Joint Stock Commercial Bank “TURONBANK” and its subsidiary

Consolidated financial statements and independent auditor’s report

for the year ended 31 December 2024

Consolidated financial statements

Notes to the consolidated financial statements

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

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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.

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Key audit matter	How our audit addressed the key audit matter
Expected credit losses on loans to customers	
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. 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. 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. 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.	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. 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. We analyzed the disclosures in the notes to the consolidated financial statements about the allowance for loans to customers.

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.

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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;

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- 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 Uzbeks Soums)

	Notes	31 December 2024	31 December 2023
Assets			
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
Total assets		**17,114,616**	**15,421,643**
Liabilities			
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	–
Total liabilities		**15,523,215**	**13,896,712**
Equity			
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
Total equity attributable to parent		**1,591,301**	**1,524,831**
Non-controlling interest		100	100
Total equity		**1,591,401**	**1,524,931**
Total liabilities and equity		**17,114,616**	**15,421,643**

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)
Net interest income before credit losses		**386,763**	**457,356**
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)
Net interest income after credit losses and other adjustments		**417,632**	**431,511**
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)
Profit before tax		**61,373**	**141,698**
Income tax (expense) / benefit		(13,669)	(28,638)
Profit for the year		**47,704**	**113,060**
Attributable to:			
- shareholders of the Bank		47,704	113,060
- non-controlling interests		–	–
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain on financial assets at fair value through other comprehensive income	11	25,567	2,299
Tax effect	13	(5,113)	(460)
Other comprehensive income for the year, net of tax		**20,454**	**1,839**
Total comprehensive income for the year		**68,158**	**114,899**
Attributable to:			
- shareholders of the Bank		**68,158**	**114,899**
- non-controlling interests		**-**	**-**
		68,158	**114,899**
Total basic and diluted earnings per ordinary share (expressed in UZS per share)	25	**53**	**130**

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 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 compre-hensive income	Total equity attributable to parent	Non-controlling interests	Total equity
Balance at 31 December 2022		**1,486,810**	**219**	**(79,318)**	**16,243**	**1,423,954**	**-**	**1,423,954**
Profit for the year		–	–	113,060	–	**113,060**	–	**113,060**
Other comprehensive income		–	–	–	1,839	**1,839**	–	**1,839**
Total comprehensive income for the year		**-**	**-**	**113,060**	**1,839**	**114,899**	–	**114,899**
Dividends declared	20	–	–	(14,022)	–	**(14,022)**	–	**(14,022)**
Change in non-controlling interests in existing subsidiaries		–	–	–	–	**-**	100	**100**
Balance at 31 December 2023		**1,486,810**	**219**	**19,720**	**18,082**	**1,524,831**	**100**	**1,524,931**
Profit for the year		–	–	47,705	–	47,705	–	47,705
Other comprehensive income		–	–	–	20,454	20,454	–	20,454
Total comprehensive income for the year		**-**	**-**	**47,705**	**20,454**	**68,159**	**-**	**68,159**
Dividends declared	20	–	–	(1,689)	–	**(1,689)**	–	**(1,689)**
31 December 2024		**1,486,810**	**219**	**65,736**	**38,536**	**1,591,301**	**100**	**1,591,401**

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
Cash flows from operating activities			
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)
Cash flows from operating activities before changes in operating assets and liabilities		**(82,335)**	**(2,558)**
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)
Net cash used in operating activities		**(173,255)**	**(694,345)**
Cash flows from investing activities			
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
Net cash (used in)/from investing activities		**(620,799)**	**41,205**
Cash flows from financing activities			
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)
Net cash from financing activities		**786,620**	**887,689**
Effect of exchange rate changes on cash and cash equivalents		31,531	75,553
Effect of changes in expected credit losses		117	17
Net increase in cash and cash equivalents		**24,214**	**310,119**
Cash and cash equivalents at the beginning of the year		1,776,770	1,466,651
Cash and cash equivalents at the end of the year	6,26	**1,800,984**	**1,776,770**

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

TURON BANK

Bozorov Sherzod Eshmanovich
Chief Accountant

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

1. Corporate information

The Joint Stock Commercial Bank "Turonbank" (the Bank) is a Joint Stock Company limited by shares and was set up in accordance with regulations of the Republic of Uzbekistan ("Uzbekistan"). The Bank was incorporated in 1990 by the Ministry of Agriculture and Water Management and is domiciled in Uzbekistan. It is registered in Uzbekistan to carry out banking and foreign exchange activities and has operated under banking license No.8 issued by the Central bank of Uzbekistan ("the CBU") and renewed on 25 December 2021.

Principal activity. Principal activities of the Bank and its subsidiary (the Group) are commercial banking, retail banking, operations with securities, foreign currencies and origination of loans and guarantees. The Bank accepts deposits from legal entities and individuals and makes loans and transfers payments. The Bank conducts its banking operations from its head office in Tashkent and 19 branches within Uzbekistan as of 31 December 2024 (31 December 2023: 21 branches).

The Bank participates in the state deposit insurance scheme, which was introduced by the Uzbek Law #360-II "Insurance of Individual Bank Deposit" on 5 April 2002. On 28 November 2008, the President of Uzbekistan issued the Decree Presidential Decree # 4057 stating that in case of the withdrawal of a license of a bank, the State Deposit Insurance Fund guarantees repayment of 100% of individual deposits regardless of the deposit amount.

Registered address and place of business. The Bank's registered address is 4a, Abay Street, Tashkent, 100011, Uzbekistan.

Shareholders. As of 31 December 2024, and 2023, the interest of shareholders in the Bank's share capital was:

Shareholder	2024	2023
Legal entities		
Fund for Reconstruction and Development of the Republic of Uzbekistan (UFRD)	90.09%	90.09%
The Ministry of Economy and Finance of the Republic of Uzbekistan (MOF)	8.67%	8.67%
Legal entities	0.59%	0.61%
Subtotal	**99.35%**	**99.37%**
Individuals	0.65%	0.63%
Total	**100%**	**100%**

The ultimate shareholder and controlling party of the Bank is the Government of the Republic of Uzbekistan.

As of 31 December 2024, the total number of shareholders was 10,421, which included 2,335 legal entities and 8,086 individuals (31 December 2023: 10,148, which included 2,342 legal entities and 7,806 individuals).

Subsidiaries. As of 2024 and 2023, the Bank's subsidiaries were the following enterprises:

Name	Date of Investment	Ownership 2024	Ownership 2023	Country	Industry
LLC Turon Plaza Hotel	December 2021	99,98%	99,97%	Uzbekistan	Tourism

Origination of LLC Turon Plaza Hotel. LLC Turon Plaza Hotel was founded on 22 December 2021 in accordance with legislation of the Republic of Uzbekistan. The main activity of Turon Plaza Hotel is tourism.

As of 31 December 2024, LLC Turon Plaza Hotel's subsidiaries were the following enterprises:

Name	Date of Investment	Ownership 2024	Country	Industry
LLC Turon Stable	July 2024	100%	Uzbekistan	Other services

Origination of LLC Turon Stable. LLC Turon Stable was founded in 22 July 2024 in accordance with legislation of the Republic of Uzbekistan. The sole shareholder of LLC Turon Stable is LLC Turon Plaza Hotel.

2. Operating environment

The Uzbekistan economy displays characteristics of an emerging market, including but not limited to, a low level of liquidity in debt and equity markets. Also, the banking sector in Uzbekistan is particularly impacted by local political, legislative, fiscal and regulatory developments. The largest Uzbek banks are state-controlled and act as an arm of the Government to develop the country's economy.

The Government distributes funds from the country's budget, which flow through the banks to various government agencies, and other state- and privately-owned entities. Uzbekistan experienced the following key economic indicators in 2024:

i) Inflation: 9.8% (2023: 8.8%) (https://cbu.uz/ru/monetary-policy/annual-inflation/indicators/);

ii) GDP growth 6,5% (2023: 6%).https://stat.uz/uz/;

iii) Official exchange rates: 31 December 2024: USD 1 = UZS 12,920.48 (31 December 2023: USD 1 = UZS 12,338.77);

iv) Central Bank refinancing rate: 13.5% (2023: 14%).

In August 2024, Standard & Poor's international rating agency affirmed the Republic of Uzbekistan's long-term and short-term sovereign credit rating for foreign and local currency liabilities at the BB- level. The outlook was Stable. Agency stated that Uzbekistan's economic risk trend is stable. The agency predicts solid economic growth of about 5% over the next four years.

The regulator affirms that the persistence of high inflation expectations, despite the expected reduction in the impact of last year's energy price liberalization in the coming quarters, requires maintaining relatively tight monetary conditions. The decision taken is aimed at returning core inflation indicators and inflation expectations to a sustainable downward trajectory, as well as creating sufficient conditions for achieving the 5% inflation target in the medium term. In the year end 2024 the inflation rate increased year-on-year to 9.8% against 8.8% over the same period last year. According to updated forecasts, by the end of 2025, overall inflation is expected to be at 7-8%. https://cbu.uz/ru/monetary-policy/annual-inflation/indicators/

Influence of geopolitical events in the world. In February 2022, due to the conflict between the Russian Federation and Ukraine, numerous sanctions were announced against the Russian Federation by most western countries. These sanctions are intended to have a negative economic impact on the Russian Federation. Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility in the currency markets, as well as a volatility of UZS against the US dollar and euro. In order to reduce the impact of the external environment on the economy of the Republic of Uzbekistan, on 17 March 2022, the Board of the Central Bank of the Republic of Uzbekistan increased the CBU refinancing rate by 3% to 17%. In June 2022 and then in July 2022, after some decrease in the degree of influence of the external environment on the economy, the Board of the Central Bank of Uzbekistan decreased the CBU refinancing rate to 16% and 15% respectively.

As of March of 2023, the refinancing rate decreased to 14%. In order to reduce inflation to the forecasted indicators by the end of the year and to achieve the target level of 5% in the medium term, the Board of the Central Bank decided to state the refinancing rate at 13.5% in July 2024 and remained it unchanged till the year end.

For the purpose of managing the counterparties' country risk, the Bank controls transactions with counterparties within the limits set by the Bank's collegial body, which are reviewed regularly. The Group continues to assess the effect of these events and changes in economic conditions on its operations, financial position, and financial performance.

The future effects of the current economic situation taking into consideration the sanctions to the Russian government and the above measures are difficult to predict, and management's current expectations and estimates could differ from actual results.

3. Basis of preparation

General. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Group maintains its accounting records in accordance with the respective laws of the Republic of Uzbekistan. These consolidated financial statements have been prepared from statutory accounting records and have been adjusted to conform to IFRS. These adjustments include certain reclassifications to reflect the economic substance of underlying transactions including reclassification of certain assets and liabilities, income and expenses to appropriate financial statement caption. The consolidated financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. For example, investment securities have been measured at fair value.

3. Basis of preparation (continued)

These consolidated financial statements are presented in millions of Uzbek Soums ("UZS"), except per share amounts and unless otherwise indicated. These consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

The Group presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non-current) is presented in Note 26.

Functional and presentational currency. Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Bank and its subsidiary is UZS. The presentational currency of the consolidated financial statements of the Group is also UZS. All values are rounded to the nearest million UZS, except when otherwise indicated.

Basis of consolidation. Subsidiaries, which are those entities which are controlled by the Group, are consolidated. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group (i) has power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee), (ii) has exposure, or rights, to variable returns from its involvement with the investee, (iii) has the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: (i) the contractual arrangement(s) with the other vote holders of the investee, (ii) rights arising from other contractual arrangements, (iii) the Group's voting rights and potential voting rights.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated in full; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Losses are attributed to the non-controlling interests even if that results in a deficit balance. If the Group loses control over a subsidiary, it derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interests, the cumulative translation differences, recorded in equity; recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss and reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

Going concern. These consolidated financial statements have been prepared on a going concern basis. When assessing the ability to continue as a going concern management considered the current financial position of the Group and analyzed relevant subsequent events.

As at 31 December 2024, the current assets of the Group exceeded its current liabilities by UZS 18,698 million.

The following factors and circumstances support the management's conclusion that the going concern assumption is appropriate:

- Continued ongoing support by the Government of the Republic of Uzbekistan ("the State"). The Group is a state-owned bank with the MOF and UFRD as key shareholders, jointly holding 98.76% interest in the share capital of the Bank as at 31 December 2024 (31 December 2023: 98.76%). The Group is a strategic financial institution of the Republic of Uzbekistan, responsible for the development of strategic industries;
- In addition, the management of the Group believes that within 12 months from the date of approval of these consolidated financial statements, the Group will be able to fulfil the financial and non-financial covenants stipulated by the loan agreements, or to negotiate in advance the terms of the loan agreements in such a way that creditors will not demand early repayment of existing debts;
- The shareholder of the Group have neither the intention nor the need to liquidate or significantly reduce the activities of the Group.

UFRD has confirmed to the management that it will continue to support the operation of the Group, including funding.

The management believes that, based on current forecasts and measures taken to manage liquidity, and also taking into account the economic situation in the country and the strengthening of the national currency, the Group has enough funds to continue its activities in the foreseeable future.

4. Significant accounting judgments and estimates

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Fair value of financial instruments. Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. For further details about determination of fair value please see *Note 26*.

Impairment losses on financial assets. The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. In addition, large-scale business disruptions may give rise to liquidity issues for some entities and consumers. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The amount of allowance for loan impairment recognized in consolidated statement of financial position at 31 December 2024 was UZS 636,167 million (31 December 2023 UZS 645,345 million). More details are provided in Notes 9 and 26.

Borrowings from financial institutions. The Group obtains long term financing from government, state and international financial institutions at interest rates at which such institutions ordinarily lend in emerging markets and which may be lower than rates at which the Group could source the funds from local lenders.

As a result of this financing, the Group is able to advance funds to specific customers at advantageous rates. Management has considered whether gains or losses should arise on initial recognition of these instruments and its judgment is that these funds and the related lending are at the market rates and no initial recognition gains or losses should arise. In making this judgment management also considered that these instruments are a separate market sector.

Recoverability of deferred tax assets. The management of the Group is confident that no valuation allowance against deferred tax assets at the reporting date is considered necessary since it is probable that the deferred tax asset will be fully realized. The carrying value of deferred tax assets amounted to UZS 92,275 million and UZS 102,459 million as at 31 December 2024 and 2023, respectively. More details are provided in *Notes 13.*

Change in accounting estimate Compared to 31 December 2023, there was no change in the basis on which the significant estimates were determined.

In order to achieve a higher level of granularity in the credit risk assessment, the Group uses a large number of categories, namely 5 baskets. In this setup, baskets 1 and 2 correspond to stage 1, baskets 3 and 4 correspond to stage 2, and basket 5 corresponds to stage 3. The composition and interrelationship of credit data attributes simplifies the criteria for categorization into baskets. Below is the list of criteria for determining classification and transition between Baskets. The presence of at least one criterion is sufficient to change the classification to reflect an increase in credit risk.

4. Significant accounting judgments and estimates (continued)

Basket 1: loans for which there is no SICR. All loans are classified in Basket 1 on initial recognition and remain in Basket 1 unless or until a significant increase in credit risk has been identified, or until factors indicating a significant increase in credit risk have been identified, except for purchased or originated credit-impaired loans.

Basket 2: loans for which there is no SICR. Loans for which no significant increase in credit risk has been identified for which the maximum number of days of delinquency on principal or interest is between 5 days and 30 days, inclusive, are classified in Basket 2.

Basket 3: Loans that have a SICR event. Loans for which the maximum number of days of principal or interest delinquency is between 31 days and 60 days, inclusive;

Loans in the "subprime" category under the Regulation on the CBU Classification Procedure;

Loans for which there were signs of SICR as of the end of the previous quarter due to the presence of one or more criteria for transfer to Basket 3 or Basket 4, and which as of the end of the current quarter (the 'recovery' period is one quarter prior to the reporting quarter) do not have signs of SICR.

Loans that have been restructured for the first time within the last six months (except for cases of loan restructuring, when restructuring occurs by decision of higher authorities or is not related to deterioration of the borrower's financial condition);

Loans that have been restructured more than once and have recovered within the last six months (except when restructuring occurs by decision of higher authorities or is not related to deterioration of the borrower's financial condition);

Basket 4: loans for which the SICR occurred. Loans for which the maximum number of days of default on principal or interest is between 61 days and 90 days, inclusive.

Basket 5: Loans for which an event of default has occurred. Loans for which the maximum number of days of principal or interest delinquency is more than 90 days;

Loans categorized as "unsatisfactory", "doubtful" and "uncollectible" according to the Regulation on the CBU Classification Procedure; within 3 months from the date of repeated restructuring, (except when restructuring occurs by decision of higher authorities or is not related to deterioration of the borrower's financial condition); loans for which there is a court judgment or court proceedings are underway (loans for which there are court judgment dates in the loan portfolio); loans for which the contract has expired for more than 1 month, but the borrower has not repaid the debt in full according to the payment schedule; in case of default on one financial instrument of the borrower/counterparty it is considered that there is a default on all financial instruments of this borrower/counterparty; a purchased or originated credit-impaired financial asset (POCI);

The Group uses a 2(two)-quarter (6-month) recovery period for impaired financial instruments. Financial instruments that have no evidence of impairment at the end of the current quarter (with a recovery period of one quarter prior to the reporting quarter) will be classified as impaired until the following quarter.

Segmentation. The Group has a detailed segmentation of credit products for loans to individuals, including additional segments such as mortgages, car loans and microloans to individuals. This detalisation is aimed at improving the accuracy of probability of default statistics and ECL results.

The approach to probability of default (PD). The calculation of probability of default is based on historical transition data covering at least five years and covering different stages of the business cycle. This transition data is based on the number of loans rather than loan amounts. Consequently, the migration of loans with significant balances between baskets has a more accurate impact on the probability of default statistics. The Group also implemented a marginal probability of default to ensure smoother migration results.

The level of loss given default (LGD) approach. The Group determines the ratio of quarterly payments to the past due gross carrying amount of loans for each individual loan at default (referred to as the recovery ratio in UZS). In addition, the probable loss level segmentation is aligned with the probability of loss segmentation reflecting segment-specific risks. In each segment, the average quarterly default recovery rate, expressed as a percentage, is calculated as the arithmetic mean of the quarterly default recovery rate.

Calculation of the mathematical expectation of the credit conversion factor. The credit conversion factor (CCF) is integrated into the expected credit loss calculation to reflect the Group's potential exposure to financial risk. The Credit Conversion Factor measures the increase in the utilization of the available credit line leading to an event of default. This parameter is calculated as average ratio of loan exposure to total credit line amount of defaulted loans for four quarters prior to default event.

4. Significant accounting judgments and estimates (continued)

The Group calculates the CCF based on statistical data of all credit exposures, which involves analyzing historical default data to determine a more accurate and representative CCF.

The estimation of expected impairment losses is a significant estimate that involves the determination of methodology, models and inputs. The following components have a significant impact on the allowance for loan losses: determination of default, significant increase in credit risk ("SICR"), probability of default ("PD"), exposure at default ("EAD) and loss given default ("LGD"), as well as models for estimating macroeconomic scenarios. The Group regularly reviews and validates the models and their inputs to reduce any differences between expected credit loss estimates and actual credit loss experience.

The Group includes forward-looking information when measuring expected credit losses when there is a statistically proven correlation between macroeconomic variables and defaults. As at the reporting date, the Group obtained quarterly values of macroeconomic variables: GDP, inflation rate, unemployment rate, changes in foreign exchange rates, compared them with quarterly default rates for all loan portfolios and performed statistical tests for correlation considering different time lags. Management analyzed forward-looking information and applied the effect of macroeconomic factors to expected losses. Management updates its statistical data used by the correlation test models at each reporting date.

5. Material information on accounting policies

Financial instruments

Initial recognition of financial instruments. All regular way purchases and sales of financial assets and liabilities are recognised on the trade date i.e. the date that the Group commits to purchase the asset or liability.

Classification and measurement of financial instruments.

Financial assets. At initial recognition a financial asset is classified as:

- Measure at amortised cost;
- Measured at fair value through other comprehensive income (FVTOCI);
- Measure at fair value through profit and loss (FVTPL).

Classification of financial assets depends on the business model for managing the instruments and on whether the contractual terms of financial asset are solely payments of principle and interest on the principal amount outstanding (the SPPI criterion).

The Group measures the following categories of financial assets at amortised cost:

- Cash and cash equivalents;
- Due from other banks;
- Loans and advances to customers;
- Debt securities of the Government of the Republic of Uzbekistan;
- Other financial assets.

The Group measures equity investment securities at FVOCI. The Bank does not have financial assets measured at FVTPL.

Financial liabilities. The Bank classifies financial liabilities at amortized cost.

Impairment of financial instruments.

The Group recognizes allowances for expected credit losses (ECL) for financial assets measured at amortized cost and investments securities measured at FVOCI. The ECL measurement model is described in *Note 26*.

Financial guarantees, letters of credit and undrawn loan commitments. The Group issues financial guarantees, letters of credit and loan commitments. Financial guarantees are initially recognized in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the consolidated statement of profit or loss, and an ECL provision for undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

5. Material information on accounting policies (continued)

Impairment of financial instruments (continued)

The Group occasionally issues loan commitments at below market interest rates drawdown. Such commitments are initially recognized at fair value and subsequently measured at the higher of the amount of the ECL allowance and the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Cash and cash equivalents. For the purpose of the consolidated cash flow statement cash and cash equivalents consist of cash on hand, amounts due from the CBU, excluding obligatory reserves, and amounts due from other banks that mature within ninety days of the date of origination and are free from contractual encumbrances.

Taxation. Amount of income tax includes the amount income tax and amount of deferred tax.

Income tax is recognized in profit or loss with the exception of amounts relating to transactions recognized in other comprehensive income or transactions with shareholders recognized directly in equity, and which, respectively, are recognized in other comprehensive income or directly in equity.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group's operations in the Republic of Uzbekistan are also subject to a number of other taxes. Such taxes other than VAT receivable) are recognized in profit or loss as part of administrative expenses.

Property and equipment.

Property and equipment are carried at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	Years
Buildings and premises	33
Computers and office equipment	5-10

Individual assessment of expected credit losses. An assets are estimated on an individual basis if the total debt of the borrower at the reporting date exceeds the materiality level and is in stage 3. The level of materiality is determined as 1% (2023: 0,5%) of arithmetic average of Bank's total equity minus revaluation reserve per National accounting standards fot the last two years.
In addition, the Group applies individual approach for ECL calculation to clients with loan amounts greater than 5% of the total loan portfolio and are secured with government guarantees. The Group assesses their ECL based on external ratings assigned by the international rating agencies such as Moody's, Fitch and Standard & Poor's.

Repossessed assets. Repossessed assets are mainly represented by repossessed collateral which represent non-financial assets acquired by the Group in settlement of overdue loans, in the ordinary operating course of the Group business and are recognized at the lower of their repossessed value or the carrying value of the original secured asset.

5. Material information on accounting policies (continued)

New and amended standards

The Group applied for the first time new standards and certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2024. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The nature and the impact of a new standard and each amendment is described below:

New or revised standards	When effective
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Applicable to annual reporting periods beginning on or after 1 January 2024 Will not be endorsed for use in the EU
IFRS S2 Climate-related Disclosures	Applicable to annual reporting periods beginning on or after 1 January 2024 Will not be endorsed for use in the EU
Amendmends	**When effective**
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual reporting periods beginning on or after 1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual reporting periods beginning on or after 1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual reporting periods beginning on or after 1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Annual reporting periods beginning on or after 1 January 2024

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

On 25 May 2023, the IASB issued Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after 1 January 2024.

On 22 September 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.

On 31 October 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024. The above standards and interpretations were reviewed by the Group's management, but did not have a significant effect on the consolidated financial statements of the Group.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Amendments to IAS 21 - Lack of Exchangeability (issued in August 2023 and effective for annual period beginning on or after 1 January 2025 (early adoption is available)). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

5. Material information on accounting policies (continued)

New and amended standards (continued)

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (issued in May 2024 and effective for annual period beginning on or after 1 January 2026 (early adoption is available)).

These amendments:

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets);
- And make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Amendment to IFRS 18 Presentation and Disclosure in Financial Statements (issued in April 2024 and effective for annual period beginning on or after 1 January 2027).

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures);
- And enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

Amendment to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued in May 2024 and effective for annual period beginning on or after 1 January 2027 (earlier application is permitted).

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

6. Cash and cash equivalents

Cash and cash equivalents comprise:

	2024	2023
Cash on hand	610,645	603,218
Correspondent accounts and overnight placements with other banks	525,307	699,499
Placements with other banks with original maturities of less than three months	403,352	246,361
Cash balances with the CBU	261,740	227,867
Less: Allowance for impairment	*(60)*	*(175)*
Cash and cash equivalents	**1,800,984**	**1,776,770**

6. Cash and cash equivalents (continued)

Cash balances at the CBU are maintained at a level that ensures compliance with the CBU liquidity standard.

The table below provides an analysis of the credit quality of cash balances and cash equivalents as at 31 December 2024 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and overnight placements with other banks	Placements with other banks with original maturities of less than three months	Total
Central Bank of Uzbekistan	261,740	–	–	**261,740**
A	–	34,358	–	**34,358**
BBB+	–	11,306	–	**11,306**
BB-	–	30,523	–	**30,523**
B+	–	382,375	–	**382,375**
B	–	66,745	403,352	**470,097**
Unrated	–	–	–	**–**
Total cash and cash equivalents, excluding cash on hand, gross	**261,740**	**525,307**	**403,352**	**1,190,399**
Less: Allowance for expected credit losses	(6)	(34)	(20)	**(60)**
Total cash and cash equivalents, excluding cash on hand	**261,734**	**525,273**	**403,332**	**1,190,339**

Cash balances at the CBU are maintained at a level that ensures compliance with the CBU liquidity standard. The table below provides an analysis of the credit quality of cash balances and cash equivalents as 31 December 2023 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and overnight placements with other banks	Placements with other banks with original maturities of less than three months	Total
Central bank of Uzbekistan	227,867	–	–	**227,867**
A+	–	53,201	–	**53,201**
BBB-	–	528	–	**528**
BB-	–	565,678	162,061	**727,739**
B+	–	10	–	**10**
B	–	80,072	84,300	**164,372**
Unrated	–	10	–	**10**
Total cash and cash equivalents, excluding cash on hand, gross	**227,867**	**699,499**	**246,361**	**1,173,727**
Less: Allowance for expected credit losses	(5)	(52)	(118)	**(175)**
Total cash and cash equivalents, excluding cash on hand	**227,862**	**699,447**	**246,243**	**1,173,552**

6. Cash and cash equivalents (continued)

All balances of cash equivalents are allocated to Stage 1 and 3. An analysis of changes in the ECL allowances during the year is, as follows:

	2024	2023
Stage 1	1,190,399	1,173,717
Stage 3	–	10
Total cash and cash equivalents, gross	**1,190,399**	**1,173,727**
Less: Allowance for expected credit losses	(60)	(175)
Total cash and cash equivalents	**1,190,339**	**1,173,552**

The credit rating is based on data from the rating agency Fitch's (if available) or rating agencies Standard & Poor's and Moody's, which are converted to the nearest equivalent value on the Fitch's rating scale.

7. Due from other banks

Amounts due from other banks comprise:

	2024	2023
Placements with other banks with original maturities of more than three months	249,115	230,791
Mandatory minimum reserve deposit with Central Bank of Uzbekistan	–	34,982
Restricted cash	646	1,851
Less: Allowance for impairment	*(2,271)*	*(2,266)*
Due from other banks	**247,490**	**265,358**

On June 13, 2024, the Board of the Central Bank of Uzbekistan (CBU) decided to reduce the reserve requirement ratio for foreign currency deposits from 18% to 14%. This decision aims to create conditions for lowering interest rates on bank loans (source: https://cbu.uz/en/monetary-policy/standards-required-reserves/).

Additionally, considering the current liquidity situation and to ensure the continuity of payments, the CBU decided to increase the averaging coefficient from 80% to 100% starting July 1, 2024. This adjustment allows the Group to maintain mandatory reserve amounts in correspondent account at the CBU. In accordance with regulatory requirements, the Group is obligated to maintain its average correspondent account at the CBU at a level not lower than the amount of mandatory reserves. As of December 31, 2024, this requirement was met and complied with. Consequently, from July 1, 2024, the Group maintains 100% of mandatory reserves in its averaging correspondent account at the CBU.

Analysis by credit quality of amounts due from other banks outstanding as at 31 December 2024 is as follows:

	Mandatory minimum reserve deposit with CBU	Placements with other banks with original maturities of more than three months	Restricted cash	Total
Central bank of Uzbekistan	–	–	–	–
BBB	–	–	–	–
BB–	–	159,364	–	**159,364**
B+	–	29,751	646	**30,397**
B	–	15,000	–	**15,000**
B–	–	45,000	–	**45,000**
Total due from other banks, gross	**–**	**249,115**	**646**	**249,761**
Less: Allowance for expected credit losses	–	(2,270)	(1)	**(2,271)**
Total due from other banks	**–**	**246,845**	**645**	**247,490**

7. Due from other banks (continued)

Analysis by credit quality of amounts due from other banks outstanding as at 31 December 2023 is as follows:

	Mandatory minimum reserve deposit with CBU	Placements with other banks with original maturities of more than three months	Restricted cash	Total
Central bank of Uzbekistan	34,982	–	–	**34,982**
BBB	–	–	1,234	**1,234**
BB–	–	131,906	–	**131,906**
B+	–	63,885	–	**63,885**
B	–	–	617	**617**
B–	–	35,000	–	**35,000**
Total due from other banks, gross	**34,982**	**230,791**	**1,851**	**267,624**
Less: Allowance for expected credit losses	(23)	(2,242)	(1)	**(2,266)**
Total due from other banks	**34,959**	**228,549**	**1,850**	**265,358**

For the balances with the CBU, the quality categories are determined based on the sovereign rating BB-/Ba3 (as at 31 December 2023: BB-/Ba3) set by international rating agencies.

The analysis of credit quality and credit ratings of due from other banks is presented in the table below as at 31 December:

	2024	2023
Stage 1	249,761	267,624
Total due from banks, gross	**249,761**	**267,624**
Less: Allowance for expected credit losses	(2,271)	(2,266)
Total due from banks	**247,490**	**265,358**

The credit rating is based on data from the rating agency Moody's (if available) or rating agencies Standard & Poor's and Fitch, which are converted to the nearest equivalent value on the Fitch's rating scale.

8. Debt securities at amortised cost

	%	Maturity	2024	2023
Government bonds of the Ministry of Finance of the Republic of Uzbekistan	15%	Jan 2024 - May 2026	456,281	142,606
Bonds of other financial institutions	19%	Oct 2023 - July 2029	83,251	21,915
Bonds of the Central bank of the Republic of Uzbekistan	15%	Nov 2024 - March 2025	58,360	–
Less: Allowance for expected credit losses			(2,478)	(696)
Total debt securities at amortised cost			**595,414**	**163,825**

As at 31 December 2024 and 2023, none of debt securities were pledged as collateral against borrowings of the Group. All balances of debt securities are allocated to Stage 1. An analysis of changes in the gross carrying values and associated ECL during the year is in *Note 26*.

8. Debt securities at amortised cost (continued)

Analysis by credit quality of debt securities outstanding as at 31 December 2024 is as follows:

	Government bonds	CBU bonds	Bonds of the other financial institutions	Total
BB-	456,281	58,360	83,251	**597,892**
Total debt securities, gross	**456,281**	**58,360**	**83,251**	**597,892**
Less: Allowance for expected credit losses	(1,754)	(76)	(648)	**(2,478)**
Total debt securities	**454,527**	**58,284**	**82,603**	**595,414**

Analysis by credit quality of debt securities outstanding as at 31 December 2023 is as follows:

	Government bonds	Bonds of the other financial institutions	Total
BB-	142,606	21,915	**164,521**
Total debt securities, gross	**142,606**	**21,915**	**164,521**
Less: Allowance for expected credit losses	(521)	(175)	**(696)**
Total debt securities	**142,085**	**21,740**	**163,825**

9. Loans and advances to customers

Loans to customers comprise:

	2024	2023
Corporate loans, including finance lease receivables	5,523,606	5,065,343
Loans to SME	5,799,673	4,958,849
Loans to individuals	2,260,316	2,578,903
Total loans and advances to customers, gross	**13,583,595**	**12,603,095**
Less: Allowance for expected credit losses	(636,167)	(645,345)
Total loans and advances to customers	**12,947,428**	**11,957,750**

As at 31 December 2024, corporate loans include finance lease receivables of UZS 84,590 million (31 December 2023: UZS 122,279 million). Net investment in finance lease is collateralized by the equipment leased. The Group is not permitted to sell or pledge the collateral in the absence of default by the lessee.

As at 31 December 2024, the Group had 10 largest borrowers with the total aggregate amount of 5,236,455 UZS million (31 December 2023: UZS 4,433,845 million) or 39% of the gross loan portfolio (2023: 35%).

	31 December 2024	%	31 December 2023	%
Stage 1 (12-month ECL)	11,831,781	87%	10,609,515	84%
Stage 2 (Lifetime ECL)	1,179,701	9%	1,598,491	13%
Stage 3 (Lifetime ECL)	572,113	4%	395,089	3%
Total loans and advances to customers, gross	**13,583,595**	**100%**	**12,603,095**	**100%**
Less – Allowance for expected credit losses	(636,167)		(645,345)	
Total loans and advances to customers	**12,947,428**	**4.9%**	**11,957,750**	**5.1 %**

9. Loans and advances to customers (continued)

Information about collateral of loans and advances to customers at 31 December 2024 was as follows:

	Corporate loans, including finance lease receivables	Loans to small and medium enterprises	Loans to individuals	Total
Loans collateralized by:				
- real estate	1,246,839	3,349,977	1,006,393	**5,603,209**
- insurance	164,025	708,896	246,711	**1,119,632**
- equipment and inventory	122,788	276,859	–	**399,647**
- vehicles	11,458	111,217	765,121	**887,796**
- other assets	58,989	21,595	374	**80,958**
- cash deposits	–	39,687	–	**39,687**
Loans guaranteed by other parties*	3,917,014	1,215,696	233,229	**5,365,939**
Unsecured loans	2,493	75,746	8,488	**86,727**
Total loans and advances to customers, gross	**5,523,606**	**5,799,673**	**2,260,316**	**13,583,595**
Less – Allowance for expected credit losses	(59,120)	(484,735)	(92,312)	**(636,167)**
Total loans and advances to customers	**5,464,486**	**5,314,938**	**2,168,004**	**12,947,428**

* *Loans guaranteed by other parties include amount of loans under guarantee of the State fund for support of entrepreneurship activities.*

Information about collateral of loans and advances to customers at 31 December 2023 is as follows:

	Corporate loans, including finance lease receivables	Loans to SME	Loans to individuals	Total
Loans collateralized by:				
- real estate	1,191,776	3,333,470	679,501	**5,204,747**
- insurance	49,335	708,771	984,996	**1,743,102**
- equipment and inventory	249,121	305,255	233	**554,609**
- vehicles	44,776	147,360	618,994	**811,130**
- other assets	40,570	–	–	**40,570**
- cash deposits	–	11,517	–	**11,517**
Loans guaranteed by other parties	3,474,737	449,629	294,520	**4,218,886**
Unsecured loans	15,028	2,847	659	**18,534**
Total loans and advances to customers, gross	**5,065,343**	**4,958,849**	**2,578,903**	**12,603,095**
Less – Allowance for expected credit losses	(127,449)	(450,310)	(67,586)	**(645,345)**
Total loans and advances to customers	**4,937,894**	**4,508,539**	**2,511,317**	**11,957,750**

9. Loans and advances to customers (continued)

Information about collateral of loans and advances to customers at Stage 3 as at 31 December 2024 was as follows:

	Corporate loans, including finance lease receivables	Loans to small and medium enterprises	Loans to individuals	Total
Loans collateralized by:				
- real estate	1,008	278,537	28,354	**307,899**
- insurance	–	31,702	69,408	**101,110**
- equipment and inventory	–	37,757	–	**37,757**
- vehicles	54	12,568	31,165	**43,787**
- other assets	–	571	–	**571**
Loans guaranteed by other parties*	–	62,219	4,510	**66,729**
Unsecured loans	–	13,758	502	**14,260**
Total loans and advances to customers at Stage 3, gross	**1,062**	**437,112**	**133,939**	**572,113**
Less – Allowance for expected credit losses	(317)	(193,870)	(56,792)	**(250,979)**
Total loans and advances to customers at Stage 3	**745**	**243,242**	**77,147**	**321,134**

* *Loans guaranteed by other parties include amount of loans under guarantee of the State fund for support of entrepreneurship activities.*

Information about collateral of loans and advances to customers at Stage 3 as at 31 December 2023 is as follows:

	Corporate loans, including finance lease receivables	Loans to SME	Loans to individuals	Total
Loans collateralized by:				
- real estate	21,662	209,171	4,515	**235,348**
- insurance	13,514	48,483	25,408	**87,405**
- equipment and inventory	–	20,285	136	**20,421**
- vehicles	7,901	5,980	119	**14,000**
Loans guaranteed by other parties	–	23,406	2,937	**26,343**
Unsecured loans	11,572	–	–	**11,572**
Total loans and advances to customers at Stage 3, gross	**54,649**	**307,325**	**33,115**	**395,089**
Less – Allowance for expected credit losses	(1,573)	(101,586)	(14,617)	**(117,777)**
Total loans and advances to customers at Stage 3	**53,076**	**205,739**	**18,498**	**277,312**

9. Loans and advances to customers (continued)

The table below summarizes carrying value of loans and advances to customers analysed by economic sector concentrations:

	31 December 2024	%	31 December 2023	%
Manufacturing	6,103,165	45%	5,121,223	41%
Agriculture	2,577,081	19%	1,646,889	13%
Trade	1,100,510	8%	1,327,048	11%
Mortgage	987,337	7%	879,498	7%
Auto	742,629	5%	1,039,649	8%
Construction	722,134	5%	717,015	6%
Services	598,364	4%	927,030	7%
Micro	402,800	3%	616,583	5%
Transport and communication	222,025	2%	284,986	2%
Other loans to individuals	127,550	1%	43,174	0%
Total loans and advances to customers, gross	**13,583,595**	**100%**	**12,603,095**	**100%**

The table below analyses information about the significant changes in the gross carrying amount of corporate loans including finance lease receivables as at 31 December 2024:

	Corporate loans including finance lease receivables			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount as at 1 January 2024	**4,473,898**	**536,797**	**54,648**	**5,065,343**
Changes in the gross carrying amount				
- Transfer from stage 1	(37,138)	37,138	–	**–**
- Transfer from stage 2	124,690	(128,767)	4,077	**–**
- Transfer from stage 3	–	–	–	**–**
- Changes in EAD*	(21,891)	30,164	5,448	**13,721**
New assets issued or acquired	1,009,403	–	–	**1,009,403**
Financial assets that have been derecognized	(264,136)	(385,882)	(54,649)	**(704,667)**
Foreign exchange differences and other movements	143,641	4,628	–	**148,269**
Written off assets	–	–	(8,463)	**(8,463)**
Gross carrying amount as at 31 December 2024	**5,428,467**	**94,078**	**1,061**	**5,523,606**
Loss allowance as at 31 December 2024	**(46,782)**	**(12,021)**	**(317)**	**(59,120)**

* *The line "Changes in EAD" represents partial repayments and additional issuance of loans and advances to customers under existing contracts and accrual of interest income.*

9. Loans and advances to customers (continued)

The table below analyses information about the significant changes in the gross carrying amount of loans including finance lease receivables to corporates as at 31 December 2023:

	Corporate loans including finance lease receivables			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount as at 1 January 2023	**3,071,472**	**982,042**	**107,503**	**4,161,017**
Changes in the gross carrying amount				
Transfer from stage 1	(272,164)	272,164	–	**-**
Transfer from stage 2	389,712	(456,210)	66,498	**-**
Transfer from stage 3	–	74,698	(74,698)	**-**
- Changes in EAD	(173,127)	(138,498)	27,733	**(283,892)**
New assets issued or acquired	1,249,072	–	–	**1,249,072**
Financial assets that have been derecognized	(182,716)	(239,218)	(28,606)	**(450,540)**
Foreign exchange differences and other movements	391,649	41,819	2,501	**435,969**
Written off assets	–	–	(46,283)	**(46,283)**
Gross carrying amount as at 31 December 2023	**4,473,898**	**536,797**	**54,648**	**5,065,343**
Loss allowance as at 31 December 2023	**(52,709)**	**(73,167)**	**(1,573)**	**(127,449)**

The table below analyses information about the significant changes in the gross carrying amount of loans to small and medium enterprises as at 31 December 2024:

	Loans to small and medium enterprises			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount as at 1 January 2024	**3,712,265**	**939,260**	**307,324**	**4,958,849**
Changes in the gross carrying amount				
- Transfer from stage 1	(779,761)	779,761	–	**-**
- Transfer from stage 2	487,750	(792,268)	304,518	**-**
- Transfer from stage 3	–	34,420	(34,420)	**-**
- Changes in EAD	(394,772)	95,275	(51,045)	**(350,542)**
New assets issued or acquired	1,526,923	–	–	**1,526,923**
Financial assets that have been derecognised	(258,484)	(83,798)	(86,752)	**(429,034)**
Foreign exchange differences and other movements	82,783	13,208	6,371	**102,362**
Written off assets	–	–	(8,885)	(8,885)
Gross carrying amount as at 31 December 2024	**4,376,704**	**985,858**	**437,111**	**5,799,673**
Loss allowance as at 31 December 2024	**(161,470)**	**(129,395)**	**(193,870)**	**(484,735)**

9. Loans and advances to customers (continued)

The table below analyses information about the significant changes in the gross carrying amount of loans to small and medium enterprises as at 31 December 2023:

	Loans to small and medium enterprises			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount as at 1 January 2023	**1,631,972**	**1,449,869**	**1,147,125**	**4,228,966**
Changes in the gross carrying amount				
Transfer from stage 1	(651,949)	651,949	–	**–**
Transfer from stage 2	1,584,500	(1,834,245)	249,745	**–**
Transfer from stage 3	–	755,491	(755,491)	**–**
- Changes in EAD	55,680	(46,083)	6,328	**15,925**
New assets issued or acquired	1,208,832	–	–	**1,208,832**
Financial assets that have been derecognized	(254,781)	(71,766)	(309,708)	**(636,255)**
Foreign exchange differences and other movements	138,011	34,045	14,635	**186,691**
Written off assets	–	–	(45,310)	**(45,310)**
Gross carrying amount as at 31 December 2023	**3,712,265**	**939,260**	**307,324**	**4,958,849**
Loss allowance as at 31 December 2023	**(171,000)**	**(177,724)**	**(101,586)**	**(450,310)**

The table below analyses information about the significant changes in the gross carrying amount of loans to individuals as at 31 December 2024:

	Loans and advances to individuals			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount as at 1 January 2024	**2,423,352**	**122,434**	**33,117**	**2,578,903**
Changes in the gross carrying amount				
Transfer from stage 1	(150,021)	150,021	–	**–**
Transfer from stage 2	77,797	(172,665)	94,868	**–**
Transfer from stage 3	–	6,283	(6,283)	**–**
- Changes in EAD	(459,212)	5,192	27,842	**(426,178)**
New assets issued or acquired	437,035	–	–	**437,035**
Financial assets that have been derecognized	(302,342)	(11,499)	(12,140)	**(325,981)**
Written off assets	–	–	(3,463)	**(3,463)**
Gross carrying amount as at 31 December 2024	**2,026,609**	**99,766**	**133,941**	**2,260,316**
Loss allowance as at 31 December 2024	**(24,027)**	**(11,493)**	**(56,792)**	**(92,312)**

9. Loans and advances to customers (continued)

The table below analyses information about the significant changes in the gross carrying amount of loans to individuals as at 31 December 2023:

	Loans and advances to individuals			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Gross carrying amount as at 1 January 2023	**1,481,037**	**100,490**	**59,285**	**1,640,812**
Changes in the gross carrying amount				
Transfer from stage 1	(122,320)	122,320	–	**-**
Transfer from stage 2	73,740	(102,482)	28,742	**-**
Transfer from stage 3	–	27,793	(27,793)	**-**
- Changes in EAD	(267,915)	(13,189)	19,838	**(261,266)**
New assets issued or acquired	1,489,746	–	–	**1,489,746**
Financial assets that have been derecognised	(230,936)	(12,498)	(23,391)	**(266,825)**
Written off assets	–	–	(23,564)	**(23,564)**
Gross carrying amount as at 31 December 2023	**2,423,352**	**122,434**	**33,117**	**2,578,903**
Loss allowance as at 31 December 2023	**(33,646)**	**(19,322)**	**(14,618)**	**(67,586)**

The table below analyses information about the significant changes in the expected credit loss of corporate loans including finance lease receivables as at 31 December 2024:

	Corporate loans including finance lease receivables			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance for ECL as at 1 January 2024	**52,709**	**73,167**	**1,573**	**127,449**
Changes in the loss allowance				
- Transfer from stage 1	(1,724)	1,724	–	**-**
- Transfer from stage 2	20,251	(20,598)	347	**-**
- Transfer from stage 3	–	–	–	**-**
- Increases due to change in credit risk	–	3,814	22,763	**26,577**
- Decreases due to change in credit risk	(17,709)	(519)	–	**(18,228)**
- New assets issued or acquired	20,646	–	–	**20,646**
Financial assets that have been derecognized	(6,987)	(49,500)	(1,573)	**(58,060)**
Changes in models/risk parameters	(22,196)	3,736	(241)	**(18,701)**
Foreign exchange differences and other movements	1,792	197	–	**1,989**
Written off assets	–	–	(22,552)	**(22,552)**
Loss allowance for ECL as at 31 December 2024	**46,782**	**12,021**	**317**	**59,120**

9. Loans and advances to customers (continued)

The table below analyses information about the significant changes in the expected credit loss of loans including finance lease receivables to corporates as at 31 December 2023:

	Corporate loans including finance lease receivables			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance for ECL as at 1 January 2023	**17,798**	**104,777**	**8,843**	**131,418**
Transfer from stage 1	(13,750)	13,750	–	**-**
Transfer from stage 2	46,020	(50,699)	4,679	**-**
Transfer from stage 3	–	1,056	(1,056)	**-**
Increases due to change in credit risk	–	19,002	46,588	**65,590**
Decreases due to change in credit risk	(30,139)	(9)	–	**(30,148)**
-New assets issued or acquired	28,890	–	–	**28,890**
Financial assets that have been derecognized	(4,187)	(17,475)	(6,268)	**(27,930)**
Changes in models/risk parameters	3,674	(27)	(5,150)	**(1,503)**
Foreign exchange differences and other movements	4,403	2,792	220	**7,415**
Written off assets	–	–	(46,283)	**(46,283)**
Loss allowance for ECL as at 31 December 2023	**52,709**	**73,167**	**1,573**	**127,449**

The table below analyses information about the significant changes in the expected credit loss of loans to small and medium enterprises as at 31 December 2024:

	Loans to small and medium enterprises			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance for ECL as at 1,January,2024	**171,000**	**177,724**	**101,586**	**450,310**
Changes in the loss allowance				
-Transfer from stage,1	(33,898)	33,898	–	**-**
-Transfer from stage,2	98,997	(134,159)	35,162	**-**
-Transfer from stage,3	–	14,519	(14,519)	**-**
-Increases due to change in credit risk	–	47,868	111,668	**159,536**
-Decreases due to change in credit risk	(80,955)	(3,110)	–	**(84,065)**
-New assets issued or acquired	59,840	–	–	**59,840**
Financial that have been derecognized	(9,171)	(11,132)	(24,663)	**(44,966)**
Changes in models/risk parameters	(48,397)	1,731	5,929	**(40,737)**
Foreign exchange differences and other movements	4,054	2,056	2,386	**8,496**
Written off assets	–	–	(23,679)	**(23,679)**
Loss allowance for ECL as at 31,December,2024	**161,470**	**129,395**	**193,870**	**484,735**

9. Loans and advances to customers (continued)

The table below analyses information about the significant changes in the expected credit loss of loans to small and medium enterprises as at 31 December 2023:

	Loans to small and medium enterprises			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance for ECL as at 1 January 2023	**40,985**	**199,053**	**285,544**	**525,582**
Transfer from stage 1	(61,399)	61,399	–	**-**
Transfer from stage 2	247,033	(283,727)	36,694	**-**
Transfer from stage 3	–	149,683	(149,683)	**-**
Increases due to change in credit risk	–	72,009	90,609	**162,618**
Decreases due to change in credit risk	(180,199)	(25,449)	–	**(205,648)**
-New assets issued or acquired	93,200	–	–	**93,200**
Financial assets that have been derecognized	(5,714)	(6,813)	(100,958)	**(113,485)**
Changes in models/risk parameters	24,802	7,519	(16,982)	**15,339**
Foreign exchange differences and other movements	12,292	4,050	1,672	**18,014**
Written off assets	–	–	(45,310)	**(45,310)**
Loss allowance for ECL as at 31 December 2023	**171,000**	**177,724**	**101,586**	**450,310**

The table below analyses information about the significant changes in the expected credit loss of loans to individuals as at 31 December 2024:

	Loans to individuals			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance for ECL as at 1 January 2024	**33,648**	**19,322**	**14,616**	**67,586**
Changes in the loss allowance				
- Transfer from stage 1	(1,865)	1,865	–	**-**
- Transfer from stage 2	14,209	(17,978)	3,769	**-**
- Transfer from stage 3	–	3,047	(3,047)	**-**
- Increases due to change in credit risk	–	7,238	47,696	**54,934**
-Decreases due to change in credit risk	(12,687)	(574)	–	**(13,261)**
-New assets issued or acquired	12,766	–	–	**12,766**
Financial assets that have been derecognized	(3,152)	(1,232)	(5,274)	**(9,658)**
Changes in models/risk parameters	(18,892)	(195)	8,259	**(10,828)**
Foreign exchange differences and other movements	–	–	–	–
Written off assets	–	–	(9,227)	**(9,227)**
Loss allowance for ECL as at 31 December 2024	**24,027**	**11,493**	**56,792**	**92,312**

9. Loans and advances to customers (continued)

The table below analyses information about the significant changes in the expected credit loss of loans to individuals as at 31 December 2023:

	Loans to individuals			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loss allowance for ECL as at 1 January 2023	**13,812**	**11,943**	**27,293**	**53,048**
Transfer from stage 1	(9,490)	9,490	–	**-**
Transfer from stage 2	14,358	(20,151)	5,793	**-**
Transfer from stage 3	–	12,139	(12,139)	**-**
Increases due to change in credit risk	–	9,054	28,979	**38,033**
Decreases due to change in credit risk	(12,893)	(2,848)	–	**(15,741)**
New assets issued or acquired	24,304	–	–	**24,304**
Financial assets that have been derecognized	(2,149)	(1,503)	(11,206)	**(14,858)**
Changes in models/risk parameters	5,704	1,198	(537)	**6,365**
Written off assets	–	–	(23,565)	**(23,565)**
Loss allowance for ECL as at 31 December 2023	**33,646**	**19,322**	**14,618**	**67,586**

The information on transfers above reflects the migration of financial assets measured at amortized cost from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date.

This information does not reflect the intermediate stage that the financial assets measured at amortized cost could be assigned to throughout the reporting period.

9. Loans and advances to customers (continued)

Analysis by credit quality of loans outstanding as at 31 December 2024 is as follows.

	Corporate loans including finance lease receivables	Loans to small and medium enterprises	Loans to individuals	Total
Not past due loans	**911,115**	**4,116,582**	**1,891,935**	**6,919,632**
Past due loans:				
- less than 30 days overdue	653,185	704,727	149,117	**1,507,029**
- 31 to 90 days overdue	94,076	688,544	120,057	**902,677**
- 91 to 180 days overdue	490	32,823	24,878	**58,191**
- 181 to 365 days overdue	572	97,745	56,431	**154,748**
- over 365 days overdue	–	49,230	17,898	**67,128**
Total past due loans	**748,323**	**1,573,069**	**368,381**	**2,689,773**
Total loans that are collectively assessed for impairment	**1,659,438**	**5,689,651**	**2,260,316**	**9,609,405**
Not past due loans	**3,617,086**	–	–	**3,617,086**
Past due loans:				
- less than 30 days overdue	247,082	31,070	–	**278,152**
- 31 to 90 days overdue	–	54,565	–	**54,565**
- 91 to 180 days overdue	–	24,387	–	**24,387**
- 181 to 365 days overdue	–	–	–	**–**
- over 365 days overdue	–	–	–	**–**
Total past due loans	**247,082**	**110,022**	**–**	**357,104**
Total loans that are individually assessed for impairment	**3,864,168**	**110,022**	**–**	**3,974,190**
Total loans and advances to customers	**5,523,606**	**5,799,673**	**2,260,316**	**13,583,595**
- Impairment provisions assessed on a collective basis	(49,285)	(468,792)	(92,312)	**(610,389)**
- Impairment provisions for individually impaired loans	(9,835)	(15,943)	–	**(25,778)**
Less allowance for expected credit losses	**(59,120)**	**(484,735)**	**(92,312)**	**(636,167)**
Total loans and advances to customers	**5,464,486**	**5,314,938**	**2,168,004**	**12,947,428**

9. Loans and advances to customers (continued)

Analysis by credit quality of loans outstanding as at 31 December 2023 is as follows.

	Corporate loans including finance lease receivables	Loans to SME	Loans to individuals	Total
Not past due loans	1,236,613	3,758,412	2,395,925	7,390,950
Past due loans:				
- less than 30 days overdue	73,545	340,533	66,097	**480,175**
- 31 to 90 days overdue	285,024	608,194	85,096	**978,314**
- 91 to 180 days overdue	5,084	73,647	11,638	**90,369**
- 181 to 365 days overdue	1,092	79,416	17,776	**98,284**
- over 365 days overdue	–	19,967	1,533	**21,500**
Total past due loans	**364,745**	**1,121,757**	**182,140**	**1,668,642**
Total loans that are collectively assessed for impairment	**1,601,358**	**4,880,169**	**2,578,065**	**9,059,592**
Not past due loans	**3,415,512**	**-**	–	**3,415,512**
Past due loans:				
- less than 30 days overdue	–	–	–	**-**
- 31 to 90 days overdue	48,474	1,451	–	**49,925**
- 91 to 180 days overdue	–	36,064	837	**36,901**
- 181 to 365 days overdue	–	41,165	–	**41,165**
- over 365 days overdue	–	–	–	**-**
Total past due loans	**48,474**	**78,680**	**837**	**127,991**
Total loans that are individually assessed for impairment	**3,463,986**	**78,680**	**837**	**3,543,503**
Total loans and advances to customers	**5,065,344**	**4,958,849**	**2,578,902**	**12,603,095**
- Impairment provisions assessed on a collective basis	(118,756)	(447,196)	(66,749)	**(632,701)**
- Impairment provisions for individually impaired loans	(8,693)	(3,114)	(837)	**(12,644)**
Less allowance for expected credit losses	**(127,449)**	**(450,310)**	**(67,586)**	**(645,345)**
Total loans and advances to customers	**4,937,894**	**4,508,539**	**2,511,317**	**11,957,750**

10. Investments in associates

The following associate is accounted for under the equity method:

LLC Zomin Miracle Mountains	Ownership/ voting %	Principal place of business	Country of incorpora-tion	Nature of activities	Carrying value	Total carrying value
31 December 2024	33.33%	Djizzakh	Uzbekistan	Tourism	9,567	**9,567**
31 December 2023	33.33%	Djizzakh	Uzbekistan	Tourism	9,869	**9,869**

The summarised financial information of material associate is presented below:

"Zomin Miracle Mountains" LLC	31 December 2024	31 December 2023
Current assets	128,053	118,950
Non-current assets	49,155	2,199
Total assets	**177,208**	**121,149**
Current liabilities	148,505	91,540
Total liabilities	**148,505**	**91,540**
Net assets	**28,703**	**29,609**
The Group's share of ownership %	33.33%	33.33%
Carrying value of the investment in the associates	**9,567**	**9,869**

10. Investments in associates (continued)

The Group's share of profit or loss and other comprehensive income of individually immaterial associates is as follows:

"Zomin Miracle Mountains" LLC	31 December 2024	31 December 2023
Gross profit	–	–
Loss for the year	**(906)**	**(391)**
Share of the group in the profit of the company	**(302)**	**(130)**
Loss for the year	**(302)**	**(130)**
Other comprehensive income/(loss)	–	–
Total comprehensive loss for the year	**(302)**	**(130)**

In 2023 "Turon Plaza Hotel" LLC together with other investors founded "Zomin Miracle Mountains" LLC with initial investment of UZS 10 000 million. The organization was founded to become one of the largest touristic centers in Uzbekistan.

The associate requires the Group's consent to distribute its profits. The associate has no contingent liabilities or capital commitments as at 31 December 2024.

11. Financial assets at fair value through other comprehensive income

As at 31 December 2024 and 2023 the financial assets at fair value through other comprehensive income are presented as follows:

Name	Nature of business	Country of registration	Ownership	31 December 2024	31 December 2023
JSC UzKDB	Financial services	Uzbekistan	3,37%	61,987	39,972
JSC Mortgage Refinancing Company of Uzbekistan	Financial services	Uzbekistan	3,89%	42,211	5,063
LLC Yashil Energiya	Manufactu-ring	Uzbekistan	9,58%	33,533	33,533
Other	Other	Uzbekistan	5,5%	444	107
Total financial assets at fair value through other comprehensive income				**138,175**	**78,675**

Fair value of financial assets measured at fair value through other comprehensive income was determined using a dividend discount model due to absence of quoted market prices in an active market for similar instruments. The management of the Group classified these financial assets as Level 3 fair value hierarchy.

Dividends received during the year from the investments designated to be measured at fair value through other comprehensive income:

Name	2024	2023
JSC UzKDB	–	13,661
JSC Mortgage Refinancing Company of Uzbekistan	995	617
LLC Yashil Energiya	–	337
Other	1,258	54
Total dividend income	**2,253**	**14,669**

11. Financial assets at fair value through other comprehensive income (continued)

The following tables show a reconciliation of the opening and closing amount of Level 3 assets and liabilities which are recorded at fair value:

Financial assets	At 31 December 2023	Total gain recorded in profit or loss	Total gain recorded in OCI	Purchases	Settlements	At 31 December 2024
Financial assets at FVOCI	78,675	–	25,567	33,933	–	**138,175**
Total level 3 financial assets	**78,675**	**–**	**25,567**	**33,932**	**–**	**138,175**

Financial assets	At 31 December 2022	Total gain recorded in profit or loss	Total gain recorded in OCI	Purchases	Settlements	At 31 December 2023
Financial assets at FVOCI	28,831	–	2,299	47,545	–	**78,675**
Total level 3 financial assets	**28,831**	**–**	**2,299**	**47,545**	**–**	**78,675**

During the year ended 31 December there were no transfers between the levels of fair value hierarchy.

The fair value of financial assets at fair value through other comprehensive income were determined as the present value of future dividends by assuming dividend growth rate of zero per annum. The Management built its expectation based on previous experience of dividends received on financial assets at fair value through other comprehensive income over multiple years and accordingly calculated the value using the average rate of return on investments. Management believes that such approach accurately reflects the fair value of these securities.

For investments to which dividends valuation approach is not applicable i. e. dividends were not paid during the period management may use the Assets based valuation approach focused on the investment company's net assets value (NAV) or fair market value of its total assets minus its total liabilities to determine what would cost to recreate the business. Management believes that such approach accurately reflects the fair value of these securities.

As at 31 December 2024 revaluation reserve of financial assets at fair value through other comprehensive income amounted to UZS 25,567 million less tax effect of UZS 5,113 million (31 December 2023: UZS 2 299 million less tax effect of UZS 460 million).

As at 31 December 2024 and 2023 none of the equity investment were pledged as collateral against borrowings of Group.

12. Property equipment intangible assets and right-of-use assets

The movements in property, equipment and right-of-use assets were as follows:

	Buildings and premises	Office and computer Equip-ment	Cons-truction in progress	Total property and equip-ment	Computer Software licenses	Right-of - use assets	Total
Cost at 31 December 2022	195,148	246,742	68,885	510,775	70,271	18,974	**600,020**
Accumulated depreciation/ amortization	(24,998)	(112,022)	–	(137,020)	(8,688)	(5,682)	**(151,390)**
Carrying amount at 31 December 2022	**170,150**	**134,720**	**68,885**	**373,755**	**61,583**	**13,292**	**448,630**
Additions	–	23,163	207,031	230,194	9,741	1,789	**241,724**
Disposals	–	(289)	–	(289)	(116)	–	**(405)**
Net transfers	–	49	(49)	–	–	–	**–**
Depreciation/amortization charge (*Note 24*)	(5,947)	(35,015)	–	(40,962)	(3,736)	(411)	**(45,109)**
Carrying amount at 31 December 2023	**164,203**	**122,628**	**275,867**	**562,698**	**67,472**	**14,670**	**644,840**
Cost at 31 December 2023	195,148	269,665	275,867	740,680	79,896	20,763	841,339
Accumulated depreciation/ amortization	(30,945)	(147,037)	–	(177,982)	(12,424)	(6,093)	(196,499)
Carrying amount at 31 December 2023	**164,203**	**122,628**	**275,867**	**562,698**	**67,472**	**14,670**	**644,840**
Additions	271	35,836	91,799	127,906	24,795	3,639	156,340
Disposals	(919)	(1,308)	–	(2,227)	(3)	(4,924)	(7,154)
Net transfers	125,786	1,337	(127,687)	(564)	564	–	–
Depreciation/amortization charge (*Note 24*)	(8,834)	(35,462)	–	(44,296)	(5,973)	(1,340)	(51,609)
Carrying amount at 31 December 2024	**280,507**	**123,031**	**239,979**	**643,517**	**86,855**	**12,045**	**742,417**
Cost at 31 December 2024	320,286	305,530	239,979	865,795	105,252	19,478	990,525
Accumulated depreciation/ amortization	(39,779)	(182,499)	–	(222,278)	(18,397)	(7,433)	(248,108)
Carrying amount at 31 December 2024	**280,507**	**123,031**	**239,979**	**643,517**	**86,855**	**12,045**	**742,417**

As at 31 December 2024 property and equipment included fully depreciated assets of UZS 63,250 million (31 December 2023: UZS 44,879 million).

Assets in the warehouse are included in the office and computer equipment. The Bank leases several assets mainly buildings for mini bank offices. The average lease term of these mini bank offices determined as 5-10 years.

13. Taxation

The corporate income tax expense comprises:

	2024	2023
Current tax charge	8,598	16,905
Deferred tax expense	5,071	11,733
Income tax expense	**13,669**	**28,638**

The Group measures and records its current income tax payable and its tax bases in its assets and liabilities in accordance with the tax regulations of the Republic of Uzbekistan where the Group operates which may differ from IFRS.

13. Taxation (continued)

The Group is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses and certain income being treated as non-taxable for tax purposes.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 31 December 2024 and 2023 relate mostly to different methods/timing of income and expense recognition as well as to temporary differences generated by tax – book bases' differences for certain assets.

The corporate income tax rate applicable to the majority of the Group's income comprised 20% for 2024 and 2023 respectively.

The effective income tax rate differs from the statutory income tax rates. A reconciliation of the income tax expense based on statutory rates with actual is as follows:

	2024	2023
Profit before tax	**61,373**	**141,698**
Statutory tax rate	20%	20%
Theoretical income tax expense at the statutory rate	**12,274**	**28,340**
Non-deductible expenditures	18,620	17,352
Income tax privileges	(20,998)	(15,260)
Other tax effect	3,773	(1,794)
Income tax expense	**13,669**	**28,638**

Deferred tax assets and liabilities as of 31 December 2024 and their movements for the respective years comprise:

Differences between IFRS and Uzbekistan statutory taxation regulations give rise to certain temporary differences between the carrying amount of certain assets and liabilities for financial reporting purposes and for their tax bases. The tax effect of the movements on these temporary differences is detailed below and is recorded at the rate of 20% (2023:20%).

13. Taxation (continued)

	31 December 2024	(Charged)/ credited to profit or loss	(Charged)/ credited to OCI	31 December 2023	(Charged)/ credited to profit or loss	(Charged)/ credited to OCI	31 December 2022
Tax effect of deductible/(taxable) temporary differences							
Cash and cash equivalents	(194)	(231)	–	37	(1)	–	38
Due from other banks	952	259	–	693	(229)	–	922
Debt securities of the Government of the Republic of Uzbekistan	(410)	(541)	–	131	45	–	86
Loans and advances to customers	93,085	(4,035)	–	97,120	(15,297)	–	112,417
Investment in associates	86	60	–	26	26	–	–
Financial assets at fair value through other comprehensive income	(9,847)	–	(5,113)	(4,734)	–	(460)	(4,274)
Premises, equipment and intangible assets	(2,161)	486	–	(2,647)	(1,092)	–	(1,555)
Other assets	4,273	(447)	–	4,720	1,754	–	2,966
Customer accounts	(6)	(6)	–	–	–	–	–
Other borrowed funds	(50)	(33)	–	(17)	(17)	–	–
Non-current assets held for sale	–	(436)	–	436	(489)	–	925
Other liabilities	6,547	(147)	–	6,694	3,567	–	3,127
Net deferred tax asset	**92,275**	**(5,071)**	**(5,113)**	**102,459**	**(11,733)**	**(460)**	**114,652**
Recognized deferred tax asset	104,944	805	–	109,857	5,392	–	120,481
Recognized deferred tax liability	(12,669)	(5,876)	(5,113)	(7,398)	(17,125)	(460)	(5,829)
Net deferred tax asset	**92,275**	**(5,071)**	**(5,113)**	**102,459**	**(11,733)**	**(460)**	**114,652**

14. Other assets and liabilities

Other assets comprise:

	31 December 2024	31 December 2023
Other financial assets		
Receivable from associate	39,400	29,400
Commission income receivable	14,970	11,133
Receivables from international money transfer companies	4,130	2,857
Dividends receivable	55	71
Other receivables	3,827	3,752
Less: allowance for expected credit losses	(4,353)	(5,967)
Total other financial assets	**58,029**	**41,246**
Repossessed assets	314,685	230,989
Prepayments for property and equipment	87,037	76,405
Prepaid tax other than income tax	33,275	22,840
Prepayments for services	25,941	22,601
Prepaid income tax	8,601	14,630
Settlements with employees	4,392	4,402
Inventory	2,396	3,162
Other	8,752	9,575
Less: provision for impairment	(2,241)	(3,753)
Total other non-financial assets	**482,838**	**380,851**
Total other assets	**540,867**	**422,097**

Receivables from associate comprise amount of investments in associate which were not capitalized to share capital due to ongoing procedures.

Prepayments for property and equipment as at 31 December 2024 include prepayments in the amount of UZS 39,890 million made to Gold Step Invest LLC for construction of a pump station and UZS 3,350 million made to Tupalang HPD Holding LLC for construction of an open-air attraction "Khiva".

As at 31 December 2024 receivables from money transfer companies consists mainly of receivables from Zolotaya Korona, Western Union and Money Gram which was reimbursed after 10 January 2024.

Analysis by credit quality of other financial assets is as follows:

	2024	2023
Stage 1	48,476	39,517
Stage 2	8,574	2,645
Stage 3	5,332	5,051
Total other financial assets gross	**62,382**	**47,213**
Less: Allowance for expected credit losses	(4,353)	(5,967)
Total other financial assets	**58,029**	**41,246**

14. Other assets and liabilities (continued)

	31 December 2024	31 December 2023
Other financial liabilities		
Financial guarantees and letters of credit liabilities	23,467	24,648
Accounts payable to suppliers	13,051	11,707
Security deposit on money transfer	10,982	6,169
Payables to State Guarantee Fund	5,098	4,062
Payable to charity	883	883
Dividends payable to shareholders	653	548
Payable to employees	12	49
Settlements on international money transfers	9	–
Total other financial liabilities	**54,155**	**48,066**
Taxes payable other than income tax	14,187	2,529
Other	724	1,661
Total other non-financial liabilities	**14,911**	**4,190**
Total other liabilities	**69,066**	**52,256**

As at 31 December 2024 accounts payable to suppliers comprise payables in amount of UZS 5,460 million to LLC Discover Invest, UZS 4,496 million of which is related to the project of the mountain bridge construction and the remaining UZS 964 million is for construction of the jumping attraction in accordance with construction contract terms and conditions.

15. Due to other banks

Amounts due to other banks comprise:

	31 December 2024	31 December 2023
Term deposits of banks and other financial institutions	1,527,309	1,430,418
Correspondent accounts and overnight placements of other banks	562	4,979
Total due to other banks	**1,527,871**	**1,435,397**

Correspondent accounts and overnight placements of the banks as at 31 December 2024 included amount of correspondent accounts of other banks at OJSC "Orienbank" and obligations to other banks on payments of plastic cards of individuals through the Processing Centres.

Geographical, currency, maturity and interest rate analysis of due to other banks are disclosed in *Note 26*.

16. Customer accounts

	31 December 2024	31 December 2023
State and public organizations		
- term deposits	873,035	1,192,974
- current/settlement accounts	150,388	255,836
Other legal entities		
- current/settlement accounts	1,131,637	716,120
- term deposits	527,266	414,723
Individuals		
- term deposits	1,678,566	1,315,817
- current/settlement accounts	379,652	320,864
Total customer accounts	**4,740,544**	**4,216,334**

As at 31 December 2024 and 2023 customer accounts amounting to UZS 12,618 million and UZS 3,348 million respectively were used as collateral for letters of credit issued by the Group disclosed in *Note 21* and customer accounts amounting to UZS 39,687 million and UZS 11,517 million respectively were used as collateral for loans and advances to customers issued by the Group (*Note 9*).

16. Customer accounts (continued)

Below table summarizes industry concentration of customer accounts:

	31 December 2024		31 December 2023	
	Amount	%	Amount	%
Individuals	2,058,218	43	1,636,681	39
State and public organizations	1,023,423	21	1,448,810	34
Construction	661,091	14	359,308	9
Agriculture	309,348	7	90,519	2
Services	222,708	5	275,336	7
Trade	206,355	4	147,062	3
Manufacturing	191,139	4	175,527	4
Transport and communication	40,586	1	51,589	1
Other	27,676	1	31,502	1
Total customer accounts	**4,740,544**	**100**	**4,216,334**	**100**

As at 31 December 2024 the Group had two (31 December 2023: two) customer with a total balance of UZS 513,712 million (31 December 2023: UZS 880,374 million) which individually exceeded 10% of the Group's equity.

Geographical and interest rate analysis of customer accounts are disclosed in *Note 26*.

17. Other borrowed funds

	31 December 2024	31 December 2023
The Ministry of Finance of the Republic of Uzbekistan	2,979,267	2,442,373
The Export Import Bank of China	2,555,601	2,560,214
LLC International Development Projects	1,158,982	811,923
Asian Development Bank	954,813	1,007,253
Fund for Reconstruction and Development of Uzbekistan	327,423	199,373
JSC Mortgage Refinancing Company of Uzbekistan	246,608	225,317
The National Bank for Foreign Economic Affairs of Republic of Uzbekistan	173,007	177,592
Ministry of Investment and Foreign Trade	170,432	142,915
International Development Association ("IDA") via Ministry of Finance	146,972	153,214
JSCB "Biznesni rivojlantirish banki"	72,159	-
AKA AUSFUHRKREDIT-GESELLSCHAFT MBH	57,015	86,087
JSC Bank Asaka	47,519	121,980
Small Business Development Fund	35,000	-
The Central Bank of the Republic of Uzbekistan	21,193	31,394
The Export Import Bank of Turkey	18,452	26,432
Islamic Corporation for the Development of the Private Sector	18,091	59,199
JSCB Mikrokreditbank	15,604	7,682
Joint stock Company Entrepreneurship Development Company	14,333	-
JSCB O'zsanoatqurilishbank	11,264	14,903
JSCMB Ipoteka-bank	9,279	13,929
JSC Aloqabank	6,278	10,070
Karakul Association	2,465	6,086
JSCB Agrobank	1,917	2,783
The Export-Import Bank of China via The National Bank for Foreign Economic Affairs of the Republic of Uzbekistan	-	64,246
Council of Farmers Dehkan Farms and Landowners	-	9,790
International Islamic Trade Finance Corporation (ITFC)	-	214
Other	1,256	1,907
Other borrowed funds	**9,044,930**	**8,176,876**

Ministry of Economy and Finance of the Republic of Uzbekistan

Throughout 2024, the Group attracted a total of UZS 226,690 million in funds from the Ministry of Economy and Finance of the Republic of Uzbekistan to provide mortgage loans for the purchase of apartments in multi-story residential buildings, as well as loans for the construction and reconstruction of individual housing.

17. Other borrowed funds (continued)

In accordance with Presidential Decree No. PQ-5203 of the Republic of Uzbekistan dated July 30, 2021, "On Measures to Further Expand Educational Opportunities in Higher and Professional Education Institutions," a total of UZS 30,516 million in funds was attracted throughout 2024 to finance educational loans.

The Group in 2024 borrowed funds in the amount of USD 1 million (UZS 12,769 million) and UZS 203,528 million, which were allocated for the development and modernization of agriculture, including the development of livestock farming and horticulture.

In 2024, a total of UZS 77,832 million in loan funds was attracted within the framework of an agreement between the Agriculture Support Fund under the Ministry of Economy and Finance of the Republic of Uzbekistan and the Group.

These funds are intended for:

- Providing financing for up to 60% of the cost of raw cotton to cotton growers, including farming enterprises and other agricultural entities, for covering the 2024 cotton harvest production expenses, with a loan term of 14 months;
- Financing wheat production expenses for grain-producing farmers, grain clusters, and other agricultural enterprises, with a loan term of 12 months.

Ministry of Investment and Foreign Trade

In 2024, based on the Resolution of the President of the Republic of Uzbekistan No. PQ-5088 dated April 21, 2021, "On measures to organize the activities of youth industrial and entrepreneurial zones and support youth entrepreneurship initiatives," financial resources in the amount of UZS 5 billion were attracted from the Youth Entrepreneurship Support Fund under the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan to finance the implementation of investment projects by young entrepreneurial entities.

JSC Mortgage Refinancing Company of Uzbekistan

In 2024, JSC Mortgage Refinancing Company of Uzbekistan provided loan in the amount of UZS 56,033 million to the Group based on new agreements with the aim of refinancing mortgages loans.

Fund for Reconstruction and Development of Uzbekistan

To effectively utilize the socio-economic, production, and investment potential of the Republic of Karakalpakstan, promote entrepreneurial activities, encourage the production of competitive, high value-added products, expand financial services for entrepreneurs, create infrastructural conditions for employment, and elevate the region's economic and social development to a new level, the Group attracted financial resources amounting to UZS 44,860 million from the FRRU in 2024 within the framework of Presidential Decree No. PF-213 dated August 31, 2022.

Within the framework of a USD 4.6 million contract with FRRU, financial resources in the amount of USD 2,340,000 (UZS 30,209 million) was attracted throughout 2024 to purchase an industrial technological line for the production of aerated concrete wall blocks as part of the "MEGATON" LLC project.

In accordance with Presidential Decree No. PF-93 of the Republic of Uzbekistan, UZS 41,500 million was attracted to support entrepreneurial entities included in the "20 Thousand Entrepreneurs — 500 Thousand Qualified Specialists" program. Additionally, in line with Presidential Resolution No. PQ-15, USD 274,000 (UZS 3,515 million) was secured to further enhance the production and export potential of the electrical engineering industry. In total, throughout 2024, these loan funds were attracted by the Group from the FRRU.

LLC International Development Projects

Within the framework of the agreements signed between International Development Projects and the Group in 2023, an additional USD 32,221,778 (UZS 445,326 million) in financial resources was attracted for the "Construction and Modernization of Small Hydropower Plants".

JSC Bank "Mikrokredit"

In 2024, based on the Decree No. PQ-5146 of the President of the Republic of Uzbekistan dated June 14, 2021, "On Additional Measures Aimed at the Development of Poultry Farming and Strengthening the Sector's Feed Base," a new agreement was signed between JSC Bank "Mikrokredit" and the Group to support the development of poultry farming, attracting UZS 8,051 million in financial resources.

Joint stock Company Entrepreneurship Development Company

Based on Presidential Decree No. PF-193 of the Republic of Uzbekistan dated November 10, 2023, "On Measures to Improve the Financial Support System for Small and Medium-Sized Businesses," the Group signed three new agreements with the Entrepreneurship Development Company in 2024 to finance projects of small and medium-sized enterprises, attracting a total of UZS 14,248 million in loans.

17. Other borrowed funds (continued)

JSCB "Biznesni rivojlantirish banki"

In 2024, two new agreements were signed between the Group and the Business Development Bank to provide financial and institutional support for small business development, attracting a total of UZS 72,100 million in funds.

Small Business Development Fund

In 2024, a new agreement was signed between the Group and the Small Business Development Fund to provide financial and institutional support for small business development, attracting UZS 35,000 million in funds.

As of 31 December 2024, the Group was in compliance with all financial covenants stipulated in agreements with financial institutions, with the exception of the Ministry of Finance of the Republic of Uzbekistan. The Group breached the return on average assets ratio covenant as of December 31, 2024. However, the Ministry of Finance of the Republic of Uzbekistan has issued a waiver letter, effective from 27 December 2024 to 31 December 2025, waiving its rights to demand early repayment during the period.

Repayments

In 2024, the Group repaid loans totaling UZS 890,828 million. Additionally, the Group fully repaid borrowed funds amounting to UZS 180,371 million, which had been obtained between 2019 and 2023. These funds were sourced from various institutions such as the Export-Import Bank of China through the National Bank for Foreign Economic Affairs of the Republic of Uzbekistan, the International Development Association through the Ministry of Economy and Finance of the Republic of Uzbekistan, the Asian Development Bank, the JSC Mortgage Refinancing Company of Uzbekistan, the Council of Farmers, Dehkan Farms and Landowners, and the Ministry of Economy and Finance of the Republic of Uzbekistan.

Major repayments of borrowed funds during 2024 constituted of the followings:

Lender Name	**Amounts Repaid during 2024 (in million UZS)**
Ministry of Investment and Foreign Trade	182,177
The Export-Import Bank of China	120,370
Asian Development Bank	121,272
Ministry of Economy and Finance of the Republic of Uzbekistan	93,564
JSC Bank "Asaka"	83,491
LLC International Development Projects	70,124
The Export-Import Bank of China via The National Bank for Foreign Economic Affairs of the Republic of Uzbekistan	62,135
JSC Mortgage Refinancing Company of Uzbekistan	37,000
Other	120,695
Total	**890,828**

18. Subordinated debt

In accordance with Presidential Decree No. PP-383 of the Republic of Uzbekistan dated November 5, 2024, "On additional measures for the construction of micro and small hydroelectric power plants in the Navoi region" (hereinafter referred to as the Presidential Decree), the Fund for Reconstruction and Development of Uzbekistan provides a loan in the form of subordinated debt (hereinafter referred to as the "Debt") in the amount of UZS 127,901.2 million for the purpose of financing projects for the purchase of technological equipment from local manufacturers and within the framework of investment projects for the construction of micro and small hydroelectric power plants around the Zarafshan and Akdarya rivers, irrigation canals, and other water channels flowing through the territory of the Navoi region.

In millions of Uzbekistan Soums	**Currency**	**Maturity Date**	**Nominal interest rate**	**31 December 2024**	**31 December 2023**
Subordinated debt	UZS	November, 2031	8%	127,901	–
Total subordinated debt				**127,901**	**–**

19. Equity

In millions of Uzbekistan Soums except for numbers of shares	Number of outstanding shares (in thousand)	Ordinary shares	Preference shares	Share premium	Total
As at 31 December 2021	880,611	1,491,055	8,651	219	**1,499,925**
Redemption shares issued	(7,586)	(12,896)	–	–	**(12,896)**
As at 31 December 2022	873,025	1,478,159	8,651	219	**1,487,029**
New shares issued	–	–	–	–	**-**
As at 31 December 2023	873,025	1,478,159	8,651	219	**1,487,029**
Redemption shares issued	–	–	–	–	**-**
As at 31 December 2024	**873,025**	**1,478,159**	**8,651**	**219**	**1,487,029**

During 2024 there were no new shares issued. The total authorized number of ordinary shares is 873 million shares (2023: 873 million shares) with a par value of UZS 1 700 per share. All ordinary shares issued are fully paid. Each ordinary share carries one vote.

The total authorized number of preference shares is 4.9 million shares (2023: 4.9 million shares) with a par value of UZS 1,700 per share. All issued preference shares are fully paid. The preference shares are not redeemable and rank ahead of the ordinary shares in the event of the Bank's liquidation. Dividends on preference shares will not be less than dividends on ordinary shares. Preference shares do not carry any other minimum dividend entitlements.

Share premium represents the excess of contributions received over the nominal value of shares issued.

As at 31 December 2024 and 2023 the amounts of ordinary and preference share capital include the effect of hyperinflation in the amount of UZS 2,667 million.

In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 29 March 2021 "On approval of the Strategy for management and reform of state-owned enterprises in 2021-2025" funds distributed by state-owned enterprises for sponsorship and other non-discriminatory assistance in accordance with the documents of the President and the Cabinet of Ministers of the Republic of Uzbekistan are recognized as dividends on the Government's share and withheld upon payment to the shareholder (Government).

In 2024 the Group declared dividends of UZS 1,689 million attributable to the financial year 2023 on preference shares. In accordance with resolution of the Cabinet of Ministers No. 166 dated 29 March 2021 and approvals of Supervisory Board sponsorship for the years ended 31 December 2022 and 2021 in the amount of UZS 18,602 million were offset with the declared dividends on ordinary shares as the amounts of UZS 8,602 million and UZS 10,000 million were recognized as a distribution of dividends during the years ended 31 December 2022 and 2021 respectively.

Furthermore in accordance with resolution of the Cabinet of Ministers No. 166 dated 29 March 2021 and approvals of Supervisory Board #K19 dated 28 April 2023 #K25 dated 13 June 2023 #K29 dated 22 June 2023 #K32 dated 3 July 2023 #K33 dated 5 July 2023 #K37-1 dated 8 August 2023 #K56 dated 27 November 2023 the Group provided a charity in the amount of UZS 6,101 million and recognized the amount as a distribution of dividends for ordinary shares.

20. Changes in liabilities arising from financing activities

Reconciliation of movements of liabilities to cash flows arising from financing activities

					Non-cash changes			
	1 January 2024	**Financing cash inflow/ (outflow)**	**Interest paid**	**Effect of exchange rate changes**	**Dividends declared**	**Interest accrued**	**Other non-cash changes**	**31 December 2024**
Other borrowed funds	**8,176,876**	666,562	(506,684)	194,355	–	513,821	–	**9,044,930**
Subordinated debt	–	127,901	–	–	–	–	–	**127,901**
Lease liabilities	**15,849**	(6,260)	(2,152)	–	–	2,152	3,314	**12,903**
Dividends payable to shareholders	**548**	(1,584)	–	–	1,689	–	–	**653**

					Non-cash changes			
	1 January 2023	**Financing cash inflow/ (outflow)**	**Interest paid**	**Effect of exchange rate changes**	**Dividends declared**	**Interest accrued**	**Other non-cash changes**	**31 December 2023**
Other borrowed funds	**6,719,504**	896,405	(367,631)	529,664	–	398,934	–	**8,176,876**
Lease liabilities	**14,047**	(7,360)	(1,691)	–	–	2,446	8,407	**15,849**
Dividends payable to shareholders	**215**	(13,689)	–	–	14,022	–	–	**548**

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

21. Commitments and contingencies

Operating environment. Uzbekistan continues economic reforms and development of its legal tax and regulatory frameworks as required by a market economy. The future stability of the Uzbekistan economy is largely dependent upon these reforms and developments and the effectiveness of economic financial and monetary measures undertaken by the government. Management of the Group is monitoring developments in the current environment and taking measures, it considered necessary in order to support the sustainability and development of the Group's business in the current circumstances.

Legal proceedings. From time to time and in the normal course of business claims against the Group are received. On the basis of its own estimates and both internal and external professional advice management is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these consolidated financial statements.

Taxation. Uzbek tax currency and customs legislation is subject to varying interpretations and changes occur frequently. Management's interpretation of the legislation may be challenged by the regional and federal authorities. Recent events within the Uzbekistan suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result significant additional taxes penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties carry the same credit risk as loans. Documentary and commercial letters of credit which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions are collateralized by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans guarantees or letters of credit. With respect to credit risk on commitments to extend credit the Group is potentially exposed to loss in an amount equal to the total unused commitments if the unused amounts were to be drawn down. However the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments. Outstanding credit related commitments are as follows:

	2024	2023
Guarantees issued	666,558	393,526
Undrawn credit lines	106,875	215,417
Letters of credits non-post-financing	12,618	3,348
Total gross credit related commitments	**786,051**	**612,291**
Less - Cash held as security against letters of credit	(12,618)	(3,348)
Less – Provision for expected credit losses	(18,111)	(23,055)
Total credit related commitments	**755,322**	**585,888**

The total amount of guarantees issued and undrawn credit lines do not necessary represent future cash requirements as these financial instruments may expire or terminate without being funded

21. Commitments and contingencies (continued)

Credit related commitments (continued)

The credit quality of commitments and contingencies is managed by the Group internal credit ratings as described in *Note 26*. The tables below show the credit quality of the class of asset for commitment and contingencies based on the Group's credit rating system.

31 December 2024	Stage	Category 1	Category 2	Category 3	Total
	Stage 1	620,768	–	–	**620,768**
	Stage 2	–	–	–	**–**
Guarantees issued	Stage 3	–	–	45,790	**45,790**
	Stage 1	96,144	–	–	**96,144**
	Stage 2	–	10,570	–	**10,570**
Undrawn credit lines	Stage 3	–	–	161	**161**
	Stage 1	12,618	–	–	**12,618**
Letters of credits non post-financing	Stage 2	–	–	–	**–**
	Stage 3	–	–	–	**–**

31 December 2023	Stage	Category 1	Category 2	Category 3	Total
	Stage 1	315,389	–	–	**315,389**
	Stage 2	–	9,254	–	**9,254**
Guarantees issued	Stage 3	–	–	68,883	**68,883**
	Stage 1	201,520	–	–	**201,520**
	Stage 2	–	13,897	–	**13,897**
Undrawn credit lines	Stage 3	–	–	–	**–**
	Stage 1	3,348	–	–	**3,348**
Letters of credits non post-financing	Stage 2	–	–	–	**–**
	Stage 3	–	–	–	**–**

22. Net interest income

Net interest income comprises:

	2024	2023
Interest income		
Loans and advances to customers	1,456,951	1,172,641
Debt securities of the Government of the Republic of Uzbekistan	80,508	53,492
Due from other banks	46,770	33,522
Cash and cash equivalents	8,643	12,345
Total interest income	**1,592,872**	**1,272,000**
Interest expenses		
Other borrowed funds	(510,222)	(307,945)
Term deposits of individuals	(244,536)	(179,758)
Term deposits of state and public organizations	(226,207)	(146,541)
Term placements of other banks	(151,438)	(144,221)
Term deposits of legal entities	(73,057)	(34,471)
Lease liabilities	(649)	(1,692)
Debt securities in issue	–	(16)
Total interest expense	**(1,206,109)**	**(814,644)**
Net interest income before credit losses	**386,763**	**457,356**

23. Net fee and commission income

Net fee and commission income comprises:

	2024	2023
Fee and commission income from:		
- Settlement transactions	58,840	47,749
- Cash operations	36,276	37,166
- Letters of credit and guarantees issued	23,737	24,664
- International money transfers	11,950	14,140
- Foreign currency conversion services	836	978
- Other	1,849	2,515
Total fee and commission income	**133,488**	**127,212**
Fee and commission expense		
- Settlement transactions	(39,783)	(20,405)
- Cash collection services	(12,040)	(12,150)
- Foreign currency conversion services	(1,960)	(1,642)
- Other	(3,191)	(3,185)
Total fee and commission expense	**(56,974)**	**(37,382)**
Net fee and commission income	**76,514**	**89,830**

24. Administrative and other operating expenses

Administrative and other operating expenses comprise:

	2024	2023
Staff costs	273,141	249,505
Depreciation and amortization of premises, equipment and intangible assets	50,269	44,698
Security services	43,470	39,771
Membership fees	21,650	16,571
Charity	20,025	6,284
Rent and maintenance	18,610	17,143
Professional services	15,154	13,413
Taxes other than income tax	10,203	6,675
Business trip and travel expenses	7,566	5,840
Fuel and utilities	6,912	4,193
Advertising and publicity	6,624	4,517
Stationery and supplies	6,513	8,764
Communication charges	5,750	10,386
Insurance	3,411	2,379
Representation expenses	3,129	3,036
Depreciation expense on right-of-use assets	1,340	411
Fine and penalties	1,065	384
Periodicals, books, newspapers	615	402
Litigation expenses	145	26
Other operating expenses	8,816	3,889
Total operating expenses	**504,408**	**438,287**

25. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year net of treasury shares.

The Group has no dilutive potential ordinary shares therefore the diluted earnings per share equal the basic earnings per share. Earnings per share are calculated as follows:

Profit for the year attributable to ordinary and preference shareholders is calculated as follows:

In millions of Uzbekistan Soums	2024	2023
Profit for the year attributable to preference shareholders	1,689	643
Profit for the year attributable to ordinary shareholders	46,015	112,417
Profit for the year attributable to the owners	**47,704**	**113,060**
Weighted average number of preference shares in issue	5	5
Weighted average number of ordinary shares in issue	868	868
Basic and diluted earnings per preference share in UZS	**340**	**130**
Basic and diluted earnings per ordinary share in UZS	**53**	**130**

26. Risk management

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification measurement and monitoring subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk the latter being subdivided into trading and non-trading risks. It is also subject to operating risks.

The independent risk control process does not include business risks such as changes in environmental technology and industry. They are monitored through the Group's strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

Management Board

The Management Board has the responsibility to monitor the overall risk process within the Group.

Risk Committee
The Risk Committee has overall responsibility for the development of the risk strategy and implementing principles frameworks, policies and limits. It is responsible for the fundamental risk issues and manages and monitors relevant risk decisions.

Risk Management

The Risk Management Unit is responsible for implementing and maintaining risk-related procedures to ensure an independent control process.

Risk Controlling

The Risk Controlling Unit is responsible for monitoring compliance with risk principles policies and limits across the Group. Each business group has a decentralized unit which is responsible for the independent control of risks including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. This unit also ensures the complete capture of the risks in risk measurement and reporting systems.

26. Risk management (continued)

Bank Treasury

Bank Treasury is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

Internal audit

Risk management processes throughout the Group are audited annually by the internal audit function that examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

Risk measurement and reporting systems.

The Group's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience adjusted to reflect the economic environment. The Group also runs worst case scenarios that would arise in the event that extreme events which are unlikely to occur do in fact occur.

Monitoring and controlling risks are primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the businesses is examined and processed in order to analyze control and identify early risks. This information is presented and explained to the Management Board, the Risk Committee and the head of each business division. The report includes aggregate credit exposure credit metric forecasts hold limit exceptions VaR liquidity ratios and risk profile changes. On a monthly basis detailed reporting of industry customer and geographic risks takes place. Senior management assesses the appropriateness of the allowance for expected credit losses on a quarterly basis. The Board of Directors receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

For all levels throughout the Group specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive necessary and up-to-date information.

A daily briefing is given to the Management Board and all other relevant employees of the Group on the utilization of market limits analysis of VaR proprietary investments and liquidity plus any other risk developments.

Risk mitigation

As part of its overall risk management the Group uses derivatives and other instruments to manage exposures resulting from changes in interest rates foreign currencies equity risks credit risks and exposures arising from forecast transactions.

The Group actively uses collateral to reduce its credit risks (see below for more detail).

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risks, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

26. Risk management (continued)

Credit risk. The Group takes on exposure to credit risk which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties giving rise to financial assets.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the consolidated statement of financial position. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

For guarantees and commitments to extend credit the maximum exposure to credit risk is the amount of commitment. The credit risk is mitigated by collateral and other credit enhancements as disclosed in *Note 21*.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers and to geographical and industry segments. Limits on the level of credit risk by product and industry sector are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties including regular collateral revisions. Counterparty limits are established by the use of the Group's internal credit rating system which assigns each counterparty a risk rating. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Group's internal ratings scale:

Standard	1	Timely repayment of "standard" loans is not in doubt. The borrower is a financially stable company which has an adequate capital level, high level profitability and sufficient cash flow to meet its all existing obligations, including present debt. When assessing the reputation of the borrower such factors as the history of previous repayments marketability of collateral (movable and immovable property guarantee) are taken into consideration.
Substandard	2	As a whole the financial position of a borrower is stable, but some unfavorable circumstances or tendencies are present which if not disposed of raise some doubts about the borrower's ability to repay on time. "Standard" loans with insufficient information in the credit file or missing information on collateral could be also classified as "Substandard" loans.
Unsatisfactory	3	"Unsatisfactory" loans have obvious shortcomings which make doubtful the repayment of the loan under the terms envisaged by the initial agreement. For loans classified as "Unsatisfactory" the primary source of repayment is not sufficient, and the Group has to seek additional loan repayment sources such as the sale of collateral.
Doubtful	4	"Doubtful" are loans which in addition to having the characteristics of "Unsatisfactory" loans have additional shortcomings which make it doubtful that the loan will be repaid in full under the existing circumstances. The probability of incurring loss in respect of such loans is high.
Loss	5	Loans classified as "loss" are considered uncollectible and have such a little value that their continuance as assets of the Group is not worth. This classification does not mean that the loans have absolutely no likelihood of recovery but rather means that the Group should cease recognizing such loans and make every effort to liquidate such debts through selling of collateral or collection of the outstanding loan.

The definitions for each category are considered as general guidelines and not hard and fast rules. Often a credit will seem to fit various categories. The management must exercise professional judgment experience and borrower's management integrity (willingness to repay debts) to classify a borrower into a proper and reasonable category.

26. Risk management (continued)

It is the Group's policy to maintain accurate and consistent credit ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal credit ratings are tailored to the various categories and are derived in accordance with the Group's rating policy. The attributable credit ratings for individual loans are assessed and updated regularly.

Credit quality of loans and advances to customers

	31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans to customers at amortised cost				
- Standard	11,831,781	378,825	51,488	**12,262,094**
- Substandard	–	800,876	17,937	**818,813**
- Unsatisfactory	–	–	152,966	**152,966**
- Doubtful	–	–	184,755	**184,755**
- Loss	–	–	164,967	**164,967**
Total loans to customers	**11,831,781**	**1,179,701**	**572,113**	**13,583,595**
Less: Allowance for expected credit losses	(232,278)	(152,909)	(250,980)	**(636,167)**
Total loans to customers net	**11,599,503**	**1,026,792**	**321,133**	**12,947,428**

	31 December 2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans to customers at amortised cost				
- Standard	10,609,515	629,871	9,353	**11,248,739**
- Substandard	–	968,620	6,952	**975,572**
- Unsatisfactory	–	–	110,307	**110,307**
- Doubtful	–	–	107,624	**107,624**
- Loss	–	–	160,853	**160,853**
Total loans to customers	**10,609,515**	**1,598,491**	**395,089**	**12,603,095**
Less: Allowance for expected credit losses	(257,355)	(270,213)	(117,777)	**(645,345)**
Total loans to customers net	**10,352,160**	**1,328,278**	**277,312**	**11,957,750**

Risk limits control and mitigation policies

The Group manages limits and controls concentrations of credit risk wherever they are identified – in particular to individual counterparties and groups and to industries.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review when considered necessary. Limits on the level of credit risk by product industry sector and by country are approved annually by the Group Council.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

26. Risk management (continued)

(a) *Collateral.* The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

The principal collateral types for loans and advances are:

- Real estate;
- Vehicles;
- Insurance;
- Equipment and inventory;
- Cash deposit;
- Other assets.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities treasury and other eligible bills are generally unsecured.

(b) *Limits*

Notwithstanding of the amount of the loans the Group credit committee approves all borrowers.

(c) *Concentration of risks of financial assets with credit risk exposure.*

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The Group's management focuses on concentration risk:

- Total amount of loan and advances to customers to one sector of economy except for trade sector shall not exceed Group's tier 1 capital;
- The maximum risk to single borrower or group of affiliated borrowers shall not exceed 25 percent of the Group's tier 1 capital;
- The maximum risk for unsecured credits shall not exceed 5 percent of Group's tier 1 capital;
- Total amount of all large credits cannot exceed Group's tier 1 capital by more than 8 times; and
- Total loan amount to related party shall not exceed Group's tier 1 capital.

The Group reviews ageing analysis of outstanding loans and follows up past due balances. Management therefore considers appropriate to provide ageing and other information about credit risk.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss as a result of another party to a financial instrument failing to perform in accordance with the terms of the contract. The Group uses the same credit policies in making conditional obligations as it does for on- statement of financial position financial instruments through established credit approvals risk control limits and monitoring procedures.

26. Risk management (continued)

Credit quality of financial assets

	Cash and cash equivalents *(Note 6)*		Due from other banks *(Note 7)*	Debt securities at amortised cost *(Note 8)*	Other assets *(Note 14)*			Commitment and Contingencies *(Note 21)*		
	Stage 1 12-month ECL	**Stage 3 12-month ECL**	**Stage 1 12-month ECL**	**Stage 1 12-month ECL**	**Stage 1 Lifetime ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Stage 1 12-month ECL**	**Stage 2 12-month ECL**	**Stage 3 12-month ECL**
Gross carrying amount as at 1 January 2024	**1,173,717**	**10**	**267,624**	**164,521**	**39,517**	**2,645**	**5,051**	**520,257**	**23,151**	**68,883**
Changes in gross carrying amount										
- Transfer from stage 1	–	–	–	–	(756)	104	652	(31,420)	–	31,420
- Transfer from stage 2	–	–	–	–	6	(351)	345	9,674	(9,776)	102
- Transfer from stage 3	–	–	–	–	80	419	(499)	15,275	–	(15,275)
- Changes in EAD*	(200,465)	–	(61,513)	–	11,123	354	(8)	(14,144)	(411)	662
New assets issued	431,657	–	85,039	597,891	4,829	6,995	43	627,738	10,570	29
Financial assets that have been derecognized	(246,442)	(10)	(42,933)	(164,520)	(6,873)	(1,609)	(251)	(402,764)	(13,376)	(41,269)
Foreign exchange differences and other movements	31,932	–	1,544	–	550	17	–	4,914	412	1,399
Gross carrying amount as at 31 December 2024	**1,190,399**	**–**	**249,761**	**597,892**	**48,476**	**8,574**	**5,332**	**729,530**	**10,571**	**45,951**
Loss allowance as at 31 December 2024	**(60)**	**–**	**(2,271)**	**(2,478)**	**(93)**	**(793)**	**(3,467)**	**(7,269)**	**(2,756)**	**(8,086)**

The tables below present information about the significant changes in the gross carrying amount of financial assets during the period that contributed to changes in the loss allowance during the year ended 31 December 2024 and 2023:

26. Risk management (continued)

Credit quality of financial assets (continued)

	Cash and cash equivalents *(Note 6)*		Due from other banks *(Note 7)*	Debt securities at amortised cost *(Note 8)*	Other assets *(Note 14)*			Commitment and Contingencies *(Note 21)*		
	Stage 1 12-month ECL	Stage 3 12-month ECL	Stage 1 12-month ECL	Stage 1 12-month ECL	Stage 1 Lifetime ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 12-month ECL	Stage 3 12-month ECL
Loss allowance for ECL as at 1 January 2024	**170**	**5**	**2,266**	**696**	**321**	**730**	**4,916**	**13,827**	**4,923**	**4,305**
Changes in the loss allowance										
Transfer from stage 1	–	–	–	–	(20)	12	8	(814)	–	814
Transfer from stage 2	–	–	–	–	1	(61)	60	1,425	(1,447)	22
Transfer from stage 3	–	–	–	–	65	394	(459)	595	–	(595)
- Changes in EAD*	(16)	–	(405)	–	(55)	(334)	(804)	(1,479)	(68)	5,924
New assets issued	21	(5)	434	2,478	54	558	19	6,195	2,001	19
Financial assets that have been derecognized	(120)	–	(36)	(696)	(270)	(489)	(233)	(12,509)	(2,721)	(2,772)
Foreign exchange differences and other movements	5	–	12	–	(3)	(17)	(40)	29	68	369
Loss allowance for ECL as at 31 December 2024	**60**	**–**	**2,271**	**2,478**	**93**	**793**	**3,467**	**7,269**	**2,756**	**8,086**

* *The line "Changes in EAD" represents changes in the gross carrying amounts of financial assets measured at amortised cost issued in prior periods which have not been fully repaid during 2024.*

26. Risk management (continued)

Credit quality of financial assets (continued)

	Cash and cash equivalents *(Note 6)*		Due from other banks *(Note 7)*	Debt securities at amortised cost *(Note 8)*	Other assets *(Note 14)*			Commitment and Contingencies *(Note 21)*		
	Stage 1 12-month ECL	**Stage 3 12-month ECL**	**Stage 1 12-month ECL**	**Stage 1 12-month ECL**	**Stage 1 Lifetime ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Stage 1 12-month ECL**	**Stage 2 12-month ECL**	**Stage 3 12-month ECL**
Gross carrying amount as at 1 January 2023	**851,924**	**14**	**361,991**	**370,914**	**1,069**	**13,970**	**3,465**	**845,956**	**41,805**	**-**
Changes in gross carrying amount										
- Transfer from stage 1	–	–	–	–	–	–	–	(76,979)	29,319	47,660
- Transfer from stage 2	–	–	–	–	78	(8,956)	8,878	1,960	(1,960)	–
- Transfer from stage 3	–	–	–	–	1,617	180	(1,797)	–	–	–
- Changes in EAD*	400,243	–	(71,797)	164,521	(58)	(345)	(5,237)	(18,960)	(2,103)	(9,449)
New assets issued	252,472	10	36,977	(370,914)	34,928	891	133	476,236	13,315	29,317
Financial assets that have been derecognised	(407,585)	(14)	(67,546)	–	(1)	(3,189)	(393)	(703,287)	(61,787)	1
Foreign exchange differences and other movements	76,663	–	7,999	–	1,884	94	2	(4,669)	4,562	1,354
Gross carrying amount as at 31 December 2023	**1,173,717**	**10**	**267,624**	**164,521**	**39,517**	**2,645**	**5,051**	**520,257**	**23,151**	**68,883**
Loss allowance as at 31 December 2023	**(170)**	**(5)**	**(2,266)**	**(696)**	**(321)**	**(730)**	**(4,916)**	**(13,827)**	**(4,923)**	**(4,305)**

26. Risk management (continued)

Credit quality of financial assets (continued)

	Cash and cash equivalents *(Note 6)*		Due from other banks *(Note 7)*	Debt securities at amortised cost *(Note 8)*	Other assets *(Note 14)*			Commitment and Contingencies *(Note 21)*		
	Stage 1 12-month ECL	**Stage 3 12-month ECL**	**Stage 1 12-month ECL**	**Stage 1 12-month ECL**	**Stage 1 Lifetime ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Stage 1 12-month ECL**	**Stage 2 12-month ECL**	**Stage 3 12-month ECL**
Loss allowance for ECL as at 1 January 2023	**174**	**14**	**2,845**	**428**	**5**	**1,191**	**627**	**512**	**-**	**-**
Changes in the loss allowance										
Transfer from stage 1	–	–	–	–	–	–	–	(203)	–	203
Transfer from stage 2	–	–	–	–	7	(757)	750	–	–	–
Transfer from stage 3	–	–	–	–	375	46	(421)	–	–	–
- Changes in EAD*	(45)	–	(842)	–	(107)	285	3,909	(67)	-	2,702
New assets issued	120	5	1,007	696	41	235	110	13,941	5,113	1,103
Financial assets that have been derecognised	(84)	(14)	(788)	(428)	-	(270)	(59)	(313)	(266)	-
Foreign exchange differences and other movements	5	-	44	-	-	-	-	(43)	76	297
Loss allowance for ECL as at 31 December 2023	**170**	**5**	**2,266**	**696**	**321**	**730**	**4,916**	**13,827**	**4,923**	**4,305**

* *Changes in EAD" are attributable to changes in parameters (PD, LGD) changes in EAD and adjustment of ECL due to transfer to new stages as well as transfers of ECL on new financial assets measured at amortized cost originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of financial assets measured at amortized cost from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the financial assets measured at amortized cost could be assigned to throughout the reporting period.*

26. Risk management (continued)

	31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans to corporate customers that are individually assessed for impairment	**3,864,168**	**–**	**110,022**	**3,974,190**
- rated from BB- to BB+	3,864,168	–	–	**3,864,168**
- not rated	–	–	110,022	**110,022**
Loans to customers that are collectively assessed for impairment	7,967,613	1,179,701	462,091	**9,609,405**
Total loans and advances to customers gross	**11,831,781**	**1,179,701**	**572,113**	**13,583,595**
Less – Allowance for expected credit losses	(232,278)	(152,909)	(250,980)	**(636,167)**
Total loans and advances to customers net	**11,599,503**	**1,026,792**	**321,133**	**12,947,428**

Analysis of the Group's credit risk exposure per class of financial asset and "stage" without taking into account the effects of any collateral or other enhancement is provided in the following table:

	31 December 2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans to corporate customers that are individually assessed for impairment	**3,415,512**	**–**	**127,991**	**3,543,503**
- rated from BB- to BB+	3,415,512	–	–	**3,415,512**
- not rated	–	–	127,991	**127,991**
Loans to customers that are collectively assessed for impairment	7,194,003	1,598,491	267,098	**9,059,592**
Total loans and advances to customers gross	**10,609,515**	**1,598,491**	**395,089**	**12,603,095**
Less – Allowance for expected credit losses	(257,355)	(270,213)	(117,777)	**(645,345)**
Total loans and advances to customers net	**10,352,160**	**1,328,278**	**277,312**	**11,957,750**

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) currency (b) interest rate and (c) equity products all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. The Group takes on exposure to the effect of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. In respect of currency risk the Council sets limits on the level of exposure by currency and in total for both overnight and intra-day positions which are monitored daily. The Group measures its currency risk by:

- Net position on each currency should not exceed 10% of Group's total equity;
- Total net position on all currencies should not exceed 15 % of Group's total equity.

26. Risk management (continued)

The table below summarises the Group's exposure to foreign currency exchange rate risk at the reporting date as at 31 December 2024:

	UZS	US Dollars	Euros	Other	Total
Monetary assets					
Cash and cash equivalents	887,425	863,389	23,261	26,909	**1,800,984**
Due from other banks	234,306	13,184	–	–	**247,490**
Debt securities at amortised cost	595,414	–	–	–	**595,414**
Loans and advances to customers	5,498,654	6,235,079	1,213,695	–	**12,947,428**
Financial assets at fair value through other comprehensive income	138,175	–	–	–	**138,175**
Other financial assets	51,402	6,627	–	–	**58,029**
Total monetary assets	**7,405,376**	**7,118,279**	**1,236,956**	**26,909**	**15,787,520**
Monetary liabilities					
Due to other banks	366,929	1,160,775	167	–	**1,527,871**
Customer accounts	3,620,175	1,091,722	23,625	5,022	**4,740,544**
Other borrowed funds	2,880,241	4,948,694	1,215,995	–	**9,044,930**
Lease liabilities	12,903	–	–	–	**12,903**
Subordinated debt	127,901	–	–	–	**127,901**
Other financial liabilities	42,631	11,523	1	–	**54,155**
Total monetary liabilities	**7,050,780**	**7,212,714**	**1,239,788**	**5,022**	**15,508,304**
Net balance sheet position	**354,596**	**(94,435)**	**(2,832)**	**21,887**	**279,216**

The table below summarises the Group's exposure to foreign currency exchange rate risk at the reporting date as at 31 December 2023:

	UZS	US Dollars	Euros	Other	Total
Monetary assets					
Cash and cash equivalents	725,339	1,006,724	19,909	24,798	**1,776,770**
Due from other banks	216,638	48,720	–	–	**265,358**
Debt securities at amortised cost	163,825	–	–	–	**163,825**
Loans and advances to customers	5,220,420	5,834,222	903,108	–	**11,957,750**
Financial assets at fair value through other comprehensive income	78,675	–	–	–	**78,675**
Other financial assets	33,319	7,834	93	–	**41,246**
Total monetary assets	**6,438,216**	**6,897,500**	**923,110**	**24,798**	**14,283,624**
Monetary liabilities					
Due to other banks	336,583	1,094,534	4,280	–	**1,435,397**
Customer accounts	3,230,745	975,424	5,023	5,142	**4,216,334**
Other borrowed funds	2,243,913	5,034,953	898,010	–	**8,176,876**
Lease liabilities	15,848	–	–	–	**15,848**
Other financial liabilities	35,541	12,524	1	1	**48,067**
Total monetary liabilities	**5,862,630**	**7,117,435**	**907,314**	**5,143**	**13,892,522**
Net balance sheet position	**575,586**	**(219,935)**	**15,796**	**19,655**	**391,102**

Investments in equities and non-monetary assets are not considered to give rise to any material currency risk.

The Group also measures its currency risk by matching financial assets and liabilities denominated in same currency and analyses the effect of 11.02% appreciation/depreciation of that currency against Uzbekistan Soums to the profit or loss of the Group (31 December 2023: 23.6%).

The following table presents sensitivities of profit or loss and equity to maximum observed changes in exchange rates during the respective years for respective currencies applied at the reporting date relative to the functional currency of the Group with all other variables held constant:

26. Risk management (continued)

	2024	2023
	Impact on profit or loss after tax for gain result	**Impact on profit or loss after tax for gain result**
US Dollars strengthening by 11.02% (2023: 23.6%)	(10,407)	(42,235)
US Dollars weakening by 2.0% (2023: 23.6%)	1,889	42,235
Euro strengthening by 19.13% (2023: 23.3%)	(542)	4,205
Euro weakening by 2.0% (2023: 23.3%)	57	(4,205)
Other currencies strengthening by 21.35% (2023: 21%)	4,673	4,127
Other currencies weakening by 31.33% (2023: 21%)	(6,857)	(4,127)

The exposure calculated only for monetary balances denominated in currencies other than the functional currency of the Group. Impact on equity would be the same as impact on statement of comprehensive income.

Limitations of sensitivity analysis.

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into consideration that the Group's assets and liabilities are actively managed. Additionally the financial position of the Group may vary at the time that any actual market movement occurs. For example the Group's financial risk management strategy aims to manage the exposure to market fluctuations.

As investment markets move past various trigger levels management actions could include selling investments changing investment portfolio allocation and taking other protective action. Consequently the actual impact of a change in the assumptions may not have any impact on the liabilities whereas assets are held at market value on the statement of financial position. In these circumstances the different measurement bases for liabilities and assets may lead to volatility in equity. Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion.

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The following table demonstrates the sensitivity to a reasonable possible change in interest rates with all other variables held constant of the Group's consolidated statement of profit or loss. .

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the net interest income for one year based on the floating rate (SOFR) non-trading financial assets and financial liabilities held at 31 December. The sensitivity of equity is calculated by revaluing fixed rate debt financial assets at 31 December for the effects of the assumed changes in interest rates based on the assumption that there are parallel shifts in the yield curve.

26. Risk management (continued)

Assets/Liabilities	*Increase in basis point 2024*	*Sensitivity of net interest income 2024*
Financial assets	494	26,492
Financial liabilities		(33,573)

Assets/Liabilities	*Decrease in basis point 2024*	*Sensitivity of net interest income 2024*
Financial assets	−494	(26,492)
Financial liabilities		33,573

Assets/Liabilities	*Increase in basis point 2023*	*Sensitivity of net interest income 2023*
Financial assets	+357	24,172
Financial liabilities		(32,274)

Assets/Liabilities	*Decrease in basis point 2023*	*Sensitivity of net interest income 2023*
Financial assets	−357	(24,172)
Financial liabilities		32,274

Other price risk. The Group is exposed to prepayment risk through providing loans including mortgages which give the borrower the right to early repay the loans. The Group's current year profit or loss and equity at the end of current reporting date would not have been significantly impacted by changes in prepayment rates because such loans are carried at amortised cost and the prepayment right is at or close to the amortised cost of the loans and advances to customers. Transactions in equity products are monitored and authorised by the Treasury Department by monitoring dividend income per equity instrument.

Geographical risk concentrations. The geographical concentration of the Group's financial assets and liabilities at 31 December 2024 is set out below:

	Uzbekistan	OECD	Non-OECD	Total
Assets				
Cash and cash equivalents	1,737,602	24,397	38,985	**1,800,984**
Due from other banks	247,490	–	–	**247,490**
Debt securities at amortised cost	595,414	–	–	**595,414**
Loans and advances to customers	12,947,428	–	–	**12,947,428**
Financial assets at fair value through other comprehensive income	138,175	–	–	**138,175**
Other financial assets	56,081	1,948	–	**58,029**
Total financial assets	**15,722,190**	**26,345**	**38,985**	**15,787,520**
Liabilities				
Due to other banks	1,527,309	–	562	**1,527,871**
Customer accounts	4,740,544	–	–	**4,740,544**
Other borrowed funds	4,281,977	2,649,159	2,113,794	**9,044,930**
Lease liabilities	12,903	–	–	**12,903**
Subordinated debt	127,901	–	–	**127,901**
Other financial liabilities	43,163	646	10,346	**54,155**
Total financial liabilities including off balance sheet positions	**10,733,797**	**2,649,805**	**2,124,702**	**15,508,304**
Net balance sheet position as at 31 December 2024	**4,988,393**	**(2,623,460)**	**(2,085,717)**	**279,216**

All financial assets and liabilities from OECD countries comprise banking institutions of Germany and United States of America; non-OECD countries comprise banking institutions of Russia and China.

26. Risk management (continued)

The geographical concentration of the Group's financial assets and liabilities at 31 December 2023 is set out below:

	Uzbekistan	OECD	Non-OECD	Total
Assets				
Cash and cash equivalents	1,679,114	31,746	65,910	**1,776,770**
Due from other banks	264,124	1,234	–	**265,358**
Debt securities at amortised cost	163,825	–	–	**163,825**
Loans and advances to customers	11,957,750	–	–	**11,957,750**
Financial assets at fair value through other comprehensive income	78,675	–	–	**78,675**
Other financial assets	34,660	4,836	1,750	**41,246**
Total financial assets	**14,178,148**	**37,816**	**67,660**	**14,283,624**
Liabilities				
Due to other banks	1,269,300	–	166,097	**1,435,397**
Customer accounts	4,216,334	–	–	**4,216,334**
Other borrowed funds	3,561,308	2,796,393	1,819,175	**8,176,876**
Lease liabilities	15,848	–	–	**15,848**
Other financial liabilities	48,066	–	–	**48,066**
Total financial liabilities including off balance sheet positions	**9,110,856**	**2,796,393**	**1,985,272**	**13,892,521**
Net balance sheet position as at 31 December 2023	**5,067,292**	**(2,758,577)**	**(1,917,612)**	**391,103**

Liquidity risk.

Liquidity risk is the risk that an entity will encounter difficulty meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits current accounts maturing deposits loan drawdowns guarantees and from margin and other calls on cash settled derivative instruments. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Asset/Liability Committee of the Group.

The Group seeks to maintain a stable funding base comprising primarily amounts due to other banks corporate and retail customer deposits and invest the funds in diversified portfolios and inter-bank placements of liquid assets in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The liquidity management of the Group requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans and monitoring statement of financial position liquidity ratios against regulatory requirements. The Group calculates liquidity ratio on a daily basis in accordance with the requirement of the CBU. These ratios are calculated using figures based on Uzbek National Accounting Standards.

The Treasury Department receives information about the liquidity profile of the financial assets and liabilities. The Treasury Department then provides for an adequate portfolio of short-term liquid assets largely made up of short-term liquid trading securities deposits with banks and other inter-bank facilities to ensure that sufficient liquidity is maintained within the Group as a whole.

The daily liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the Treasury Department.

The table below shows liabilities as at 31 December 2024 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. These undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows.

26. Risk management (continued)

When the amount payable is not fixed the amount disclosed is determined by reference to the conditions existing at the reporting date. Foreign currency payments are translated using the spot exchange rate at the reporting date.

The maturity analysis of financial liabilities as of 31 December 2024 is as follows:

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Total gross amount outflow	Carrying amount
Liabilities							
Due to other banks	144,998	1,026,796	267,397	136,922	-	**1,576,113**	**1,527,871**
Customer accounts	2,157,439	664,452	888,351	1,012,152	18,150	**4,740,544**	**4,740,544**
Other borrowed funds	174,287	629,349	794,845	4,635,308	6,421,873	**12,655,662**	**9,044,930**
Lease liabilities	587	2,895	3,435	8,620	-	**15,537**	**12,903**
Subordinated debt	-	5,116	5,116	106,300	62,529	**179,061**	**127,901**
Other financial liabilities	54,155	-	-	-	-	**54,155**	**54,155**
Credit related commitments	2,723	346,121	70,561	293,821	42,096	**755,322**	**755,322**
Total potential future payments for financial obligations	**2,534,189**	**2,674,729**	**2,029,705**	**6,193,123**	**6,544,648**	**19,976,394**	**16,263,626**

The maturity analysis of financial liabilities as of 31 December 2023 is as follows:

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Total gross amount outflow	Carrying amount
Liabilities							
Due to other banks	506,241	700,673	8,130	257,059	-	**1,472,103**	**1,435,397**
Customer accounts	1,388,938	1,164,390	1,377,256	632,898	26,257	**4,589,739**	**4,216,334**
Other borrowed funds	203,200	459,657	517,056	4,144,219	6,095,112	**11,419,244**	**8,176,876**
Lease liabilities	676	3,369	3,972	11,499	-	**19,516**	**15,848**
Other financial liabilities	48,066	-	-	-	-	**48,066**	**48,066**
Credit related commitments	585,888	-	-	-	-	**585,888**	**585,888**
Total potential future payments for financial obligations	**2,733,009**	**2,328,089**	**1,906,414**	**5,045,675**	**6,121,369**	**18,134,556**	**14,478,409**

Customer accounts are classified in the above analysis based on contractual maturity. However, in accordance with Uzbekistan Civil Code individuals have a right to withdraw their deposits prior to maturity if they forfeit their right to accrued interest. The Group does not use the above undiscounted maturity analysis to manage liquidity.

26. Risk management (continued)

Instead, the Group monitors remaining contractual maturities which are summarized as follows as of 31 December 2024:

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Total
Assets						
Cash and cash equivalents	403,332	-	-	-		**403,332**
Due from other banks	14,964	72,402	29,346	70,479	59,533	**246,724**
Debt securities at amortised cost	128,767	195,178	163,948	107,521	-	**595,414**
Loans and advances to customers	692,855	1,782,360	1,371,684	5,216,336	3,884,193	**12,947,428**
Total interest bearing assets	**1,239,918**	**2,049,940**	**1,564,978**	**5,394,336**	**3,943,726**	**14,192,898**
Cash and cash equivalents	1,397,652	-	-	-	-	**1,397,652**
Due from other banks	766	-	-	-	-	**766**
Financial assets at fair value through other comprehensive income	-	-	-	138,175	-	**138,175**
Other financial assets	58,029	-	-	-	-	**58,029**
Total non-interest bearing assets	**1,456,447**	**-**	**-**	**138,175**	**-**	**1,594,622**
Total financial assets	**2,696,365**	**2,049,940**	**1,564,978**	**5,532,511**	**3,943,726**	**15,787,520**
Liabilities						
Due to other banks	112,920	1,006,804	258,410	129,205	-	**1,507,339**
Customer accounts	481,177	664,452	888,351	1,012,152	18,150	**3,064,282**
Other borrowed funds	113,012	346,229	560,453	3,195,997	4,724,932	**8,940,623**
Subordinated debt	-	-	-	71,056	56,845	**127,901**
Total interest bearing liabilities	**707,109**	**2,017,485**	**1,707,214**	**4,408,410**	**4,799,927**	**13,640,145**
Due to other banks	20,532	-	-	-	-	**20,532**
Customer accounts	1,676,262	-	-	-	-	**1,676,262**
Other borrowed funds	26,191	78,117	-	-	-	**104,308**
Lease liabilities	440	2,259	2,824	7,380	-	**12,903**
Other financial liabilities	54,155	-	-	-	-	**54,155**
Total non-interest bearing liabilities	**1,777,580**	**80,376**	**2,824**	**7,380**	**-**	**1,868,160**
Total financial liabilities	**2,484,689**	**2,097,861**	**1,710,038**	**4,415,790**	**4,799,927**	**15,508,305**
Net liquidity gap	**211,676**	**(47,921)**	**(145,060)**	**1,116,721**	**(856,201)**	**279,215**
Cumulative liquidity gap at 31 December 2024	**211,676**	**163,755**	**18,695**	**1,135,416**	**279,215**	

26. Risk management (continued)

Remaining contractual maturities which are summarized as follows as of 31 December 2023:

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Total
Assets						
Cash and cash equivalents	211,807	34,419	-	-	-	**246,226**
Due from other banks	2,887	62,894	-	161,329	-	**227,110**
Debt securities at amortised cost	-	109,399	32,686	21,740	-	**163,825**
Loans and advances to customers	359,329	1,458,689	1,330,273	5,006,073	3,803,386	**11,957,750**
Total interest bearing assets	**574,023**	**1,665,401**	**1,362,959**	**5,189,142**	**3,803,386**	**12,594,911**
Cash and cash equivalents	1,530,544	-	-	-	-	**1,530,544**
Due from other banks	38,248	-	-	-	-	**38,248**
Financial assets at fair value through other comprehensive income	-	-	-	78,675	-	**78,675**
Other financial assets	41,246	-	-	-	-	**41,246**
Total non-interest bearing assets	**1,610,038**	**-**	**-**	**78,675**	**-**	**1,688,713**
Total financial assets	**2,184,061**	**1,665,401**	**1,362,959**	**5,267,817**	**3,803,386**	**14,283,624**
Liabilities						
Due to other banks	486,655	691,083	-	246,776	-	**1,424,514**
Customer accounts	44,132	996,359	1,267,126	586,339	19,725	**2,913,681**
Other borrowed funds	135,995	212,704	304,516	2,739,554	4,495,325	**7,888,094**
Total interest bearing liabilities	**666,782**	**1,900,146**	**1,571,642**	**3,572,669**	**4,515,050**	**12,226,289**
Due to other banks	10,883	-	-	-	-	10,883
Customer accounts	1,302,653	-	-	-	-	1,302,653
Other borrowed funds	31,883	57,569	2,539	119,591	77,200	288,782
Lease liabilities	478	2,495	3,113	9,763	-	15,849
Other financial liabilities	48,066	-	-	-	-	48,066
Total non-interest bearing liabilities	**1,393,963**	**60,064**	**5,652**	**129,354**	**77,200**	**1,666,234**
Total financial liabilities	**2,060,745**	**1,960,210**	**1,577,294**	**3,702,023**	**4,592,250**	**13,892,523**
Net liquidity gap	**123,316**	**(294,809)**	**(214,335)**	**1,565,794**	**(788,864)**	**391,103**
Cumulative liquidity gap at 31 December 2023	**123,316**	**(171,493)**	**(385,828)**	**1,179,967**	**391,103**	

26. Risk management (continued)

Although the Group does not have the right to use the mandatory deposits held in Central Bank of Uzbekistan for the purposes of funding its operating activities the management classifies them as demand deposits in the liquidity gap analysis on the basis that their nature is inherently to fund sudden withdrawal of customer accounts.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The maturities of assets and liabilities and the ability to replace at an acceptable cost interest-bearing liabilities as they mature are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

The management believes that in spite of the fact that a substantial portion of customer accounts is on demand and less than 1 month's diversification of these deposits by number and type of depositors and the past experience of the Group would indicate that these customer accounts provide a long-term and stable source of funding for the Group.

The Group receives short-term deposits from other state-owned banks with a payback period of less than one year and deposits from customers. These funds are used to finance state-initiated programs which are part of the common aim of all of the banks involved. Therefore although the maturity of the finance provided by the Group is longer than that of the finance received to fund the projects the resulting liquidity mismatch is mitigated.

Thus the management believes that the significant maturity mismatch between assets and liabilities with maturity up to 12 months does not represent a significant risk to the Group's liquidity as a very low proportion of due to other banks demand deposits and short-term deposits is expected to be withdrawn based on the Group's past years' and current year experience which is consistent with the general banking practices in the banking sector of Uzbekistan.

Ecological and social risks management

Ecological and social risks are potential negative consequences of a project/economic activity carried out by a Group client, arising as a result of its impact (or expected impact) on the natural environment (air, water, soil, ecosystems), social aspects of the life of individuals and/or communities of people (e.g., employees, clients, local residents).

Environmental and social risk management system (ESRMS) is the Group's system of procedures and processes in the field of environmental and social protection aimed at identifying, assessing and managing environmental and social risks in relation to the Group's relevant credit and investment operations.

ESRMS Manager is authorized representative of the Group (Manager for ESRM at the Bank's head office), responsible for the implementation and maintenance of the environmental and social risk management system in the Group.

Category A projects with particularly high environmental and social risks are particularly high-risk projects with potentially significant, unprecedented and irreversible negative environmental and/or social impacts that are complex and long-term in nature and may manifest themselves at a considerable distance beyond the project implementation area. Thus, Category A projects include large-scale new construction projects and large-scale expansion projects of existing facilities/production facilities with potentially significant negative environmental and/or social impacts that have higher risks in the E&S sphere.

The policy of environmental and social risk management of JSC "Turonbank" approved in August 2023, shall apply to the credit and investment activities and guarantees of the Bank and its subsidiaries, and shall also apply to the financed activities of the Bank's clients.

The Management of the Board is responsible for the implementation of the Group's policy on managing the Group's environmental and social risks, including compliance with this Policy by the managers and employees of the Group's structural divisions involved in the process of assessing and managing environmental and social risks.

26. Risk management (continued)

The Group recognizes that environmental and social risks are part of the overall risk associated with active operations that may contribute to the emergence or aggravation of the following risks for the Group:

- Credit risk arising due to the Client's inability to properly fulfill its obligations to the Group under a bank loan agreement due to the cessation of business operations or imposed penalties due to violations of environmental or sanitary legislation or protests by local residents, or other environmental or social issues;
- Risk associated with the subject of the pledge, which may arise when the Group registers as collateral real estate containing environmental encumbrances (for example, the transfer of land contaminated with chemicals/oil products as collateral), as a result of which the Group bears not only the risk of losing the initial benefit from such a transaction, but also the risk of additional significant costs associated with the reclamation of the land;
- Reputational risk, which is the likelihood of deterioration in the Group's reputation as a result of the use of inappropriate methods for solving environmental and social problems by its clients or recipients of financing, their other incorrect behavior, leading, among other things, to damage to the brand value and image of the Group in the media, in society, in business and financial circles, and even before the eyes of its own staff, as well as to costly litigation and loss of income.

In accordance with the assumed obligations, the Group defines environmental and social requirements for its clients within the framework of loan agreements, which may include requirements:

- Compliance with national legislation in the field of environmental protection, biodiversity, cultural heritage, labor protection, health and safety of personnel and the population, as well as IFC Performance Standards, where applicable;
- Application of an environmental risk management system to identify and assess actual and potential impacts on the environment and the population;
- Development and implementation of Environmental Action Plans and monitoring of this system and the level of environmental risks;
- Application of a human resources management system and ensuring (preserving) the health of workers. Such a system should ensure fair treatment of workers, creating safe and healthy working conditions for them;
- Creating safe and healthy working conditions for its employees within the framework of the health and safety management system, as well as informing, training, supervision and consulting its employees on health and safety issues;

And

- Implementation of prevention, assessment and prevention or minimization of adverse impacts on the health and safety of the local population consumers in any situations;
- Implementation of the Plan of corrective environmental and social measures, developed by the Bank.

The Group provides financing to Clients whose activities comply with the Bank's environmental and social requirements, and in cases where such compliance can be achieved within the agreed timeframes during the term of the loan.

27. Fair value measurements

IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date.

The fair values of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis.

Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability either directly (that is as prices) or indirectly (that is derived from prices) and (iii) level three measurements are valuations not based on observable market data (that is unobservable inputs). Management applies judgement in categorizing financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

27. Fair value measurements (continued)

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting year. Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The Group considers that the accounting estimate related to the valuation of financial instruments where quoted markets prices are not available is a key source of estimation uncertainty because: (i) it is highly susceptible to changes from year to year as it requires management to make assumptions about interest rates volatility exchange rates the credit rating of the counterparty valuation adjustments and specific features of transactions and (ii) the impact that recognizing a change in the valuations would have on the assets reported on the consolidated statement of financial position as well as the related profit or loss reported on the consolidated statement of profit or loss could be material.

Except as detailed in the table the management considers that the carrying values of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period.

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular the valuation technique(s) and inputs used) at 31 December 2024 and 2023:

Financial Assets/Liabilities as at 31 December 2024	Carrying value	Fair value	Fair value hierarchy	Valuation model(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Loans and advances to customers	12,947,428	11,982,129	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Due from other banks	247,490	251,872	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBUI	Discount rate	The greater discount- the smaller fair value
Debt securities at amortized cost	595,414	604,753	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Due to other banks	1,527,871	1,545,471	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Customer accounts	4,740,544	4,542,392	Level 2	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Subordinated debt	127,901	133,701	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Other borrowed funds	9,044,930	9,049,982	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value

27. Fair value measurements (continued)

Financial Assets/ Liabilities as at 31 December 2023	Carrying value	Fair value	Fair value hierarchy	Valuation model(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Loans and advances to customers	11,957,750	10,543,292	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Due from other banks	265,358	269,416	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Debt securities at amortised cost	163,825	153,030	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Due to other banks	1,435,397	1,435,362	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Customer accounts	4,216,336	4,123,166.	Level 2	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value
Other borrowed funds	8,176,876	8,204,643	Level 3	Discounted cash flows based on average interest rates from observable Statistical bulletin of CBU	Discount rate	The greater discount- the smaller fair value

28. Related party disclosures

Parties are generally considered to be related if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship attention is directed to the substance of the relationship not merely the legal form.

Related parties may enter into transactions which unrelated parties might not and transactions between related parties may not be effected on the same terms conditions and amounts as transactions between unrelated parties.

- "Shareholders" are shareholders with a shareholding in excess of 1%;
- "Other related parties" – government related organizations and companies.

At 31 December 2024 the outstanding balances with related parties were as follows:

	Other related parties	Shareholders	Associates	Key management personnel	Total	Total as per financial statements caption
Cash and cash equivalents	667,494	–	–	–	**667,494**	**1,800,984**
Due from other banks	108,389	–	–	–	**108,389**	**247,490**
Debt securities at amortized cost	134,149	454,527	–	–	**588,676**	**595,414**
Loans and advances to customers	388,542	–	–	68	**388,610**	**12,947,428**
Allowance for impairment losses – loans and advances to customers	(11,427)	–	–	–	**(11,427)**	**(636,167)**
Financial assets at fair value through other comprehensive income	42,211	–	–	–	**42,211**	**138,175**
Other assets	–	–	39,400	–	**39,400**	**540,867**
Due to other banks	680,909	–	–	–	**680,909**	**1,527,871**
Customer accounts	762,836	237,840	–	2,001	**1,002,677**	**4,740,544**
Other borrowed funds	819,036	3,306,690	–	–	**4,125,726**	**9,044,930**
Subordinated debt	–	127,901	–	–	**127,901**	**127,901**
Other liabilities	168	653	–	–	**821**	**69,066**

28. Related party disclosures (continued)

The income and expense items with related parties for 2024 were as follows:

	Other related parties	Shareholders	Key management personnel	Total	Total as per financial statements caption
Interest income	121,631	55,674	7	**177,312**	**1,592,872**
Interest expense	158,580	431,158	2	**589,740**	**1,206,109**
Dividend income	2,253	–	–	**2,253**	**2,253**
Expected credit losses on loans and advances to customers	(960)	–	–	**(960)**	**35,793**
Administrative and other operating expenses	96,413	–	7,685	**104,098**	**504,407**

At 31 December 2023 the outstanding balances with related parties were as follows:

	Other government related parties	Shareholders	Associates	Key management personnel	Total	Total as per financial statements caption
Cash and cash equivalents	849,635	–	–	–	**849,635**	**1,776,770**
Due from other banks	214,913	–	–	–	**214,913**	**265,358**
Debt securities at amortized cost	21,740	142,085	–	–	**163,825**	**163,825**
Loans and advances to customers	3,447,859	–	–	80	**3,447,939**	**11,957,750**
Allowance for impairment losses – loans and advances to customers	(10,467)	–	–	(2)	**(10,469)**	**(645,345)**
Financial assets at fair value through other comprehensive income	5,063	–	–	–	**5,063**	**78,675**
Other assets	22,821	–	29,400	155	**52,376**	**422,097**
Due to other banks	768,923	–	–	–	**768,923**	**1,435,397**
Customer accounts	1,434,728	226	–	1,257	**1,436,211**	**4,216,334**
Other borrowed funds	814,758	2,641,746	–	–	**3,456,504**	**8,176,876**
Other liabilities	168	548	–	–	**716**	**52,256**

The income and expense items with related parties for 2023 were as follows:

	Other government related parties	Shareholders	Key management personnel	Total	Total as per financial statements caption
Interest income	137,588	28,886	12	**166,486**	**1,272,000**
Interest expense	136,063	273,029	–	**409,092**	**814,644**
Dividend income	14,669	–	–	**14,669**	**14,669**
Expected credit losses on loans and advances to customers	9,118	–	2	**9,120**	**25,028**
Administrative and other operating expenses	75,786	–	7,600	**83,386**	**438,287**

28. Related party disclosures (continued)

Key management compensation is presented below:

	2024	2023
Short-term benefits:		
- Salaries and other short-term benefits	7,060	6,780
- Social Security costs	625	820

Short-term benefits fall due wholly within twelve months after the end of the period in which management rendered the related services.

29. Capital management

The Group's objectives when managing capital are (i) to comply with the capital requirements set by the CBU and (ii) to safeguard the Group's ability to continue as a going concern. Compliance with capital adequacy ratios set by the CBU is monitored monthly with reports outlining their calculation reviewed and signed by the Chairman and Chief Accountant.

Under the current capital requirements set by the CBU banks have to maintain ratios of:

- Ratio of Group's main tier 1 capital to risk weighted assets ("Capital adequacy ratio") above a prescribed minimum level of 8 percent (2023: 8 percent);
- Ratio of Group's tier 1 capital to risk weighted assets ("Capital adequacy ratio") above a prescribed minimum level of 10.0 percent (2023: 10.0 percent);
- Ratio of total regulatory capital to risk weighted assets ("Regulatory capital ratio") above a prescribed minimum level of 13.0 percent (2023: 13.0 percent); and
- Ratio of Group's tier 1 capital to total assets less intangibles ("Leverage ratio") above a prescribed minimum level of 6 percent (2023: 6 percent).

The following table analyses the Group's regulatory capital resources for capital adequacy purposes in accordance with the requirements set by the CBU:

In millions of Uzbekistan Soums	2024	2023
Tier 1 capital		
Ordinary share capital	1,475,697	1,475,697
Capital reserves	232,635	226,843
Retained earnings (previous years)	155,205	102,287
Less: Investments to non-consolidated entities	(54,655)	(21,137)
Total main tier 1 capital	**1,808,882**	**1,783,690**
Preference shares	8,445	8,445
Share premium	219	219
Additional capital	**8,664**	**8,664**
Total tier 1 capital	**1,817,546**	**1,792,354**
Tier 2 capital		
Current year net profit	23,158	57,924
Impairment provision on standard assets in the amount of not more than 1.25% of the total amount of risk-weighted assets	102,798	103,373
Subordinated debt	127,901	–
Other	10,590	11,704
Total tier 2 capital	**264,447**	**173,001**
Total regulatory capital	**2,081,993**	**1,965,355**
Risk weighted assets	**14,883,283**	**14,601,042**
Assets for leverage ratio	**18,359,215**	**17,033,985**
Capital adequacy ratios:		
Main tier 1 capital adequacy ratio	*12.15%*	*12.22%*
Tier 1 capital adequacy ratio	*12.21%*	*12.28%*
Total regulatory capital adequacy ratio	*13.99%*	*13.46%*
Leverage ratio	*9.90%*	*10.52%*

30. Segmentation information

The Group's operations are a single reportable segment.

The Group provides mainly banking services in the Republic of Uzbekistan. The Group identifies the segment in accordance with the criteria set in IFRS 8 Operating Segments and based on the way of operations of the Group are regularly reviewed by the chief operating decision-maker to analyze performance and allocate resources among business units of the Group.

The chief operating decision-maker ("CODM") has been determined as the Group's Chairman of the Management Board. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The Management has determined a single operating segment being banking services on these internal reports.

31. Events after the reporting period

The Group on 27 February 2025 signed a Line of Finance Agreement with Islamic Corporation for the Development of the Private Sector (the ICD), for a total of USD 30 million (UZS 387,614 million) (the received amount is USD 10 million (UZS 129,205 million)) with the purpose of supporting the private sector, particularly small and medium enterprises clients and enabling them to access trade finance solutions in line with principles of Islamic finance.

The Group invested additional funds to the share capital of associate company "Zomin Miracle Mountains" LCC in the amount of UZS 10,000 million on 14 March 2024.

The Group in the process of issuing shares in the amount of UZS 150,000 million, which are acquired by the Ministry of Economy and Finance of the Republic of Uzbekistan (MOF).