



RwSbank
Respect with Stability

JOINT STOCK COMPANY "RWS BANK"

INTERIM CONDENSED FINANCIAL STATEMENTS
IN ACCORDANCE WITH IFRS
for the 3 months ended March 31, 2025

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JOINT STOCK COMPANY "RWS BANK"

Interim condensed financial statements for the 3 months ended March 31, 2025

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AS OF MARCH 31, 2025

<i>thousand UAH</i>	Notes	March 31, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents	4	1,855,133	3,248,828
Loans and customer debt	5	250 264	359 143
Investments in securities	6	843 172	611,427
Investment property	7	75,789	132,780
Current income tax receivable		4,038	4,038
Fixed assets, right-of-use assets and intangible assets	8	73,609	57,962
Other assets	9	72,307	93,268
Total assets		3,174,312	4,507,446
OBLIGATION			
Client funds	10	2,942,050	4 105 204
Deferred tax liabilities		352	352
Provisions for liabilities	11	1,425	1,973
Other obligations	12	74,195	98,675
Total liabilities		3,018,022	4 206 204
EQUITY			
Authorized capital	13	300,039	300,039
Other additional capital		48,000	48,000
Reserve and other bank funds		14,094	14,094
Revaluation reserves		(1,739)	2,355
Retained earnings (uncovered loss)		(204,104)	(63,246)
Total equity		156,290	301,242
Total liabilities and equity		3,174,312	4,507,446

Approved for release and signed on April 29, 2025

Acting Chairman of the Board
Chief Accountant

Mykhailo MELNYK
Olena BURDINA

**INTERIM CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME (STATEMENT OF FINANCIAL RESULTS) FOR THE 3
MONTHS ENDED MARCH 31, 2025**

<i>thousand UAH</i>		For the current interim period (three months)	March 31, 2025 cumulative total since the beginning of the year	For the comparativ e interim period (three months) of the previous year	March 31, 2024 cumulativ e total since the beginning of the year
	Notes				
Interest income	16	86,500	86,500	103,167	103,167
Interest expenses		(49,069)	(49,069)	(30,264)	(30,264)
Net interest income/(Net interest expense)		37,431	37,431	72,903	72,903
Commission income	17	46,195	46,195	56,513	56,513
Commission costs	17	(10,813)	(10,813)	(17,941)	(17,941)
Net profit/(loss) from transactions with debt financial instruments carried at fair value through other comprehensive income		1,042	1,042	1,449	1,449
Net profit/(loss) from foreign currency transactions		22,810	22,810	32,615	32,615
Net profit/(loss) from foreign currency revaluation		(374)	(374)	(217)	(217)
Net gain/(loss) from impairment of financial assets		(12,622)	(12,622)	(18,321)	(18,321)
Net gain/(loss) from impairment of other assets		(9,383)	(9,383)	(338)	(338)
Net loss/(gain) from increase/(decrease) in provisions for liabilities	11	547	547	(105)	(105)
Other operating income	18	21,316	21,316	3,503	3,503
Employee benefits expenses		(58,765)	(58,765)	(38,541)	(38,541)
Depreciation and amortization expenses		(5,279)	(5,279)	(3,421)	(3,421)
Other administrative and operating expenses	19	(172,963)	(172,963)	(86,935)	(86,935)
Profit/(loss) before tax		(140,858)	(140,858)	1,164	1,164
Profit/(loss)		(140,858)	(140,858)	1,164	1,164
OTHER TOTAL INCOME:					
ITEMS TO BE RECLASSIFIED TO PROFIT OR LOSS					
Changes in the results of revaluation of debt financial instruments		(1,739)	(1,739)	2,917	2,917
Total cumulative income		(142,597)	(142,597)	4,081	4,081

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Acting Chairman of the Board

Mykhailo MELNYK

Chief Accountant

Olena BURDINA

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (STATEMENT OF
EQUITY) FOR THE 3 MONTHS ENDED MARCH 31, 2025**

JOINT STOCK COMPANY "RWS BANK"

Interim condensed financial statements for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Authorized capital	Other additional capital	Reserve and other funds	Revaluatio n reserves	Retained earnings	Total
Balance as of January 1, 2024	300,039	48,000	13,793	1,431	(63,384)	299,879
Total cumulative revenue for 2024	-	-	301	924	138	1,363
<i>profit/(loss)</i>	-	-	-	-	439	439
<i>other comprehensive income</i>	-	-	-	924	-	924
<i>Distribution of profits to reserve and other funds</i>	-	-	301	-	(301)	-
Balance as of December 31, 2024	300,039	48,000	14,094	2,355	(63,246)	301,242
Total cumulative income	-	-	-	(4,094)	(140,858)	(144,952)
<i>profit/(loss)</i>	-	-	-	-	(140,858)	(140,858)
<i>other comprehensive income</i>	-	-	-	(4,094)	-	(4,094)
Balance as of March 31, 2025	300,039	48,000	14,094	(1,739)	(204,104)	156,290

Approved for release and signed on April 29, 2025

Acting Chairman of the Board

Mykhailo MELNYK

Chief Accountant

Olena BURDINA

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE 3 MONTHS ENDED
MARCH 31, 2025

<i>thousand UAH</i>	Notes	March 31, 2025	March 31, 2024
OPERATIONAL ACTIVITIES			
Interest income received		91,624	90,318
Interest expenses paid		(52,227)	(31,266)
Commission income received		54,927	57,695
Commissions paid		(12,223)	(17,835)
Result of foreign currency transactions		22,810	32,615
Other operating income received		22,358	4,952
Personnel maintenance payments paid		(61,090)	(37,929)
Income tax paid		-	(5,700)
Administrative and other operating expenses paid		(172,963)	(90,356)
Cash received/(paid) from operating activities before changes in operating assets and liabilities		(106,784)	2,494
Changes in operating assets and liabilities			
Net (increase)/decrease in loans and advances to customers		97,025	(83,860)
Net (increase)/decrease in other assets		6,456	30,829
Net increase/(decrease) in customer funds		(1,159,995)	(1,367,211)
Net increase/(decrease) in other liabilities		(20,745)	9,747
Net cash flows from operating activities		(1,184,043)	(1,408,001)
INVESTMENT ACTIVITIES			
Purchase of securities		(569,717)	(526,357)
Proceeds from the sale of investments in securities		328,405	466,350
Proceeds from the sale of investment property		53,313	-
Acquisition of fixed assets		(1,346)	(6,069)
Acquisition of intangible assets		(19,593)	(1,108)
Net cash flows from investing activities		(208,938)	(67,184)
Net exchange rate difference		(374)	(217)
Net increase/(decrease) in cash and cash equivalents		(1,393,355)	(1,475,402)
Cash at the beginning of the period		3,251,165	2,111,169
Cash at the end of the period	4	1,857,810	635,767

Approved for release and signed on April 29, 2025

Acting Chairman of the Board

Mykhailo MELNYK

Chief Accountant

Olena BURDINA

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. INFORMATION ABOUT THE BANK

Name of the bank: JOINT STOCK COMPANY "RWS BANK".

Abbreviated name of the Bank: JSC "RWS BANK".

Bank location: JOINT STOCK COMPANY "RWS BANK" is located at: Ukraine, 04071, Kyiv, Vvedenska Street, building 29/58.

Country in which the bank is registered: The bank is registered in Ukraine.

JOINT-STOCK COMPANY "RWS BANK" is the legal successor of PUBLIC JOINT-STOCK COMPANY "RWS BANK", which in turn is the legal successor of the property, rights and obligations of PUBLIC JOINT-STOCK COMPANY "TRANSITION BANK "RWS BANK" (banking license No. 277 dated June 25, 2015), which is the legal successor in terms of assets (including rights under security agreements) and obligations under the claims of creditors (depositors) under the transferred obligations of PUBLIC JOINT-STOCK COMPANY "OMEGA" BANK" (name of the insolvent bank), identification code 19356840, registered by the National Bank of Ukraine on October 31, 1991 under number 69.

PJSC "RWS BANK" was established in accordance with the decision of the Executive Directorate of the Deposit Guarantee Fund of Individuals dated June 18, 2015 (minutes No. 132/15) on the creation of a transitional bank in order to implement the method of withdrawing an insolvent bank from the market of PUBLIC JOINT-STOCK COMPANY "OMEGA BANK" (hereinafter referred to as "PJSC "OMEGA BANK"), provided for by paragraph two of part sixteen of Article 42 of the Law of Ukraine "On the Deposit Guarantee System of Individuals".

The founder of the Bank was the Deposit Guarantee Fund for Individuals, which owned 100% of the Bank's shares at the time of the Bank's establishment.

The bank was registered by the State Registrar of the Registration Service of the Main Department of Justice in Kyiv on June 22, 2015, and entered into the State Register of Banks on June 25, 2015 under No. 354.

As of March 31, 2025, the shareholders of the Bank are:

- Oleksandr Volodymyrovych Stetsyuk, who is the owner of a significant stake in the capital of the Bank, owning 99% (ninety-nine percent) of the voting shares of the Bank and
- Kateryna Ruslanivna Demchak, who owns 1% (one percent) of the Bank's voting shares.

Members of the Bank's Management Board and members of the Supervisory Board do not own shares in the Bank's authorized capital.

The bank was registered by the State Registrar of the Registration Service of the Main Department of Justice in Kyiv on June 22, 2015, and entered into the State Register of Banks on June 25, 2015 under No. 354.

Information regarding banking licenses:

- Banking license dated November 24, 2016 No. 277, issued by the National Bank of Ukraine.

The Bank carries out banking activities on the basis of a banking license. According to the banking license, the Bank has the right to provide banking services specified in Part Three of Article 47 of the Law of Ukraine "On Banks and Banking Activities".

The Bank is a member of the Deposit Guarantee Fund for Individuals and was registered in the Register of Banks-Members of the Fund on July 15, 2015 under No. 239. The Bank received a certificate of participation in the Fund on July 15, 2015 under No. 230.

The Bank is a member bank of the National Association of Banks of Ukraine.

The Bank is a member of the Association "Ukrainian National Group of SWIFT Members and Users "UkrSWIFT".

The Bank is a member of the Public Union "UNION OF UKRAINIAN ENTREPRENEURS".

The Bank is a member of the Association of Ukrainian Banks.

2. ECONOMIC ENVIRONMENT IN WHICH THE BANK CARRIES OUT ITS ACTIVITIES

In the first quarter of 2025, a full-scale war and related security threats continue to pose a key systemic risk to the economy and financial sector. According to the assessment of the Department of Monetary Policy and Economic Analysis of the NBU, the following trends were observed in the economic environment:

- Economic growth in the countries – Ukraine's OTP remains unstable, inflationary pressures are high. World energy prices are quite volatile, and prices for key Ukrainian exports have been rising under the pressure of temporary supply constraints. Both leading central banks and central banks of EM countries are leaning towards a cautious approach to further easing of monetary policy.

- In January 2025, both headline inflation (to 12.9% y/y from 12.0% y/y in December) and core inflation (to 11.7% y/y from 11.3% y/y in December) accelerated. Such trends reflected the impact of both temporary factors, in particular, limited food supply due to low harvests last year, and fundamental factors due to further increases in production costs, in particular labor costs. According to the NBU, inflation continued to rise in February.

- In February, power outages for businesses resumed (due to cold weather and new infrastructure damage), which was expected to affect economic activity. The shortage of agricultural raw materials held back the food industry and exports. At the same time, the recovery in metallurgy, certain areas of the mining industry, and mechanical engineering continued. Consumer demand remained stable.

- The labor market continued to recover. The number of resumes and vacancies increased year-on-year. However, the shortage of personnel persisted, which stimulated further wage increases. The number of migrants and their adaptation abroad increased.

- State budget expenditures in January-February were significantly higher than last year, while tax revenues improved. Budget needs were financed primarily from previously accumulated funds.

- In January, the trade deficit in goods decreased to the average values of 2024. At the same time, interventions remained quite high, including due to significant demand for cash currency. Thanks to the receipt of the first tranche from the EU under the ERA mechanism, reserves decreased slightly - to \$ 43 billion as of the end of January.

- Net demand for foreign currency decreased in February. This was facilitated by a relatively stable export situation, improved exchange rate expectations of the population, and the NBU's measures to tighten interest rate policy and maintain stability in the foreign exchange market.

- In early March, the NBU raised the discount rate to 15.5%. The decision will help maintain the stability of the foreign exchange market and control inflation expectations.

Economic growth

Real GDP growth in Q3 2024 slowed significantly and amounted to 2.0% y/y, which was significantly lower than the NBU estimates in the Inflation Report for October 2024. According to the NBU estimates, in Q4 economic activity continued to recover at a moderate pace - real GDP growth was estimated at 2.1% y/y.

A significant factor in the weak economic activity in the second half of 2024 was the electricity deficit caused by the destruction of energy infrastructure, in particular, maneuver generation due to new Russian shelling. Significant electricity deficits were observed in July, November and December. The security situation also deteriorated noticeably, especially at the end of the year. Thus, the number of air strikes and shelling increased significantly, primarily in a number of front-line regions, and some production facilities were lost.

As a result, business expectations and production activity weakened in a number of sectors, in particular in the energy sector, mining and metallurgy. The extreme heat in July led to an increase in the demand for energy resources, which also complicated the economic situation in the third quarter. However, a fairly warm winter, rapid repair work and increased electricity imports, despite new damage, improved electricity security in the fourth quarter. The electricity deficit, according to the NBU estimates, turned out to be somewhat smaller than the NBU's previous expectations.

The heat and dry conditions in the summer and autumn also negatively affected the yield of late crops and livestock indicators. Thus, the yields of grain and leguminous crops, as well as oilseeds, turned out to be lower than the 2023 indicators, and oilseeds - lower than the previous estimates of the NBU. The electricity deficit, the increase in costs for autonomous energy supply and the increase in the price of feed due to lower yields also negatively affected livestock. As a result, agricultural indicators weakened, and the supply of food products was lower than expected. Weak industrial and agricultural indicators were the reason for the slowdown in export growth and the deterioration of transport indicators. At the same time, the stable operation of the maritime corridor supported the transport industry and exports. In turn, the lower harvest and the simultaneous growth in agricultural exports against the background of high world prices caused a shortage of raw materials for a number of areas of the food industry.

GDP growth will be supported by investments in energy capacity reconstruction, a loose fiscal policy, a revival of domestic demand on the back of rising wages, and increased food production due to increased harvests. However, limited production capacity, weak business expectations, further migration processes, and a slow normalization of economic conditions will constrain the recovery over the forecast horizon. The expected GDP growth rate has been lowered compared to the NBU's October forecast due to the loss or shutdown of production capacity in late 2024, including in Pokrovsk, slow growth in external demand, and a stronger hryvnia REER. At the same time, an improvement in assumptions regarding the electricity deficit is a positive factor.

Fiscal sector

In the context of the war, the public sector continued to support economic activity. Expenditures in the fourth quarter of 2024 reached a historical maximum. This led to a large-scale increase in the consolidated budget deficit (over UAH 824 billion) and an expansion of the negative cyclically adjusted primary balance in the fourth quarter of 2024. Overall, in 2024, the consolidated budget deficit in nominal terms exceeded last year's level and reached UAH 1,826 billion excluding grants in revenues (23.7% of GDP, last year - 26.6% of GDP). A soft fiscal policy significantly fueled aggregate demand. The increase in expenditures was supported by measures to mobilize budget revenues and active attraction of resources from the domestic debt market. This made it possible to increase expenditures primarily for military needs, which remain a key area. Social programs were also prioritized, and humanitarian and investment spending increased at the end of the year. Thanks to such significant spending at the end of the year, a significant fiscal impulse was formed, the effects of which will strengthen economic activity in early 2025.

Increased budget spending on social programs and other forms of population support were one of the factors behind sustained consumer demand in the second half of 2024. Another important factor in the growth of household consumption was the high growth rate of real wages (by 14.2% y/y in the third quarter of 2024). Stable domestic demand made a decisive contribution to economic growth in 2024, including contributing to the stable growth rate of retail trade and the further recovery of the services sector. Additional factors were the better adaptation of trade and service enterprises to power outages due to greater provision of autonomous power supply, the further growth of the online segment, and the postponement of the Christmas holidays to the end of the year. Investments, including state ones, also continued to grow, which also supported GDP growth. Investment demand was fueled by government capital expenditures on military and related projects (weapons production, construction of fortifications and shelters) and on the elimination of the consequences of destruction, as well as other repair work. An additional factor in the growth of investments was the compensation of the population for the value of damaged property at the expense of government programs. At the same time, due to the improvement of financial results, investments by private sector enterprises in the development of logistics capacities and their own energy independence continued to increase. Investments in the extraction of energy resources (in particular, in gas and oil production) also continued to grow. The role of the public sector in shaping economic development trends will remain significant. This is primarily due to the need for expenditures to strengthen the defense potential, implement reconstruction and humanitarian projects, as well as develop infrastructure. However, the budget deficit will gradually decrease (from 19.3% of GDP in 2025 to 7% of GDP in 2027) due to strengthening the domestic resource base and reducing the ratio of government spending to the size of the economy.

The gradual reduction of fiscal stimulus will be offset by the growing role of the private sector. This will occur through investments in the restoration of production and logistics capacities and more active attraction of private capital against the backdrop of accelerating European integration processes. The gradual normalization of economic processes, improvement in business and consumer sentiment will contribute to the restoration of investment demand and private consumption.

Monetary policy

The relative stability of the main factors of demand and supply of foreign currency contributed to the formation of a sideways trend in the dynamics of the hryvnia exchange rate and relatively moderate currency interventions in August - the first half of November. However, in conditions of an increase in the structural deficit of the private sector's currency, including due to significant budget expenditures at the end of the year, the NBU increased its presence in the foreign exchange market. Further restoration of a certain "normality" of the functioning of the foreign exchange market, primarily the seasonality of demand and supply and the corresponding reaction of the exchange rate to their change, indicate a strengthening of its role as a shock absorber and the adaptation of market participants to the regime of managed exchange rate flexibility. Thus, due to an increase in net demand for currency, the average official exchange rate of the hryvnia to the US dollar weakened slightly during the fourth quarter (by 0.7%). In contrast, the exchange rate of the hryvnia to the

euro strengthened (by 2.0%). Given the growing role of the euro in foreign economic settlements (in payments for imports, the euro has almost reached parity with the dollar), this has restrained imported inflation. The processes of reorientation of trade flows to the European Union countries have influenced the growth of the share of the euro in deposit and credit operations of banks. Demand for the euro from households is also growing. Accordingly, the strengthening of the hryvnia against the euro had a calming effect on both the non-cash and cash markets, where the share of transactions in the euro also increased.

In general, in the fourth quarter, the supply on the foreign exchange market increased. Its main source continued to be agricultural exports, which was due to a seasonal factor, namely the sale of the new harvest. A significant supply of foreign currency was also provided by its conversion for the payment of quarterly tax payments, which is confirmed by record tax revenues in December. However, in the context of weak global demand, worsening business expectations against the background of an increase in the number of shelling and a difficult situation in the energy sector, revenues from exports of MMC products decreased. At the same time, demand for foreign currency increased more significantly in the fourth quarter. Among the key factors determining its dynamics were record-high budget expenditures. Their growth was largely financed by the receipt of international financial assistance. In addition, purchases by importers of certain consumer goods increased and the volume of business transactions permitted within the framework of the liberalization of currency restrictions increased. However, despite the difficult situation in the energy sector, due to high prices on the European market and lower marginal prices on the domestic market, electricity purchases decreased. Along with seasonal factors (in particular, the purchase of foreign currency by small agricultural producers and the payment of annual bonuses), the increase in demand for cash foreign currency was also influenced by the decrease in the real yield of hryvnia instruments due to worsening expectations and changes in taxation.

In such conditions, responding primarily to the increase in the structural foreign exchange deficit on the part of the private sector at the end of the year, the NBU increased its net sale of foreign currency to USD 11.4 billion in the fourth quarter (compared to USD 9.2 billion in the third quarter). This made it possible to calm the expectations of market participants, primarily households, and contributed to the stabilization of demand in the cash segment. As a result, the difference between the cash and official exchange rates in the fourth quarter was insignificant - about 1%.

The acceleration in inflation observed in the second half of 2024 exceeded the NBU's previous forecast. Containing fundamental inflationary pressures requires tightening monetary conditions, namely raising interest rates along with measures to ensure the stability of the foreign exchange market. Given the high expected inflation rate in the coming months and the negative impact of such dynamics on inflation expectations, the updated macroeconomic forecast of the NBU foresees a further tightening of interest rate policy in the first half of 2025 to contain inflationary pressures. An increase in the real rate will contribute to improving expectations, as well as the redistribution of household financial flows from consumption and purchase of foreign exchange in favor of savings in the national currency, which will reduce pressure on the hryvnia exchange rate and international reserves. The NBU will also maintain active participation in the foreign exchange market, compensating for the structural foreign exchange deficit in the private sector and smoothing out excessive exchange rate fluctuations.

A consistent interest rate policy, together with active communications, ensuring the stability of the foreign exchange market under the regime of managed exchange rate flexibility, and other NBU measures will contribute to the return of inflation to the 5% target over the policy horizon. In the event of a projected weakening of price pressure in the second half of 2025, the NBU will be able to return to a gradual easing of interest rate policy. The devaluation of the nominal hryvnia exchange rate in the third quarter of 2024 against the currencies of trading partner countries supported Ukraine's foreign trade balance and inflows to the foreign exchange market. However, starting in October, a significant strengthening of the US dollar on global financial markets led to a deep weakening of the currencies of Ukraine's OTP countries, primarily the euro.

This restrained further devaluation of the hryvnia's NEER. The faster acceleration of inflation in Ukraine at the end of the year compared to its trading partners led to a significant revaluation of the hryvnia's REER in the fourth quarter. As a result, the REER remained strong relative to its equilibrium level, which strengthened real monetary conditions. It is expected that in 2025–2027, a gradual improvement in the terms of trade and a prudent monetary policy, against the background of still higher inflation in Ukraine compared to the OTC countries, will keep the hryvnia's REER relatively strong. As a result, real monetary conditions will remain tight, which will contribute to the formation of a sustainable disinflationary trend over the forecast horizon.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

JOINT STOCK COMPANY "RWS BANK"

Interim condensed financial statements for the 3 months ended March 31, 2025

These financial statements have been prepared by the Bank in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS") adopted by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee.

The financial statements have been prepared on the historical cost basis, excluding financial instruments at fair value and investment property.

The financial statements are presented in hryvnias and all amounts are rounded to the nearest thousand unless otherwise stated.

Business continuity

The Bank's management believes that the Bank is able to continue its activities in the future and ensure sustainable development of the institution. The management believes that the Bank is able to ensure operational profitability and increase the efficiency of activities in priority areas in the near future while complying with the requirements of the regulatory legal acts of the National Bank of Ukraine and other requirements of the legislation of Ukraine regulating the activities of banking institutions.

The Bank's priority areas of activity are the following:

- ensuring profitability and regulating liquidity by conducting transactions with securities (NBU certificates of deposit, other NBU financial instruments);
- a moderate increase in lending volumes, including through participation in government programs;
- continuation of claims work to repay the balances of problem debt by exercising the rights of the mortgagee in accordance with the terms of the contracts and current legislation;
- obtaining cash flows from the effective use of investment property;
- expanding the range and improving the quality of services for legal entities and individuals.

The Bank's management believes that the resources necessary to ensure the implementation of effective internal control and risk management systems in the Bank in accordance with the requirements of the National Bank of Ukraine are sufficient. The Bank is currently working on updating its internal regulatory framework and ensuring sufficient human resources to meet these requirements.

3.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all periods presented, unless otherwise stated.

a) Foreign currency

Balances on analytical accounts that are recorded on the Bank's balance sheet in a currency other than the functional currency as of the reporting date are translated into the functional currency at exchange rates, with:

- assets and liabilities in the statement of financial position are translated at the exchange rate at the end of the relevant reporting period;
- Capital components, if any, are translated at the historical exchange rate.

Income and expenses are not translated, as accounting for such accounts is maintained on the Bank's balance sheet exclusively in the functional currency.

The financial statements are presented in thousands of hryvnias ("thousands of UAH"), unless otherwise stated.

The main exchange rates used for converting amounts in foreign currency were as follows:

UAH	March 31, 2025	December 31, 2024
1 US dollar	41.4787	42.0390
1 euro	44.7472	43.9266

b) Initial recognition of financial instruments

Financial instruments are any contract that gives rise to a financial asset for one party and a financial liability or equity instrument for the other.

A financial asset is any asset of the Bank that is:

- cash;
- an equity instrument of another company;
- a contractual right to receive cash from another party to the contract or to exchange financial assets or liabilities with another party to the contract on terms potentially favorable to the Bank;
- a contract that will or may be settled in the equity instruments of the other party to the contract, and which is not a derivative that obliges or may oblige the Bank to receive a variable number of its own equity instruments, or a derivative that will or may be settled in a manner other than by exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A financial liability is any obligation of the Bank that is:

- a contractual obligation (to pay or transfer a financial asset to another party to a contract, or to exchange financial assets or liabilities under conditions that are potentially unfavorable to the Bank), or
- a contract that will or may be settled in the Bank's equity instruments, and which is not a derivative that obliges or may oblige the Bank to deliver a variable number of its own equity instruments, or a derivative that will or may be settled in a manner other than by exchanging a fixed amount of cash or another financial asset for a fixed number of the Bank's own equity instruments.

A Bank's equity instrument is any contract that represents the ultimate ownership interest in the Bank's assets after deducting all of its liabilities.

The Bank recognizes a financial liability in its financial statements when, and only when, it becomes a party to the contractual provision of the instrument.

The Bank, upon initial recognition of financial instruments carried at fair value through profit or loss, measures them at fair value with or without transaction costs. The Bank records transaction costs for the acquisition of such financial instruments in expense accounts on the date of their occurrence.

The Bank measures all other financial instruments upon initial recognition at fair value plus transaction costs.

All financial liabilities, other than those designated as financial liabilities at fair value through profit or loss and financial liabilities arising on a transfer of a financial asset carried at fair value that does not qualify for derecognition, are measured at amortized cost using the effective interest method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the relevant instrument and amortized using the effective interest method for that instrument.

c) Diminishing utility

The Bank assesses impairment in accordance with IFRS 9 for active transactions carried at amortized cost or at fair value through other comprehensive income.

In accordance with the general approach, depending on the degree of deterioration in credit quality since initial recognition, the Bank assigns financial instruments to one of the following stages of impairment assessment:

- Stage 1 – financial instruments for which there are no signs of a significant increase in credit risk. Expected credit losses are calculated for these financial instruments over the next 12 months;
- Stage 2 – financial instruments for which there are indications of a significant increase in credit risk since initial recognition, but there are no indications of impairment. Credit losses are calculated for these financial instruments over the entire life of the financial instruments;
- Stage 3 – financial instruments for which there are indications of a significant increase in credit risk since initial recognition and objective evidence of impairment. According to these financial instruments expected credit losses are calculated for the entire life of the financial instruments.

The Bank applies two approaches to assessing the impairment of financial instruments:

- individual assessment – performed for financial instruments that are considered significant and for which there are indications of a significant increase in credit risk since initial recognition;
- The Bank estimates expected credit losses for each borrower's loan based on probability-weighted discounted cash flows. The Bank considers several scenarios for the borrower's repayment and takes each of them into account.
- Collective assessment - is carried out for financial instruments that are not considered significant or for which there is no evidence of a significant increase in credit risk since initial recognition. The collective approach applies a portfolio-level assessment.

To calculate the amount of expected losses under IFRS 9 (forward-looking expected credit loss, ECL), the Bank uses the following components:

- PD (the Probability of Default) is a component of the calculation of the amount of the reserve, which reflects the probability of the debtor/counterparty ceasing to fulfill its obligations. When calculating the reserve, estimates of the probability of default are adjusted depending on the forecast of the implementation of the economic development scenario;
- LGD (the Loss Given Default) - a component of calculating the amount of the reserve that reflects the level of losses (damages) due to the default of the debtor/counterparty;
- EAD (The Exposure at Default) is a component of calculating the size of the reserve, consisting of the following components: principal debt on the loan, accrued income, discounts / premiums.

The Bank determines whether there is objective evidence of impairment of a financial asset or a group of financial assets at each reporting date. A financial asset or a group of financial assets is considered to be impaired only when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event or events have an impact on the expected future cash flows from the financial asset or group of financial assets that can be reliably measured. Objective evidence of impairment may include indications that a borrower or group of borrowers is experiencing significant financial difficulty, is in default on interest or principal payments, is likely to enter bankruptcy or financial reorganization, evidence, based on observable market information, of a moderate decrease in expected future cash flows, for example, changes in the level of delinquencies or in economic conditions that correlate with asset losses, and indicators of external information that have occurred in the technological, market, economic or legal environment in which the entity operates. Impairment losses are recognized in profit or loss as they arise as a result of one or more events ("loss events") that occurred after the initial recognition of a financial asset and have an impact on the amount or timing of estimated cash flows associated with the financial asset or group of financial assets, if those losses can be reliably measured. If the Bank determines that there is no objective evidence of impairment for an individually assessed financial asset (regardless of its materiality), it includes this asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. The main factors that the Bank considers when determining the impairment of a financial asset are its past due status and the possibility of realising the relevant collateral, if any.

Write-off of financial assets against established reserves occurs in the absence of reasonable expectations of recovery of their value according to the decision of the Bank's management.

d) Derecognition of financial instruments and modifications

Derecognition of a financial asset (or part of a financial asset or part of a group of similar financial assets) occurs if:

- the rights to receive cash flows from the financial asset have expired;
- The Bank has transferred the rights to receive cash flows from such an asset, or if the Bank has retained the rights to receive cash flows from the asset, but has assumed a contractual obligation to transfer them in full to a third party under the terms of a "pass-through agreement";
- The Bank has either (a) transferred substantially all the risks and rewards of the asset, or (b) neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Bank has transferred its rights to receive cash flows from an asset, and has not transferred and retained substantially all the risks and rewards of the asset, or transferred control over the asset, such asset continues to be recognized to the extent of the Bank's continued involvement in the asset.

The Bank's continued interest in the asset is measured at the lower of the asset's original carrying amount or the maximum amount of consideration that may be payable to the Bank.

A financial liability is derecognized when the obligation is discharged, cancelled or expires.

When replacing one existing financial liability with another liability to the same creditor on significantly different terms or in the event of significant changes to the terms of an existing liability, the original liability is derecognized, and the new liability is recorded in the accounting with the recognition of the difference in the carrying amount of the liability in profit/loss and other comprehensive income.

The Bank records in its accounting a change in the terms of the contract or a modification to a financial asset that results in a revision of its cash flows as:

- derecognition of the original financial asset and recognition of a new financial asset; or
- continued recognition of the original financial asset with new terms.

If the contractual terms of a financial asset are revised by mutual agreement or any other modification occurs that does not result in derecognition of the original financial asset, the Bank shall recalculate the gross carrying amount of the asset and recognize income or expenses from the modification.

The Bank calculates the new gross carrying amount as the present value of the revised or modified contractual cash flows discounted at the original effective interest rate (or the original effective interest rate adjusted for credit risk for purchased or originated impaired financial assets).

Transaction costs are included in the carrying amount of the modified financial asset and are amortized over its life.

The Bank recognizes the difference between the gross carrying amount under the original terms and the gross carrying amount under the revised or modified terms as modification income or expense.

e) Cash and cash equivalents

Cash and cash equivalents include cash, balances on correspondent accounts with the National Bank of Ukraine, funds on correspondent accounts opened with other banks (nostro accounts), highly liquid funds with a maturity of up to 90 days from the date of origination that are not encumbered by any contractual obligations. Cash and cash equivalents are recorded at amortized cost.

f) Derivative financial instruments

In the normal course of business, the Bank uses various derivative financial instruments, including forward contracts and swaps on foreign exchange markets, entered into with Ukrainian banks. Derivative instruments are initially recognized at fair value at the date of the contract, after which they are remeasured at fair value.

All derivatives are recorded as assets if their fair value is positive and as liabilities if their fair value is negative. Changes in the fair value of derivatives are recognized immediately in the statement of profit or loss and other comprehensive income. The Bank estimates and calculates the fair value of forward contracts and recognizes significant changes in it in profit or loss.

g) Loans and debts

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Based on the Bank's business model and the characteristics of the contractual cash flows, loans and receivables from customers are carried at amortized cost.

Loans and funds provided to banks

In the ordinary course of business, the Bank makes loans or places deposits with other credit institutions for certain periods of time. Due from credit institutions are initially recognized at fair value. Due from credit institutions with fixed maturities are measured at amortized cost using the effective interest method and are carried at amortized cost less any allowance for impairment losses.

Loans granted to customers

The initial cost of loans to customers is the amount of cash or cash equivalents paid, or the fair value of other resources provided to acquire the asset at the acquisition date, and includes transaction costs.

In cases where the fair value of the compensation provided is not equal to the fair value of the loan, for example, when the loan is provided at rates lower (higher) than market rates, the difference between the fair value of the compensation provided and the fair value of the loan is recognized as a loss (gain) upon initial recognition of the loan and is included in the statement of profit or loss and other comprehensive income in accordance with the nature of such losses (gains).

After recognition, loans are carried at amortized cost using the effective interest rate method.

The Bank includes transaction costs directly attributable to the recognition of a financial instrument in the amount of the discount (premium) on that financial instrument.

The Bank amortizes the discount (premium) over the term of the financial instrument using the effective interest rate. The discount (premium) amount must be fully amortized on the date of repayment (repayment) of the loan (deposit).

Loans to customers that do not have fixed maturities are accounted for using the effective interest method, based on the expected maturity.

The Bank recognizes impairment of loans and advances to customers by establishing provisions for expected credit losses. The carrying amount of the asset is reduced by the amount of the impairment provision. The amount of the loss is recognized in the statement of profit or loss and other comprehensive income.

Write-off of loans and funds

If it is impossible to return funds and loans, they are written off against the created reserve for expected credit losses, with a mandatory verification of compliance with the derecognition criteria.

h) Investments in securities

Investments in securities are financial assets held within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets.

Investments in securities include:

- a) securities carried at amortized cost. They are initially measured at fair value plus additional direct transaction costs and subsequently at amortized cost using the effective interest method;
- b) securities carried at fair value through other comprehensive income;
- c) securities carried at fair value through profit or loss, if such classification eliminates or significantly reduces the inconsistency in the valuation of assets or the recognition of related gains and losses.

For debt securities measured at fair value through other comprehensive income, gains and losses are recognized in other comprehensive income, except for the following, which are recognized in profit or loss in the same manner as for financial assets measured at amortized cost:

- interest income using the effective interest rate method;
- expected credit losses (ECL) and reversals;
- gains and losses from foreign exchange rate changes.

i) Investment property

Recognition criteria

The predominant criterion for dividing (defining as) real estate into investment and owner-occupied real estate is the purpose of its use.

The Bank recognizes real estate as investment property if this real estate (land or building or part of a building, or a combination thereof) is held by the Bank to earn rental income or for capital appreciation or both and meets the following criteria:

- the property is not held for future use as owner-occupied property;
- the real estate is not held for the purpose of sale in the ordinary course of business;
- the property is not built or improved on behalf of third parties;
- real estate that is being constructed or improved for future use as investment property;
- If part of an item of property, plant and equipment is held for the purpose of earning rent and/or for capital appreciation, and the other part of the item is owner-occupied property, and these parts cannot be sold separately, then the item of property, plant and equipment is recognized as investment property provided that it is used primarily for the purpose of earning rent and/or for capital appreciation.

The decision to classify real estate as investment or owner-occupied real estate (including in the case of transfer from the category of investment to owner-occupied real estate and vice versa, during operation) is made by a collegial body and is formalized in the relevant protocol.

The cost of investment property includes the purchase price of the property and all costs directly attributable to its acquisition. Costs for ongoing maintenance, repairs and upkeep of the investment property are recognised as expenses when incurred.

Capital investments in the construction or development and reconstruction of an investment property that will be used as investment property in the long term increase its value.

Upon initial recognition and subsequently, the Bank recognizes investment property on the Bank's balance sheet at fair value.

When determining the fair value of investment property, an independent valuation entity used International Valuation Standards ISA-2011 (9th edition), in particular ISA 300, 230, 233, and International Financial Reporting Standards, in particular IAS 40, IFRS 13. The calculation of the value of investment property was carried out within the framework of the market method annually.

j) Fixed assets and intangible assets

Fixed assets (intangible assets) are recognized as assets if:

- The Bank obtains control over the asset (meaning that the asset can be sold, exchanged, leased and disposed of/transferred in any other way without losing the economic benefits generated by other assets; and also have economic benefits and restrictions on the access of others to these benefits, which arises from the legal rights to the relevant asset);
- it is highly probable that the Bank will receive future economic benefits associated with the asset;
- the value of the asset can be measured reliably

Accounting for fixed assets and intangible assets is carried out on an object-by-object basis. The unit of accounting for fixed assets and intangible assets is a separate inventory object.

Initial recognition of property, plant and equipment and intangible assets

The acquisition of non-current assets on the terms of prepayment (full or partial) until the documents confirming the ownership of the relevant object are received are reflected in the relevant accounts receivable for the acquisition of assets.

Fixed assets and intangible assets are recorded at their original cost, which is calculated taking into account all types of costs incurred by the Bank when recognizing such objects as assets (including costs of delivery, assembly, installation, indirect taxes paid in connection with the acquisition and other costs necessary to bring it into working condition).

Valuation of non-current assets at the balance sheet date

The carrying amount of a non-current asset is the amount at which the asset is recorded in the balance sheet after deducting any depreciation and accumulated impairment losses.

After the initial recognition of an item of fixed assets as an asset, its subsequent accounting is carried out using one of two methods:

- at original cost (cost) less accumulated depreciation and accumulated impairment losses;
- at revalued amount (fair value) less accumulated depreciation and accumulated impairment losses.

After the initial recognition of an item of fixed assets as an asset belonging to the group "Buildings, structures and transmission devices", further accounting for such an item is carried out at revalued value.

After the initial recognition of an item of fixed assets as an asset, with the exception of items belonging to the group "Buildings, structures and transmission devices", further accounting for such an item is carried out at its original cost (cost) less accumulated depreciation and accumulated impairment losses.

Revaluation of a fixed asset belonging to the group "Buildings, structures and transmission devices" is carried out if its residual value differs significantly from its fair value as of the balance sheet date. In the case of revaluation of one object of the group, all objects of the fixed asset group to which the revalued object belongs are revalued on the same date. In the future, revaluation is carried out with such regularity that the residual value as of the balance sheet date does not differ significantly from the fair value.

Low-value non-current tangible assets are not subject to revaluation.

Assets in the form of fixed assets were not provided as collateral for the Bank's obligations in 2024.

Acquired (created) intangible assets are recognized at historical cost.

After initial recognition of intangible assets, they are subsequently accounted for at cost less accumulated amortization and accumulated impairment losses.

Procedure and method of calculating depreciation

Depreciation is the systematic allocation of the cost of fixed assets and intangible assets, which is depreciated over the period of their useful life (operation). The Bank independently establishes and reviews the useful lives of objects, which are approved by an administrative document of the Bank's management.

Intangible assets with indefinite useful lives are not subject to amortization. The Bank considers an intangible asset to have an indefinite useful life if, based on an analysis of all factors (legal, regulatory, contractual, economic, etc.), there is no foreseeable limit to the period during which such an asset is expected to generate net cash flows to the Bank (for example, the right to perpetual use of land).

The object of depreciation is all non-current assets, except for land and objects that are antiques, non-current assets held for sale, and unfinished capital investments in fixed assets.

Depreciation of non-current assets can be carried out separately for each component of the object.

The Bank uses the straight-line depreciation method, which consists in the fact that the current period's expenses are always determined by the same part of the original cost of the object minus the liquidation value throughout the entire

specified period of their useful life, with the exception of low-value non-current tangible assets. Depreciation of low-value non-current tangible assets is carried out in the amount of 100 percent of its value at the time of commissioning.

The Bank, based on an internal order, has changed the approach to the valuation of intangible assets with an indefinite useful life. Starting from January 1, 2018, the right to use property, rights to trademarks for goods and services, copyright and related rights, other intangible assets have the following useful life, according to which depreciation deductions are made:

- Rights to use natural resources, rights to use property (land, building, premises, right to rent premises, subscriber telephone numbers, etc.), rights to commercial designations (rights to trademarks (trademarks for goods and services), commercial (company) names, etc.), except for those whose acquisition costs are recognized as royalties - in accordance with the title document;
- Rights to commercial designations (rights to trademarks (marks for goods and services), commercial (brand) names, etc.), except for those whose acquisition costs are recognized as royalties - in accordance with the title document, but not less than 6 years, for indefinite - 6 years;
- Copyright and related rights (rights to literary, artistic, musical works, computer programs, programs for electronic computers, compilations of data (databases), phonograms, videograms, broadcasts (programs) of broadcasting organizations, etc.), except for those whose acquisition costs are recognized as royalties - in accordance with the title document, but not less than 3 years, for indefinite - 3 years;
- Other intangible assets (right to conduct activities, use economic and other privileges, banking licenses, NSSMC licenses, patents) - in accordance with the title document, for indefinite - 10 years.

Based on internal policy, the Bank has established the following useful lives of fixed assets and intangible assets:

- Buildings – 20 years;
- Buildings – 15 years;
- Transmission devices – 10 years;
- Machinery and equipment – 5 years;
- Vehicles – 8 years;
- Furniture, appliances – 7 years;
- Inventory, tools – 5 years;
- Other fixed assets - 12 years;
- Copyright and related rights, except for royalties – 3 years;
- Other intangible assets – 10 years;
- Capital investments in premises – lease term.

The useful life of fixed assets and intangible assets is reviewed if the expected economic benefits from their use change and at the end of each financial year.

The depreciation method applied to fixed assets and intangible assets may be revised by the Bank if there have been significant changes in the expected form of economic benefits from the use of these assets.

The Bank assesses intangible assets with indefinite useful lives at the end of each year for any indication that their useful lives may be limited. If there are no such indications, the Bank determines the useful lives of such intangible assets.

Intangible assets with indefinite useful lives are reviewed at the end of each year for any indications of possible impairment.

New depreciation methods are applied from the new fiscal year. In accounting, such a change is reflected as a change in accounting estimates.

k) Rent

The Bank applies IFRS 16 “Leases”, which requires the recognition of a right-of-use asset and a lease liability at the inception date for all leases, except for short-term leases and leases of low-value assets. Unlike the lessee’s accounting, the lessor’s accounting has remained largely unchanged.

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Typically, operating lease agreements provide for the transfer to the lessee of the right to use non-current assets for a period not exceeding their useful life, with the obligation to return such non-current assets to their owner upon the expiration of the lease agreement. Non-current assets transferred under an operating lease are recorded as part of the lessor's non-current assets.

Operating lease income and expenses are recognized in the reporting period to which they relate and are calculated in accordance with the concluded agreements. The amounts of operating lease income and expenses are disclosed in the Notes "Other operating income" and "Administrative and other operating expenses".

l) Non-current assets held for sale and disposal groups

The Bank classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through current use. To do this:

- the asset must be suitable for immediate sale in the condition in which it is at the time of sale, on terms that are usually observed in the sale of such assets;
- The bank has a plan to sell the asset and initiate a program to identify a buyer and implement the plan;
- The Bank actively promotes the asset for sale in the market at a price reasonable in view of their current fair value;
- The sale is expected to be considered completed within one year.

If the Bank acquires ownership of pledged assets for the purpose of subsequent sale, such assets are classified as held for sale if they meet the above criteria.

Non-current assets held for sale are measured and recorded in the accounting records at the lower of the two amounts: carrying amount or fair value less costs to sell. Depreciation is not charged on such assets. Impairment loss upon initial or subsequent write-down of an asset to fair value less costs to sell is recognized in the Statement of Profit and Loss and Other Comprehensive Income.

The Bank continues to classify non-current assets as held for sale if no sale was made during the year due to events or circumstances beyond the Bank's control, and if there is sufficient evidence that the Bank continues to implement a plan to sell the non-current asset.

If, at the date of the decision to recognize non-current assets as held for sale, the above conditions are not met, but will be met within three months after the asset is recognized, the bank has the right to classify them as held for sale.

Before initially classifying assets as held for sale, the bank assesses the carrying amount of the assets and reviews them for impairment, just as non-current assets are accounted for at cost.

In the event of a decrease in the fair value of non-current assets, the bank recognizes an impairment loss less costs to sell.

In the event of an increase in the fair value of non-current assets less costs to sell, the bank recognizes income, but in an amount not exceeding previously accumulated impairment losses.

If, during the valuation of assets held for sale, the bank did not recognize impairment and recovery of their useful life, the bank recognizes income or expenses at the date of derecognition. When transferring non-current assets to the category of assets held for sale, the bank adjusts the carrying amount taking into account the amounts of accumulated depreciation, impairment losses with simultaneous recognition of such adjustment in the Statement of financial performance and other comprehensive income.

m) Funds raised

Borrowings, including due from credit institutions, due from customers and issued debt securities, are initially recognized at fair value of the proceeds received, taking into account transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition, borrowed funds are carried at amortized cost using the effective interest method. Income and expenses are recognized in the Statement of Profit or Loss and Other Comprehensive Income when the liability is extinguished, as well as during the amortization process.

n) Provisions for liabilities

Provisions are non-financial obligations of an indefinite duration or amount. Provisions are recognized in the financial statements when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

o) Recognition of income and expenses

Interest income and expenses

Interest income and expense are recognized on an accrual basis and calculated using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future payments and receipts through the expected life of the financial instrument or a shorter period (if applicable) to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment) and all fees or additional costs that are directly related to the financial instrument and are an integral part of the effective

interest rate, except for future credit losses. The carrying amount of a financial asset or financial liability is adjusted if the Bank revises its estimate of payments and receipts. The adjusted carrying amount is calculated based on the original effective interest rate, and changes in the carrying amount are recorded as interest income or expense.

Commissions that are an integral part of the effective interest rate of a financial instrument (for granting a loan, for opening credit accounts, for assessing the financial condition of the borrower, assessing and reflecting guarantees, collateral, etc.) together with the relevant costs associated with the issuance of the financial instrument are amortized using the effective interest rate.

When a financial asset or group of similar financial assets is written off (partially written off) as a result of an impairment loss, interest income is recognized using the interest rate that was used to discount future cash flows for the purpose of assessing the impairment loss.

When it is probable that a credit commitment will result in a loan, the credit commitment fee, together with related direct costs, is recognized as an adjustment to the effective interest rate of the loan. If it is unlikely that the credit line will be drawn, then the fee is recognized as income on a time-proportionate basis over the period of the commitment.

Commission income

The bank receives commission income for a number of services provided to customers.

Commission income can be divided into the following categories:

- Commission income received as a result of providing services during a certain period.
- Income from the provision of transaction services.

Fees received for services rendered during a period are accrued over that period. These fees include fees and commissions from asset management, custody and other management and advisory services. Commissions on commitments to extend credit that are likely to be drawn down and other commissions on loans are carried forward to subsequent periods (together with any additional costs) and are recognised as an adjustment to the effective interest rate on the loans.

Revenue from providing services to third parties is recognized upon completion of the relevant transaction. The amount of remuneration or components of remuneration related to specific activities are recognized after verification of compliance with the relevant criteria.

p) Income tax

Income tax is recognized as current and deferred tax. Current income tax is recognized in the amount calculated for the reporting period in accordance with tax legislation.

Deferred tax liability is the amount of income tax that will be paid in future periods on a taxable temporary difference. Deferred tax asset is the amount of income tax that will be recoverable in future periods on a deductible temporary difference. Deferred tax liabilities and assets are measured at the tax rates that will apply in the period in which the asset is realized or used or the liability is settled.

The Bank recognizes as income tax receivables the excess of the amount of income tax paid over the amount payable.

The Bank offsets receivables and current income tax liabilities if the liability is settled as a set-off against these receivables.

q) Authorized capital and share capital

Authorized capital is the obligation paid by shareholders (unitholders) to contribute funds for subscription to shares (units), the amount of which is registered in accordance with the procedure established by current legislation. Authorized capital is reflected at its original (nominal) value.

Expenses directly related to the issue of new shares of the Bank, in accordance with the requirements of IFRS 32 "Financial Instruments: Presentation", are accounted for as a deduction from equity to the extent that they are additional costs directly attributable to the equity transaction and which would otherwise have been avoided.

The excess of the fair value (placement price) of the amounts contributed to the capital over the nominal value of the issued shares is recorded in the Bank's capital as share premium (share premium).

r) Foreign currency revaluation

Transactions in foreign currencies are recognized at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into hryvnia at the official exchange rate of the National Bank of Ukraine prevailing at the balance sheet date. Gains and losses arising from such translation are recognized in the statement of comprehensive income on a net basis as exchange rate differences in the period in which they arise.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated at the rate at which the fair value is determined. Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate at the date the fair value was determined. If a gain or loss on a non-monetary item is recognized in other comprehensive income, any currency component of that gain or loss is recognized directly in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any currency component of that gain or loss is recognized in profit or loss.

s) Offsetting of assets and liabilities

The Bank offsets a financial asset and a financial liability, presenting the net amount in the Statement of Financial Position, if and only if:

- has a legally enforceable right to set off recognized amounts;
- intends to settle the liability on a net basis or to sell the asset and settle the liability at the same time.

A right of set-off is a contractual or other legal right of a debtor to repay or otherwise remove all (or part of) an amount due to a creditor by applying that amount to an amount due from the creditor.

The simultaneous settlement of two financial instruments may occur, for example, through transactions through a clearing house in an organized financial market or an exchange without intermediaries. In such circumstances, the cash flows are effectively equivalent to a single net amount and are not subject to credit or liquidity risk.

In the reporting period, the bank did not perform any netting operations between individual items of assets and liabilities.

t) Employee benefits and related deductions

Calculations related to the remuneration of the Bank's employees and employees performing work under civil law contracts (making the specified payments, accrual of wages, withholding taxes and mandatory payments from accrued amounts, accrual of taxes and mandatory payments to the payroll fund) are carried out in accordance with current legislation and internal regulatory documents of the Bank. Accrual of basic and additional wages to the Bank's employees is carried out in accordance with the official salaries determined by the Bank's staffing table.

The Bank calculates and creates provisions for payments for unused vacations of the Bank's employees.

The Bank does not have any additional pension schemes, other than participation in the state pension system of Ukraine, which involves the calculation and payment of current employer contributions as a percentage of current total employee benefits. These expenses are recorded in the reporting period to which the relevant salary relates.

In addition, the Bank does not have any post-employment benefit programs or other significant compensation programs that would require additional accruals.

u) Pension and other benefit obligations

The Bank does not have any additional pension schemes, other than participation in the state pension system of Ukraine, which involves the calculation and payment of current employer contributions as a percentage of current total employee benefits. These expenses are recorded in the reporting period to which the relevant salary relates.

In addition, the Bank does not have any post-employment benefit programs or other significant compensation programs that would require additional accruals.

v) Information by operating segments

A segment is a distinguishable component of the Bank's business that is engaged in either providing services or products (a business segment) or providing services or products within a particular economic environment (a geographical segment) and that is subject to risks and returns that are different from those of other segments. The Bank presents operating segments separately if the majority of the segment's revenue is generated from banking activities outside the segment and the segment's revenue is 10% or more of total revenue.

The Bank's main format for reporting segment information is business segments.

Most of the Bank's operations are concentrated in Ukraine.

The Bank recognizes the following operating segments:

- services to corporate clients (corporate banking);;
- services to individuals (retail banking);
- services to banks (treasury activities);
- other operations.

The "other operations" segment is important for the Bank as a whole (provides the activities of other segments, etc.) and information about it is material.

The Bank recognizes as operating segment income the income directly attributable to the segment and the relevant portion of the bank's income that can be attributed to the segment from external activities or from transactions between other segments within the same bank. Operating segment income is presented net of value added tax, excise duty, other duties and deductions from income. Operating segment income does not include income from extraordinary events and income from income tax. The Bank recognizes as operating segment expenses the expenses related to the main activities of the segment that are directly attributable to it and the relevant portion of expenses that can be reasonably attributed to the segment, including expenses from external activities and expenses related to transactions with other segments within the same bank.

However, if expenses at the Bank level are related to only one segment, the Bank recognizes such expenses as segment expenses (if they are related to the operating activities of the segment and can be directly attributed to the segment or reasonably allocated to it).

w) Related party transactions

The Bank recognizes a related party as a party that:

- 1) directly or indirectly controls or is under control of, or is under common control with, the Bank, or has an interest in the Bank that gives it the ability to exercise significant influence over the Bank;
- 2) is an associated company of the Bank;
- 3) is a joint venture in which the Bank is a controlling shareholder;
- 4) is a member of the Bank's senior management;
- 5) is a close relative of a person specified in 1) or 4);
- 6) is an economic entity that controls, jointly controls, or exercises significant influence over, or has a significant percentage of votes in such an economic entity, directly or indirectly, a person specified in 1)-5);
- 7) the entity is a post-employment benefit program for employees of the Bank or any entity that is a related party of the Bank (post-employment benefits: pensions, other types of retirement benefits, life insurance and post-employment medical care).

The Bank discloses information about related parties in accordance with the requirements of IAS 24 "Related Party Disclosures".

3.3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE PRINCIPLES

New standards, clarifications and amendments to existing standards

The Bank has first adopted certain standards and amendments that are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Bank has not early adopted standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IAS 1 - Classification of Liabilities as Current and Non-Current

The amendments to IAS 1 Presentation of Financial Statements clarify the classification of liabilities as non-current. A liability is classified as non-current if the entity has a right to defer settlement of the liability for at least 12 months and that right exists at the end of the reporting period, regardless of whether the entity plans to exercise that right. If the right to defer settlement of the liability is conditional on the entity meeting certain conditions, then that right exists at the end of the reporting period only if the entity has met all the conditions by that date.

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

Amendments to IAS 1 - Non-current Liabilities with Special Terms

The amendments to IAS 1 Presentation of Financial Statements clarify that an entity may classify liabilities arising from a credit agreement as non-current if the entity's right to defer repayment of those liabilities is conditional on the fulfillment of specific conditions within 12 months after the end of the reporting period.

Also, the notes to the financial statements must disclose information that will enable users to understand the risk that liabilities may be recoverable within 12 months after the end of the reporting period.

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

Amendments to IFRS 16 - Sale and Leaseback Lease Liabilities

According to the amendments to IFRS 16 "Leases", seller-lessees will be required to remeasure or restate sale and leaseback agreements entered into since 2019.

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

Amendments to IAS 7 and IFRS 7 - Supplier Financing Arrangements

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures describe the characteristics of supplier financing arrangements and require additional disclosures about such arrangements. The disclosure requirements are intended to help users of financial statements understand the impact of supplier financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

4. CASH AND CASH EQUIVALENTS

Table 4.1. Cash and cash equivalents

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Cash	178,709	123,023
Funds in the National Bank of Ukraine	82,358	60,508
Correspondent accounts, deposits and overnight loans in banks:		
Ukraine	96,743	189,633
Certificates of deposit issued by the National Bank of Ukraine	1,500,637	2,879,285
Reserve for cash and cash equivalents	(3,314)	(3,621)
Total cash and cash equivalents	1,855,133	3,248,828

Table 4.2. Non-cash financial transactions

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Accrued income on deposit certificates issued by the National Bank of Ukraine	637	1,285

There are no restrictions on the use of funds.

As of March 31, 2025, the balances on correspondent accounts are neither past due nor impaired.

During the first quarter of 2025 and the previous year of 2024, the Bank did not carry out investment and financial transactions without the use of cash and cash equivalents.

Note 4 data is included in the "Statement of Financial Position", "Statement of Cash Flows".

As of March 31, 2025, the Bank met the requirements of the National Bank of Ukraine regarding mandatory reserves. Control over the formation of mandatory reserves is carried out monthly based on average data for the entire maintenance period.

The amount of required reserves according to the established standards (reserve base) for the maintenance period from 11.03.2025 to 10.04.2025 is 458,847 thousand UAH. The average balance on the correspondent account for the maintenance period from 11.12.2024 to 10.01.2025 was 342,342 thousand UAH.

5. CUSTOMER LOANS AND DEBT

Table 5.1. Loans and receivables from customers

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Loans and receivables from customers carried at amortized cost	369,888	465,958
Loan impairment allowance	(119,624)	(106,815)
Total loans and advances to customers less provisions	250 264	359 143

Table 5.2. Loans and receivables from customers carried at amortized cost

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<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Loans granted to legal entities, including mortgage loans	349,008 68,484	441,942 91,281
Loans granted to individuals, including mortgage loans	20,880 8,483	24,016 10,227
Provision for loans to customers carried at amortized cost	(119,264)	(106,815)
Total loans and advances to customers carried at amortized cost	250,624	359 143

Note 5 data disclosed in the "Statement of Financial Position" and in Note 17.

Asset items are presented taking into account accrued and unearned interest income, which as of March 31, 2025 amounted to UAH 8,375 thousand and as of December 31, 2024 – UAH 7,629 thousand.

As of March 31, 2025, the concentration of loans issued by the Bank to the ten largest borrowers amounted to UAH 171,472 thousand (69% of the total loan portfolio). A provision of UAH 79,177 thousand was created for these loans. For 2024, the concentration of loans issued by the Bank to the ten largest borrowers amounted to UAH 260,141 thousand (72% of the total loan portfolio).

Table 5.3. Analysis of credit quality of loans and receivables of customers carried at amortized cost for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Stage 1	Stage 2	Stage 3	Total
Loans and receivables from customers accounted for under the AC	169,412	13,076	187,400	369,888
Minimal credit risk	169,412	-	-	169,412
Average credit risk	-	13,076	-	13,076
High credit risk	-	-	187,400	187,400
Total gross carrying amount of loans and advances to customers accounted for under the AC	169,412	13,076	187,400	369,888
Provisions for impairment of loans and receivables from customers, which are accounted for under the AC	(3,754)	-	(115,870)	(119,624)
Total loans and receivables of customers accounted for by the AC	165,658	13,076	71,530	250 264

Table 5.4. Analysis of credit quality of loans and receivables of customers accounted for at amortized cost for 2024

<i>thousand UAH</i>	Stage 1	Stage 2	Stage 3	Total
Loans and receivables from customers accounted for under the AC	281,699	27,964	156,295	465,958
Minimal credit risk	281,699	-	-	281,699
Average credit risk	-	27,964	-	27,965
High credit risk	-	-	156,295	156,295
Total gross carrying amount of loans and advances to customers accounted for under the AC	281,699	27,964	156,295	465,958

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Provisions for impairment of loans and receivables from customers, which are accounted for under the AC	(8,759)	(502)	(97,554)	(106,815)
Total loans and receivables of customers accounted for by the AC	272,940	27,462	58,741	359 143

Table 5.5. Structure of loans by type of economic activity

thousand UAH	March 31, 2025		December 31, 2024	
	sum	%	sum	%
Agriculture, hunting and related services	26,359	7	31,113	7
Construction of buildings	12,245	3	14,813	3
Wholesale and retail trade in motor vehicles and motorcycles, their repair	146,094	39	139,573	30
Wholesale trade, except of motor vehicles and motorcycles	69,473	20	109,728	24
Land and pipeline transport	1,799	-	1,492	-
Provision of financial services, except insurance and pension provision	19,884	5	22,931	5
Real estate transactions	2,454	1	43,769	9
Head office activities; management consulting	12,836	3	27,800	6
Individuals	40,748	12	43,882	9
Scientific research and development	30,366	8	30,364	7
Others	7,630	2	493	-
Total loans and receivables to customers without provisions	369,888	100	465,958	100

The Bank minimizes the risk of credit portfolio concentration (concentration of credit operations in a certain industry or group of interconnected industries or lending to certain categories of clients) through diversification of the credit portfolio, which consists in distributing loans among borrowers who differ from each other both in characteristics (capital size, form of ownership) and in terms of activity (industry of the economy, geographical region).

Table 5.6. Information on loans by collateral type for the 3 months ended March 31, 2025

thousand UAH	Loans granted to legal entities	Mortgage loans for legal entities	Loans granted to individuals for current needs	Mortgage loans for individuals	Total

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Unsecured loans	109,739	-	6,064	-	115,803
Loans secured by:	170,785	68,484	6,333	8,483	254,085
<i>in cash</i>	30,366	-	3,861	-	34,227
<i>real estate</i>	16,875	68,484	2,472	8,483	96,314
<i>including residential use</i>	16,478	-	2,472	-	18,950
<i>other assets</i>	123,544	-	-	-	123,544
Total loans and receivables to customers without provisions	280,524	68,484	12,397	8,483	369,888

Table 5.7. Information on loans by type of collateral for 2024

<i>thousand UAH</i>	Loans granted to legal entities	Mortgage loans for legal entities	Loans granted to individuals for current needs	Mortgage loans for individuals	Total
Unsecured loans	133,920	-	7,045	-	140,965
Loans secured by:	216,741	91,281	6,744	10,227	324,993
<i>in cash</i>	71,880	-	3,885	-	75,765
<i>real estate</i>	23,407	91,281	2,859	10,227	127,774
<i>including residential use</i>	22,778	-	2,859	-	25,637
<i>other assets</i>	121,454	-	-	-	121,454
Total loans and receivables to customers without provisions	350,661	91,281	13,789	10,227	465,958

Table 5.8. Analysis of changes in provisions for impairment of loans and receivables from customers carried at amortized cost for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Stage 1	Stage 2	Stage 3	Total
Impairment provision as of the beginning of the period December 31, 2024	(8,759)	(502)	(97,554)	(106,815)
Transition to stage 1	5,005	-	-	5,005
Transition to stage 2	-	502	-	502
Transition to stage 3	-	-	(18,316)	(18,316)

Impairment reserve at the end of the period March 31, 2025	(3,754)	-	(115,870)	(119,624)
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Table 5.9. Analysis of changes in gross carrying amount for impairment of loans and advances to customers carried at amortized cost for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as of December 31, 2024	272,940	27,463	58,741	359 144
Transition to stage 1	-	-	-	-
Transition to stage 2	-	-	-	-
Transition to stage 3	-	-	-	-
Other changes (increase in trade payables carried at amortized cost)	-	-	13,265	13,265
Other changes (reduction in trade receivables carried at amortized cost)	(107,717)	(14,428)	-	(122,145)
Gross book value as of March 31, 2025	165,223	13,035	72,006	250 264

Table 5.10. Impact of collateral value on credit quality for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Carrying amount	Collateral value	Impact of collateral
Loans granted to legal entities, including mortgage loans	280,524	163,023	117,501
	68,484	71,066	(2,582)
Loans granted to individuals for current needs, including mortgage loans	12,397	11 101	1,296
	8,483	7,530	953
Total loans	369,888	252,720	117 168

Table 5.11. Impact of collateral value on loan quality for 2024

<i>thousand UAH</i>	Carrying amount	Collateral value	Impact of collateral
Loans granted to legal entities, including mortgage loans	441,942	282,483	159,459
	91,282	68,646	22,636
Loans granted to individuals for current needs, including mortgage loans	24,016	19,526	4,490
	10,227	7,368	2,859
Total loans	465,958	302,009	163,949

Methods of assessing pledged property

When calculating the reserve, the bank uses the market (fair) value of collateral in the form of real estate, vehicles, based on the assessment of such property, carried out by an independent valuation entity. If, since the date of the last assessment, there have been significant changes in the operating conditions and physical condition of the property that is the subject of the pledge, and/or the market condition of similar property, the Bank conducts a revaluation of such property, but not less than once every twelve months in the case of pledge of real estate, equipment and vehicles and once every six months in the case of pledge of other property.

When determining the market (fair) value of the pledged property, the Bank sets the term for the sale of such property to no more than 360 calendar days.

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During the reporting period, the Bank carried out foreclosure proceedings on mortgaged items, the total value of which is 2,195 thousand UAH

The information is provided taking into account the assessment of the quality of collateral used to cover credit risk, in accordance with the requirements of the National Bank of Ukraine. The following types of collateral are taken into account as the cost of collateral:

- cash coverage – in full;
- passenger cars – with a 75% discount;
- movable property – with a 50% discount;
- residential real estate – with a 75% discount;
- non-residential real estate – with a 60% discount.

Collateral is accepted for settlement in an amount not exceeding the carrying amount of the loan under each contract covered by the relevant collateral.

6. INVESTMENTS IN SECURITIES

Table 6.1 Investments in securities

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Debt securities:		
<i>Domestic government bonds refinanced by the NBU, which are accounted for at fair value through other comprehensive income</i>	814,023	572,709
Revaluation of debt securities refinanced by the NBU, which are accounted for at fair value through other comprehensive income	(1,746)	2,351
Unamortized premium/discount on debt securities refinanced by the NBU, which are accounted for at fair value through other comprehensive income	9,855	7,839
Accrued income on debt securities refinanced by the National Bank of Ukraine, which are accounted for at fair value through other comprehensive income	21,040	28,528
Total securities less reserves	843 172	611,427

Table 6.2. Analysis of credit quality of debt securities for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Government bonds	Total
Not past due and not impaired	-	-
<i>Government institutions and enterprises</i>	843 172	843 172
Total debt securities less reserves	843 172	843 172

As of March 31, 2025, debt securities accounts in the amount of 843,172 thousand UAH. domestic government bonds refinanced by the National Bank of Ukraine, which are accounted for at fair value through other comprehensive income in the amount of 765,825 pieces, with a nominal value of UAH 1,000.00 per bond and in the amount of 1,162 pieces, with a nominal value of USD 1,000 per bond.

The fair value of the securities was determined based on the internal bank regulation, as the fair value of the relevant series of government bonds published on the National Bank's website on the relevant date. There was no impairment of utility for these transactions.

7. INVESTMENT REAL ESTATE

Table 7.1. Investment property valued at fair value

thousand UAH March 31, 2025 December 31, 2024

Fair value of investment property at the beginning of the period	132,780	104,911
Incoming	-	70,498
Improvement	-	1,294
Disposal (sale)	(52,507)	-
Gains (losses) from revaluation to fair value	-	8,080
Disposal (written off from the balance sheet)	(1,501)	(1,162)
Other changes (transferred to assets held for sale)	(2,983)	(37,100)
Other changes (translated to 4400)	-	(13,741)
Fair value of investment property at the end of the period	75,789	132,780

The receipt of investment property in the first quarter of 2025 and 2024 occurred due to the acceptance of real estate objects on the balance sheet as a foreclosure of collateral on loans of legal entities and individuals. In accordance with paragraph 5 "Definitions" of IAS 40 "Investment Property" it is stated that investment property is real estate (land or a building, or part of a building, or a combination thereof), held (by the owner or lessee under a finance lease agreement) for the purpose of receiving rental payments or increasing the value of the capital or to achieve both purposes. Part of the Bank's investment property is leased out (Table 9.2), part is held for the purpose of increasing the capital and is planned to be sold in the future.

The fair value of investment property is determined based on the opinions of independent valuation entities who have the appropriate professional qualifications and experience in valuing similar properties in Ukraine. The fair value of investment property as of March 31, 2025 belongs to Level II of the fair value hierarchy.

Table 7.2. Amounts recognized in the Statement of Profit or Loss and Other Comprehensive Income

thousand UAH

	March 31, 2025	March 31, 2024
Rental income from investment property	29	84

Table 7.3. Information on the minimum amounts of future lease payments under a non-cancellable operating lease, if the bank is the lessor

thousand UAH

	March 31, 2025	December 31, 2024
Up to 1 year	205	29
From 1 to 5 years	-	-
More than 5 years	-	-
Total payments receivable under operating leases	205	29

8. FIXED ASSETS , RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

Table 8.1 Fixed assets and intangible assets

thousand UAH

	Buildings and transmitting devices	Machinery and equipment	Vehicles	Tools, appliances, inventory (furniture)	Right-of-use assets	Other non-current tangible assets	Incomplete capital investments in fixed assets and tangible assets	Intangible assets	Total
Carrying amount as of December 31, 2023	285	8,184	2290	127	225	9,881	9,767	6,137	36,896
Original (revalued) cost	316	25246	3152	615	1329	22311	9767	14142	76878
Depreciation at the end of the reporting period	(31)	(17062)	(862)	(488)	(1104)	(12430)	-	(8005)	(39982)
Incoming	14205	8698	-	-	3664	11094	19348	8711	65720
Other transfers (put into operation)	-	-	-	-	-	-	(27597)		(27597)
Depreciation deductions	(54)	(3378)	(392)	(55)	(952)	(6825)	-	(3920)	(15576)
Revaluation (mark-up) of an asset	-	-	-	-	(477)	-	-	-	(477)
Disposal of original cost	-	-	-	-	-	(1761)	-	-	(1761)
Depreciation write-off	-	-	-	-	-	757	-	-	757
Carrying amount as of December 31, 2024	14436	13504	1898	72	2460	13146	1518	10928	57962
Original (revalued) cost	14521	33944	3152	615	4993	31644	1518	22853	113240
Depreciation at the end of the reporting period	(85)	(20440)	(1254)	(543)	(2533)	(18498)	-	(11925)	(55278)
Incoming		220	-	-	20	1228	1904	19728	23100
Other transfers (put into operation)	-	-	-	-	-	-	(1774)		(1774)
Depreciation deductions	(14)	(1127)	(98)	(11)	(323)	(2051)	-	(1655)	(5279)
Revaluation (mark-up) of an asset	-	-	-	-	(32)	-	-	-	(32)
Disposal of original cost	-	(8637)	-	-	-	(1245)	-	-	(9882)
Depreciation write-off	-	8637	-	-	-	877	-	-	9514
Carrying amount as of March 31, 2025	14422	12597	1800	61	2125	11955	1648	29001	73609
Original (revalued) cost	14521	25527	3152	615	5013	31627	1648	42581	124684
Depreciation at the end of the reporting period	(99)	(12930)	(1352)	(554)	(2888)	(19672)	-	(13580)	(51075)

There are no fixed assets on the bank's balance sheet for which restrictions on ownership, use and disposal are provided for by the legislation of Ukraine.

There are no fixed assets pledged as collateral. There are no fixed assets that are temporarily not in use (conservation, reconstruction, etc.).

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There are no fixed assets retired for sale. As of March 31, 2025, the original cost of fully depreciated fixed assets was UAH 4,561 thousand and as of December 31, 2024, it was UAH 12,644 thousand. There are no intangible assets with restrictions on ownership rights on the bank's balance sheet. No intangible assets were created during the reporting period.

There were no increases or decreases in fixed assets and intangible assets during the reporting period and the previous period arising from revaluations, as well as from impairment losses recognized or reversed directly in equity.

9. OTHER ASSETS

Table 9.1. Other assets

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Other financial assets:	42,856	27,396
Accrued income from settlement and cash services	686	680
Accrued operating lease income	1,299	1,334
Accounts receivable for payment of debt under the guarantee	11,656	11,999
Receivables from payment card transactions	11,337	10,917
Restricted funds	48	1,729
Receivables from transactions with payment systems	424	532
Receivables from metal transactions	17,406	-
Other financial assets	-	205
<i>Reserve for other financial assets</i>	(24,252)	(14,693)
Total other financial assets less reserves	18,604	12,703
Other assets	53,967	80,885
Property transferred to the bank as a mortgagee	2,546	2,546
Deferred expenses	3,454	19,258
Prepayment for services	2,099	714
Accounts receivable from asset acquisition	1,715	2,098
Banking metals at the bank branch	42,971	23,078
Receivables for taxes and mandatory payments, except for income tax	67	12
Other assets	700	577
Other non-current assets held for sale	415	32,602
<i>Reserve for other assets</i>	(264)	(320)
Total other assets less reserves	53,703	80,565
Total other assets	72,307	93,268

During the reporting and previous periods, the Bank did not have any concluded agreements on the provision of assets under financial leasing (rent), under which the Bank is the lessor.

The data of Note 9 are included in the “ Statement of Financial Position ” and in Note 16.

Table 9.2. Analysis of changes in the provision for impairment of other assets for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Financial assets	Other assets	Total
December 31, 2024	(14,693)	(320)	(15,013)
(Increase)/decrease reserve	(9,559)	56	(9,503)
March 31, 2025	(24,252)	(264)	(24,516)

Table 9.3. Analysis of changes in the provision for impairment of other assets for 2024

<i>thousand UAH</i>	Financial assets	Other assets	Total
December 31, 2023	(8,475)	(1,022)	(9,497)
(Increase)/decrease reserve	(6,218)	702	(5,516)
December 31, 2024	(14,693)	(320)	(15,013)

Table 9.4. Analysis of the credit quality of financial assets

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Not past due and not impaired debt	29,215	13,178
<i>small companies</i>	-	-
<i>individuals</i>	11,337	10,917
<i>large companies</i>	17,878	2,261
Debt impaired on an individual basis with delayed payment	13,641	14,218
<i>up to 31 days</i>	3,258	3,508
<i>from 32 to 92 days</i>	1,745	1,985
<i>from 93 to 183 days</i>	3,246	3,521
<i>from 184 to 274 days</i>	3,945	3,784
<i>from 275 to 365 days</i>	1,345	1,209
<i>more than 365(366) days</i>	102	211
Total financial assets before deduction of reserve	42,856	27,396
Reserve for other financial assets	(24,252)	(14,693)
Total other financial assets less reserve	18,604	12,703

10. CUSTOMER FUNDS

Table 10.1. Client funds

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
State and public organizations:	2 008	1,597
<i>current accounts</i>	2 008	1,597
Other legal entities:	2,425,854	3,481,083
<i>current accounts</i>	2,160,300	3,136,785
<i>term funds</i>	227,185	270 189
<i>funds in the accounts</i>	38,369	74 109
Individuals:	514 188	622,524
<i>current accounts</i>	267,807	264,317
<i>term funds</i>	246,381	316 168
<i>funds in the accounts</i>	-	42,039
Total customer funds	2,942,050	4 105 204

Client funds, recorded as of the end of the day on March 31, 2025, on balance sheet account 2932 "Funds in settlements of business entities", in the amount of UAH 38,369 thousand. were transferred to cash collateral (coverage) under the guarantees provided by the bank.

As of March 31, 2025, funds attracted from the ten largest clients of the Bank in the amount of UAH 1,570,942 thousand constituted 53% of the total amount of clients' funds (as of December 31, 2024: UAH 2,396,508 thousand (58%)).

The data of Note 10 are included in the "Statement of Financial Position" and in Note 16.

Table 10.2. Distribution of client funds by type of economic activity

<i>thousand UAH</i>	March 31, 2025		December 31, 2024	
	sum	%	sum	%
Production and distribution of electricity, gas and water	4,661	-	13,401	-
Trade, repair of automobiles, household goods and personal items	301 182	10	441,225	11
Individuals	619,877	21	622,524	15
Production of other products	27,913	1	48,449	1
Professional, scientific and technical activities	20,471	1	25,127	1
Real estate transactions, leasing, engineering and service provision	159,066	5	156 236	4
Agriculture, hunting, forestry	6,520	-	10,941	-
Construction	152,068	5	228,827	6
Financial and insurance activities	312,544	11	304,419	8
Transport, warehousing, postal and courier activities	7,974	-	9,498	-
Mining industry	17,568	1	16,996	-
Healthcare and social assistance	24,596	1	63,745	2
Production and repair of machinery and equipment	39,437	1	46,870	1

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			14,259	-
Temporary accommodation and catering	10,972	-		
Food production, provision of meals and beverages	568	-	198	-
Arts, sports, entertainment and recreation	27,389	1	33,061	1
Manufacturing of computers, electronic and optical products	1,192,281	41	1,930,944	47
Other	16,963	1	138,484	3
Total customer funds	2,942,050	100	4 105 204	100

During the first quarter of 2025 and the previous year of 2024, the Bank carried out operations to attract customer funds exclusively at market rates.

11. RESERVES FOR LIABILITIES

Table 11.1. Changes in provisions for liabilities for the 3 months ended March 31, 2025

<i>thousand UAH</i>	March 31, 2025
Balance at the beginning of the period	1,973
Dissolution and/or reduction of the reserve	(548)
Balance at the end of the period	1,425

The Bank applies the same risk management procedures to lending commitments as to credit transactions reflected on the balance sheet. The maximum potential credit risk on lending commitments is equal to the total amount of commitments. Taking into account the availability of collateral and the fact that such commitments (except for guarantees) are revocable, the Bank's management believes that the potential credit risk and potential liquidity risk when carrying out the specified transactions are virtually absent. The reserve in the reporting and previous periods was formed as collateral for guarantees.

The data in Note 11 are included in the Statement of Financial Position and in Note 15.

12. OTHER OBLIGATIONS

Table 12.1. Other liabilities

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Commission for providing guarantees	6,488	10,062
Other payables from transactions with bank clients	8,064	18,771
Bank customers' funds in inactive accounts	41,527	45,593
Deferred income	276	334
Accounts payable for services	7	1,317
Accounts payable for settlements with bank employees	9,747	12,071
Accounts payable for taxes and mandatory payments, except for income tax	1,313	1,427
Accounts payable for fees to the Fund guaranteeing deposits of individuals	1,550	1,320
Contractual obligations	2,287	2,600
Accounts payable under contractual obligations	52	886
Other accrued expenses	2,884	4,294
Total	74,195	98,675

12 data disclosed in the "Statement of Financial Position" and in Note 15.

13. AUTHORIZED CAPITAL AND SHARE DIFFERENCES (SHARE PROFIT)

Table 13.1 Authorized capital and share premium (share income)

<i>thousand UAH</i>	Number of shares outstanding (thousands of shares)	Simple promotions	Total
Balance as of December 31, 2023	12,152	300,039	300,039
Issuance of new shares (units)	-	-	-
Balance as of December 31, 2024	12,152	300,039	300,039
Issuance of new shares (units)	-	-	-
Balance as of March 31, 2025	12,152	300,039	300,039

There are no shares announced for issue in the reporting first quarter of 2025.

The nominal value of one share as of the end of the day on March 31, 2025 is 24.69 hryvnias.

The bank did not issue preferred shares, and no dividends were paid.

There are no restrictions on share ownership as of the end of the reporting first quarter of 2025.

Ordinary registered shares of the Bank grant their owners the rights provided for by the current legislation of Ukraine, including: to participate in the management of the Bank, namely the right to vote when resolving issues at the General Meeting of Shareholders of the Bank on the principle of "one voting share - one vote"; to participate in the distribution of the Bank's profit and receive its share (dividends); to receive, in the event of liquidation of the Bank, part of its property or the value of part of its property; to receive information about the Bank's business activities; in the event of the issuance of additional shares through private placement, to exercise the preemptive right to purchase ordinary shares placed by the Bank in proportion to the share of ordinary shares owned by them (the shareholders) in the authorized capital of the Bank; to sell or otherwise alienate the shares owned by them without the consent of other shareholders and the Bank.

Notes 1 3 stated in the " Statement of Financial Position " and the " Statement of Changes in Equity (Statement of Equity) ".

14. MOVEMENTS IN REVALUATION RESERVES (COMPONENTS OF OTHER COMPREHENSIVE INCOME)

Table 14.1. Movement in revaluation reserves (components of other comprehensive income)

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Balance at the beginning of the year	2,355	1,431
Revaluation of financial assets carried at fair value through other comprehensive income	-	-
<i>changes in revaluation to fair value</i>	<i>(9,585)</i>	<i>(42,441)</i>
<i>income (expenses) from sales</i>	<i>5,491</i>	<i>43,365</i>
<i>reclassified in the reporting period to profit or loss</i>		
Balance at the end of the year	(1,739)	2,355

15. ANALYSIS OF ASSETS AND LIABILITIES BY MATURITY TERM

Table 15.1. Analysis of assets and liabilities by maturity

<i>thousand UAH</i>	March 31, 2025			December 31, 2024		
	less than 12 months	more than 12 months	total	less than 12 months	more than 12 months	total
ASSETS						
Cash and cash equivalents	1,855,133	-	1,855,133	3,248,828	-	3,248,828
Loans and customer debt	157,486	92,778	250 264	189,564	169,579	359 143
Investments in securities	586,932	256 240	843 172	456,723	154,704	611,427
Investment property	-	75,789	75,789	-	132,780	132,780
Current income tax receivable	4,038	-	4,038	4,038	-	4,038
Fixed assets and intangible assets	-	73,609	73,609	-	57,962	57,962
Other assets	72,307	-	72,307	93,268	-	93,268
Total assets	2,675,896	498,416	3,174,312	3,992,421	515,025	4,507,446
OBLIGATION						
Client funds	2,653,987	288,063	2,942,050	3,956,324	148,880	4 105 204
Deferred tax liabilities	352	-	352	352	-	352
Provisions for liabilities	1,256	169	1,425	1,690	283	1,973
Other obligations	46,581	27,614	74,195	68885	29,790	98,675
Total liabilities	2,702,176	315,846	3,018,022	4,027,251	178,953	4 206 204

16. INTEREST INCOME AND EXPENSES

Table 16.1. Interest income and expenses

<i>thousand UAH</i>	March 31, 2025	March 31, 2024
Interest income:		
Loans and customer debt	14,544	26,265
Investments in securities	27,508	54,717
Correspondent accounts in other banks	35	56
NBU certificates of deposit, which are recorded under the AS	44,382	21,598
Other interest income	31	531
Total interest income	86,500	103,167
Interest expenses:		
Term funds of legal entities	(5,064)	(7,692)
Term funds of individuals	(6,240)	(8,380)
Current accounts	(37,363)	(14,130)
Interest expense on lease liability	(89)	(8)
Other interest expenses	(313)	(54)
Total interest expense	(49,069)	(30,264)

Net interest income (expenses)	37,431	72,903
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The data of Note 16 are included in the “ Statement of Profit or Loss and Other Comprehensive Income (Statement of Financial Results) ” and in Note 22.

17. COMMISSION INCOME AND EXPENSES

Table 17.1. Commission income and expenses

<i>thousand UAH</i>	March 31, 2025	March 31, 2024
Commission income		
Settlement and cash transactions	31,874	33,412
Customer credit service	-	50
Foreign exchange market operations for clients	10,682	16,393
Guarantees provided	3,615	6,621
Others	24	37
Total commission income	46,195	56,513
Commission costs		
Settlement and cash transactions	(10,757)	(17,903)
Securities transactions for clients	(56)	(38)
Total commission expenses	(10,813)	(17,941)
Net commission income/expenses	57,008	38,572

Note 17 data disclosed in the “Statement of profit or loss and other comprehensive income (Statement of financial performance)” and in note 22.

18. OTHER OPERATING INCOME

Table 18.1. Other operating income

<i>thousand UAH</i>	March 31, 2025	March 31, 2024
Fines, penalties received by the bank	3	180
Income from operating leasing (rent)	192	249
Income from derecognition of financial liabilities	888	1,280
Income on initial recognition of financial assets (Government Bonds)	3,343	1,559
Income from the sale of property	14,947	-
Income from disposal of investment property	504	-
Others	1,439	235
Total operating income	21,316	3,503

The data of Note 18 are included in the “Statement of Profit or Loss and Other Comprehensive Income (Statement of Financial Results)” and in Note 22 .

19. ADMINISTRATIVE AND OTHER OPERATING COSTS

Table 19.1. Administrative and other operating expenses

<i>thousand UAH</i>	March 31, 2025	March 31, 2024
Marketing and advertising expenses	(2,049)	(2,968)
Costs associated with customer acquisition	(2,213)	(31,390)
Expenses for maintenance of fixed assets and intangible assets, telecommunication and other operational services	(11,027)	(15,330)
Operating lease (rent) costs	(5,571)	(3,255)
Payment of other taxes and fees, except for income tax	(2,340)	(1,606)
Expenses for information and consulting services received and financial consulting services	(712)	(3,760)
Security costs	(73)	(244)
Costs of collecting valuables	(396)	(590)
Payment card support	(6,344)	(3,251)
Staff education and training costs	(31)	(663)
Result from sale, impairment of assets and negative result from disposal of NA and OZ	(1,869)	(166)
Fines for violating NBU requirements	(135,150)	(21,400)
Others	(5,188)	(2,312)
Total administrative and other operating expenses	(172,963)	(86,935)

The data of Note 19 are disclosed in the “Statement of Profit or Loss and Other Comprehensive Income (Statement of Financial Results)” and in Note 22.

20. PROFIT (LOSS) PER COMMON SHARE

Table 20.1. Net and adjusted earnings/(loss) per common share

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Profit/(loss) cumulative total since the beginning of the year	(140,858)	439
Profit/(loss) attributable to owners of the bank's common shares	(140,858)	439
Average annual number of common shares outstanding (thousands of shares)	12,152	12,152
Net and adjusted profit/(loss) per common share (UAH):		
<i>basic</i>	(11.60)	0.04
<i>dilute</i>	(11.60)	0.04

Note data 20 stated in the “Statement of profit or loss and other comprehensive income (Statement of financial results)”.

The amount of earnings/(loss) per share was calculated by dividing the net income/(loss) attributable to the shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. The Bank does not have shares that could result in a decrease in earnings per share. Thus, the adjusted net income/(loss) per share is equal to the earnings per share attributable to shareholders of ordinary shares.

The net profit/(loss) indicator does not differ from the adjusted net profit/(loss) indicator.

Table 2 0.2. Calculation of profit/(loss) attributable to owners of the bank's common shares

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Profit/(loss) for the period attributable to owners of the bank	(140,858)	439
Retained earnings/(loss) for the period	(140,858)	439
Retained earnings/(loss) for the period attributable to ordinary shareholders based on the terms of the shares	(140,858)	439
Profit/(loss) for the period attributable to ordinary shareholders	(140,858)	439

21. OPERATING SEGMENTS

An operating segment is a distinguishable component that is engaged in providing a single product or service (or a group of related products or services) and is subject to risks and returns that are different from those of other segments.

In this case, a group of interrelated products or services, the supply (provision) of which the segment is engaged in, is combined according to the following criteria:

- types of products or services;
- the nature of the technological process;
- the type or class of consumers of certain products or services;
- the methods used to distribute products or provide services;
- the nature of the legal environment.

According to IFRS 8, the basic principle of segmentation is that an entity should disclose information to enable users of its financial statements to evaluate the nature and financial impact of the economic activities in which it engages, as well as the economic conditions in which it operates. The following characteristics are used to distinguish segments:

- 1) the segment is engaged in economic activities from which it may earn revenues and incur expenses (including revenues and expenses associated with transactions with other components of the same entity);
- 2) The operating results of the segment are regularly reviewed by the entity's chief operating officer to make decisions about the resources to be allocated to the segment and to assess its performance;
- 3) Discrete financial information is available about the segment.

Segment information is provided to the Bank's management, which is responsible for making operating decisions to allocate resources and assess the Bank's performance by segment.

The Bank recognizes the following primary operating segments: corporate, retail, interbank and investment (including Treasury).

Corporate segment – a segment of operations for providing banking services to business entities (account management tools (current, deposit), provision of loans, overdrafts, guarantees and other types of financing, trade financial instruments, structured financing, foreign currency and securities transactions, other services).

Retail segment - a segment of operations for providing banking services to individuals (current, savings and deposit accounts for individuals, credit and debit cards, mortgages and loans for current needs, transactions with foreign currency and securities, rental of bank safes, other services).

Interbank and investment segment (including Treasury) - this business segment includes trading operations with financial instruments, operations on capital markets, operations with foreign currency and banknotes. Interbank activity consists of conducting operations with banks, including the NBU, for the purpose of regulating and ensuring liquidity. Investment - involves conducting operations to invest own and borrowed financial resources by purchasing securities on the stock market on one's own behalf in order to receive income and other investments in order to receive income.

The Bank recognizes as revenue of a reportable segment the revenue directly attributable to the segment and the relevant part of the bank's revenue that can be attributed to the segment from external activities or from transactions between other segments within the same bank. The revenue of reportable segments is presented net of value added tax, excise duty, other duties and deductions from income.

The Bank recognizes as expenses of a reporting segment expenses related to the main activities of the segment that are directly attributable to it and the appropriate portion of expenses that can be reasonably attributed to the segment, including expenses from external activities and expenses related to operations of other segments within the same bank.

The items "Other segments and operations" / "Unallocated amounts" include amounts of income, expenses and results / amounts of assets and liabilities that, for one reason or another, are not allocated to specific segments, or arise from other segments and operations, or arise at the Bank level and relate to the Bank as a whole. Partially total unallocated amounts are allocated between the main operating segments in proportion to the identified direct results of the segments.

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Segment profit and loss are measured using a management accounting methodology that is used for segment reporting and is somewhat different from the methodology used for other financial statements. However, the information presented in segment reporting is consistent with the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income prepared in accordance with IFRS.

Table 21.1. Revenues, expenses and results of reportable segments for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Corporate segment	Retail segment	Interbank and investment segment	Other segments and operations	Total
Interest income	13,592	983	71,925	-	86,500
Commission income	15,647	26,067	4,481	-	46,195
Other operating income	889	608	3,344	16,475	21,316
Total segment revenues	30 128	27,658	79,750	16,475	154,011
Interest expenses	(42,564)	(6,416)	-	(89)	(49,069)
Commission costs	-	(989)	(9,824)	-	(10,813)
Employee benefits expenses	(4,273)	(19,956)	(28,249)	(6,287)	(58,765)
Depreciation and amortization expenses	-	-	-	(5,279)	(5,279)
Other administrative and operating expenses	(1,786)	(9,475)	(3,677)	(158,025)	(172,963)
Total segment costs	(48,623)	(36,836)	(41,750)	(169,680)	(296,889)
Net profit/(loss) from FI transactions accounted for under the SVISD	-	-	1,042	-	1,042
Net profit/(loss) from foreign currency transactions	-	512	22,298	-	22,810
Net profit/(loss) from foreign currency revaluation	1,022	10,990	(12,936)	550	(374)
Net gain/(loss) from impairment of financial assets	(11,256)	(1,553)	320	(133)	(12,622)
Net gain/(loss) from impairment of other assets	-	-	(9,383)	-	(9,383)
Net loss/(gain) from increase/(decrease) in provisions for liabilities	431	-	-	116	547
Segment result (before tax)	(28,298)	771	48,724	(162,055)	(140,858)
Income tax expenses	-	-	-	-	-
Segment result	(28,298)	771	48,724	(162,055)	(140,858)

The components of line 3 "Other operating income" in the amount of UAH 21,316 thousand are disclosed in Note 18.

The components of line 8 "Other administrative and operating expenses" in the amount of UAH 172,963 thousand are disclosed in Note 19.

Table 21.2. Revenues, expenses and results of reportable segments for 2024

<i>thousand UAH</i>	Corporate business	Retail business	Treasury	Other segments and operations	Total
Interest income	91,418	6,776	241,186	-	339 380
Commission income	75 123	110,678	27,492	-	213 293
Other operating income	6,003	1,282	3,571	344	11,200
Total segment revenues	172,544	118,736	272,249	344	563,873
Interest expenses	(77,007)	(39,294)	-	(317)	(116,618)
Commission costs	-	(1,125)	(56,777)	-	(57,902)

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Employee benefits expenses	(36,565)	(74,005)	(89,012)	(149)	(199,731)
Depreciation and amortization expenses	-	-	-	(15,576)	(15,576)
Other administrative and operating expenses	(8,014)	(40,130)	(42,157)	(134,485)	(224,786)
Total segment costs	(121,586)	(154,554)	(187,946)	(150,527)	(614,613)
Net profit/(loss) from FI transactions accounted for under the SVISD	-	-	41,739	-	41,739
Net profit/(loss) from foreign currency transactions	-	2,740	80,486	-	83,226
Net profit/(loss) from revaluation of investment property	-	-	8,080	-	8,080
Net profit/(loss) from foreign currency revaluation	1,131	33,730	(35,366)	58	(447)
Net gain/(loss) from impairment of financial assets	(76,075)	7,482	(4,037)	-	(72,630)
Net gain/(loss) from impairment of other assets	-	-	(212)	-	(212)
Net loss/(gain) from increase/(decrease) in provisions for liabilities	-	-	88	-	88
Segment result (before tax)	(23,986)	8,134	175,081	(150,125)	9 104
Income tax expenses	-	-	-	-	(8,665)
Segment result	(23,986)	8,134	175,081	(150,125)	439

The components of line 3 "Other operating income" in the amount of UAH 11,200 thousand are disclosed in Note 18.
The components of line 8 "Other administrative and operating expenses" in the amount of UAH 224,787 thousand are disclosed in Note 19.

Table 2 1.3. Assets and liabilities of reportable segments for the 3 months ended March 31, 2025

<i>thousand UAH</i>	Corporate segment	Retail segment	Interbank and investment segment	Other segments and operations	Total
Segment assets					
Total segment assets	241,163	22,639	2,519,644	-	2,783,446
Unallocated amounts	-	-	-	390,866	390,866
Total assets	241,163	22,639	2,519,644	390,866	3,174,312
Segment liabilities					
Total segment liabilities	2,429,287	517 817	-	-	2,947,104
Undistributed amounts	-	-	-	70,918	70,918
Total liabilities	2,429,287	517 817	-	70,918	3,018,022

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Data for line 3 "Undistributed assets" in the amount of UAH 390,866 thousand consists of:

- 178,661 thousand UAH - "Banknotes and coins in the cash desk of bank branches", "Banknotes and coins in ATMs";
- UAH 75,789 thousand - "Investment real estate";
- UAH 73,609 thousand - "Fixed assets, assets in the form of right-of-use and intangible assets";
- UAH 4,038 thousand - "Receivables for current income tax";
- 58,769 thousand UAH - "Banking metals in the bank branch" and other assets

The data of line 7 "Unallocated liabilities" in the amount of UAH 70,918 thousand consist of:

- UAH 352 thousand – "Deferred tax liabilities";
- UAH 70,566 thousand – accounts payable for business transactions and taxes, deferred income and other liabilities.

Table 21.4. Assets and liabilities of reportable segments for 2024

<i>thousand UAH</i>	Corporate business	Retail business	Treasury	Other segments and operations	Total
Segment assets					
Total segment assets	377,552	32,794	3,737,231	-	4,147,577
Undistributed amounts	-	-	-	359,869	359,869
Total assets	377,552	32,794	3,737,231	359,869	4,507,446
Segment liabilities					
Total segment liabilities	3,484,653	625,393	-	-	4,110,046
Undistributed amounts	-	-	-	96,158	96,158
Total liabilities	3,484,653	625,393	-	96,158	4 206 204

Data for line 3 "Undistributed assets" in the amount of UAH 359,869 thousand consists of:

- 123,023 thousand UAH - "Banknotes and coins in the cash desk of bank branches", "Banknotes and coins in ATMs";
- UAH 132,780 thousand - "Investment real estate";
- UAH 57,962 thousand. - "Fixed assets, assets in the form of right of use and intangible assets";
- UAH 4,038 thousand - "Receivables for current income tax";
- 42,066 thousand UAH - "Other assets"

The data of line 7 "Unallocated liabilities" in the amount of UAH 96,158 thousand consist of:

- UAH 352 thousand – "Deferred tax liabilities";
- UAH 95,806 thousand – accounts payable for business transactions and taxes, deferred income and other liabilities.

The Bank does not submit "Information on Geographic Regions" because it carries out its business activities only in Ukraine.

22. POTENTIAL LIABILITIES OF THE BANK

Hearing cases in court

The presence of lawsuits in courts regarding the provision of financial services by the Bank and the status of their consideration:

- A lawsuit to recover from the Bank the amount of UAH 155 thousand.
Case No. 910/21822/21 on the claim of the Ministry of Defense of Ukraine against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute of LLC "TUSMO" for the collection of UAH 155,400.00 under Bank Guarantee No. 2344-18G dated April 26, 2018 is being considered in the court of first instance.

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- A lawsuit to recover from the Bank the amount of UAH 626 thousand.
Case No. 910/10010/22 on the claim of JSC "Ukrposhta" against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute of LLC "CIEL" for the collection of UAH 625,759.45 under Bank Guarantee No. 3644-21G dated 05/27/2021 stayed in the court of first instance pending consideration of another related case.
- A lawsuit to recover from the Bank the amount of UAH 104 thousand.
By the court decision of 02/27/2025 in case No. 910/5836/24, the claims of JSC "Ukrposhta" against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute LLC "Construction and Trade Company "LIDER" for the recovery of UAH 103,614.84 under Bank Guarantee No. 2851-23G dated 02/11/2023 were satisfied. It was decided to recover from JSC "RWS BANK" in favor of JSC "Ukrposhta" the amount of the guarantee payment under the Bank Guarantee in the amount of UAH 98 thousand, a penalty in the amount of UAH 4,871.47, inflation losses in the amount of UAH 488.75, 3% per annum in the amount of UAH 504.77. and costs of paying a court fee in the amount of 3 thousand UAH. In accordance with memorial order No. 5 dated March 13, 2025, RWS BANK JSC paid UAH 106,642.84 in favor of Ukrposhta JSC.
- A lawsuit to recover from the Bank the amount of UAH 599 thousand.
Case No. 910/8560/24 on the claim of JSC "Ukrposhta" against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute LLC "Construction and Trade Company "LIDER" for the recovery of UAH 599 thousand. under Bank Guarantee No. 3486-23G dated November 17, 2023 is being considered in the court of first instance.
- A lawsuit to recover from the Bank the amount of UAH 6,825,000.
By the court decision of 04/22/2025 in case No. 910/1543/25, the satisfaction of the claims of JSC "Ukrtransgaz" against JSC "RWS BANK" for the recovery of UAH 6,825 thousand. under Bank Guarantee No. 3574-23G dated November 24, 2023 (LLC "Trade House Techkomplekt") was denied. The above-mentioned decision did not enter into legal force.
- A lawsuit to recover from the Bank the amount of UAH 1,140,000.
Case No. 910/2245/25 on the claim of JSC "Ukrtransgaz" against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute of LLC "Trade House Techkomplekt" for the collection of UAH 1,140 thousand. under Bank Guarantee No. 3379-23G dated November 15, 2023 is being considered in the court of first instance.
- A lawsuit to recover from the Bank the amount of UAH 253 thousand.
In accordance with memorial order No. 4 dated April 15, 2025, RWS BANK JSC paid UAH 253 thousand in favor of Ukrnafta PJSC.
By a court decision dated April 22, 2025, the proceedings in case No. 910/3224/25 on the claim of PJSC "Ukrnafta" against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute, LLC Construction and Installation Department "Energoyuzhspetsstroy" for the recovery of UAH 253 thousand. under Bank Guarantee No. 2256-24G dated May 15, 2024 due to the absence of the subject of the dispute.
- A lawsuit to recover from the Bank the amount of UAH 8,171 thousand.
In accordance with memorial order No. 1 dated April 15, 2025, RWS BANK JSC paid UAH 8,171 thousand in favor of Ukrnafta PJSC.
Case No. 910/3353/25 on the claim of PJSC "Ukrnafta" against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute, LLC Construction and Installation Department "Energoyuzhspetsstroy" for the collection of UAH 8,171,200.00 under Bank Guarantee No. 2506-24G dated June 21, 2024, is being considered in the court of first instance at the stage of preparatory proceedings - consideration of a motion to close the proceedings due to the absence of a subject of the dispute.
- A lawsuit to recover from the Bank the amount of UAH 2,674 thousand.
In accordance with memorial order No. 7 dated April 15, 2025, RWS BANK JSC paid UAH 2,674 thousand in favor of Ukrnafta PJSC.
Case No. 910/3721/25 on the claim of PJSC "Ukrnafta" against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute, LLC Construction and Installation Department "Energoyuzhspetsstroy" for the recovery of UAH 2,674 thousand. under Bank Guarantee No. 2502-24G dated June 13, 2024, is being considered in the court of first instance at the stage of preparatory proceedings - consideration of a motion to close the proceedings due to the absence of a subject of the dispute.

- A lawsuit to recover from the Bank the amount of UAH 2,736,000.
In accordance with memorial order No. 8 dated April 15, 2025, RWS BANK JSC paid UAH 2,736 thousand in favor of Ukrnafta PJSC.
Case No. 910/3712/25 on the claim of PJSC "Ukrnafta" against JSC "RWS BANK" with the participation of a third party who does not declare independent claims on the subject of the dispute, LLC Construction and Installation Department "Energoyuzhspetsstroy" for the recovery of UAH 2,735,807.78 under Bank Guarantee No. 2503-24G dated June 13, 2024, is being considered in the court of first instance at the stage of preparatory proceedings - consideration of a motion to close the proceedings due to the absence of a subject of the dispute.

The bank's management considers the risk of losses to the bank due to these lawsuits to be unlikely, as it has experience in resolving similar legal cases in favor of the bank.

Potential tax liabilities

Currently, Ukraine has a number of laws and regulations in force regarding various taxes and fees levied by both state and local authorities. The taxes that are applied include income tax, value added tax, payroll tax, and other taxes and fees. The laws that regulate these taxes change frequently, and their provisions are often unclear or not developed. There is also a lack of judicial precedents on these issues. There are different points of view regarding the interpretation of legal norms among state ministries and organizations (for example, the tax administration and its inspectorates), which causes general uncertainty. The correctness of tax declarations, as well as other issues of compliance with the law, are subject to verification and study by a number of regulatory bodies, which are legally authorized to impose fines and penalties in significant amounts. The listed factors determine the presence of tax risks in Ukraine that are much greater than those that exist in countries with more developed tax systems.

Management believes that the Bank's activities are carried out in full compliance with the applicable legislation governing its activities and that the Bank has accrued all applicable taxes. In cases where there is uncertainty regarding the amounts of taxes payable, accruals are made based on the Bank's management's estimates based on the analysis of information available to it.

Capital investment commitments

The Bank has no contractual obligations related to the reconstruction of buildings, the acquisition of fixed assets and intangible assets.

Operating lease obligations (rent)

Table 22.1. Future minimum lease payments under a non-cancellable operating lease agreement of the lessee bank

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Up to 1 year	13,266	22,031
Total	13,266	22,031

Compliance with special requirements

The Bank did not enter into agreements to obtain loan funds on special terms.

From the lending obligation

The main purpose of these instruments is to provide funds to meet the financial needs of customers. Guarantees and standby letters of credit, which are irrevocable guarantees that the Bank will make payments in favor of third parties in the event of a customer's default, have the same credit risk as loans.

Documentary and commodity letters of credit, which are written obligations of the Bank on behalf of its clients, authorizing third parties to demand payment from the Bank in specified amounts in accordance with specific conditions, are secured by the consignments of goods to which they relate or by cash deposits, therefore, have a lower level of risk than loans.

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Commitments to extend credit represent unused amounts intended for lending in the form of loans, guarantees and letters of credit. With respect to credit risk on commitments to extend credit, the Bank is exposed to potential losses in the total amount of unused commitments in the event of full disbursement of the unused amount of such credits to customers. However, the potential amount of losses is less than the total amount of unused commitments, as the fulfillment of most commitments to extend credit depends on customers' compliance with certain credit standards.

The Bank monitors the maturity of its lending commitments as longer-term commitments are generally characterized by higher credit risk than short-term commitments. Outstanding lending commitments were as follows:

Table 22.2. Structure of lending commitments

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
Guarantees issued	852,445	1,174,672
Lending commitments provided	11,427	16,968
Unused credit lines	65,889	73,958
Reserve for issued guarantees	(1,425)	(1,973)
Total lending-related liabilities, less provision	928,336	1,263,625

The total amount of credit-related obligations under the contract does not necessarily represent the amount of cash that will be required to be paid in the future, as many of these obligations may be unclaimed or terminated before their term expires.

Table 22.3. Lending commitments by currency

<i>thousand UAH</i>	March 31, 2025	December 31, 2024
US dollar	148,554	162,042
Euro	8,032	59,488
Hryvnia	771 750	1,042,095
Total	928,336	1,263,625

Assets pledged as collateral and assets subject to restrictions on possession, use

As of **March 31, 2025** (end of day), the Bank had restricted-use assets with the following carrying amounts:

- guarantees (principal) for settlements with the international payment system Mastercard in the amount of UAH 19,868 thousand.
 - guarantee deposits for settlements with the international payment system Welsend in the amount of UAH 20 thousand.
 - guarantee deposits for payments with the international payment system Apple Pay in the amount of 28 thousand UAH
- There are no other assets subject to restrictions on their ownership, use and disposal.

23. RELATED PARTY TRANSACTIONS

According to IAS 24 "Related Party Disclosures", related parties are considered parties if one of them has the ability to control or significantly influence the operating and financial decisions of the other party.

The Bank recognizes persons related to the Bank in accordance with the requirements of Article 52 of the Law of Ukraine "On Banks and Banking Activities".

Table 23.1. Balances on transactions with related parties as of March 31, 2025

<i>thousand UAH</i>	Largest participants (bank shareholders)	Management staff	Other related parties
Client funds	5	4,036	248
Loans and customer debt	-	-	-

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Loan impairment allowance	-	-	-
Other obligations	-	1,579	-

Table 23.2. Income and expenses from transactions with related parties for the 3 months ended March 31, 2025

thousand UAH

	Largest participants (bank shareholders)	Management staff	Other related parties
Interest income	-	-	-
Commission income	8	19	10
Other operating income	2	10	-
Interest expenses	-	(30)	(17)
Impairment of financial assets (formation of a reserve)	-	1	-
Employee benefits expenses	-	(13,982)	-
Other administrative and operating expenses	-	(12)	(4)

Table 23.3. Balances on transactions with related parties as of December 31, 2024

thousand UAH

	Largest participants (bank shareholders)	Management staff	Other related parties
Client funds	68	3,154	539
Loans and customer debt	-	39	-
Loan impairment allowance	-	(8)	-
Other obligations	-	5,348	-

Table 23.4. Income and expenses from transactions with related parties for 2024

thousand UAH

	Largest participants (bank shareholders)	Management staff	Other related parties
Interest income	-	8	-
Commission income	30	67	67
Other operating income	2	19	39
Interest expenses	-	(128)	(38)
Impairment of financial assets (formation of a reserve)	-	1	-
Employee benefits expenses	-	(39,539)	-
Other administrative and operating expenses	-	(26)	(9)

Table 23.5. Payments to key management personnel

thousand UAH

	March 31, 2025		March 31, 2024	
	Costs	Accrued liability	Costs	Accrued liability
Current employee benefits	13,895	1,560	5,786	921
Severance payments	87	19	45	10

24. EVENTS AFTER THE BALANCE SHEET DATE

The Bank has developed and submitted to the NBU a capitalization program, which provides for an increase in regulatory capital by obtaining funds under subordinated debt, selling non-core assets owned by the Bank, and increasing profitable activities.

During February-March 2025, due to profitable activity in 2025, the indicators of the standards are gradually improving. RK increased from 108.6 million UAH. to 119.9 million UAH., the NRK standard, respectively, from 7.7884% to 8.4225%, the N7 standard decreased from 44.88% to 40.25%.

All other standards are met, and the Bank's liquidity is maintained at the appropriate level.

On April 18, 2025, the Bank raised UAH 100 million under subordinated debt from a legal entity. After approval by the NBU and inclusion of the specified amount in the Bank's capital, all ratios, including capital ratios, will be brought to regulatory values.