400 (incl. VAT).
- for the first stage of assessment of the Bank's resilience, including analysis of quality of the Bank's assets and the appropriateness of collateral for lending transactions as of 01 January 2026 (end of 31 December 2025) is UAH 505,200 (incl. VAT), which is the equivalent of €10,080 (incl. VAT).

24 April 2026

Signed on Ukrainian original

**Yaroslav Romanenko
Deputy Chairman of the Management Board
JSC "Deutsche Bank DBU"**



This is an English translation of the Independent Auditor's Report on the financial statements originally issued in Ukrainian. In the event of any differences, the Ukrainian original prevails. This report should be read in conjunction with the complete set of financial statements issued in Ukrainian to which it relates. The accompanying English financial statements are a convenience translation and are not the audited financial statements.

Independent Auditors' Report

To the Shareholder of Joint Stock Company Deutsche Bank DBU

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Joint Stock Company Deutsche Bank DBU (the "Bank"), which comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows by indirect method for the year then ended; and
- notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Law of Ukraine "On accounting and financial statements in Ukraine" on preparation of the financial statements.

Private Joint-Stock Company "KPMG Audit"

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

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which describes the Bank's exposure arising from operating in a war-affected environment in Ukraine and management's assessment of the related uncertainties. As also stated in Note 2, these events or conditions, along with other matters as set forth in that Note, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

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

- the Management report (executive report), including the Corporate governance report, as set out in a separate report prepared by management,
- additional information included to the Annual information of the issuer of securities,

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

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

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

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

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

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

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

Report on Other Legal and Regulatory Requirements

Pursuant to the Article 14(4) of the Law of Ukraine “*On audit of financial statements and auditing*”, the “*Instruction on the procedure for preparation and publication of financial statements of banks of Ukraine*” approved by the Decision of the Board of the National Bank of Ukraine (“NBU”) No. 373 dated 24 October 2011 (the “*Instruction No. 373*”), and the “*Regulation on the procedure for submission to the National Bank of Ukraine of the audit report based on the results of the annual audit of the financial statements of a bank, a banking group, and on conducting the audit of the financial statements of a participant of a banking group*” approved by the Decision of the Board of the NBU No. 90 dated 2 August 2018, we provide the following information in addition to that required by ISAs.

Appointment of the Auditor and Period of Engagement

We were appointed by the Supervisory Board of the Bank on 24 May 2023 to audit the financial statements of the Bank as at and for the year ended 31 December 2025. Our total uninterrupted period of audit engagements is three years.

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

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

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

Additional Report to the Audit Committee

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

Reporting on the Management report (executive report)

Solely based on the work we have performed in connection with our audit of the financial statements, in our opinion:

- the Management report (executive report), including the Corporate governance report, is consistent, in all material respects, with the financial statements;

- the Management report (executive report), including the Corporate governance report, contains the elements required by the Section IV of the Instruction No. 373 and clauses 1-9 of Article 127(3) of the Law of Ukraine “*On Capital Markets and Organized Commodity Markets*”.

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

Reporting on the requirements of the NBU

Our audit was performed to express an opinion on the financial statements as a whole. In planning the scope of our audit procedures, we did not seek to obtain audit evidence to express an opinion on individual components of the financial statements and, accordingly, we do not express such an opinion.

We also did not perform procedures to express an opinion on the effectiveness of internal control, internal audit, or other internal processes and procedures and, accordingly, we do not express such an opinion.

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed procedures to consider compliance with certain requirements of the regulatory legal acts of the NBU, where non-compliance could have a direct and material effect on the amounts recognised in the financial statements. Providing a separate opinion on compliance with these requirements was not an objective of our audit and, accordingly, we do not express such an opinion.

For the purpose described above, the following matters, among others, were considered in designing our audit procedures:

- the presentation of the maturity distribution of assets and liabilities as at 1 January 2026 (closing balance as at 31 December 2025) reported in the statistical reporting form A7X “*Data on assets and liabilities’ maturity structure*”;
- the Bank’s compliance with the requirements established by the regulatory legal acts of the NBU for:
 - organisation of internal control;
 - organisation of internal audit;
 - determining the amount of credit risk for active banking operations;
 - identification of persons related to the Bank and conducting transactions with them;
 - adequacy of the Bank’s capital; and
 - the Bank’s compliance with the accounting requirements applicable to banks.

Based on the procedures performed for the purpose described above:

- We did not identify matters indicating that the maturity distribution of assets and liabilities as at 1 January 2026 (closing balance as at 31 December 2025) is not appropriately presented, in all material respects, in the statistical reporting form A7X “*Data on assets and liabilities’ maturity structure*”.
- We did not identify instances of non-compliance with the NBU requirements relating to the matters listed above that could have a direct and material effect on the amounts recognised in the financial statements.



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

Signed on the Ukrainian original

Yulia Tereshchenko
Registration No. 101451 in the Register of Auditors and Auditing Entities
Deputy Director

PJSC “KPMG Audit”

24 April 2026

Kyiv, Ukraine

<i>(in UAH thousand)</i>	<i>Note</i>	31 December 2025	31 December 2024
ASSETS			
Cash and cash equivalents	5	9 394 904	7 503 108
Loans and advances to customers	6	77 974	401 039
Investments in securities	7	1 427 034	797 584
Deferred tax asset	20	5 243	1 816
Fixed and right-of-use assets	8	16 348	23 558
Intangible assets	8	3 672	2 134
Other financial assets	9	155	12
Other non-financial assets	10	4 601	1 542
Total assets		10 929 931	8 730 793
LIABILITIES			
Due to customers	11	9 744 659	7 813 469
Current income tax liabilities		32 854	91 242
Provisions for credit-related commitments	12	34	11
Other financial liabilities	13	39 719	34 035
Other non-financial liabilities	14	21 745	16 448
Total liabilities		9 839 011	7 955 205
EQUITY			
Share capital	15	301 839	301 839
Reserve and other funds		45 887	41 611
Revaluation reserves	15	95 567	46 410
Retained earnings		647 627	385 728
Total equity		1 090 920	775 588
Total liabilities and equity		10 929 931	8 730 793

Approved for release and signed on 24 April 2026

Signed on Ukrainian original
 Yaroslav Romanenko
 Deputy Chairman of the Board,
 Head of Treasury

Signed on Ukrainian original
 Svitlana Gnatiuk
 Chief Accountant

<i>(in UAH thousand)</i>	<i>Note</i>	2025	2024
Interest income assessed using effective interest rate	17	1 361 078	811 456
Interest expense	17	(717 539)	(351 231)
Net interest income		643 539	460 225
Fee and commission income	18	39 014	29 339
Fee and commission expense	18	(24 598)	(13 977)
Result from transactions with debt financial instruments at fair value through other comprehensive income (FVOCI)		-	(897)
Result from foreign currency transactions		20 805	15 207
Result from the revaluation of foreign currency		(1 571)	(1 835)
Impairment result determined in accordance with IFRS 9		(46 678)	(21 832)
Result of impairment for non-financial assets		(955)	287
Other operating income		49	-
Salaries and employee benefits		(100 190)	(86 889)
Depreciation and amortization		(13 108)	(12 910)
Administrative and other operating expenses	19	(143 133)	(128 785)
Profit before tax		373 174	237 933
Income tax expense	20	(106 999)	(152 409)
Profit for the year		266 175	85 524
OTHER COMPREHENSIVE INCOME			
<i>Items to be subsequently reclassified to profit or loss</i>			
Revaluation of securities designated at fair value through other comprehensive income (FVOCI)		52 918	26 474
Income tax related to other comprehensive income		(3 761)	(1 138)
Other comprehensive income for the year		49 157	25 336
Total comprehensive income		315 332	110 860
Earnings per share:			
Basic and diluted earnings per ordinary share, in UAH		1.16	0.37

Approved for release and signed on 24 April 2026

Signed on Ukrainian original
Yaroslav Romanenko
Deputy Chairman of the Board,
Head of Treasury

Signed on Ukrainian original
Svitlana Gnatiuk
Chief Accountant

Statement of profit and loss and other comprehensive income should be read in conjunction with the notes on pages 7-46, that form part of these financial statements

Joint-Stock Company "Deutsche Bank DBU"
Financial statements for 31 December 2025 and for the year that has ended on this date
Statement of Changes in Equity for the year ended 31 December 2025(Translation from Ukrainian original)

<i>(in UAH thousand)</i>	Share capital	Reserve and other funds	Revaluation reserves	Retained earnings	Total
Balance as of 1 January 2024	301 839	35 426	21 074	306 389	664 728
Profit for the year	-	-	-	85 524	85 524
Other comprehensive income	-	-	25 336	-	25 336
Total comprehensive income	-	-	25 336	85 524	110 860
Transfer of retained earnings to reserve funds	-	6 185	-	(6 185)	-
Balance as of 31 December 2024	301 839	41 611	46 410	385 728	775 588
Balance as of 1 January 2025	301 839	41 611	46 410	385 728	775 588
Profit for the year	-	-	-	266 175	266 175
Other comprehensive income	-	-	49 157	-	49 157
Total comprehensive income	-	-	49 157	266 175	315 332
Transfer of retained earnings to reserve funds	-	4 276	-	(4 276)	-
Balance as of 31 December 2025	301 839	45 887	95 567	647 627	1 090 920

Approved for release and signed on 24 April 2026

Signed on Ukrainian original
 Yaroslav Romanenko
 Deputy Chairman of the Board,
 Head of Treasury

Signed on Ukrainian original
 Svitlana Gnatiuk
 Chief Accountant

The statement of changes in equity should be read in conjunction with the notes on pages 7-46, that form part of these financial statements.

<i>(in UAH thousand)</i>	<i>Note</i>	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		266 175	85 524
Adjustments for:			
Income tax expense		106 999	152 409
Depreciation and amortization	8	13 108	12 910
Net increase/(decrease) in provisions	5,6,9,10,12	47 633	21 545
Interest income		(1 361 078)	(811 456)
Interest expense		717 539	351 231
Result of transactions with derivative financial instruments		-	897
Unrealized exchange rate differences		1 571	1 835
Net cash flows used in operating activities before changes in operating assets and liabilities		(208 053)	(185 105)
Changes in operating assets and liabilities:			
Net decrease/(increase) of loans and advances to customers	6	323 067	(201 000)
Net decrease/(increase) in other financial assets	9	(157)	(19)
Net increase/(decrease) in other non-financial assets	10	(3 995)	3 793
Net increase/(decrease) in due to customers	11	1 810 196	2 030 991
Net decrease/(increase) in other financial liabilities	13	11 977	(4 240)
Net increase/(decrease) in other non-financial liabilities	14	4 062	1 001
Interest earned		1 371 141	807 942
Interest paid		(712 676)	(352 645)
Net cash flows from operating activities before income tax		2 595 562	2 100 718
Income tax paid		(172 575)	(184 012)
Net cash flows from operating activities		2 422 987	1 916 706
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisition of securities	7	(845 421)	(578 542)
Proceeds from disposal of securities	7	243 993	136 742
Acquisition of fixed assets	8	(2 929)	(769)
Acquisition of intangible assets	8	(2 836)	(963)
Net cash flows used in investing activities		(607 193)	(443 532)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on lease liabilities	13	(10 341)	(9 410)
Net cash flows used in financing activities		(10 341)	(9 410)
Effect of the National Bank of Ukraine official exchange rate changes on cash and cash equivalents		86 430	77 040
Effect of changes in expected credit losses on cash and cash equivalents		(87)	79
Net increase in cash and cash equivalents		1 891 796	1 540 883
Cash and cash equivalents at the beginning of the year	5	7 503 108	5 962 225
Cash and cash equivalents at the end of the year	5	9 394 904	7 503 108

Approved for release and signed on 24 April 2026

Signed on Ukrainian original
 Yaroslav Romanenko
 Deputy Chairman of the Board,
 Head of Treasury

Signed on Ukrainian original
 Svitlana Gnatiuk
 Chief Accountant

1 Background

a) Principal activities

Joint Stock Company "Deutsche Bank DBU" (hereinafter-the Bank) was registered as an open joint stock company in 2009. In 2010, the Bank was re-registered as a public joint stock company. In 2018, the Bank was re-registered as a private joint stock company.

The Bank is operating based on the National Bank of Ukraine (NBU) license issued on 11 December 2018. The Bank's principal activities include attraction of deposits and maintenance of customers' accounts, granting loans and providing guarantees, cash and settlement transactions, transactions with securities, and foreign currency exchange operations. The Bank's operations are regulated by the National Bank of Ukraine. The Bank is a member of Individuals' Deposits Guarantee Fund (certificate No. 207 dated 12 October 2009).

As of 31 December 2025, the Bank is operating through its Head Office and has no branches.

The Bank's registered address is: 20 Lavrska Street, Kyiv, Ukraine.

b) Ultimate controlling party

100% of the Bank's shares belong to Deutsche Bank AG, a corporation, created and acting according to the laws of the Federal Republic of Germany. Deutsche Bank AG is a direct parent company of the Bank and its ultimate controlling party. Shares of Deutsche Bank AG are quoted on the stock exchange markets, so the Bank has no ultimate beneficial owner.

The Bank's management do not own any shares in the Bank. Details of transactions with related parties are disclosed in Note 26.

The Bank is a public interest entity.

The Bank is not a member/controller of a non-banking financial group.

For banks of Ukraine, prudential indicators are set by the National Bank of Ukraine.

These annual financial statements are prepared, approved for issue and signed by the Board of Bank on 24 April 2026.

2 Operating environment

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

On 24 February 2022, the Russian Federation launched a full-scale military invasion to Ukraine. The ongoing war has led to significant civilian casualties, massive dislocation of the population, damage to infrastructure, electricity outages, and overall significant disruptions to economic activity in Ukraine. In response to the military invasion in Ukraine, the state of martial law was introduced, on 26 January 2026, Verkhovna Rada of Ukraine voted to extend martial law until 4 May 2026.

In 2025, active military actions remained intense, although concentrated in eastern and southern Ukraine, with the Autonomous Republic of Crimea and the major parts of Donetsk, Luhansk, Kherson, Zaporizhzhia regions still under occupation. In addition, the Russian Federation continued missile and drone attacks that affected power grids as well as other critical civilian infrastructure all over Ukraine.

Despite the ongoing war, the economy remains resilient. In January 2026, the National Bank of Ukraine (NBU) updated the real GDP growth forecast for 2025 to 1.8%. Inflation for 2025 peaked as expected in May and returned to decline in the second half of the year, reaching 8.0% in December

Given the decline in inflationary pressures and the reduction in risks associated with external financing, the NBU reduced the discount rate from 15.5% to 15% from 30 January 2026.

In the second half of 2025, economic growth remained subdued, in particular due to the war-induced shortage of skilled workers, the destruction of gas infrastructure and the resulting increase in gas import needs.

In particular, recurring electricity shortages and damage to energy infrastructure created persistent uncertainty for business operations, while logistical and transportation disruptions continued to affect supply chains and trade flows. Heightened security risks limited overall business activity and delayed investment decisions, and ongoing labour shortages constrained the ability of enterprises to operate at full capacity.

In addition, the labour market remained under significant pressure due to continued mobilisation, migration and the limited availability of skilled personnel across key sectors. Many companies reported difficulties in recruiting and retaining qualified staff, which hindered operational planning and reduced overall productivity. The combination of workforce shortages, increased employee turnover and higher labour costs further constrained business resilience and limited the ability of firms to scale operations in response to demand.

Furthermore, elevated geopolitical risks, tighter financing conditions and reduced investor confidence contributed to a slower recovery of private investment, placing additional downward pressure on economic dynamics. Collectively, these factors reinforced the fragility of the macroeconomic environment and contributed to the continued moderation of economic growth.

The overall outlook remains vulnerable to significant risks, primarily due to extremely high uncertainty caused by the war, possible delays or shortages of external financing, and the outcome of peace negotiations.

Since the outbreak of the war, the NBU has imposed a number of administrative restrictions on currency conversion and capital movements, including restrictions on the payment of interest and dividends abroad.

After the invasion, all global rating agencies downgraded Ukraine's ratings. As of December 31, 2025, the ratings are as follows:

- Fitch: long-term foreign currency issuer rating – CCC, national currency – CCC+;
- Moody's: long-term foreign and national currency issuer rating – Ca;
- S&P: foreign currency issuer rating – SD, national currency – CCC+/C. In January S&P upgraded long-term issuer rating in foreign currency up to CCC+.

Despite the challenges, the Bank continues its operations, relying on a resilient business model and a stable customer base. The Bank's corporate clients are mostly members of international groups, with which the Deutsche Bank AG cooperates regionally or globally. The Bank has sufficient capital reserve and complies with prudential standards, including liquidity ratios.

The Bank plans further growth in customer funds following the expansion of the group-level country credit limit, which will allow bank to increase share of UAH denominated government bonds and placements with NBU. In 2026, the Bank plans a substantial increase in loans and advances to customers by prioritizing the retention and organic expansion of its existing portfolio of low-risk multinational corporate clients. Cash and cash equivalents are projected to rise, primarily due to continued growth in NBU deposit certificates. In line

with the agreed growth strategy, the Bank will further increase the share of assets linked to country-specific risks.

The Bank operates in a war environment with an extremely high level of uncertainty. In the event of a significant escalation of hostilities, as well as a reduction, delay or untimely provision of external financial and military support to Ukraine, there is a risk of further damage to critical infrastructure and additional disruption of economic activity. Such developments may lead to increased expected credit losses, deterioration of borrowers' solvency, increased liquidity pressure, increased volatility of exchange rates and interest rates, a decrease in the fair value of Ukrainian government securities, as well as the continuation of existing or the introduction of additional administrative restrictions by the NBU.

Thus, these events or conditions, including possible future development of military activities in Ukraine and their duration, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern.

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

These financial statements reflect the current assessment of the Bank's management on the impact of conditions in Ukraine on the Bank's operations and financial position. Future conditions may differ from these estimates, depending on the development of the situation.

3 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the requirements of Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV dated 16 July 1999, concerning the preparation of financial statements.

b) Basis of measurement

These financial statements are prepared on the historical cost basis, except for assets and liabilities mentioned in the accounting policy set out below. Such assets and liabilities are presented at amortized cost or fair value.

c) Functional and presentation currency

The functional and presentation currency is the Ukrainian hryvnia (UAH). Unless stated otherwise, these financial statements are presented in UAH, rounded to the nearest thousand.

d) Use of estimates and judgments

Preparation of the financial statements in accordance with IFRSs requires management to make a number of judgements, estimates and assumptions that impact reported assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with IFRSs. Actual results may differ from these estimates.

Management have prepared these financial statements on a going concern basis. Forming such a professional judgment, the management considered the Bank's financial condition, its current intentions, the budgeted profitability of operations in the future and access to financial resources, as well as analysed the impact of the current financial and economic situation on the Bank's future activities (Note 2).

Fair value of financial instruments

Investments in securities measured at fair value through other comprehensive income are stated at fair value.

The Bank considers that the accounting estimates and assumptions related to valuation of financial instruments where quoted markets prices are not available are a key source of estimation uncertainty because: (i) they are highly susceptible to change from period to period because they require management to make assumptions about interest rates, volatility, exchange rates, the credit rating of the counterparty, valuation adjustments and specific parameters of the transactions; and (ii) the impact of recognizing a change in the valuations would have on the assets reported in separate statement of financial position as well as income/(expense) could be material.

Had management used different assumptions regarding interest rates, volatility, exchange rates, credit rating of a counterparty, offer dates and valuation adjustments, their values could differ significantly from those reflected in the financial statements.

For more detailed information, see Note 22.

Estimated provisions for expected credit losses

Measuring expected credit losses (ECLs) in accordance with IFRS 9 on financial assets at amortized cost or at fair value through other comprehensive income requires the application of judgment, inter alia, in estimating a significant increase in credit risk, estimating the amount and timing of future cash flows and the value of collateral. Such estimates depend on a number of factors, changes in which may result in different amounts of allowances for impairment.

For more detailed information, see Notes 4(c) and 22.

Estimates and the assumptions on which they are based are regularly revised. The results of revisions of accounting estimates are recognized in the period in which the estimates are revised, as well as in all subsequent periods affected by such revision.

4 Significant accounting policies

The accounting policies set out below are consistently applied to all periods presented in these financial statements, unless otherwise stated.

a) Foreign currency transactions

Transactions in foreign currencies are translated to hryvnias at exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to hryvnias at the exchange rate established on that date. The foreign currency gain or loss on monetary items is the difference between amortized cost denominated in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising on translation are recognized in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate ruling at the date of the transaction.

The UAH is not a convertible currency outside Ukraine and, accordingly, any conversion of UAH amounts to USD should not be construed as a representation that UAH amounts have been, could be, or will be in the future, convertible into USD at the exchange rate shown, or any other exchange rate.

The principal UAH exchange rates used in the preparation of these financial statements are as follows:

Currencies	31 December 2025	31 December 2024
US Dollar	42.3878	42.0390
Euro	49.8565	43.9266

b) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with the NBU (including mandatory reserves), certificates of deposit issued by the NBU, correspondent accounts with other banks and short-term placements (less than 90 days) with other banks which are not encumbered by any contractual obligation and are not exposed to significant changes in value. Cash and cash equivalents are measured at amortized cost.

c) Financial instruments

i) Classification and measurement

According to IFRS 9, classification of the financial assets should be based on both the business model used to manage financial assets and the contractual cash flow characteristics of the financial asset (also known as the SPPI test).

Business model

IFRS 9 foresees three business models for an entity:

- Hold to Collect, where financial assets are held to obtain contractual cash flows.
- Hold to Collect and Sell, where financial assets are held for the purpose of obtaining contractual cash flows or for sale of financial assets.
- Other business model used to measure financial assets held for trading or financial assets that do not meet the criteria of the first two models (Hold to Collect or Hold to Collect and Sell).

Assessment of a business model involves the use of judgment based on facts and circumstances as of the date of assessment.

Solely payments of principal and interest (SPPI test)

If a financial asset is held either to obtain contractual cash flows (Hold to Collect) or to obtain contractual cash flows or to sell (Hold to Collect and Sell), then an assessment to determine whether contractual cash flows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the appropriate classification category of cash flows.

Contractual cash flows, that are SPPI on the principal amount outstanding are determined by the basic loan agreement. Interest is a consideration for the time value of money and the credit risk associated with principal amount outstanding during the particular period of time. It can also include a consideration for other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs) associated with holding a financial asset for a particular period of time; and a profit margin that is consistent with a basic lending arrangement.

Financial assets classified at amortized cost

A financial asset is classified and subsequently measured at amortized cost (unless designated under the fair value option) if the financial asset is held in a Hold to Collect business model and contractual cash flows are SPPI.

Under this measurement category, a financial asset is measured at fair value at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method for any difference between that initial amount and the maturity amount and adjusted for any impairment allowance.

Financial assets at fair value through other comprehensive income

A financial asset is classified and measured at fair value through other comprehensive income (FVOCI) (unless designated under the fair value option) if the financial asset is held in Hold to Collect and Sell business model, and contractual cash flows are SPPI.

Under FVOCI method, a financial asset is measured at its fair value with any movements being recognized in other comprehensive income (OCI) and assessed for impairment in accordance with the model of expected credit losses (ECLs). The effect of foreign currency translation for FVOCI assets is recognized in profit or

loss, as well as the interest component (using the effective interest rate method). The amortization of premiums and accretion of discount are recorded in net interest income. Realized gains and losses are reported in net gains (losses) on financial assets at FVOCI.

Financial assets at fair value through profit or loss

Any financial asset held for trading or which does not meet the Hold to Collect or Hold to Collect and Sell business models criteria shall be assigned as Other business model and measured at fair value through profit and loss (FVTPL).

In addition, any instrument for which the contractual cash flow characteristics are not SPPI must be measured at fair value through profit or loss (FVTPL), even if held in Hold to Collect or Hold to Collect and Sell business models.

Financial instruments are included in Other business model and held for trading if they have been originated, acquired or incurred principally for the purpose of selling or repurchasing in the near term, or if they form part of a portfolio of identifiable financial instruments that are managed together and for which there is evidence of recent actual pattern of short-term profit-taking. Trading assets include debt and equity securities, derivatives held for trading purposes and trading loans.

At initial recognition, the Bank may irrevocably recognize a financial asset (that would otherwise be measured subsequently at amortized cost or FVOCI), as measured at FVTPL, if such designation eliminates or significantly reduces a recognition and measurement inconsistency (sometimes referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on a different basis.

ii) Impairment method under IFRS 9

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortized cost or FVOCI and to off-balance lending commitments such as loan commitments and financial guarantees (hereinafter collectively referred to as "Financial assets").

Measurement of expected credit losses for loans granted by the Bank to legal entities is performed on an individual basis.

Staged approach to determining expected credit losses

IFRS 9 introduces a three-staged approach to impairment for financial assets. This approach is summarized as follows:

- Stage 1: The Bank recognizes a credit loss allowance at an amount equal to 12 months expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not significantly increased after initial recognition.
- Stage 2: The Bank recognizes a credit loss allowance at an amount equal to lifetime expected credit losses (LTECL) for those financial assets, which are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of expected credit losses based on lifetime probability of default for the financial asset that represents the probability of default occurring over the remaining lifetime of the financial asset. Allowance for credit losses is higher at this stage because of an increase in credit risk and the effect of a longer time horizon being considered compared to 12 months in Stage 1.
- Stage 3: The Bank recognizes a credit loss allowance at an amount equal to lifetime expected losses reflecting a 100% probability of default, via the recoverable cash flows for the asset. This approach applies to those financial assets that are credit-impaired. The Bank's definition of a default is aligned with the regulatory definition.

Financial assets that are credit-impaired upon initial recognition are categorized within Stage 3 with a carrying value already reflecting the lifetime expected credit losses. The accounting treatment for these purchased or originated credit-impaired assets (POCI) is disclosed below.

Credit-impaired financial assets in Stage 3

The determination of whether the financial asset is credit impaired focuses exclusively on default risk, without taking into consideration the effects of credit risk mitigations such as collateral or guarantees. Specifically, a financial asset is credit impaired and in Stage 3 when:

- The Bank considers the obligor unlikely to pay its credit obligations to the Bank; or
- Contractual payments of either principal or interest by the obligor are past due by more than 90 days.

For financial assets considered to be credit impaired, the expected credit loss (ECL) allowance covers the amount of loss the Bank is expected to incur. The estimation of the allowance is made on a case-by-case basis for non-homogeneous portfolios, or by applying portfolio-based parameters to individual financial assets in these portfolios via the model for homogeneous portfolios.

Forecasts of future economic conditions are considered when calculating ECLs. The lifetime expected losses are estimated based on the probability-weighted present value of the difference between: 1) the contractual cash flows that are due to the Bank under the contract; and 2) the cash flows that the Bank expects to receive.

A financial asset can be classified as in default but without an allowance for credit losses (i.e. no impairment loss is expected). This may be due to the value of collateral.

Integral financial guarantee contracts

The Bank assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Bank considers when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Bank considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

Purchased or originated credit impaired financial assets in Stage 3

A financial asset is considered purchased or originated credit-impaired asset if there is objective evidence of impairment at the time of initial recognition (i.e., rated in default by Credit Risk Management Department). Such defaulted financial assets are designated POCI (purchased or originated credit-impaired). Typically, the purchase price or fair value at origination embeds expectations of lifetime expected credit losses and therefore no separate credit loss allowance is recognized on initial recognition. Subsequently, POCI financial assets are measured to reflect lifetime expected credit losses, and all subsequent changes in lifetime expected credit losses (whether positive or negative) are recognized in the income statement as a component of the provision for credit losses. POCI financial assets can only be classified in Stage 3.

Modification

The Bank recalculates the gross carrying amount of the financial asset and recognizes income or expense from modification if the underlying contractual terms of the financial asset are revised by the agreement of the parties, or any other modification occurs, which does not result in derecognition of the initial financial asset.

The Bank calculates a new gross carrying amount as the present value of the revised or modified cash flows under the contract, discounted at the initial effective interest rate (or the initial effective interest rate adjusted

for credit risk, for purchased or originated credit-impaired financial assets).

The Bank includes transaction costs in the carrying amount of the modified financial asset depreciated during its lifetime. The Bank recognizes the difference between the gross carrying amount under initial terms and the gross carrying amount under revised or modified terms through profit or loss from their modification.

Derecognition

The Bank derecognizes an original financial asset and recognizes a new financial asset if the revised or modified cash flows under the contract result in derecognition of the original financial asset.

At the date of the modification the Bank recognizes a new financial asset at fair value plus transaction costs associated with origination of the new financial asset (except for a new asset that is measured at fair value through profit or loss) and determines an expected credit loss for 12 months.

The Bank recognizes cumulative changes in expected credit losses over the lifetime of a financial asset if the modification results in a new financial asset, which is credit impaired on initial recognition. At each reporting date, the Bank recognizes the results of changes in expected loan losses over the lifetime of a financial asset, which is credit impaired on initial recognition (including positive changes) through profit or loss as expenses/income for the formation/disbursement of estimated provisions.

Income from release of estimated provisions is recognized even if the amount of the previously formed provision for such a financial asset is exceeded. At the date of derecognition of an original financial asset, the Bank recognizes gain or loss from derecognition, which is the difference between the carrying amount of the original financial asset and the fair value of a new financial asset.

Interest income calculation

For financial assets in Stage 1 and Stage 2, the Bank calculates interest income by applying effective interest rate to the gross carrying amount (i.e., carrying amount less expected credit losses). Interest income for financial assets in Stage 3 is calculated by applying the effective interest rate to the amortized cost (i.e., the gross carrying amount less the credit loss allowance).

iii) Model for expected credit loss calculation

Stage determination

At initial recognition, financial assets, which are not purchased or originated credit impaired (POCI), are reflected in Stage 1. If there is a significant increase in credit risk, the financial assets are transferred to Stage 2. Significant increase in credit risk is determined by using rating-related and process-related indicators. In contrast, the assignment of a financial instrument to Stage 3 is based on the status of the obligor being in default.

On an ongoing basis, as long as the condition for indicators on increase in credit risk is fulfilled and the financial asset is not recognized as defaulted, the asset will remain in Stage 2. If the indicators reverse to the normal value and the financial asset is not defaulted, the asset transfers back to Stage 1. In case of default, the financial asset is allocated to Stage 3. In the case that a previously defaulted financial asset ceases to be classified as defaulted, it transfers back to Stage 1 or Stage 2.

Expected lifetime of a financial asset

The expected lifetime of a financial asset is a key factor in determining the lifetime expected credit losses. Lifetime expected credit losses represent default events over the expected life of a financial asset. The Bank measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension options), over which it is exposed to credit risk

Forward-looking information

Under IFRS 9 the allowance for credit losses is based on reasonable and supportable forward-looking information obtainable without undue cost or efforts, which takes into consideration past events, current

conditions and forecasts of future economic conditions.

The general use of forward-looking information, including macro-economic factors, as well as adjustments taking into account extraordinary factors, are monitored by Risk Management Department.

Basis of inputs and assumptions and the estimation techniques

The Bank uses three main components to measure expected credit losses (ECL): Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Bank has leveraged existing parameters used for determination of capital demand under the Basel Internal Ratings Based Approach and internal risk management practices as much as possible to calculate expected credit losses (ECL). In order to calculate lifetime expected credit losses, the Bank's calculation includes deriving the corresponding lifetime PDs from migration matrices that reflect economic forecasts.

The expected credit loss calculation for Stage 3 distinguishes between transactions in homogenous and non-homogenous portfolios and purchased and originated credit-impaired transactions (POCI). For transactions that are in Stage 3 and in a homogeneous a similar approach as for Stage 1 and Stage 2 transaction is taken. Since a Stage 3 transaction is defaulted, the probability of default is 100%. To incorporate the currently available information, the LGD parameters are modelled to be time-dependent, thus capture the time dependency of the borrower's recovery expectation after default.

The one-year PD for counterparties is derived from the Group rating systems. Deutsche Bank Group assigns a probability of a default (PD) to each relevant counterparty, based at the 21-grade rating scale.

To determine the probability of default (PD) indicator for Domestic Government Bonds, the Bank uses data from the external rating agency S&P, in particular, determined for the country's debt in local currency and foreign currency.

The counterparty ratings assigned are derived based on internally developed rating models, which specify consistent and distinct customer-relevant criteria and assign a rating grade based on a specific set of criteria as given for a certain customer. The set of criteria is generated from information sets relevant for the respective customer segments including general customer behavior, financial and external data. The methods in use range from statistical scoring models to expert-based models considering the relevant available quantitative and qualitative information. Expert-based models are usually applied for counterparties in the exposure classes "Central government and central banks", "Institutions", and "Corporates", except for those "Corporates" segments for which sufficient data basis is available for statistical scoring models. For the latter, as well as for the retail segment, statistical scoring or hybrid models combining both approaches are commonly used. Quantitative rating methodologies are developed based on applicable statistical modelling techniques, such as logistic regression.

One-year PDs are applied to develop multi-year PD curves using conditional transition matrices. The first step in the estimation process is the calculation of through-the-cycle matrices, which are derived from a multi-year rating history. For the next two years, economic forecasts are available. These forecasts are used to transform the through-the-cycle matrices into point-in-time rating migration matrices. Macroeconomic forecasts are used for adjusting the distribution of the respective macroeconomic factors and, consequently, the rating migration matrices that define migration and default probabilities. The actual calculation of the adjusted migration matrices is based on the simulation of a high number of scenarios that are drawn from the distribution of the macroeconomic factors, i.e., the simulation scenarios are selected using statistical techniques and are randomly scattered around the macroeconomic forecast.

Loss given default (LGD) is defined as the likely loss intensity in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss. Conceptually, LGD estimates are independent of a customer's probability of default. The LGD models ensure that the main drivers for losses (i.e., different level and quality of collateralization and customer or product types, or seniority of facility) are reflected in specific LGD factors. In our LGD models we assign collateral type specific parameters to the collateralized exposure (collateral value after application of haircuts). Moreover, the LGD for uncollateralized exposure cannot be below the LGD assigned to collateralized.

The Exposure at Default (EAD) over the lifetime of a financial asset is modelled taking into account expected

repayment profiles. We apply specific Credit Conversion Factors (CCF) in order to recalculate the EAD value. Conceptually, the EAD is defined as the expected amount of the credit exposure to counterparty at the time of its default. In instances where a transaction involves an unused limit, a percentage share of this unused limit is added to the outstanding amount in order to appropriately reflect the expected outstanding amount in case of a counterparty default. When a transaction involves an additional contingent component (i.e., guarantees), a further percentage share is applied as part of the CCF model in order to estimate the amount of guarantees drawn in case of default. The calibrations of such parameters are based on statistical experience as well as internal historical data and consider counterparty and product type specifics.

iv) Collateral for financial assets considered in the impairment analysis

IFRS 9 requires cash flows expected from collateral and other credit enhancement to be reflected in the ECL calculation. The following key aspects with respect to collateral and guarantees are reviewed in this section:

- Eligibility of collateral, i.e. which collateral records should be used in the ECL calculation;
- Collateral evaluation, i.e. what collateral (liquidation) value should be used;
- Projection of the available collateral amount over the life of a transaction.

Eligibility and evaluation of collateral

The treatment and reflection of collateral for IFRS 9 purposes is in line with general risk management principles, policies and processes in the Bank.

Eligibility of collateral is based on the risk management standards governed by the Deutsche Bank Group's Credit Risk Management policies. Valuation results are generally reviewed at least annually or on an event-based basis, usually in connection with the annual credit review or the rating process.

Valuation process

The valuation of a collateral is considered under a liquidation scenario. Liquidation value is equal to the expected proceeds of collateral monetization/realization in a base case scenario, wherein a fair price is achieved through careful preparation and orderly liquidation of the collateral. Collateral can either move in value (dynamic value) or not (static value). The dynamic liquidation value generally includes a safety margin or a haircut value to address liquidity or marketability aspects.

The Bank assigns a liquidation value to eligible collateral, based on, among other things:

- the market value and/or lending value, notional amount or face value of a collateral as a starting point;
- the type of collateral; the currency mismatch (if any) between the secured exposure and the collateral; and a maturity mismatch (if any);
- the market liquidity or volatility in relation to agreed termination clauses;
- the correlation between the performance of the borrower and the value of the collateral, e.g. in the case of the pledge of a borrower's own shares or securities (in this case, generally, full correlation leads to no liquidation value); the quality of physical collateral and the potential for litigation; and
- a determined collateral type specific haircut (0-100%) reflecting collection risk (i.e. price risks over the average liquidation period and processing/utilization/sales costs) as specified in the respective policy.

Collateral discount calculation is typically based on available historic internal and/or external data (expert opinions may also be used, where appropriate). When data is not sufficiently available or inconclusive, more conservative discounts must be applied. Discounts are reviewed at least annually.

d) Non-financial assets

Other non-financial assets, other than deferred taxes, are assessed at each reporting date for any indications of impairment. The recoverable amount of non-financial assets is the greater of their fair value less costs to sell

and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognized when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

All impairment losses in respect of non-financial assets are recognized in profit or loss and reversed only if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

e) Provisions for credit-related commitments

In the course of ordinary activity, the Bank assumes obligations of credit nature, which include commitments under unused credit lines, letters of credit and guarantees, and provides other forms of credit insurance.

Financial guarantees are contracts obliging the Bank to make certain payments that compensate the holder of the financial guarantee for the damage incurred as a result of the fact that a certain debtor was unable to make a payment within the period specified by the terms of the debt instrument agreement.

A financial guarantee liability is initially recognized at fair value less the transaction costs, and is then evaluated at a higher of the amount at the initial recognition minus the cumulative depreciation or the amount of loss allowance assessed in accordance with IFRS 9.

f) Fixed assets

(i) Own assets

Fixed assets comprise additions of fixed assets and repairs of leased property and equipment, furniture and office equipment. Fixed assets are initially recognized at cost less accumulated depreciation and impairment losses.

The costs of repair and replacement of fixed assets are recorded in the profit and loss in the period in which they are incurred, unless they meet the criteria of capitalization.

If a unit of fixed assets contains significant components that have different useful life, these components are recorded as separate units of fixed assets.

Profits net of losses from the sale of fixed assets are recognized in profit or loss.

(ii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of specific assets. Depreciation commences on the date of purchase of assets or, in respect of internally constructed assets, from the moment when the corresponding asset is completed and ready for use. Estimated annual depreciation rates are as follows:

Fixtured and fittings	10 years
Office equipment	10 years
Computer equipment	4 years
Communication and network equipment	5 years
Other non-current tangible assets	5-12 years

(iii) Impairment

Recognition of impairment of fixed assets and intangible assets is carried out in accordance with IFRS 36 *Impairment of assets*. The decision on the recognition of impairment and / or revision of terms of useful life is taken by continuously operating (inventory) commission based on inspection of fixed assets or intangible assets.

g) Intangible assets

Intangible assets, acquired by the Bank, are stated at cost less accumulated amortization and impairment losses.

Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software. Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Estimated annual amortization rate is 33%.

h) Share capital

Contributions to share capital are recognized at historical cost. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

i) Dividends

The ability of the Bank to declare and pay dividends is subject to the rules and requirements of the Ukrainian legislation.

Dividends on ordinary shares are reflected as a reduction to retained earnings as and when declared.

j) Taxation

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items of other comprehensive income or transactions with shareholders recognized directly in equity, in which case it is recognized within other comprehensive income or directly within equity.

Current tax expense is the expected tax payable on the taxable income for the year, assessed using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and temporary differences related to investments in subsidiaries where the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the way in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Income and expense recognition

Interest income and expenses are recognized in profit or loss using the effective interest method.

Accrued discounts and premiums on financial instruments at fair value through profit or loss are recognized in profit less losses on financial instruments at fair value through profit or loss.

Loan origination fees, loan servicing fees and other fees that are considered to be integral to the overall profitability of a loan, together with the related transaction costs, are deferred and amortized to interest income over the estimated life of the financial instrument using the effective interest method.

Other commissions and other income and expenses are recognized in profit or loss in the period when underlying services were performed.

l) Employee benefits

Pensions are provided by the State through the mandatory contributions, which are made by the Bank and employees based on the earnings of the employees. The expenditure on these contributions is recognized in the profit or loss when contributions are due and is included in "Salaries and employee benefits".

m) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

n) Segment reporting

An operating segment is a component of a Bank that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Bank); which operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Bank represents one reportable segment with centralized management that follows common lending policy and marketing strategy.

For geographical allocation of assets and liabilities refer to Note 22.

o) Related party transactions

According to IAS 24 *Related Party Disclosures*, parties are considered to be related, when: one of the parties has the ability to control the other party; is under common control; or can exercise significant influence in making financial and operating decisions.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form. Terms of transactions with related parties are set at the time of the transaction.

Relationships between related parties are in particular relationships between: parent bank and its subsidiaries; bank-investor and his associates; bank and private individuals who have control or have significant influence over the bank and relationships between bank and close family members of each such individual; bank and its managers and other persons belonging to key management personnel and close family members of such persons.

Related parties of the Bank are members of the Supervisory Board, Management Board and their family members, other key management personnel, and entities that are under common control. Key management personnel are: Chairman and members of the Supervisory Board, the Management Board; Chairmen of the Credit Committee, Tariff Committee, ALCO; Chief Accountant; Chief Risk Officer. The Bank assesses credit risks of lending to related parties and manages such risks based on ratios established by the National Bank of Ukraine.

In the normal course of business, the Bank provides loans and advances to customers, attracts deposits and conducts other operations with related parties.

p) Leases

With implementation of IFRS 16 *Leases*, the Bank is required to recognize in the balance sheet a right-of-use for leased assets and liabilities on lease.

The Bank does not recognize right-of-use assets and liabilities on lease in the following cases:

- for short-term leases (12 months or less);
- for lease of low value items (equivalent of EUR 6 thousand or less).

In the above cases the Bank recognizes cost of lease in expenses on the straight-line basis throughout the lease term.

At signing a lease agreement, the Bank, as a lessor or as a lessee, needs to determine whether the agreement contain a lease. If a lease arrangement provides a lessee with a right to use a leased object for an agreed term in exchange of a lease payments in favour of a lessor, this arrangement is recognized as a lease. The right-of-use the leased object means that two conditions are met simultaneously:

- the lessee's right to receive substantially all economic benefits from the use of the identified asset;
- the right to direct the use of the identified asset.

The Bank does not recognize VAT as part of a lease payment because VAT does not provide for its exchange for the right-of-use the specified asset. Therefore, VAT is recognized either in the Bank's income or loss or through tax credit.

To determine lease liability of a lessee the Bank discounts cash flows by applying the borrowing rate to the currency specified in the agreement, which is referred to for calculating lease payment.

The Bank defines a lease term as a term that does not provide for early termination of lease agreement plus the period from after that date to the lease agreement expiry date, if the lessee is reasonably certain not to exercise early termination option for the lease agreement, plus possible periods after the lease agreement expiry date if the lessee is reasonably certain not to exercise to extend the lease agreement.

At the lease commencement date, the Bank recognizes in the balance sheet an asset in the form of a right-of-use asset, measured at cost, which includes:

- initial valuation of the liability;
- lease payments already paid on the lease commencement date, less the lease incentives already received;
- initial direct costs;
- estimated costs of dismantling the underlying asset, the liabilities for which arise at the lease commencement date.

At the same time, the Bank recognizes in the balance sheet the lease liability in the amount of present value of future lease payments, discounted using the interest rate specified in the lease agreement or incremental borrowing rate by the Bank for the relevant term and in the relevant currency. Future lease payments include:

- fixed payments, less incentive payments receivable;
- variable lease payments;
- guarantees of salvage value;
- the strike price of the option to buy (if there is reasonable certainty that the lessee will exercise the option);
- penalties for terminating the lease if the term of the lease reflects the lessee's exercise of the option to terminate the lease.

Further accounting for the lease liability occurs at amortized cost. The lease obligation is increased by the amount of interest expense and decreased by the amount of lease payments.

A right-of-use asset is further accounted for at cost less accumulated depreciation and impairment losses. Depreciation is carried out on a straight-line basis over the lease term of the asset. Depreciation begins in the month following the month in which the asset is recognized on the Bank's balance sheet.

IFRS 16 separates the concepts of lease revaluation and modification. Revaluation is applied only when the change in cash flows was contractually required by the contractual obligations at the date the lease is signed.

In the event of a revision of the lease term or purchase option, the Bank, applying the revised discount rate, revalues the asset in the form of a right of use.

In the event of a revision of the residual value guarantee or a revision of variable payments that are linked to changes in the exchange rate or index and relate to future periods, the Bank, applying the unchanged discount rate, revalues the asset in the form of a right of use.

In the case of a revision of variable charges that are linked to changes in the exchange rate or index and relate to the current period, or a revision of variable charges that are not linked to changes in the exchange rate or index, the Bank recognizes differences in profit or loss.

Instead, modification occurs in the event of changes to the contract that were not foreseen at the time of signing the contract.

In the event of an increase in lease volumes by adding new rights of use to one or more objects at the market price, the Bank recognizes a separate lease agreement.

In the event of an increase in lease volumes by adding new rights of use to one or more objects at a non-market price and for all other modifications, the Bank does not recognize a separate lease agreement and adjusts the asset in the form of a right to use and a lease obligation.

In the event of a decrease in lease volumes, the Bank does not recognize a separate lease agreement and adjusts the asset in the form of a right to use and a lease obligation and recognizes the effects of partial or complete lease termination.

The Bank has not acted and does not act as a lessor under any of the contracts.

q) Transition to new or revised standards and interpretations

The Bank for the first time applied some amendments to the standards that came into force on 1 January 2025. The application of the following amendments, standards and amendments to the standards and interpretations had no impact on the Bank's financial statements:

Amendments to IAS 21 "Effect of changes in exchange rates" - "Inability to exchange".

A number of new and amended accounting standards come into force for annual reporting periods starting after 1 January 2025, while their early use is permitted. However, the Bank did not apply the following new or changed accounting standards ahead of time during the preparation of these financial statements.

a) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" will replace IAS 1 "Presentation of Financial Statements" and is valid for annual periods starting 1 January 2027 or after this date. The new accounting standard introduces the following major changes to the requirements:

More structured income statement

IFRS 18 introduces new defined interim results - "operating profit" and "profit or loss before financing and income taxes" and also contains a requirement to distribute all income and expenses between three new separate categories: operating activities, investment activities and financial activities, depending on the main activity of the enterprise.

According to IFRS 18, banks are no longer allowed to disclose operating expenses only in notes to financial statements. A bank must present transaction costs in a way that provides the "most useful structured summary" of its costs by their nature, by function or using a mixed approach.

If any operating costs are submitted by function, new disclosure requirements apply.

Banks are not recommended to mark items as "other", and in case of extension of such submission, they are obliged to disclose additional information.

Management performance indicatorst (MPM) are subject to disclosure and audit

IFRS 18 also requires that certain indicators that are not defined in generally accepted accounting standards be disclosed in financial statements. The Standard introduces a narrow definition of Performance Indicators ("MPM"), which should:

- be an intermediate result of income and expenses;
- be used in public communications outside financial reporting;
- reflect the opinion of management personnel on the financial results of the activity.

For each MPM submitted, companies should explain in one note to the financial statements why this indicator contains useful information, how it is calculated, and also agree it with a certain amount determined in accordance with IFRS.

Other changes applicable to initial financial statements

IFRS 18 defines operating profit as a starting point for the application of indirect method of presentation of cash flows from operating activities and cancels the possibility of classifying cash flows on interest and dividends payments as indicators of operating activities in the cash flow statement (exceptions are applicable for companies with certain main activities). The standard also requires that goodwill be listed as a separate item directly in the statement of financial condition.

The bank plans to apply this new accounting standard from 1 January 2027. The Bank expects that the new standard with its initial application will significantly affect its financial statements. Currently, the Bank continues to assess the potential impact of the new standard on its financial statements, in particular, in the context of the structure of the profit and loss statement, cash flow statement and additional disclosures of the Bank required to calculate MPM indicators. The Bank also assesses the impact on the principles of grouping information in financial statements, including on items that are currently classified as "other".

b) Other standards

The new or changed standards and interpretations below are expected to have no significant impact on the Bank's financial statements.

- *Contracts for electricity from natural sources (amendments to IFRS 9 and IFRS 7)*
- *Classification and evaluation of financial instruments (amendments to IFRS 9 and IFRS 7)*
- *Annual Improvements in IFRS - Volume 11*
- *IFRS 19 "Subsidiaries without Public Accountability: Disclosures"*
- *Amendments to IAS 21 "Effect of Currency Changes"*

5 Cash and cash equivalents

Cash and cash equivalents are presented as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Deposit certificates of the NBU	7 623 236	6 102 250
Correspondent accounts with other banks	1 022 639	772 484
Balances with the NBU (including mandatory reserves)	748 493	627 685
Cash on hand	900	965
Provision for impairment	(364)	(276)
Total cash and cash equivalents	9 394 904	7 503 108

As the Bank was entitled to fully use the amounts in the correspondent accounts with the National Bank of Ukraine, they were classified as cash and cash equivalents as of 31 December 2025 and 31 December 2024.

Correspondent accounts with other banks are as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Correspondent accounts		
Banks in OECD countries	1 022 597	772 451
Banks in non-OECD countries	42	33
Total	1 022 639	772 484

The following table represents an analysis of credit quality of due from other banks by rating agency designation based on Standard and Poor's (S&P) or their equivalent:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Correspondent accounts		
In banks rated A- to A+	1 022 597	772 451
Not-rated banks	42	33
Total	1 022 639	772 484

The movements in provision for impairment of funds in correspondent accounts are as follows as of 31 December 2024 and 31 December 2025:

<i>(in UAH thousand)</i>	Correspondent accounts
Balance as of 1 January 2024	355
Increase/(decrease) in provision for impairment	(79)
Balance as of 31 December 2024	276
Increase/(decrease) in provision for impairment	88
Balance as of 31 December 2025	364

Provision for impairment of cash and cash equivalents is measured within Stage 1.

As of 31 December 2025, cash and cash equivalents due from one bank amount to UAH 1 022 597 thousand or 100% of total cash and cash equivalents (31 December 2024: UAH 772 451 thousand or 100%, respectively).

6 Loans and advances to customers

Loans and advances to customers are as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Corporate loans	78 007	401 110
Provisions for expected credit losses	(33)	(71)
Total loans less provisions	77 974	401 039

Analysis of movements in provisions for loans for 2025 and 2024 is as follows:

<i>(in UAH thousand)</i>	Corporate loans
Balance as of 01 January 2024	105
Increase/(decrease) in provision for impairment	(34)
Balance as of 31 December 2024	71
Increase/(decrease) in provision for impairment	(38)
Balance as of 31 December 2025	33

Loans structure by sectors of economic activities is as follows:

<i>(in UAH thousand)</i>	31 December 2025	%	31 December 2024	%
Trade	70 528	90%	401 110	100%
Processing industry	7 479	10%	-	-
Gross loans and advances to customers	78 007	100%	401 110	100%

Maximum credit risk exposure per one borrower is UAH 70 528 thousand as of 31 December 2025. Maximum credit risk exposure per one borrower is UAH 399 109 thousand as of 31 December 2024.

Loans in light of types of collateral as of 31 December 2025:

<i>(in UAH thousand)</i>	Corporate loans
Unsecured loans	70 528
Loans collateralized by: investment banks' guarantees	7 479
Gross loans and advances to customers	78 007

Collateral that the Bank accepts include guarantees of the parent bank and of entities under common control.

Loans in light of types of collateral as of 31 December 2024:

<i>(in UAH thousand)</i>	Corporate loans
Unsecured loans	71 660
Loans collateralized by: investment banks' guarantees	329 450
Gross loans and advances to customers	401 110

Analysis of credit quality of loans as of 31 December 2025 is as follows:

(in UAH thousand)

	Corporate loans
	Stage 1
Not overdue:	
Large borrowers	78 007
Provision for impairment	(33)
Total loans less provisions	77 974

Analysis of credit quality of loans as of 31 December 2024 is as follows:

(in UAH thousand)

	Corporate loans
	Stage 1
Not overdue:	
Large borrowers	401 110
Provision for impairment	(71)
Total loans less provisions	401 039

During the years ended 31 December 2025 and 31 December 2024, the Bank has not received any assets as a result of foreclosure on collateral.

7 Investments in securities

Investments in securities are presented as follows:

(in UAH thousand)

	31 December 2025	31 December 2024
Domestic Government Bonds	1 137 994	504 564
German Government Bonds	289 040	209 701
United States Government debt securities	-	83 319
Total investments in securities	1 427 034	797 584

As of 31 December 2025, the Bank holds in the portfolio domestic government loan bonds ("OVDPs") denominated in national currency with an average effective interest rate of 15.57% and maturity dates in February 2026-August 2027, debt securities of the German government with an average effective interest rate of 2.33% and maturity date in April 2027.

As of 31 December 2025, the Bank's investments in domestic government bonds are not overdue or impaired and are classified as Stage 1.

Bonds are accounted for at fair value through other comprehensive income.

The increase in reserves for investments in securities for the 12 months of 2025 is directly related to the purchase of domestic government bonds.

As of 31 December 2025, the Bank has created a provision for expected credit losses on investments in securities in the amount of UAH 87 727 thousand. In order to determine the ECL for Ukrainian government bonds, the Bank used PD 13.19% and LGD 60% in accordance with the data of the international credit agency

S&P on the basis of the credit rating of Ukraine as of 31 December 2025. In order to define ECLs for debt securities of the German government, the Bank applied PD 0.01% and LGD 50%.

As of 31 December 2024, the Bank created a provision for expected credit losses on investments in securities in the amount of UAH 41 136 thousand. In order to determine the Ukrainian government bonds ECLs, the Bank used PD 14.1% and LGD 60% in accordance with the data of the international credit agency S&P on the basis of the credit rating of Ukraine as of 31 December 2024. In order to define ECLs for debt securities of the German government, the Bank applied PD 0.01% and LGD 50%.

8 Fixed assets, intangible assets and right-of-use assets

A summary of movements in fixed, intangible and right-of-use assets for the year ended 31 December 2025 is as follows:

<i>(in UAH thousand)</i>	Fixtures and fittings	Office equipment	Computer equipment	Communication and network equipment	Other non-current tangible assets	Intangible assets	Capital investments	Right-of-use assets (buildings)	Right-of use assets (vehicles)	Total
Historical cost										
1 January 2024	5 840	449	11 793	8 146	4 543	7 752	-	56 720	2 160	97 403
Additions	386	-	142	241	-	964	-	-	1 510	3 243
Disposals	(246)	(15)	-	(54)	-	(134)	-	-	(2 160)	(2 609)
31 December 2024	5 980	434	11 935	8 333	4 543	8 582	-	56 720	1 510	98 037
Additions	145	-	2 089	672	23	1 399	1 437	1 491	180	7 436
Disposals	-	-	-	-	-	-	-	-	-	-
31 December 2025	6 125	434	14 024	9 005	4 566	9 981	1 437	58 211	1 690	105 473
Depreciation										
1 January 2024	(3 931)	(282)	(8 049)	(5 101)	(2 470)	(5 386)	-	(34 863)	(1 962)	(62 044)
Depreciation charge	(515)	(40)	(1 242)	(930)	(376)	(1 196)	-	(8 077)	(534)	(12 910)
Disposals	246	15	-	54	-	134	-	-	2 160	2 609
31 December 2024	(4 200)	(307)	(9 291)	(5 977)	(2 846)	(6 448)	-	(42 940)	(336)	(72 345)
Depreciation charge	(537)	(40)	(1 134)	(980)	(376)	(1 298)	-	(8 180)	(563)	(13 108)
Disposals	-	-	-	-	-	-	-	-	-	-
31 December 2025	(4 737)	(347)	(10 425)	(6 957)	(3 222)	(7 746)	-	(51 120)	(899)	(85 453)
Net carrying amount:										
1 January 2024	1 909	167	3 744	3 045	2 073	2 366	-	21 857	198	35 359
31 December 2024	1 780	127	2 644	2 356	1 697	2 134	-	13 780	1 174	25 692
31 December 2025	1 388	87	3 599	2 048	1 344	2 235	1 437	7 091	791	20 020

9 Other financial assets

Other financial assets are presented as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Accrued fee and commission income	194	50
Provision for impairment	(39)	(38)
Total other financial assets	155	12

Analysis of movements in provision for impairment of other financial assets for 2025 and 2024:

<i>(in UAH thousand)</i>	Other financial assets
Balance as of 1 January 2024	17
Increase/(decrease) in allowance for impairment during the period	21
Balance as of 31 December 2024	38
Increase/(decrease) in allowance for impairment during the period	14
Write-off of receivables against the allowance	(13)
Balance as of 31 December 2025	39

10 Other non-financial assets

Other assets are represented as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Prepayments for goods and services	5 575	1 554
Accounts receivable on taxes and mandatory payments other than income tax	6	8
Accounts receivable from employees	-	5
Provision for impairment	(980)	(25)
Total other non-financial assets	4 601	1 542

Analysis of movements in provisions for impairment of other non-financial assets for 2025 and 2024:

<i>(in UAH thousand)</i>	Other non-financial assets
Balance as of 1 January 2024	312
Increase/(decrease) in provision for impairment	(287)
Balance as of 31 December 2024	25
Increase/(decrease) in provision for impairment	955
Balance as of 31 December 2025	980

11 Due to customers

Due to customers are as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Corporate clients		
Current accounts	6 416 960	4 822 798
Term deposits	3 327 699	2 990 671
Total due to customers	9 744 659	7 813 469

Current accounts include accounts payable on transactions with customers.

Due to customers distributed by sectors of economic activities as of 31 December 2025 are as follows:

<i>(in UAH thousand)</i>	31 December 2025	%
Trading	7 098 062	72.84%
Processing industry	1 535 846	15.76%
Professional services, scientific and technical activities	345 112	3.54%
Mining industry	206 883	2.12%
Financing and insurance	206 274	2.12%
Information and telecommunications	204 576	2.1%
Construction	74 317	0.76%
Electricity, gas supply	12 992	0.13%
Administrative and support services	3 927	0.04%
Real estate services	3 899	0.04%
Other	52 771	0.55%
Total due to customers	9 744 659	100.00%

The distribution of due to customer by type of economic activity as of 31 December 2024 is represented as follows:

<i>(in UAH thousand)</i>	31 December 2024	%
Trading	4 256 883	54.48%
Processing industry	1 841 557	23.57%
Financing and insurance	750 982	9.61%
Professional services, scientific and technical activities	297 032	3.80%
Mining industry	280 395	3.59%
Information and telecommunications	188 845	2.42%
Transportation	67 512	0.86%
Construction	64 361	0.82%
Electricity, gas supply	17 119	0.22%
Real estate services	3 482	0.04%
Administrative and support services	2 968	0.04%
Other	42 333	0.54%
Total due to customers	7 813 469	100.00%

As of 31 December 2025, balances of due 10 largest customers amount to UAH 4 993 203 thousand, or 51% of the total due to customers (31 December 2024: UAH 4 108 779 thousand or 53%, respectively).

As of 31 December 2025, balances of due to the largest customer amount to UAH 985 334 thousand, or 10% of the total due to customer (31 December 2024: UAH 837 924 thousand or 11%, respectively).

12 Provisions for credit-related commitments

Changes in provisions for credit-related commitments for 2025 are as follows:

(in UAH thousand)

	Credit-related commitments
Balance as of 1 January 2024	3
Increase/(decrease) in provision	8
Balance as of 31 December 2024	11
Increase/(decrease) in provision	23
Balance as of 31 December 2025	34

13 Other financial liabilities

Other liabilities are as follows:

(in UAH thousand)

	31 December 2025	31 December 2024
Accounts payable for management and IT services	24 291	14 018
Lease liabilities	8 142	15 338
Accrued expenses for other services	6 992	4 679
Other debts	294	-
Total	39 719	34 035

The principal lease liabilities of the Bank are represented by the office rental agreement until 2026. Changes in lease liabilities are as follows:

(in UAH thousand)

	Rental obligations	
Balance as of 1 January 2024	22 338	
Modifications	2 410	
Interest expense	756	
Payments	(10 166)	
Balance as of 31 December 2024	15 338	
Modifications	3 145	
Interest expense	460	
Payments	(10 801)	
Balance as of 31 December 2025	8 142	

For the year ended 31 December 2025, the Bank recognized expenses on short-term leases and leases of low-value assets in the amount of UAH 7 thousand (31 December 2024: UAH 7 thousand).

For the year ended 31 December 2025, the total lease-related cash outflow amounted to UAH 10 808 thousand (31 December 2024: UAH 10 173 thousand).

14 Other non-financial liabilities

Other non-financial liabilities are as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Accounts payable on settlements with bank employees	17 743	13 268
Accounts payable for taxes and mandatory payments, except income tax	3 843	3 131
Deferred income	159	49
Total	21 745	16 448

15 Share capital and revaluation reserves

As of 31 December 2025 and 2024, the authorized and paid in capital amounted to UAH 301 839 254.64 (three hundred one million eight hundred thirty-nine thousand two hundred fifty-four hryvnias 64 kopecks) The Bank issued 228 666 102 ordinary registered shares of nominal value of UAH 1.32 (one hryvnia 32 kopecks) per share.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at annual and general meetings of the Bank.

In accordance with the legislation of Ukraine, the Bank allocates 5% of the annual profit to the reserve fund. The total amount of the reserve fund as of 31 December 2024 is UAH 45 887 thousand.

The movements in the revaluation reserve are as follows:

<i>(in UAH thousand)</i>	Revaluation reserves
Balance as of 1 January 2024	21 074
Fair value revaluation of securities	4 559
Expected credit losses	21 915
Deferred tax related to other comprehensive income	(1 138)
Balance as of 31 December 2024	46 410
Fair value revaluation of securities	6 327
Expected credit losses	46 591
Deferred tax related to other comprehensive income	(3 761)
Balance as of 31 December 2025	95 567

16 Maturity analysis of assets and liabilities

Maturity analysis of assets and liabilities as of 31 December 2025:

<i>(in UAH thousand)</i>	<i>Note</i>	Less than 12 months	Over 12 months	Total
ASSETS				
Cash and cash equivalents	5	9 394 904	-	9 394 904
Loans and advances to customers	6	77 974	-	77 974
Investments in securities	7	770 892	656 142	1 427 034
Deferred tax asset	20	-	5 243	5 243
Fixed assets, right-of-use assets	8	-	16 348	16 348
Intangible assets	8	-	3 672	3 672
Other financial assets		155	-	155
Other non-financial assets	10	4 601	-	4 601
Total assets		10 248 526	681 405	10 929 931
LIABILITIES				
Due to customers	11	9 744 659	-	9 744 659
Current income tax liability		32 854	-	32 854
Provisions for credit-related commitments	12	34	-	34
Other financial liabilities	13	38 816	903	39 719
Other non-financial liabilities	14	18 065	3 680	21 745
Total liabilities		9 834 428	4 583	9 839 011

Maturity analysis of assets and liabilities as of 31 December 2024:

<i>(in UAH thousand)</i>	<i>Note</i>	Less than 12 months	Over 12 months	Subtotal
ASSETS				
Cash and cash equivalents	5	7 503 108	-	7 503 108
Loans and advances to customers	6	401 039	-	401 039
Investments in securities	7	36 843	760 741	797 584
Deferred tax asset	20	-	1 816	1 816
Fixed assets, right-of-use assets	8	153	23 405	23 558
Intangible assets	8	359	1 775	2 134
Other financial assets		12	-	12
Other non-financial assets	10	1 542	-	1 542
Total assets		7 943 056	787 737	8 730 793
LIABILITIES				
Due to customers	11	7 813 469	-	7 813 469
Current income tax liability		91 242	-	91 242
Provisions for credit-related commitments	12	11	-	11
Other financial liabilities	13	27 370	6 665	34 035
Other non-financial liabilities	14	15 288	1 160	16 448
Total liabilities		7 947 380	7 825	7 955 205

Due to the fact that substantially all financial instruments are fixed rated contracts, these remaining contractual maturity dates also represent the interest rate repricing dates.

The above amounts represent the carrying amounts of the assets and liabilities as of the reporting date and do not include future interest payments.

17 Interest income and expense

Interest income and expense for the years ended 31 December are as follows:

<i>(in UAH thousand)</i>	2025	2024
Interest income:		
NBU deposit certificates	1 040 051	629 626
Loans and advances to customers	159 177	69 392
Investments in securities	140 798	77 017
Deposits with other banks	21 052	35 421
Total interest income	1 361 078	811 456
Interest expense:		
Corporate term deposits	(502 704)	(282 661)
Corporate current accounts	(214 343)	(67 614)
Lease liabilities	(460)	(756)
Loans received from NBU	(27)	(22)
Term deposits of other banks	(5)	(178)
Total interest expense	(717 539)	(351 231)
Net interest income	643 539	460 225

18 Fee and commission income and expense

Fee and commission income and expense for the years ended 31 December, are as follows:

<i>(in UAH thousand)</i>	2025	2024
Fee and commission income:		
Currency exchange transactions	35 475	26 428
Cash and settlement transactions	1 821	1 412
Off-balance sheet transactions	780	663
Other transactions	938	836
Total fee and commission income	39 014	29 339
Fee and commission expense:		
Off-balance sheet transactions	(16 786)	(7 748)
Transactions with securities	(4 271)	(3 387)
Currency exchange transactions	(3 541)	(2 842)
Cash and settlement transactions	(24 598)	(13 977)
Total fee and commission expense	14 416	15 362

For 2025, revenues from contracts with customers determined according to IFRS 15 was UAH 38 234 thousand (2024: UAH 28 676 thousand).

19 Other administrative and operating expenses

Other administrative and operating expenses for years ended 31 December are as follows:

<i>(in UAH thousand)</i>	2025	2024
IT expenses	(65 063)	(65 003)
Consultancy, legal and other professional services	(16 677)	(14 244)
Taxes and other mandatory payments, other than income tax	(16 349)	(15 367)
Professional services of group subdivisions	(14 983)	(3 714)
Supervisory Board expenses	(9 919)	(6 784)
Operating fixed assets lease expense and maintenance cost	(6 992)	(6 592)
Telecommunication expenses	(5 822)	(4 712)
Management costs	(2 487)	(8 359)
Other employee expenses (other than maintenance costs)	(1 688)	(1 661)
Insurance	(704)	(459)
Bank fees and similar charges	(698)	(528)
Membership fees and mandatory payments	(661)	(462)
Marketing and representative expenses	(355)	(399)
Other expenses	(735)	(501)
Total administrative and other operating expenses	(143 133)	(128 785)

20 Taxation

As of 31 December 2025, the base income tax rate on taxable income was 25%, with the option to offset the tax base by utilizing unused tax losses from previous years (as of December 31, 2024, the income tax rate on taxable income was 50%, without the option to offset unused tax losses from prior years against the tax base).

The components of income tax expense for the year ended 31 December are as follows:

<i>(in UAH thousand)</i>	2025	2024
Current income tax expense	(114 187)	(152 087)
Deferred income tax (expense)/benefit	7 188	(322)
Total income tax expense	(106 999)	(152 409)

a) Reconciliation of effective tax rate

Reconciliation of accounting profit and income tax for the years ended 31 December is as follows:

<i>(in UAH thousand)</i>	31 December 2025	%	31 December 2024	%
Profit before tax	373 174	100%	237 933	100%
Income tax at the applicable tax rate	(93 294)	25%	(118 967)	50%
Non-deductible expenses	(18 855)	5.1%	(33 442)	14.1%
Change in the tax rate	5 150	(1.4%)		
Total income tax expense	(106 999)	28.7%	(152 409)	64.1%

b) Deferred income tax asset

The temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes give rise to a net deferred tax asset as of 31 December 2025 and 31 December 2024.

Movements in recognized deferred tax assets and liabilities during the year ended 31 December 2025 are as follows:

<i>(in UAH thousand)</i>	Balance at the beginning of the year	Recognized in profit/loss	Recognized in other comprehensive income	The balance at the end of the year
Accrued expenses	3 553	6 680	-	10 233
Provision for guarantees	3	14	-	17
Provisions for other financial assets/other assets	16	494	-	510
Revaluation of securities at FVOCI	(1 756)	-	(3 761)	(5 517)
Net deferred tax asset (liabilities)	1 816	7 188	(3 761)	5 243

Movements in recognized deferred tax assets and liabilities during the year ended 31 December 2024 are as follows:

<i>(in UAH thousand)</i>	Balance at the beginning of the year	Recognized in profit/loss	Recognized in other comprehensive income	The balance at the end of the year
Accrued expenses	3 811	(258)	-	3 553
Provision for guarantees	1	2	-	3
Provisions for other financial assets/other assets	82	(66)	-	16
Revaluation of securities at FVOCI	(618)	-	(1 138)	(1 756)
Net deferred tax asset (liabilities)	3 276	(322)	(1 138)	1 816

21 Dividends

In 2025 and 2024 there were no decisions on dividends distribution.

22 Risk management

Risk management is fundamental for the banking business and is an essential element of the Bank's operations. The Bank assesses the complex of the following risks: credit risk, market risk (inclusive of interest and currency risks), liquidity risk, operational risk, compliance risk and reputational risk.

The Bank's risk management system provides for continuous risk analysis to make timely and adequate managerial decisions to mitigate risks and reduce associated losses.

The risk management system is based on segregation of duties between the bank units (departments) using three lines security model.

Risks are managed in an integrated manner and are evaluated in terms of the risk management strategy of the Bank and the risk appetite related to each identified risk, which are reviewed and approved by the Supervisory Board on an annual basis.

The risk management policies aim to identify, analyse, evaluate, monitor, control, report and minimize all the risks faced by the Bank, and assess the capital adequacy of the Bank.

The system of risk limits set in the Bank is revised on a periodic basis, or, in the event of significant changes in the external or internal conditions of the Bank's operation.

(a) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty fails to meet its contractual obligations. The Bank developed a package of policies and procedures, which regulate credit transactions and credit risk management (for both balance sheet and off-balance exposures), the main ones include the Credit policy, the Policy of Credit Risk Management, Regulation on credit risk calculation in accordance with NBU Resolution No.351, and Regulation on recognizing the impaired financial assets in accordance with IFRS 9. The credit policies are reviewed and approved by the Supervisory Board.

For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual customer and counterparty default risk, country risk, and industry risk).

The Credit Policy and the Policy of Credit Risk Management establish:

- general credit limits, which are followed by the Bank to reduce credit risk;
- procedures for review and approval of loan applications;
- methodology for assessment of borrowers' solvency;
- requirements to loan documentation;
- procedures for continuous monitoring loan-related risks and other credit risks.

The Bank maintains a high quality of the loan portfolio, including IFRS 9 requirements to calculate allowances for expected credit losses. This model requires the Bank's management to apply judgments to evaluate the effect of changes in various economic factors on the amount of expected credit losses and their probability caused by this effect.

Analysis of movements in provisions for loans for the years ended 31 December 2025 and 31 December 2024 is as follows:

<i>(in UAH thousand)</i>	Loans to legal entities	Corresp ondent accounts	Invest- ments in securities	Credit liabilities	Other financial assets	Total
Balance as of 1 January 2024	105	355	19 220	3	17	19 700
Increase/(decrease) in allowance for impairment during the period	(34)	(79)	21 916	8	21	21 832
Balance as of 31 December 2024	71	276	41 136	11	38	41 532
Increase/(decrease) in the provision during the period	(38)	88	46 591	23	1	46 665
Balance as of 31 December 2025	33	364	87 727	34	39	88 197

(b) Market (currency) risk

The risk of financial losses and probability of decrease in cost of capital associated with changes in the exchange rates, unfavourable for (opposing) existing open currency positions, change in value of securities is an important type of risk, which arises in the course of banking activity.

Basic methods and models for currency risk management are defined in the Policy on currency risk management in JSC "Deutsche Bank DBU".

The amount of potential financial losses depends on the size of open currency positions and the size of changes in corresponding foreign exchange rates. The analysis of the impact of projected changes in exchange rates on the financial result of the Bank is made using VaR (Value at Risk) and Stress VaR model. The process of

currency risk management at the Bank involves daily monitoring of compliance with the maximum possible amount of open currency positions based on a tolerable dimension of capital at risk to established limits of open currency positions, analysis of volatility of exchange rates and the value of the currency risk under normal and stressed conditions.

The following table shows currency risk analysis:

<i>(in UAH thousand)</i>	31 December 2025			31 December 2024		
	monetary assets	monetary liabilities	net position	monetary assets	monetary liabilities	net position
USD	87 007	61 491	25 516	268 612	262 714	5 898
Euro	1 232 291	1 229 678	2 613	797 041	791 493	5 548
Total	1 319 298	1 291 169	28 129	1 065 653	1 054 207	11 446

As of 31 December 2025, a 10 percent weakening of the hryvnia against the specified currencies would lead to an increase in profit after tax and equity by the amount indicated below. This analysis is based on the year-end position and the assumption that all other variables, including interest rates, remain constant. Conversely, a 10 percent strengthening of the hryvnia in relation to the indicated currencies would lead to the same amount of loss, but the probability of this assumption is very low.

<i>(in UAH thousand)</i>	2025		2024	
	Profit before tax	Equity	Profit before tax	Equity
10% strengthening of the US dollar against the hryvnia	2 552	1 914	590	295
10% strengthening of the euro against the hryvnia	261	196	555	277

(c) Interest rate risk

Interest rate risk is the actual or potential risk to earnings or capital arising from adverse changes in interest rates. This risk affects both the Bank's profitability and economic value of its assets, liabilities and off-balance sheet instruments.

The main forms of interest rate risk are:

- risk of change in interest rate in case of assets and liabilities maturity mismatch;
- yield curve risk that arises from unfavourable changes in inclination and shape of the yield curve.

Basic principles of interest rate risk management are defined in the Policy for interest rate risk management in JSC "Deutsche Bank DBU".

Interest rate risk management includes management of both assets and liabilities of the Bank. A specific feature of this process is the limited administrative capacity. Asset management is limited by:

- the liquidity requirements and credit risk of portfolio of the Bank's assets;
- price competition from other banks, which limits freedom in the Bank's choice of loan pricing.
- the client's appetites for credit financing within a specific time frame.

On the other hand, the liabilities management is complicated by the level of concentration of resources between clients and individual products, by availability of hedging products in the interbank market and by price competition for existing funds from other banks and non-bank credit institutions.

Therefore, the main objective of interest rate risk management is to minimize this risk within the Bank's planned profitability considering its liquidity position.

The amount of potential financial losses depends on the amount of open interest positions (Gaps), i.e. the gaps between assets and liabilities by terms.

Interest rate risk management includes using Sensitivity to interest risk (Sensitivity/PV01) and Gaps (open interest gap) models, and NII and EVE methods.

Management process involves daily monitoring of Sensitivity/PV01 and VaR limits, monthly monitoring of open interest Gaps and quarterly monitoring using NII and EVE methods.

Derivatives (forwards and swaps in foreign currency) are carried at fair value through profit or loss. Also, during the reporting period, the Bank held a portfolio of government securities with less than 3 years maturity, carried at fair value through other comprehensive income.

The table below presents average effective interest rates for interest bearing assets and liabilities as of 31 December:

	Interest rates, as of 31 December 2025 %			Interest rates, as of 31 December 2024 %		
	UAH	US Dollars	Euro	UAH	US Dollars	Euro
Interest bearing assets						
Cash and cash equivalents with other banks	-	3.14%	1.50%	-	3.58%	1.41%
NBU deposit certificates	15.50%	-	-	13.50%	-	-
Investments in securities	15.36%	-	2.51%	17.67%	5.25%	2.59%
Loans and advances to customers	13.82%	-	3.90%	13.91%	-	-
Interest bearing liabilities						
Due to customers:						
Current accounts	6%	-	-	2.79%	-	-
Term deposits	11%	-	-	8.9%	-	-
Other financial liabilities (lease liabilities)	3.50%	-	-	3.77%	-	-

The Bank does not have any floating rate instruments. Therefore, a change in interest rates at the reporting date would not affect profit or loss and do not significantly affect equity for financial assets at FVOCI.

(d) Geographical risk

Geographical concentration of financial assets and liabilities as of 31 December 2024 is as follows:

<i>(in UAH thousand)</i>	Ukraine	OECD countries	Other countries	Total
Assets				
Cash and cash equivalents	8 372 629	1 022 275	-	9 394 904
Loans and advances to customers	77 974	-	-	77 974
Investments in securities	1 137 994	289 040	-	1 427 034
Other assets	-	155	-	155
Total financial assets	9 588 597	1 311 470	-	10 900 067
Liabilities				
Due to customers	9 678 231	66 428	-	9 744 659
Provision for credit related commitments	5	29	-	34
Other financial liabilities	15 428	24 291	-	39 719
Total financial liabilities	9 693 664	90 748	-	9 784 412
Net balance sheet position on financial instruments	(105 067)	1 220 722	-	1 115 655

Geographical concentration of financial assets and liabilities as of 31 December 2024 is as follows:

<i>(in UAH thousand)</i>	Ukraine	OECD countries	Other countries	Total
Assets				
Cash and cash equivalents	6 730 900	772 208	-	7 503 108
Loans and advances to customers	401 039	-	-	401 039
Investments in securities	504 564	293 020	-	797 584
Other assets	-	10	2	12
Total financial assets	7 636 503	1 065 238	2	8 701 743
Liabilities				
Due to customers	7 763 674	49 795	-	7 813 469
Provision for credit related commitments	1	10	-	11
Other financial liabilities	20 017	14 018	-	34 035
Total financial liabilities	7 783 692	63 823	-	7 847 515
Net balance sheet position on financial instruments	(147 189)	1 001 415	2	854 228

Other risk concentrations.

Concentration risk is a summarized rather than an isolated form of banking risk, which includes elements of banking risks such as: credit risk, market risk, liquidity risk, operational and technological risk, geographical risk, arising as a result of focusing on separate types of transactions or certain sources of funding.

The common characteristic that identifies each concentration risk is the possibility of incurring potential losses that could significantly impair the Bank's financial position and result in the inability carry on current operations as a result of the concentration of business with certain persons in certain types of instruments, assets, liabilities, regions and countries.

(e) Liquidity risk

Liquidity risk is an existing or potential risk, which arises from the failure of the Bank to meet its obligations in due time, without incurring financial losses.

Basic principles of liquidity risk management are defined in Policy on liquidity risk management of JSC "Deutsche Bank DBU".

The Bank pays special attention to operational risk management of liquidity risk, which is based on the generating a cash flow schedule, taking into account highly liquid assets, and adhering to the current liquidity coverage ratios (LCR and NSFR).

The Bank uses the following basic methods of liquidity management.

Calculation of cash flows within one month. The calculation includes liquid assets and current liabilities (current customer accounts are divided into stable and unstable part), 100% of cash flows on term loans and deposits, overdrafts are included in to be repaid on the 31st day.

Short-term liquidity coverage ratio – LCR.

Net stable funding ratio within one year – NSFR.

Stress testing. For all currencies, the Bank should be able to survive in a harsh combined market conditions and overcome a specific stressful liquidity-related condition for a minimum initial period of up to 8 weeks, while maintaining an appropriate net liquidity buffer.

Assets and liabilities and liquidity are managed by Asset and Liability Committee (ALCO), which analyses assets and liabilities by maturity and provides recommendations on how to avoid liquidity gaps. In addition, ALCO

analyses liability cost and return on assets, controls compliance with economic ratios and the NBU's regulations and provisioning requirements and prepares recommendations on proper asset and liability management. ALCO is responsible for cash flow optimization and payment discipline, coordinates corporate forecast system, etc.

Liquidity risk is a major financial risk, and Bank's stable financial position depends on the efficiency of liquidity risk management. To manage liquidity risk, the Bank analyses asset and liability structure, liquidity status, both for all currencies collectively and for individual currencies of Bank's transactions.

The Bank sets up certain sufficient liquidity limits for the following terms: overnight, week and month. In addition, the Bank controls its compliance with the mandatory provisioning ratios for borrowings on correspondent accounts, economic ratios established by the National Bank of Ukraine, as well as internal regulation requirements.

Important instrument for effective liquidity management is using the methods for analysis of maturity balances between investments and borrowed funds and cash flow projections.

Monitoring of adherence to limits is performed daily based on limit adherence reports. The undiscounted cash flows from financial liabilities, including future interest payments, by maturity as of 31 December 2025 are as follows:

<i>(in UAH thousand)</i>	On demand and less than 1 month	From 1 month to 1 year	More than 1 year	Total	Carrying amount
Due to customers:					
Corporates	9 701 353	56 115	-	9 757 468	9 744 659
Provision for credit related commitments	34	-	-	34	34
Lease liabilities	763	6 481	898	8 142	8 142
Accounts payable for management and IT services	24 291	-	-	24 291	24 291
Accrued expenses for other services	1 608	5 384	-	6 992	6 992
Guarantees (off-balance sheet)	319 249	-	-	319 249	-
Total potential future payments under financial liabilities	10 047 298	67 980	898	10 116 176	9 784 118

The undiscounted cash flows from financial liabilities, including future interest payments, by maturity as of 31 December 2024 are as follows:

<i>(in UAH thousand)</i>	On demand and less than 1 month	From 1 month to 1 year	More than 1 year	Total	Carrying amount
Due to customers:					
Corporates	7 675 697	150 198	-	7 825 895	7 813 469
Provision for credit related commitments	11	-	-	11	11
Lease liabilities	762	8 351	6 780	15 893	15 338
Accounts payable for management and IT services	6 950	7 068	-	14 018	14 018
Accrued expenses for other services	2 096	2 583	-	4 679	4 679
Guarantees (off-balance sheet)	60 686	-	-	60 686	-
Total potential future payments under financial liabilities	7 746 202	168 200	6 780	7 921 182	7 847 515

(f) Operational risk

In 2025, there was no excess of risk appetite levels for damages of the number of operational risk-related incidents that affected customers, reputation, and the regulator.

The level of acceptable operational risk in 2025 is determined taking into account the current operating environment conditions as a result of the impact of Russia's aggression against Ukraine and actual operating costs for 2024. For example, costs of maintaining the office in the event of power outages, refueling and maintenance of the diesel generator, support for employees and other operating costs that may occur as a result of hostilities.

23 Capital management

Capital management main objective is to maintain the Bank's capital at a level sufficient for effective day-to-day operation and to ensure strategic development of the banking business while complying with NBU capital adequacy requirements. Capital management is an integral part of Bank's assets and liabilities management.

The Bank ensures that its capital adequacy is maintained on a sufficient level through planning and control mechanisms. The Bank monitors capital adequacy ratio on a daily basis.

Regulatory capital of the Bank is presented as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Regulatory capital	722 284	641 516
Core capital Tier 1	722 284	641 516
Capital Tier 2	-	-
Capital adequacy ratio for regulatory capital	60.72%	71.97%
Capital adequacy ratio for Tier 1 capital	60.72%	71.97%
Capital adequacy ratio for core capital Tier 1	60.72%	71.97%

24 Contingencies

a) Litigations

As of 31 December 2025, the Bank has no litigations in progress.

The Bank recognized no provisions for potential losses from litigations.

b) Taxation contingencies

The Ukrainian tax system is characterized by frequent changes in tax legislation. Official pronouncements and court decisions are often unclear, contradictory and subject to varying interpretation by different tax authorities. Instances of inconsistent opinions between different authorities are not unusual. These facts create tax risks in Ukraine substantially more significant than typically found in countries with more developed tax systems.

Management believes that it has complied with all existing tax legislation and has provided adequately for tax liabilities based on its interpretations of applicable Ukrainian tax legislation, official pronouncements and court decisions. However, there can be no assurance that the tax authorities will not have a different interpretation of the Bank's compliance with existing legislation and assess fines and penalties. No provision for potential tax assessments has been recognized in these financial statements.

c) Credit-related commitments

As of the reporting date the Bank did not have pledged assets or assets restricted for ownership, use or distribution.

Credit-related commitments are as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
Revocable:		
Undrawn credit lines	3 337 294	2 097 358
Total revocable liabilities	3 337 294	2 097 358
Irrevocable:		
Guarantees issued	319 249	60 686
Total irrevocable liabilities	319 249	60 686
Total	3 656 543	2 158 044

The Bank determines an allowance for expected credit losses on irrevocable commitments. The allowance for irrevocable commitments is measured using Stage 1 and is given in Note 12.

Off-balance sheet credit related commitments by currency are as follows:

<i>(in UAH thousand)</i>	31 December 2025	31 December 2024
UAH	2 659 390	365 932
USD	1 803	842 568
EUR	995 350	949 544
Total	3 656 543	2 158 044

25 Fair value of financial instruments

a) Classifications and fair values

Carrying amounts and fair values of financial assets and financial liabilities by measurement category as of 31 December 2025 are as follows:

<i>(in UAH thousand)</i>	At amortized cost	At fair value through other comprehensive income	Carrying amount	Fair value
Cash and cash equivalents	9 394 904	-	9 394 904	9 394 904
Loans and advances to customers	77 974	-	77 974	77 974
Investments in securities		1 427 034	1 427 034	1 427 034
Other financial assets	155	-	155	155
Total financial assets	9 473 033	1 427 034	10 900 067	10 900 067
Due to customers	9 744 659	-	9 744 659	9 744 659
Provision for credit related commitments	34	-	34	34
Other financial liabilities	39 719	-	39 719	39 719
Total financial liabilities	9 784 412	-	9 784 412	9 784 412

Carrying amounts and fair values of financial assets and financial liabilities by measurement category as of 31 December 2024 are as follows:

<i>(in UAH thousand)</i>	At amortized cost	At fair value through other comprehensive income	Carrying amount	Fair value
Cash and cash equivalents	7 503 108	-	7 503 108	7 503 108
Loans and advances to customers	401 039	-	401 039	401 039
Investments in securities	-	797 584	797 584	797 584
Other financial assets	12	-	12	12
Total financial assets	7 904 159	797 584	8 701 743	8 701 743
Due to customers	7 813 469	-	7 813 469	7 813 469
Provision for credit related commitments	11	-	11	11
Other financial liabilities	34 035	-	34 035	34 035
Total financial liabilities	7 847 515	-	7 847 515	7 847 515

As of 31 December 2025 and 31 December 2024, the fair values of all financial assets and liabilities not at FV are estimated to approximate their carrying values due to their short-term nature and/or market interest rates at period end.

The estimates of fair value are intended to approximate the price that would have been received to sell an asset or would have been paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realizable in an immediate sale of the assets or transfer of liabilities.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

b) Hierarchy of fair value sources

IFRS 7 specifies a hierarchy of valuation techniques. It is based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions.

These two types of inputs have created the following three-level fair value hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments and traded derivatives, such as futures.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available.

Financial assets and liabilities at fair value by the level of hierarchy underlying the fair value measurement as of 31 December 2025 are as follows:

<i>(in UAH thousand)</i>	Level 1	Level 2	Fair value	Carrying amount
Investments in securities	289 040	1 137 994	1 427 034	1 427 034
Total assets	289 040	1 137 994	1 427 034	1 427 034

Financial assets and liabilities at fair value by the level of hierarchy underlying the fair value measurement as of 31 December 2024 are as follows:

<i>(in UAH thousand)</i>	Level 1	Level 2	Fair value	Carrying amount
Investments in securities	293 020	504 564	797 584	797 584
Total assets	293 020	504 564	797 584	797 584

The fair values of financial assets and liabilities carried at amortized cost were determined using Level 2 inputs of the fair value hierarchy.

26 Related party transactions

The Bank grants loans and advances, attracts deposits and performs other transactions with related parties in the ordinary course of business. Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party when making financial and operational decisions.

The Bank assesses credit risks associated with loans to related parties and manages these credit risks in accordance with the ratios of the NBU.

Terms of transactions with related parties are established at the time of the transaction. In accordance with IAS 24 *Related Party Disclosures*, related parties comprise:

- the parent company - the ultimate controlling party of the Bank is Deutsche Bank AG (Germany) which holds 100% of the shares;
- entities under common control of Deutsche Bank AG;
- key management personnel and their close family members.

As of 31 December 2025 and 31 December 2024, the Bank has no subsidiaries, associates, or joint ventures where the Bank has control relationship or significant influence.

Balances and transactions with related parties as of 31 December 2025 are as follows:

<i>(in UAH thousand)</i>	Parent company	Entities under common control	Key management personnel
Cash and cash equivalents (USD, EUR; rate 1.7%-3.6%)	1 022 275	-	-
Other financial assets	176	-	-
Receivables impairment allowance	(21)	-	-
Other financial and non-financial liabilities	19 229	5 221	6 683
Provisions for off-balance sheet commitments	29	-	-

Other rights and commitments on transactions with related parties as of 31 December 2025 are as follows:

<i>(in UAH thousand)</i>	Parent company	Entities under common control
Guarantees issued	306 443	-
Guarantees received	8 974	-

Income and expenses on transactions with related parties for the year ended 31 December 2025 are as follows:

<i>(in UAH thousand)</i>	Parent company	Entities under common control	Key management personnel
Interest income	21 052	-	-
Interest expense	(5)	-	-
Gains less losses from dealing in foreign currencies	(1 543)	-	-
Commission income	500	-	-
Commission expense	(20 323)	-	-
Staff costs, administrative and other operating expenses	(68 436)	(6 959)	(36 328)

Balances and transactions with related parties as of 31 December 2024 are as follows:

<i>(in UAH thousand)</i>	Parent company	Entities under common control	Key management personnel
Cash and cash equivalents (USD, EUR; rate 2.2%-4.5%)	772 208	-	-
Other financial assets	11	-	-
Other financial and non-financial liabilities	11 639	2 428	4 767
Provisions for off-balance sheet commitments	10	-	-

Other rights and commitments on transactions with related parties as of 31 December 2024 are as follows:

<i>(in UAH thousand)</i>	Parent company	Entities under common control
Guarantees issued	55 861	-
Guarantees received	330 767	-

Income and expenses on transactions with related parties for the year ended 31 December 2024 are as follows:

<i>(in UAH thousand)</i>	Parent company	Entities under common control	Key management personnel
Interest income	35 421	-	-
Interest expense	(178)	-	-
Gains less losses from dealing in foreign currencies	1 346	-	-
Commission income	425	-	-
Commission expense	(10 590)	-	-
Staff costs, administrative and other operating expenses	(67 510)	(2 718)	(35 514)

Payments to key management personnel for the reporting periods are as follows:

<i>(in UAH thousand)</i>	As of and for the year ended 31 December 2025		As of and for the year ended 31 December 2024	
	expenses	accrued liability	expenses	accrued liability
Short-term employee benefits	36 328	3 004	35 514	2 890
Long-term employee benefits	464	706	-	463
Share-based payments	2 685	2 974	-	1 414

27 Subsequent events

As of the date of approval of these financial statements, active hostilities are ongoing, as described in Note 2.

The Board of the National Bank of Ukraine decided to reduce the discount rate from 15.5% to 15% from 30 January 2026.

The National Bank of Ukraine by the Resolution of the Management Board dated 4 March 2026 No. 23 "On Amendments to Certain Regulatory Acts of the National Bank of Ukraine", which comes into force on 31 December 2026, has resumed the requirements for the formation of conservation buffers and systemic importance.

The size of the capital preservation buffer for the Bank will be 2.5%.

Simultaneously with the introduction of buffers, from 1 January 2027, the minimum capital adequacy ratios are as follows:

8% - Capital adequacy ratio for regulatory capital;

6% - Capital adequacy ratio for Tier 1 capital;

4.5% - Capital adequacy ratio for core capital Tier 1.