

**Joint Stock Commercial Bank  
“TURONBANK”  
and its subsidiary**

**Consolidated financial statements and  
independent auditor’s report**

*for the year ended 31 December 2024*

## Statement of management's responsibilities for the presentation and approval of the consolidated financial statements

For the year ended 31 December 2024

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of Joint Stock Commercial Bank "Turonbank" and its subsidiary (together referred to as "the Group") as at 31 December 2024 and the results of its operations, cash flows and changes in shareholders' equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- ▶ Properly selecting and applying accounting policies;
- ▶ Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- ▶ Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- ▶ Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

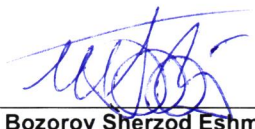
- ▶ Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- ▶ Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated statement of financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- ▶ Maintaining statutory accounting records in compliance with legislation and accounting policies of the Republic of Uzbekistan;
- ▶ Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- ▶ Preventing and detecting fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved by the management on 15 April 2025.

On behalf of the Management Board:

  
Mirzayev Chori Sadibakosovich  
Chairman of the board



  
Bozorov Sherzod Eshmanovich  
Chief Accountant

## Independent auditor's report

To the Shareholders and Supervisory Board of Joint Stock Commercial Bank "Turonbank"

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of Joint Stock Commercial Bank "Turonbank" (hereinafter, the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Uzbekistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Key audit matter	How our audit addressed the key audit matter
<b>Expected credit losses on loans to customers</b>	
<p>The measurement of expected credit losses ("ECL") on loans to customers based on the requirements of IFRS 9 Financial Instruments ("IFRS 9") is a key area of management judgment. The assessment of events that cause a significant increase in credit risk, the determination of the probability of default, the allocation of assets into the three impairment stages and the analysis of the criteria for transition between stages require significant professional judgment and the use of assumptions.</p> <p>The calculation of ECL involves the use of estimation methods with unobservable inputs, including the determination of the probability of default, the exposure at default and loss given default based on observable historical data adjusted for forward-looking information, including forecast macroeconomic parameters.</p> <p>The use of different models and assumptions may result in material differences in the estimates of the impairment allowance for loans to customers. Due to the significance of the carrying amount of loans to customers to the Group's consolidated financial position and the complexities and judgements involved in estimating ECL, we considered this area a key audit matter.</p> <p>Information about the ECL allowance and management's approach to assessing the allowance and managing credit risk is disclosed in Notes 4, 9 and 26 to the consolidated financial statements.</p>	<p>Our audit procedures included assessing the methodology developed by the Group for calculating ECL for loans to customers, reviewing controls over the customer lending process, including reviewing controls over recording past due debt, procedures for assessing events that cause a significant increase in credit risk for borrowers based on internal classification, and procedures for calculating the ECL allowance. We analysed the consistency of judgments made by the Group's management in calculating the allowance for impairment of assets.</p> <p>For the allowance calculated on a portfolio basis, we assessed the underlying models, key inputs and assumptions used by the Group to calculate ECL, as well as the loan stage allocation. We assessed management's judgments in determining whether there has been a significant increase in credit risk on an individual basis. For selected impaired loans, we analyzed the expected cash flows from the sale of collateral and repayment of cash. We recalculated the allowance for ECL.</p> <p>We analyzed the disclosures in the notes to the consolidated financial statements about the allowance for loans to customers.</p>

### **Other information included in Group's 2024 Annual Report**

Other information consists of the information included in Joint Stock Commercial Bank "Turonbank" 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

## ***Responsibilities of management and Supervisory Board for the consolidated financial statements***

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

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

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

## ***Auditor's responsibilities for the audit of the consolidated financial statements***

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

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

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



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

#### **Report on findings from procedures performed in accordance with the requirements of Law No. LRU-580 dated 5 November 2019 On Banks and Banking Activity**

Management of the Group is responsible for the Bank's compliance with prudential ratios and for maintaining internal controls and organizing risk management systems in accordance with the requirements established by the Central Bank of the Republic of Uzbekistan.

In accordance with Article 74 of Law No. LRU-580 dated 5 November 2019 *On Banks and Banking Activity* (the "Law"), we have performed procedures to determine:

- whether as at 31 December 2024 the Bank complied with prudential ratios established by the Central Bank of the Republic of Uzbekistan;
- whether the elements of the Bank's internal control and organization of its risk management systems comply with the requirements established by the Central Bank of the Republic of Uzbekistan.

These procedures were selected based on our judgment, and were limited to the analysis, inspection of documents, comparison of the Bank's internal policies, procedures and methodologies with the applicable requirements established by the Central Bank of the Republic of Uzbekistan, and recalculations, comparisons and reconciliations of numerical data and other information.

Our findings from the procedures performed are reported below.

Based on our procedures with respect to the Bank's compliance with the prudential ratios established by the Central Bank of the Republic of Uzbekistan, we found that the Bank's prudential ratios, as at 31 December 2024, were within the limits established by the Central Bank of the Republic of Uzbekistan.

We have not performed any procedures on the accounting records maintained by the Group, other than those which we considered necessary to enable us to express an opinion as to whether the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Based on our procedures with respect to the compliance of the elements of the Group's internal control and organization of its risk management systems with the requirements established by the Central Bank of the Republic of Uzbekistan, we found that:

- as at 31 December 2024, the Bank's internal audit function was subordinated to, and reported to, Supervisory Board, and the risk management function was not subordinated to, and did not report to, divisions taking relevant risks;
- the frequency of reports prepared by the Bank's internal audit function during 2024 was in compliance with the requirements of the Central Bank of the Republic of Uzbekistan. The reports were approved by those charged with governance and included observations made by the Bank's internal audit function in respect of internal control systems;
- as at 31 December 2024, the Bank established Information security function, and the information security policy was approved by the Bank's management board. Information security function was subordinated to and reported directly to the Chairman of the management board;
- reports by the Bank's Information security function to the Chairman of the management board during 2024 included assessment and analysis of information security risks, and results of actions to manage such risks;
- the Bank's internal documentation, effective on 31 December 2024, establishing the procedures and methodologies for identifying and managing credit risk, market risk, liquidity risk, operational risk, country risk, legal risk, reputational risk, fraud risk (hereinafter "significant risks"), and for stress-testing, was approved by the authorised management bodies of the Bank;
- as at 31 December 2024, the Bank maintained a system for reporting on the Bank's significant risks, and on the Bank's capital;
- the frequency of reports prepared by the Bank's risk management and internal audit functions during 2024, which cover the Bank's significant risks management, was in compliance with the Bank's internal documentation. The reports included observations made by the Bank's risk management and internal audit functions as to their assessment of the Bank's significant risks and risk management system, and recommendations for improvement;



- as at 31 December 2024, Supervisory Board and Executive Management of the Bank had responsibility for monitoring the Bank's compliance with the risk limits and capital adequacy ratios established in the Bank's internal documentation. In order to monitor the effectiveness of the Bank's risk management procedures and their consistent application during 2024, Supervisory Board and executive management bodies of the Bank periodically discussed the reports prepared by the risk management and internal audit functions, and considered the proposed corrective actions.

Procedures with respect to elements of the Bank's internal control and organization of its risk management systems were performed solely for the purpose of examining whether these elements, as prescribed in the Law and as described above, comply with the requirements established by the Central Bank of the Republic of Uzbekistan.

The partner in charge of the audit resulting in this independent auditor's report is Anvar Azamov.

Tashkent, Uzbekistan

15 April 2025

*FE Audit Company "Ernst & Young" LLC*  
FE Audit Company «Ernst & Young» LLC  
Certificate authorizing audit of banks registered by the Central Bank of the Republic of  
Uzbekistan Under #11 dated 22 July 2019

*A. Azamov*  
Anvar Azamov  
Engagement partner / Qualified auditor

Auditor qualification certificate authorizing audit of banks #25 dated 29 March 2023 issued by  
the Central Bank of the Republic of Uzbekistan




## Consolidated statement of financial position

As of 31 December 2024

(in millions of Uzbek Soums)

	Notes	31 December 2024	31 December 2023
<b>Assets</b>			
Cash and cash equivalents	6, 26	1,800,984	1,776,770
Due from other banks	7, 26	247,490	265,358
Debt securities at amortised cost	8, 26	595,414	163,825
Loans and advances to customers	9, 26	12,947,428	11,957,750
Financial assets at fair value through other comprehensive income	11	138,175	78,675
Investments in associates	10	9,567	9,869
Property, equipment and intangible assets	12	730,371	630,170
Right-of-use assets	12	12,045	14,670
Deferred income tax assets	13	92,275	102,459
Other assets	14, 26	540,867	422,097
<b>Total assets</b>		<b>17,114,616</b>	<b>15,421,643</b>
<b>Liabilities</b>			
Due to other banks	15, 26	1,527,871	1,435,397
Customer accounts	16, 26	4,740,544	4,216,334
Other borrowed funds	17, 26	9,044,930	8,176,876
Lease liabilities		12,903	15,849
Other liabilities	14, 26	69,066	52,256
Subordinated debt	18	127,901	–
<b>Total liabilities</b>		<b>15,523,215</b>	<b>13,896,712</b>
<b>Equity</b>			
Share capital	19	1,486,810	1,486,810
Share premium		219	219
Retained earnings		65,736	19,720
Revaluation reserve of financial assets at fair value through other comprehensive income		38,536	18,082
<b>Total equity attributable to parent</b>		<b>1,591,301</b>	<b>1,524,831</b>
Non-controlling interest		100	100
<b>Total equity</b>		<b>1,591,401</b>	<b>1,524,931</b>
<b>Total liabilities and equity</b>		<b>17,114,616</b>	<b>15,421,643</b>

Signed and authorized for release on behalf of the Management Board of the Bank on 15 April 2025.

  
Mirzayev Chori Sadibakosovich  
Chairman of the Board



  
Bozorov Sherzod Eshmanovich  
Chief Accountant

The accompanying notes on pages 5 to 67 are an integral part of these consolidated financial statements

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

(In millions of Uzbek Soums)

	Note	2024	2023
Interest income	22, 26	1,592,872	1,272,000
Interest expense	22, 26	(1,206,109)	(814,644)
<b>Net interest income before credit losses</b>		<b>386,763</b>	<b>457,356</b>
Expected credit losses on loans and advances to customers	9, 28	35,793	(25,028)
Initial recognition adjustment on interest bearing assets		(4,924)	(817)
<b>Net interest income after credit losses and other adjustments</b>		<b>417,632</b>	<b>431,511</b>
Fee and commission income	23, 26	133,488	127,212
Fee and commission expense	23, 26	(56,974)	(37,382)
Net gain from trading in foreign currencies		51,149	47,721
Foreign exchange translation loss/(gain)		(1,536)	7,572
Dividend income	11	2,253	14,669
Other operating income, net		14,765	14,796
Share of loss of associates		(302)	(130)
Administrative and other operating expenses	24, 26	(504,408)	(438,287)
Recovery provision/ other (impairment)	24	5,306	(25,984)
<b>Profit before tax</b>		<b>61,373</b>	<b>141,698</b>
Income tax (expense) / benefit		(13,669)	(28,638)
<b>Profit for the year</b>		<b>47,704</b>	<b>113,060</b>
<b>Attributable to:</b>			
- shareholders of the Bank		47,704	113,060
- non-controlling interests		-	-
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Fair value gain on financial assets at fair value through other comprehensive income	11	25,567	2,299
Tax effect	13	(5,113)	(460)
<b>Other comprehensive income for the year, net of tax</b>		<b>20,454</b>	<b>1,839</b>
<b>Total comprehensive income for the year</b>		<b>68,158</b>	<b>114,899</b>
<b>Attributable to:</b>			
- shareholders of the Bank		68,158	114,899
- non-controlling interests		-	-
<b>Total basic and diluted earnings per ordinary share (expressed in UZS per share)</b>	25	<b>53</b>	<b>130</b>

Signed and authorized for release on behalf of the Management Board of the Bank on 15 April 2025.

Mirzayev Ghor Sadibakosovich  
Chairman of the board




Bozorov Sherzod Eshmanovich  
Chief Accountant

The accompanying notes on pages 5 to 67 are an integral part of these consolidated financial statements

**Consolidated statement of changes in equity****For the year ended 31 December 2024***(in millions of Uzbeks Soums)*

	Note	Share capital	Share premium	Retained earnings	Revaluation reserve of financial assets at fair value through other comprehensive income	Total equity attributable to parent	Non-controlling interests	Total equity
<b>Balance at 31 December 2022</b>		<b>1,486,810</b>	<b>219</b>	<b>(79,318)</b>	<b>16,243</b>	<b>1,423,954</b>	<b>–</b>	<b>1,423,954</b>
Profit for the year		–	–	113,060	–	113,060	–	113,060
Other comprehensive income		–	–	–	1,839	1,839	–	1,839
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>–</b>	<b>113,060</b>	<b>1,839</b>	<b>114,899</b>	<b>–</b>	<b>114,899</b>
Dividends declared	20	–	–	(14,022)	–	(14,022)	–	(14,022)
Change in non-controlling interests in existing subsidiaries		–	–	–	–	–	100	100
<b>Balance at 31 December 2023</b>		<b>1,486,810</b>	<b>219</b>	<b>19,720</b>	<b>18,082</b>	<b>1,524,831</b>	<b>100</b>	<b>1,524,931</b>
Profit for the year		–	–	47,705	–	47,705	–	47,705
Other comprehensive income		–	–	–	20,454	20,454	–	20,454
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>–</b>	<b>47,705</b>	<b>20,454</b>	<b>68,159</b>	<b>–</b>	<b>68,159</b>
Dividends declared	20	–	–	(1,689)	–	(1,689)	–	(1,689)
<b>31 December 2024</b>		<b>1,486,810</b>	<b>219</b>	<b>65,736</b>	<b>38,536</b>	<b>1,591,301</b>	<b>100</b>	<b>1,591,401</b>

Signed and authorized for release on behalf of the Management Board of the Bank on 15 April 2025.



**Mirzayev Chori Sadibakosovich**  
Chairman of the board




**Bozorov Sherzod Eshmanovich**  
Chief Accountant

The accompanying notes on pages 5 to 67 are an integral part of these consolidated financial statements



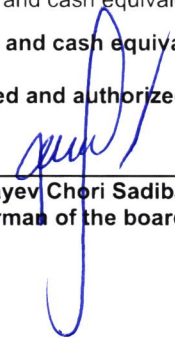
**Consolidated statement of cash flows**

**For the year ended 31 December 2024**

*(In millions of Uzbek Soums)*

	Notes	2024	2023
<b>Cash flows from operating activities</b>			
Interest received		1,415,546	1,050,154
Interest paid		(1,174,626)	(781,384)
Fees and commissions received		128,133	122,911
Fees and commissions paid		(56,974)	(37,382)
Gain received from trading in foreign currencies		51,149	47,721
Other operating income received		9,841	13,979
Staff costs paid		(273,178)	(256,865)
Administrative and other operating expenses paid		(179,657)	(143,467)
Income tax paid		(2,569)	(18,225)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>(82,335)</b>	<b>(2,558)</b>
Net decrease/(increase) in due from other banks		18,828	102,290
Net increase in loans and advances to customers		(795,345)	(1,921,200)
Net decrease/(increase) in other assets		162,405	(82,094)
Net decrease in due to other banks		24,902	81,710
Net decrease in customer accounts		471,887	1,141,714
Net decrease/(increase) in other liabilities		26,404	(14,207)
<b>Net cash used in operating activities</b>		<b>(173,255)</b>	<b>(694,345)</b>
<b>Cash flows from investing activities</b>			
Acquisition of premises, equipment, and intangible assets		(164,306)	(129,080)
Proceeds from disposal of premises, equipment and intangible assets		7,155	405
Acquisition of financial assets at fair value through other comprehensive income	11	(33,933)	(47,545)
Proceeds from redemption of debt securities at amortised cost		331,800	1,827,065
Acquisition of debt securities at amortised cost		(763,783)	(1,614,441)
Acquisition of investments in associated companies		-	(10,000)
Dividend income received		2,269	14,801
<b>Net cash (used in)/from investing activities</b>		<b>(620,799)</b>	<b>41,205</b>
<b>Cash flows from financing activities</b>			
Proceeds from other borrowed funds	20	1,557,391	1,667,926
Repayment of other borrowed funds	17,20	(890,828)	(771,521)
Proceeds from other subordinated debt	18,20	127,901	-
Dividends paid	20	(1,584)	(1,356)
Repayment of lease liabilities	20	(6,260)	(7,360)
<b>Net cash from financing activities</b>		<b>786,620</b>	<b>887,689</b>
Effect of exchange rate changes on cash and cash equivalents		31,531	75,553
Effect of changes in expected credit losses		117	17
<b>Net increase in cash and cash equivalents</b>		<b>24,214</b>	<b>310,119</b>
Cash and cash equivalents at the beginning of the year		1,776,770	1,466,651
<b>Cash and cash equivalents at the end of the year</b>	6,26	<b>1,800,984</b>	<b>1,776,770</b>

Signed and authorized for release on behalf of the Management Board of the Bank on 15 April 2025.

  
Mirzayev Chori Sadibakosovich  
Chairman of the board



  
Bozorov Sherzod Eshmanovich  
Chief Accountant