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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND INDEPENDENT AUDITOR'S REPORT

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Management of Joint-Stock Commercial Bank "Business Development Bank" is responsible for the preparation of the consolidated financial statements that present fairly the financial position of Joint-Stock Commercial Bank "Business Development Bank" and its subsidiaries (collectively – "the Group") as at 31 December 2024, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended, and of material accounting policies and notes to the consolidated financial statements (the "consolidated financial statements") in compliance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board ("IASB").

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 disclosure when compliance with the specific requirements in IFRS Accounting Standards 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 financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS Accounting Standards;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Uzbekistan and accounting policies of the Group;
- 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 for the year ended 31 December 2024 were approved by the Management Board of the Group on 12 June 2025.

On behalf of the Management Board:

Sharipov Baxromxoja Shuxratovich **Acting Deputy Chairman of the Management Board**	**Takhirova Rano Oktyabrevna** **Chief Accountant**
12 June 2025 Tashkent, Uzbekistan	12 June 2025 Tashkent, Uzbekistan

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Supervisory Board of Joint-Stock Commercial Bank "Business Development Bank".

Opinion

We have audited the consolidated financial statements of Joint-Stock Commercial Bank "Business Development Bank" (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 profit or loss and other 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "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.

Emphasis of Matter – Liquidity

We draw attention to Notes 3 and 17 to the consolidated financial statements which describes the non-compliance with certain financial covenants of its long-term loan agreements set by various international financial institutions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Turgunboy Tokhirov, Qualified Auditor/Engagement Partner

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Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
Allowance for loans and advances to customers for expected credit losses. As disclosed in Note 9 to the consolidated financial statements, the gross value of loans and advances to customers ("loans") amounted to UZS 25,568,262 million with related allowance for expected credit losses of UZS 4,735,499 million as at 31 December 2024. Depending on the significance of loans, the management determines the expected credit losses ("ECL") on a collective or individual basis. The underlying information used in the ECL model on loans assessed on a collective basis may include errors. The errors could be due to incorrect criteria for staging (such as overdue days, restructuring events and other), which may significantly affect the allowance for the expected credit losses on a collective basis. Individual assessment of expected credit losses for significant borrowers involves an analysis of overdue interest or principal, including determining whether a significant increase in credit risk or credit impairing events have occurred on loans since their initial recognition. The understatement of the value of the overdue days when determining stages for individually significant borrowers might result in improper staging which may significantly affect the allowance for the expected credit losses for individually significant borrowers. Additionally, for significant loans classified as stage 3, the analysis involves estimation of future cash flows under the different scenarios weighted for their probabilities. Information used for such analysis includes expected value of collateral, costs and time required to sell the collateral. Allowance for ECL is determined to be a key audit matter due to the significance of Loans and advances to customers' balances and the degree of judgement and estimation uncertainty, as discussed in Note 4, 9 and Note 30 to the consolidated financial statements.	We obtained an understanding of the processes and relevant control procedures over ECL provisioning, in particular, identification of significant increase in credit risk ("SICR" or "stage 2") and credit-impaired loans ("stage 3"), and the ECL modelling and whether their stages are properly identified in the ECL calculation model. We also assessed the Group's impairment methodology for compliance with the requirements of IFRS 9. For loans collectively assessed for impairment, with the assistance of internal credit risk specialists, we assessed the integrity and mathematical accuracy of the ECL models. We tested, on a sample basis, the accuracy and completeness of input data in the models, including principal balances, allocation of loans by days in arrears, and checked other parameters of the model, such as delinquency of interest or principal, including off-balances, restructuring events, existence of litigation processes and statistics for recoveries of loans. For individually assessed loans, we analyzed the appropriateness of loans' staging by selecting a sample of these loans and testing whether conditions, including existence of overdue days, restructuring and current financial performance of the borrower for classification into respective stages were met. We checked, on a sample basis, the fair value of collateral used for the calculation of allowance for ECL for individually significant loans in stage 3. We also analyzed, on a sample basis, the Group's documented credit assessment of the borrowers, challenging assumptions underlying the ECL calculation, including future cash flow projections and the market valuation of collateral, as evidenced by available market and internal information. We evaluated the adequacy and completeness of disclosures in the consolidated financial statements relating to the loans in accordance with IFRS requirements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Turgunboy Tokhirov, Qualified Auditor/Engagement Partner

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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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, 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.

Turgunboy Tokhirov, Qualified Auditor/Engagement Partner

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Report of findings from procedures performed in accordance with the requirements of Law of the Republic of Uzbekistan 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 set by the Central Bank of the Republic of Uzbekistan ("Central Bank") and ensuring that internal control and organization of risk management systems comply with the Central Bank requirements.

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

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

These procedures were selected based on our judgment, and were limited to an analysis and study of documents; a comparison of the Bank's approved requirements, procedures and methodologies with the Central Bank requirements, as well as recalculations, comparisons and reconciliations of numerical data and other information.

Our findings from the procedures performed are as follows.

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

We have not performed any procedures on the underlying accounting data of the Bank, 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 consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the IASB.

Based on our procedures with respect to whether the elements of the Bank's internal control and organization of risk management systems comply with the Central Bank requirements, we found that:

- in accordance with the Central Bank requirements and recommendations, as at 31 December 2024, the Bank's internal audit function was subordinated and accountable to the Supervisory Board, and the risk management function of the Bank was not subordinated and accountable to subdivisions assuming corresponding risks;
- the frequency of reports prepared by the Bank's internal audit function during 2024 complied with the Central Bank requirements. The reports were approved by the Bank's Supervisory Board and included observations made by the Bank's internal audit function in respect of internal control systems;
- as at 31 December 2024 the Bank has an information security function in place as required by the Central Bank, and an information security policy was approved by the Bank's Management Board. The 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 an assessment and analysis of information security risks, and the results of actions to manage such risks;
- the Bank's internal documentation, effective as at 31 December 2024, that sets out methodologies to identify and manage the Bank's significant risks, and carry out stress-testing, was approved by the Bank's authorised management bodies in accordance with the Central Bank requirements and recommendations;
- as at 31 December 2024, the Bank maintained a system for reporting on the Bank's significant risks, and on the Bank's capital;

Turgunboy Tokhirov, Qualified Auditor/Engagement Partner

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- the frequency during 2024 of reports prepared by the Bank's risk management functions, and which cover the Bank's management of significant risks, was in compliance with the Bank's internal documentation. Those reports included observations made by the Bank's risk management functions as to their assessment of the Bank's significant risks, risk management system and recommendations for improvement;
- as at 31 December 2024, the Supervisory Board and Executive Management of the Bank had responsibility to monitor the compliance with risk and capital adequacy limits set by Bank internal documentation. To exercise control over the effectiveness of the Bank's risk management procedures and their consistent application during 2024, the Supervisory Board and Executive Management of the Bank regularly discussed the reports prepared by the risk management and internal audit functions of the Bank, and considered proposed measures to eliminate weaknesses.

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

"Deloitte & Touche" Audit Organisation LLC
is included in the register of audit organisations of the Ministry of Economy and Finance of the Republic of Uzbekistan from 8 June 2021

O'ZBEKISTON RESPUBLIKASI TOSHKENT SHAHAR "DELOITTE VA TOUCHE" MAS'ULIYATI CHEKLANGAN AUDITORLIK TASHKILOTI SHAKLIDAGI JAMIYAT
Deloitte va Touche

12 June 2025
Tashkent, Uzbekistan

Turgunboy Tokhirov
Qualified Auditor/Engagement Partner
Auditor qualification certificate authorizing audit of companies, #05422 dated 20 August 2016 issued by the Ministry of Economy and Finance of the Republic of Uzbekistan

Auditor qualification certificate authorizing audit of banks, #6/11 dated 29 March 2021 issued by the Central Bank of the Republic of Uzbekistan

Acting Director
"Deloitte & Touche" Audit Organisation LLC

Consolidated Statement of Financial Position
as at 31 December 2024
(in millions of Uzbekistan Soums)

	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	6	2,341,951	1,964,087
Securities purchased under reverse REPO transactions	7	300,885	-
Due from other banks	8	4,920,967	1,880,717
Loans and advances to customers	9	20,832,763	20,187,662
Investment securities measured at amortised cost	10	1,828,215	1,486,963
Financial assets at fair value through other comprehensive income	11	117,614	56,502
Property and equipment	12	643,841	422,398
Intangible assets	12	24,664	19,746
Deferred income tax asset	27	247,825	469,263
Current income tax prepayment		27,382	25,177
Other assets	13	89,338	101,321
Assets classified as held for sale	14	221,350	66,029
TOTAL ASSETS		**31,596,795**	**26,679,865**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to other banks	15	2,917,994	1,206,552
Customer accounts	16	6,462,612	5,916,366
Borrowings from government and international financial institutions	17	17,054,222	16,984,347
Debt securities in issue		20,079	86,799
Other liabilities	19	588,118	1,016,996
Subordinated debt	20	1,811,095	-
Total liabilities		**28,854,120**	**25,211,060**
EQUITY			
Share capital	21	5,205,183	1,861,514
Share premium	21	942	942
Accumulated deficit		(2,475,342)	(397,152)
Investment revaluation reserve		11,892	3,501
Total equity		**2,742,675**	**1,468,805**
TOTAL LIABILITIES AND EQUITY		**31,596,795**	**26,679,865**

On behalf of the Management Board:

Sharipov Baxromxoja Shuxratovich
Acting Deputy Chairman of the Management Board

12 June 2025
Tashkent, Uzbekistan

Takhirova Rano Oktyabrevna
Chief Accountant

12 June 2025
Tashkent, Uzbekistan

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2024
(in millions of Uzbekistan Soums)

	Notes	2024	2023
Interest income	22	4,473,647	3,362,389
Interest expense	22	(2,417,950)	(1,973,008)
NET INTEREST INCOME		**2,055,697**	**1,389,381**
Allowance for expected credit losses	30	(2,311,510)	(1,340,834)
Net loss on initial recognition of assets at rates below market		-	(21,678)
NET INTEREST (EXPENSE)/INCOME AFTER PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS		**(255,813)**	**26,869**
Fee and commission income	23	260,539	200,634
Fee and commission expense	23	(83,187)	(51,970)
Net gain on foreign exchange operations	24	68,316	45,571
Other income	25	33,465	10,640
(Loss) / gain on disposal of subsidiary		(2,769)	14,389
Impairment losses on other operations	14	(58,621)	(42,747)
NET NON-INTEREST INCOME		**217,743**	**176,517**
OPERATING (LOSS)/INCOME		**(38,070)**	**203,386**
Operating expenses	26	(1,110,514)	(808,135)
LOSS BEFORE INCOME TAX		**(1,148,584)**	**(604,749)**
Income tax (expense)/benefit	27	(219,337)	134,359
LOSS FOR THE YEAR		**(1,367,921)**	**(470,390)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Changes in the fair value of equity instruments classified as FVTOCI		10,494	(363)
Income tax (expense)/benefit relating to the equity instruments classified as FVTOCI		(2,103)	73
Other comprehensive income/(loss) for the year		**8,391**	**(290)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,359,530)**	**(470,680)**
Basic and diluted loss per ordinary share (expressed in UZS per share)	28	**(22)**	**(30)**

On behalf of the Management Board:

Sharipov Baxromxoja Shuxratovich
Acting Deputy Chairman of the Management Board

12 June 2025
Tashkent, Uzbekistan

Takhirova Rano Oktyabrevna Chief Accountant

12 June 2025
Tashkent, Uzbekistan

The notes on pages 12-70 form an integral part of these consolidated financial information.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024
(in millions of Uzbekistan Soums)

	Note	Share capital	Share premium	Retained earnings/ Accumulated deficit	Investment revaluation reserve	Total equity
31 December 2022		**1,859,887**	**942**	**39,425**	**3,791**	**1,904,045**
Loss for the year		-	-	(470,390)	-	(470,390)
Other comprehensive income for the year, net of income tax		-	-	-	(290)	(290)
Transfer of subsidiary		-	-	34,081	-	34,081
Shares issued	21	1,627	-	-	-	1,627
Dividends declared - preference shares		-	-	(268)	-	(268)
31 December 2023		**1,861,514**	**942**	**(397,152)**	**3,501**	**1,468,805**
Loss for the year		-	-	(1,367,921)	-	(1,367,921)
Other comprehensive income for the year, net of income tax		-	-	-	8,391	8,391
Transfer of subsidiary	21	-	-	(710,000)	-	(710,000)
Shares issued	21	3,343,669	-	-	-	3,343,669
Dividends declared - preference shares		-	-	(269)	-	(269)
31 December 2024		**5,205,183**	**942**	**(2,475,342)**	**11,892**	**2,742,675**

On behalf of the Management Board:

Sharipov Baxromxoja Shuxratovich
Acting Deputy Chairman of the Management Board

12 June 2025
Tashkent, Uzbekistan

Takhirova Rano Oktyabrevna
Chief Accountant

12 June 2025
Tashkent, Uzbekistan

Consolidated Statement of Cash Flows
for the year ended 31 December 2024
(in millions of Uzbekistan Soums)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received		4,116,134	2,991,213
Interest paid		(2,393,200)	(1,910,124)
Fees and commissions received		235,634	224,372
Fees and commissions paid		(83,187)	(51,970)
Income received from trading in foreign currencies		51,897	41,045
Other income received		9,797	4,519
Staff costs paid		(684,538)	(491,642)
Operating expenses paid		(341,294)	(222,098)
Income tax paid		(2,205)	(55,665)
Cash flows from operating activities before changes in operating assets and liabilities		**909,038**	**529,650**
Net (increase)/decrease in:			
- securities purchased under reverse REPO transactions		(300,885)	-
- due from other banks		(3,722,373)	(12,505)
- loans and advances to customers		(2,679,198)	(1,552,629)
- other assets		(17,382)	14,130
Net increase/(decrease) in:			
- due to other banks		1,646,458	(1,189,047)
- debt securities		(66,500)	(17,599)
- customer accounts		519,317	(290,527)
- other liabilities		(943,068)	916,475
Net cash used in operating activities		**(4,654,593)**	**(1,602,052)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, equipment and intangible assets		(288,950)	(174,071)
Proceeds from sale of property and equipment		14,506	3,517
Acquisition of financial assets at fair value through other comprehensive income		(50,618)	(35,581)
Acquisition of investment securities measured at amortised cost		(1,279,824)	(718,028)
Proceeds from disposal of investment securities measured at amortised cost		931,482	500,298
Proceeds from disposal of subsidiary		-	51,597
Dividend income received		9,997	4,516
Net cash used in investing activities		**(663,407)**	**(367,752)**

(in millions of Uzbekistan Soums)

	Notes	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of ordinary shares		2,231,800	-
Dividends paid		(298)	(246)
Proceeds from borrowings from government and international financial institutions	18	6,434,305	6,129,352
Repayment of borrowings from government and international financial institutions	18	(5,832,004)	(4,317,580)
Proceeds from subordinated debt	18	2,792,425	-
Net cash from financing activities		**5,626,228**	**1,811,526**
Effect of changes in foreign exchange rate on cash and cash equivalents		68,404	75,102
Effect of changes in expected credit losses		1,232	1,197
Net increase/(decrease) in cash and cash equivalents		**377,864**	**(81,979)**
CASH AND CASH EQUIVALENTS at the beginning of the year		**1,964,087**	**2,046,066**
CASH AND CASH EQUIVALENTS at the end of the year		**2,341,951**	**1,964,087**

Non-cash transactions			
Transfer of subsidiary	21	710,000	-
Repossessed assets/Assets held for sale	14	155,321	66,029
Write off loans	30	432,184	158,646

On behalf of the Management Board:

Sharipov Baxromxoja Shuxratovich
Acting Deputy Chairman of the Management Board

12 June 2025
Tashkent, Uzbekistan

Takhirova Rano Oktyabrevna
Chief Accountant

12 June 2025
Tashkent, Uzbekistan

1. General information

On 29 September 2023, Joint-Stock Commercial Bank "Business Development Bank" ("the Bank") was created on the basis of the Joint-Stock Commercial Bank "Qishloq Qurilish Bank" with a priority focus on financing projects of small businesses and providing them with comprehensive services, in accordance with the Presidential Decree of the Republic of Uzbekistan PD-292 dated 4 September 2023 "On measures to implement the tasks identified in the open dialogue of 2023 between the President of the Republic of Uzbekistan and entrepreneurs". The Bank is state controlled as a significant portion of its equity is owned by the Ministry of Economy and Finance of the Republic of Uzbekistan ("MOEF") and Fund for Reconstruction and Development of the Republic of Uzbekistan ("UFRD").

The Bank is a joint-stock company limited by shares and was set up in accordance with Uzbek regulations.

Principal activity.

The main objectives of the Bank are:

- implementation of logistic support for the process from the study of small businesses to financing and sustainable establishment of production;
- introduction of simplified lending system for small businesses with a positive credit history;
- introduction of the practice of "business mortgages" and development and master plans for regions that provide mortgages for communication facilities and infrastructure;
- business plan, financial reporting, export-import practice, property valuation, use of insurance and notary services, practical assistance to entrepreneurs in preparing documents and organizing free legal services;
- creation and operation of the "Business 24/7" system – a "single window" system that provides uninterrupted banking and consulting services to entrepreneurs in matters of market conditions and business organization;
- as a universal commercial bank that provides other comprehensive banking services to legal entities and individuals in the manner prescribed by law.

The Bank was granted a banking license #93 issued by the Central Bank of the Republic of Uzbekistan ("the CBU") on 30 September 2023.

As at 31 December 2024, the Bank's registered address was: 18A, Navoi str., Tashkent, 100011, the Republic of Uzbekistan.

(in millions of Uzbekistan Soums, unless otherwise indicated)

The Bank is a parent company of the Group which consists of the following subsidiaries consolidated in these financial statements:

		31 December 2024		31 December 2023		
	Country	Share in company, %	Amount	Share in company, %	Amount	Industry
JSCB "Business Development Bank" direct interest in subsidiaries						
LLC "BRB Capital" (former LLC "Green-Energy-Service-Group")	Uzbekistan	100%	110,336	100%	34,836	Individual Services
LLC "BRB-TECH"	Uzbekistan	100%	13,000	-	-	Innovative Technologies
LLC "Digital transformation center"	Uzbekistan	100%	10,000	100%	1,627	Financial Market Management
LLC "Small Business Development Fund"	Uzbekistan	-	-	100%	30,000	Fund Management
LLC "Small business supporting centre of Bukhara region"	Uzbekistan	100%	21,098	100%	20,000	Fund Management
LLC "Small business supporting centre of Republic of Karakalpakstan"	Uzbekistan	100%	21,814	100%	20,000	Fund Management
LLC "Small business supporting centre of Andijan region"	Uzbekistan	100%	20,000	100%	20,000	Fund Management
LLC "Small business supporting centre of Navoi region"	Uzbekistan	100%	21,022	100%	20,000	Fund Management
LLC "Small business supporting centre of Syrdarya region"	Uzbekistan	100%	20,510	100%	20,000	Fund Management
LLC "Small business supporting centre of Tashkent city"	Uzbekistan	100%	20,000	100%	20,000	Fund Management
LLC "Small business supporting centre of Fergana region"	Uzbekistan	100%	20,317	100%	20,000	Fund Management
LLC "Small business supporting centre of Namangan region"	Uzbekistan	100%	20,337	100%	20,000	Fund Management
LLC "Small business supporting centre of Samarkand region"	Uzbekistan	100%	20,544	100%	20,000	Fund Management
LLC "Small business supporting centre of Tashkent region"	Uzbekistan	100%	20,706	100%	20,000	Fund Management
LLC "Small business supporting centre of Jizzakh region"	Uzbekistan	100%	20,313	100%	20,000	Fund Management
LLC "Small business supporting centre of Khorezm region"	Uzbekistan	100%	21,401	100%	20,000	Fund Management
LLC "Small business supporting centre of Kashkadarya region"	Uzbekistan	100%	20,689	100%	20,000	Fund Management
LLC "Small business supporting centre of Surkhandarya region"	Uzbekistan	100%	20,000	100%	20,000	Fund Management
JSCB "Business Development Bank" indirect interest in subsidiaries via LLC "BRB Capital"						
"BRB-INVESTDEVELOPMENT" LLC	Uzbekistan	100%	33,533	-	-	Construction
Total investments in subsidiaries			**455,620**		**346,463**	

On 6 September 2024, "BRB-Capital" LLC was re-created on the basis of Green-Energy-Service Group LLC with the additional focus on the construction of touristic complex in Khiva and hotels, in accordance with the Cabinet of Ministers Orders No. 327/21 dated 11 June 2024, and No. 369/21 dated 1 August 2024. To be in line with the orders, the share capital of BRB-Capital LLC has been increased by UZS 75,500 million based on received funds from the Bank. BRB-Capital LLC expects to receive the remaining funds in the form of capital injection to reach the share capital in the total amount of UZS 150,000 million by the end of 2025.

The Group founded a new subsidiary named LLC "BRB-TECH" with 100% ownership via investing UZS 13,000 million into the share capital in accordance with the Presidential Decree of the Republic of Uzbekistan No. PD-366 on 9 April 2024.

In accordance with the Resolution of the President of the Republic of Uzbekistan No.312 dated 7 September 2024 "On measures to improve the comprehensive program of continuous support for small businesses" LLC "Small Business Development Fund" was transferred to JSC "Entrepreneurship Development Company".

(in millions of Uzbekistan Soums, unless otherwise indicated)

The Bank oversees 14 small business supporting centres ("Centres" or "the Centre") in the Republic of Karakalpakstan, regions, and Tashkent city, facilitating the development, financing, and implementation of business projects of small businesses, as well as providing them with consulting services. The Fund acts as a coordinator and facilitator, it ensures effective implementation of tasks assigned to the Bank and business development centres. Additionally, it maintains a "business platform" to streamline processes for lending and online coordination, enhancing overall efficiency in supporting small businesses.

Each centre specializes in a range of services vital for supporting small businesses. Centres offer practical training courses and establish certification systems to give entrepreneurs the necessary skills to develop and finance projects, expand the market reach, attract private investors, and create robust business plans.

Moreover, the Centres conduct thorough analyses and evaluations of project proposals, providing feedback to initiators who participate in the program. The Centres play a crucial role in identifying regional opportunities by analyzing entrepreneurship data and conducting social surveys to guide entrepreneurs in developing new business ventures.

Presentation currency. These consolidated financial statements are presented in Uzbekistan Soums ("UZS"), unless otherwise stated.

As at 31 December 2024 and 31 December 2023, the following shareholders owned issued shares of the Bank:

	31 December 2024	31 December 2023
Shareholders:		
Fund for Reconstruction and Development of the Republic of Uzbekistan (UFRD)	57.22%	23.87%
Ministry of Economy and Finance of the Republic of Uzbekistan (MOEF)	42.19%	74.47%
Others (individually holding less than 5% of the share capital of the Bank)	0.59%	1.66%
Total	**100.00%**	**100.00%**

The Group is ultimately controlled by the government of the Republic of Uzbekistan.

2. Operating environment of the Group

Emerging markets such as Uzbekistan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Uzbekistan continue to change rapidly, while tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Uzbekistan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Because Uzbekistan produces and exports gold in large volume, its economy is sensitive to the global gold price, which fluctuated significantly in 2024, averaging 2,386.76 US Dollar per troy ounce (2023: 1,941.67 US Dollar per troy ounce).

Uzbekistan is currently taking significant steps to join the World Trade Organization, which may significantly change market rules for local players and open up new opportunities as for the local players as well as to participants from outside of Uzbekistan. The process may require significant changes in national legislation.

At the end of 2024, Uzbekistan's gross domestic product ("GDP") grew by 6.5% (2023: 6.0%). Inflation in the country increased to 9.8% per annum in 2024 (2023: 8.8%). In July 2024, the Central Bank of the Republic of Uzbekistan reduced policy rate to 13.5% per annum compared to 14% per annum at the beginning of the period.

Later, in March 2025, the Central Bank of the Republic of Uzbekistan decided to raise the policy rate by 0.5 percentage points to 14 percent per annum as a result of the headline inflation that has slightly increased since the beginning of 2025, reaching 10.1 percent year-on-year in February 2025. However, the uncertainty still exists related to future development of the geopolitical risks and their impact on the economy of Uzbekistan.

Management of the Group is monitoring developments in the economic, political, and geopolitical situation and taking measures it considers necessary to support the sustainability and development of the Group's business for the foreseeable future. However, the consequences of these events and related future changes may have a significant impact on the Group's operations.

3. Material accounting policy information

Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set in this section. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Going concern

The management have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group has applied the going concern basis of accounting in preparing the consolidated financial statements.

The Group had recurring losses of UZS 1,367,921 million and UZS 470,390 million for the year ended 31 December 2024 and 2023, accordingly. This mainly resulted due to creation of allowance for expected credit losses in the amount of UZS 2,311,510 million as disclosed in Note 30, which was primarily driven by the higher probability of default and payment delays in loans and advances to customers.

For the year ended 31 December 2024, the Group had a cash outflow from operating activities mainly as a result of increasing of due from other banks balance by UZS 3,107,103 million (2023: UZS 1,288,839 million) as disclosed in Note 30. Cash flows derived from increase in share capital and proceeds from subordinated debt have been disclosed as a part of financing activity whereas those in due from other banks are considered as part of operating activities in the consolidated statements of cash flows which lead to negative cash flows in operating activities of the Group. As a result, the Group had operating cash outflow in the amount of UZS 4,654,593 million (2023: UZS 1,602,052 million).

As at 31 December 2024, the Group was not in compliance with certain financial covenants stipulated in loan agreements with Asian Development Bank (ADB) via MOEF, International Fund for Agricultural Development (IFAD) via MOEF, International Islamic Trade Finance Corporation (ITFC) and KFW IPEX BANK, and classified these loans in the total principal amount of UZS 1,077,275 million (Note 17) as "Up to 1 month" category in the liquidity disclosure of Note 30. This resulted in negative cumulative liquidity gap with UZS 949,756 million (2023: UZS 879,789 million) in "Up to 1 year" category, as discussed in detail in Note 17 and 30.

There is also a non-compliance with certain financial covenants in loans agreements with Islamic Corporation for the Development of the Private Sector (ICD). However, the Group was provided with the waiver letter from ICD in response to non-compliance with certain financial covenants.

The Management believes that the Group will be able to continue as a going concern for the foreseeable future based on the following:

- The Group is a state-owned bank with the MOEF and UFRD as key shareholders, jointly holding 99.41% interest in the share capital of the Bank as at 31 December 2024 (31 December 2023: 98.34%). In accordance with the Presidential Decree of the Republic of Uzbekistan No. PD-306 on 14 September 2023 "On measures of financial and institutional support for small business development" ("PD-306"), starting from 1 October 2023, the Bank was designated as the main base bank for the effective implementation and continuous improvement of the Comprehensive Program for Continuous Support of Small Businesses.

- According to the PD-306 and PD-312 "On measures to improve the comprehensive program of continuous support for small businesses", the Group received UZS 3,343,669 million (equivalent to USD 259 million) as a capital contribution to the share capital as disclosed in Note 21.
- The Bank plays a vital role as a government arm/vehicle to channel the State funds to the strategic sectors of the economy of Uzbekistan. Customer accounts being on demand comprise 47.08% of the total customer balance as at 31 December 2024. Moreover, 51.2% of these demand deposits are placed by state-controlled entities which are either the Group's shareholders or its entities under common control and the past experience of the Group indicate that these customer accounts provide a long-term and stable source of funding for the Group as disclosed in Note 16.
- During 2024, the Group has attracted additional short-term and long-term financing from the government and international financial institutions for the total amount of equivalent to UZS 6,434,305 million in domestic and foreign currencies as disclosed in the consolidated statement of cash flows as disclosed in Note 17 and 18.
- On 10 April 2025 the Bank and Raiffeisen Bank International AG signed a loan agreement for the amount of EUR 6,239,400 for the purpose of financing export contracts for a period of up to 780 days, with the interest rate at EURIBOR 3-month plus 1.35% per annum as disclosed in Note 35.
- In January 2025, the Group received USD 10,000,000 under a trade finance agreement with Commercial Bank of Dubai for a period of 188 days with the interest rate at SOFR 6 months plus 3% per annum as disclosed in Note 35.
- During January-March 2025, the Group received USD 28,158,067 under a trade finance agreement with MASHREQBANK PSC for a period for one year with the interest rate at SOFR 12 months plus 2.5% to finance import contracts as disclosed in Note 35.

As at 31 December 2024, the Group was in compliance with all prudential requirements set by CBU.

Basis of consolidation.

The consolidated financial statements incorporate the financial statements of the parent company and entities controlled by the Group made up to 31 December each year. Control is achieved when the Group:

- has the power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- potential voting rights held by the Group, other vote holders or other parties
- rights arising from other contractual arrangements
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. The Bank and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss, where appropriate.

Recognition and measurement of financial instruments

The Group recognises financial assets and liabilities on its consolidated statement of financial position when it becomes a party to the contractual obligations of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. The accounting policies for subsequent re-measurement of these items are disclosed in the respective accounting policies set out below.

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss.

All recognized financial assets that are within the scope of IFRS 9 Financial Instruments ("IFRS 9") are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Retention of an asset to obtain the cash flows stipulated by the contract. This business model suggests financial asset management aims to realize cash flows by receiving principal and interest payments over the life of the financial instrument. Within the framework of this business model, holding a financial asset to maturity is a priority, but early disposal is not prohibited.
- Retention of an asset with a view for obtaining contractual cash flows and sale of financial assets. This business model assumes that the management of financial assets is aimed at both obtaining contractual cash flows and sale of financial assets. Within the framework of this business model, the receipt of cash from the sale of a financial asset is a priority, which is characterized by a greater frequency and volume of sales compared to "holding an asset to receive contractual cash flows" business model.
- Retention of an asset for other purposes. Within the framework of this business model, financial assets can be managed with the following purposes:
  - management with a view to selling cash flows through the sale of financial assets;

- a portfolio, which management and performance is measured on a fair value basis;
- a portfolio, which matches the definition of held for trading. Financial assets are deemed to be held for trading if they were acquired mainly with a view to subsequent disposal in the near future (up to 180 days), gaining short-term profit, or represent derivative financial instruments (except for a financial guarantee or derivative financial instrument that was designated as a hedging instrument).

In accordance with IFRS 9, financial assets are classified as follows:

- loans and advances to customer are classified as assets at amortised cost are contained within the framework of a business model which aims to receive cash flows exclusively for repayment of unpaid interest and principal stipulated by loan agreement and that have contractual cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding;
- balances on correspondent accounts, interbank loans/deposits are classified, as a rule, as assets, estimated at amortised cost, since they are managed within the framework of a business model, which aims to receive cash flows stipulated by the contract, and that have contractual cash flows that are SPPI;
- debt securities may be classified into any of the three classification categories, taking into account the selected business model and compliance with the SPPI criterion;
- equity securities are generally classified as instruments at fair value through other comprehensive income;

Financial assets measured at amortised cost or financial assets at fair value through other comprehensive income ("FVTOCI").

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is performed at the date of initial application of IFRS 9 to determine the classification of a financial asset. The business model is applied retrospectively to all financial assets existing at the date of initial application of IFRS 9. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current reporting period, the Group has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognized, the cumulative gain/loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Expected credit loss (ECL) measurement - definitions

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The key inputs used for measuring ECL are:

- Probability of default (PD) – is an estimate of the likelihood of default over a given time horizon;
- Loss given default (LGD) – is an estimate of the loss arising on default; and
- Exposure at default (EAD) – is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

Default and credit-impaired assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

The financial asset is considered in default, or credit-impaired, if it meets any of the following criteria:

Individually significant loans

- breaches of contract such as a default or past due event on its contractual payments for 90 days or more;
- significant financial difficulty of the borrower;
- loans that had been restructured since the initial recognition (except for loans restructured not because of the deterioration in the borrowers' creditworthiness or restricted because of the decision of the higher authority);
- absence of communication with the borrower or information about the financial condition of this borrower;

Collectively assessed loans

- loans that have either principal or interest past due for more than 90 days;
- loans that had been restructured since the initial recognition (except for loans restructured not because of the deterioration in the borrowers' creditworthiness or restricted because of the decision of the higher authority);
- loans that have court rulings or are under litigation;
- presence of past due principal or interest on off-balance accounts in accordance with CBU classification and Resolution of CBU on non-accrual of interest;
- loans that have matured but not repaid;
- loans that have positive difference between the amount of accrued overdue interest as at the reporting date and that of as at the previous quarter;
- purchase or origination of credit-impaired (POCI) financial assets.

Debt securities, interbank deposits, and correspondent accounts

- counterparties or issuers rated at CC (Standard & Poor's) or lower;
- counterparties or issuers are past due more than 30 days;
- negative information on counterparties or issuers;

- purchase or origination of credit-impaired (POCI) financial assets;
- events of cross-default on other liabilities of counterparties or issuers.
- the counterparty or issuer has significant deterioration of operating results.

Significant increase in credit risk (SICR)

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The Group considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or subsidiary criteria have been met:

Individually significant loans

- breaches of contract such as a past due event on its contractual payments for 31–90 days;
- significant financial difficulty of the borrower;
- actual or expected deterioration in the external credit rating for two or more notches;
- reduction of financial support from the Government or affiliated entities;
- significant changes in the quality of loan collateral or the quality of guarantees / warranties provided by third parties that are expected to reduce the economic incentive for the borrower to make scheduled payments or otherwise affect the likelihood of default;
- credit-impaired loans (stage 3), provided the borrower extinguished its gross outstanding debt below the amount that had been before transition to credit-impaired classification;
- loans, whose borrowers have been sued by the Group or other creditors but legal proceedings have not been started;
- expected breaches of contract that can lead to exemptions from covenants or amendments to covenants, temporary exemption from interest payment and other.

Collectively assessed loans

- loans that have either principal or interest past due for 31–90 days, inclusive;
- credit-impaired loans as at the end of previous quarter because of meeting one or more criteria of stage 3 and that meet criteria for stages 1 or 2 as at the reporting date;
- loans that have past due interest as at the end of the current quarter, at the absence of historical information on overdue days;
- loans that have negative difference between the amount of accrued overdue interest as at the reporting date and that of as at the end of previous quarter;
- loans that have been restructured and that have been repaid for 25% of principal amount from the date of restructuring.

Debt securities, interbank deposits, and correspondent accounts

- deterioration of the external credit rating of counterparties or issuers rated:
- at A- down to BB+;
- at BBB+/B- down for three notches or to CCC+;
- at CCC+ or below for one notch;
- overdue of accrued compensation (coupon) or principal for one day (except for technical overdue);
- negative information on counterparties or issuers.

ECL measurement - description of estimation techniques

General principle

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

The Group defines individually significant loans as loans with total outstanding balances exceeding the threshold of 5% of the Bank's average profit before tax accounted in accordance with Uzbekistan GAAP and instructions set by CBU for the last three years. ECL for individually significant loans in Stage 3 are assessed on an individual basis, whereas ECL for individually significant loans in Stage 1 and 2 are assessed on a collective basis.

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognizes all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognized in profit or loss. A favourable change for such assets creates an impairment gain.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and
- the Group either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial asset is derecognised when it has been transferred and the transfer qualifies for derecognition. A transfer requires that the Group either: (a) transfers the contractual rights to receive the asset's cash flows; or (b) retains the right to the asset's cash flows but assumes a contractual obligation to pay those cash flows to a third party. After a transfer, the Group reassesses the extent to which it has retained the risks and rewards of ownership of the transferred asset. If substantially all the risks and rewards have been retained, the asset remains on the consolidated statement of financial position. If substantially all of the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been neither retained nor transferred, the Group assesses whether or not it has retained control of the asset. If it has not retained control, the asset is derecognised. Where the Group has retained control of the asset, it continues to recognise the asset to the extent of its continuing involvement.

Cash and cash equivalents. Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include deposits with CBU and all interbank placements with original maturities of less than three months. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents. Cash and cash equivalents are carried at amortised cost.

The payments or receipts presented in the statement of cash flows represent transfers of cash and cash equivalents by the Group, including amounts charged or credited to current accounts of the Group's counterparties held with the Group, such as loan interest income or principal collected by charging the customer's current account or interest payments or disbursement of loans credited to the customer's current account, which represents cash or cash equivalent from the customer's perspective.

Securities purchased under reverse REPO transactions. Securities purchased under reverse resale agreements are composed of overnight repurchase (REPO) operations and term REPO operations, in which the Group purchases securities from designated counterparties (commercial banks) with an agreement to sell them back at a predetermined price on an agreed transaction date.

The term REPO generally matures 1 to 90 business days after issuance and is used for balance sheet management purposes.

Purchase transactions of credit instruments under reverse repurchase "REPO" agreements (liquidity providing operations) are classified and measured at amortised cost on an effective rate basis. For such transactions, the Central Bank recognises the cash disbursement and constitutes a right (an asset), initially measured at the price agreed or reimbursement amount, which relates to its market value. Collateral received (bonds issued by the Central Bank and the Ministry of Economy and Finance of the Republic of Uzbekistan ("MoEF")) are not recognised in the statement of financial position.

Due from other banks. Amounts due from other banks are recorded when the Group advances money to counterparty Banks with no intention of trading the resulting unquoted non-derivative receivable due on fixed or determinable dates. Amounts due from other Banks are carried at amortised cost.

Mandatory cash balances with CBU are carried at amortised cost and represent non-interest-bearing mandatory reserve deposits which are not available to finance the Group's day-to-day operations, and hence are not considered as part of cash and cash equivalents for the purposes of the statement of cash flows.

Effective 1 July 2024, the Central Bank of the Republic of Uzbekistan has implemented a revised framework allowing 100% of the mandatory reserves to be maintained in the Bank's correspondent account with the Central Bank under an averaging mechanism which permits daily balance fluctuations provided the average meets regulatory thresholds. Under the previous rules, the commercial banks were required to hold only 80% of the mandatory reserves within their correspondent accounts with the Central Bank, while the remaining 20% was held in a specifically designated account with the Central Bank, which was unavailable for use in ordinary operating activities of the Bank.

Loans and advances to customers. Loans and advances to customers are recorded when the Group advances money to purchase or originate an unquoted non-derivative receivable from a customer due on fixed or determinable dates and has no intention of trading the receivable. Loans and advances to customers are carried at amortised cost.

Financial instruments - key measurement terms. Depending on their classification financial instruments are carried at fair value or amortised cost as described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

A portfolio of financial derivatives or other financial assets and liabilities that are not traded in an active market is measured at the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (i.e. an asset) for a particular risk exposure or paid to transfer a net short position (i.e. a liability) for a particular risk exposure in an orderly transaction between market participants at the measurement date.

This is applicable for assets carried at fair value on a recurring basis if the Group: (a) manages the group of financial assets and financial liabilities on the basis of the entity's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the entity's documented risk management or investment strategy; (b) it provides information on that basis about the group of assets and liabilities to the entity's key management personnel; and (c) the market risks, including duration of the entity's exposure to a particular market risk (or risks) arising from the financial assets and financial liabilities is substantially the same. Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available.

Fair value measurements are analysed 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 solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. Indicators that there is no reasonable expectation of recovery include no repayment during 5 years from the last repayment.

The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Property and equipment. Property and equipment are stated at cost less accumulated depreciation and allowance for impairment, where required. Costs of minor repairs and maintenance are expensed when incurred. Cost of replacing major parts or components of property and equipment items are capitalised and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of property and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell. Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in the statement of comprehensive income.

Depreciation. Construction in progress is not depreciated. Depreciation of property and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	Useful lives in years
Building and premises	20
Office and computer equipment	5-10

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group expects to use the asset until the end of its physical life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets classified as held for sale. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Due to other banks. Amounts due to other banks are recorded when money or other financial instruments are advanced to the Group by counterparty banks. The non-derivative liability is carried at amortised cost. If the Group purchases its own debt, the liability is removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains or losses arising from early retirement of debt.

Customer accounts. Customer accounts are non-derivative liabilities to individuals, state or corporate customers and are carried at amortised cost.

Income taxes. Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax credit comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within administrative and other operating expenses. Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is not recognised on post-acquisition retained earnings and other post-acquisition movements in reserves of subsidiaries where the Group controls the subsidiary's dividend policy, and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

Share capital. Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

Income and expense recognition. Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For credit-impaired financial assets, the interest income is calculated by applying the effective interest rate ("EIR") to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Fees integral to the effective interest rate include origination fees received or paid by the Group relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at fair value through profit or loss.

When loans and other debt instruments become doubtful of collection, they are written down to the present value of expected cash inflows and interest income is thereafter recorded for the unwinding of the present value discount based on the asset's effective interest rate which was used to measure the impairment loss.

All other fees, commissions and other income and expense items are generally recorded on an accrual basis by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part of the loan package for itself or retains a part at the same effective interest rate as for the other participants.

Commissions and fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, and which are earned on execution of the underlying transaction, are recorded on its completion. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-proportion basis. Asset management fees relating to investment funds are recorded rateably over the period that the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continually provided over an extended period of time.

Borrowings from government and international financial institutions. These funds include borrowings from government and nongovernment funds and financial institutions and are carried at amortised cost.

The Group obtains long term financing from government and other 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 such financing, the Group is able to advance funds in the form of mortgage loans to specific customers at advantageous rates. Management has considered whether gains or losses should arise on initial recognition of such instruments. As the transactions are with unrelated parties, management's judgement 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 judgement management also considered that these instruments are a separate market segment.

Offsetting. Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) the event of default and (iii) the event of insolvency or bankruptcy.

Earnings per share. Earnings per share are determined by dividing the profit or loss attributable to owners of the Bank by the weighted average number of participating shares outstanding during the reporting year.

Staff costs and related contributions. Wages, salaries, contributions to Uzbekistan state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees. The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

Foreign currency translation. The functional currency of the Group, which is the currency of the primary economic environment in which the Group operates, and the Group's presentation currency is the national currency of the Republic of Uzbekistan, Uzbekistan Soums ("UZS").

Monetary assets and liabilities are translated into Group's functional currency at the official exchange rate of CBU at the end of respective reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into Group's functional currency at year-end official exchange rates of CBU are recognised in profit or loss for the year. Translation at the year-end rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined.

Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

The results and financial position of each group entity are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period;
(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
(iii) components of equity are translated at the historic rate.

At 31 December 2024, the principle rate of exchange used for translating foreign currency balances was USD 1 = UZS 12,920.48 (2023: UZS 12,338.77), EUR 1 = UZS 13,436.01 (2023: UZS 13,731.82). Exchange restrictions and controls exist over the conversion of UZS into other currencies. The UZS is not a freely convertible currency outside of Uzbekistan.

Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined.

Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

Segment reporting. The Group's operations are 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 the operations of the Group are regularly reviewed by the chief operating decision maker to analyse performance and allocate resources among business units of the Group.

4. Significant accounting judgments and estimates

Significant accounting judgements

Business model assessment. Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase of credit risk. As explained in Note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable information.

Restructured loans

The Group restructures some of the loans and advances to customers. Based on the assessment of the borrowers' ability to service the loans before being restructured the management updates its ECL model by classifying those loans into the relevant stages of impairment.

The accounting policy states that the restructure of loans is an indication of a significant increase in credit risk or an event of default. However, when the restructure of loans is recommended by the higher authority, there is no immediate indication of a significant increase in credit risk or default. In assessing the appropriate impairment stage classification, the Group takes into account qualitative and quantitative information related to the loans that have been restructured.

Establishing groups of assets with similar credit risk characteristics. When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to Note 30 for details of the characteristics considered in this judgement. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets.

This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used. As explained in Note 3, the Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Measurement of allowance for expected credit losses ("ECL"). The allowance for ECL of financial assets in the consolidated financial statements have been determined based on existing economic and political conditions. The Group is not in a position to predict what changes in conditions will take place in Uzbekistan and in other countries it operates in and what effect such changes might have on the adequacy of the allowance for ECL of financial assets in future years.

For the carrying amount of the allowance for ECL of loans and advances to customers refer to Notes 9 and 30.

Deferred income tax asset recognition. The recognised deferred tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on a medium-term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances. Key assumptions in the business plan are: the Group is expecting to achieve stable growth in net profit during following years and has significant portfolio of state-controlled customers within production and construction sectors.

Tax legislation. Uzbekistan tax, currency and customs legislation is subject to varying interpretations. Refer to Note 27.

Key sources of estimation uncertainty

Probability of default. PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

(in millions of Uzbekistan Soums, unless otherwise indicated)

Exposure at Default. EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortization profiles, early repayment or overpayment, changes in utilization of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

The Group has performed a sensitivity analysis on how ECL on the main portfolios would change if the key assumptions used to calculate ECL change by 5%.

The ECL would increase by UZS 271,666 million or decrease by UZS 267,725 million (2023: increase by UZS 141,532 million or decrease by UZS 138,208 million).

The changes are applied in isolation for illustrative purposes and are applied to inputs (PD and LGD) that are used to develop the estimate of expected credit losses.

Fair value measurement and valuation process. In estimating the fair value of a financial asset or a liability, the Group uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the Group uses valuation models to determine the fair value of its financial instruments. Refer to Note 33 for more details on fair value measurement.

5. Application of new and revised International Financial Reporting Standards (IFRSs)

New and amended IFRS Accounting Standards that are effective for the current year.
The following amendments and interpretations are effective for the Group effective 1 January 2024:

Amendments to IAS 1 Classification of Liabilities as Current and Non-Current	*1 January 2024*
Amendments to IAS 1 Non-current Liabilities with Covenants	*1 January 2024*
Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	*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.

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New or revised standard or interpretation	Applicable to annual reporting periods **beginning on or after**
IFRS 18 – Presentation and Disclosures in Financial Statements	*1 January 2027*
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	*1 January 2027*
Amendments to IAS 21 – Lack of Exchangeability	*1 January 2027*

The Group is currently assessing the possible impact of IFRS 18. Until the Group has completed its review, it is not possible to make a reasonable estimate of the financial impact.

The Group does not expect that the application of IFRS 19 and the amendments to IFRS 21 will have a material impact on the Group's consolidated financial statements in future periods.

(in millions of Uzbekistan Soums, unless otherwise indicated)

6. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash on hand	858,102	725,170
Cash balances with the CBU	657,092	842,827
Correspondent accounts and overnight placements with other banks	824,861	369,507
Placements with other banks with original maturities of less than three months	1,953	27,812
Total cash and cash equivalents, gross	**2,342,008**	**1,965,316**
Less: Allowance for expected credit losses	(57)	(1,229)
Total cash and cash equivalents, net	**2,341,951**	**1,964,087**

The analysis of credit quality and credit ratings of cash and cash equivalents is as follows:

	31 December 2024	31 December 2023
Stage 1 (12-month ECL)		
Cash on hand	858,102	725,170
AA	439,192	-
A1	994	-
Baa1	257	-
Ba2	-	36
Ba3	779,446	1,232,643
B1	5,357	1,833
B2	258,660	3,693
Total stage 1, gross	**2,342,008**	**1,963,375**
Stage 3 (Lifetime ECL)		
Not rated	-	1,941
Total stage 3, gross	-	**1,941**
Total cash and cash equivalents, gross	**2,342,008**	**1,965,316**
Less: Allowance for expected credit losses	(57)	(1,229)
Total cash and cash equivalents, net	**2,341,951**	**1,964,087**

For the balances with the CBU, the quality categories are determined based on the Moody's sovereign rating – Ba3 stable (as at 31 December 2023: Ba3 stable).

Changes in credit quality of cash and cash equivalents during the year are disclosed in Note 30. Information on related party balances is disclosed in Note 34.

7. Securities purchased under reverse REPO transactions

The Group purchased securities under reverse REPO transactions from JSCB "Aloqabank" on 27 December 2024 at 14 percent interest rate per annum in the amount of UZS 300,885 million.

8. Due from other banks

	31 December 2024	31 December 2023
Short term placements with other banks with original maturities of more than three months	860,445	430,849
Long term placements with other banks	2,774,500	150,061
Mandatory reserve deposit held with CBU	378	89,615
Restricted cash	1,318,541	1,213,038
Total due from other banks, gross	**4,953,864**	**1,883,563**
Less: Allowance for expected credit losses	(32,897)	(2,846)
Total due from other banks, net	**4,920,967**	**1,880,717**

(in millions of Uzbekistan Soums, unless otherwise indicated)

Restricted cash represents balances on correspondent accounts with foreign and local banks placed by the Group in respect of payment systems and accounts. The Group does not have the right to use these funds for the purposes of funding its own activities.

In accordance with regulations set by the Central Banks, the commercial banks are required to maintain mandatory reserves calculated based on the volume of customer funds attracted. These reserves ensure liquidity stability and compliance with regulatory standards.

Effective 1 July 2024, the Central Bank of the Republic of Uzbekistan has implemented a revised framework allowing 100% of the mandatory reserves to be maintained in the Bank's correspondent account with the Central Bank under an averaging mechanism which permits daily balance fluctuations provided the average meets regulatory thresholds. Under the previous rules, the commercial banks were required to hold only 80% of the mandatory reserves within their correspondent accounts with the Central Bank, while the remaining 20% was held in a specifically designated account with the Central Bank, which was unavailable for use in ordinary operating activities of the Bank.

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

	31 December 2024	31 December 2023
Stage 1 (12-month ECL)		
A3	714,410	247,163
Baa1	-	185,401
Ba3	4,027,611	1,418,494
B1	133,157	50
B2	76,131	31,829
B3	1,900	-
Total stage 1, gross	**4,953,209**	**1,882,937**
Stage 3 (Lifetime ECL)		
Not rated	655	626
Total stage 3, gross	**655**	**626**
Total due from other banks, gross	**4,953,864**	**1,883,563**
Less: Allowance for expected credit losses	(32,897)	(2,846)
Total due from other banks	**4,920,967**	**1,880,717**

For the balances with the CBU, the quality categories are determined based on the Moody's sovereign rating – Ba3 stable (as at 31 December 2023: Ba3 stable).

Changes in credit quality of due from other banks for the year are disclosed in Note 30. The information on related party balances is disclosed in Note 34.

9. Loans and advances to customers

The Group uses the following classification of loans and advances to customers by classes:

- Loans to legal entities – loans issued to clients with legal form of ownership
- Loans to individuals – loans issued to individuals, which comprise:
  - Mortgage loans issued to individuals under Housing for Integrated Rural Development Investment Program
  - commercial mortgage loans
  - consumer loans
  - educational loans
  - other loans.
- Net investment in finance lease – loans issued to legal entities that meet the definition of finance lease.

(in millions of Uzbekistan Soums, unless otherwise indicated)

	31 December 2024	31 December 2023
Loans to legal entities	13,523,560	12,186,437
Loans to individuals	11,965,321	10,790,045
Net investment in financial lease	79,381	81,385
Total loans and advances to customers, gross	**25,568,262**	**23,057,867**
Less: Allowance for expected credit losses	(4,735,499)	(2,870,205)
Total loans and advances to customers	**20,832,763**	**20,187,662**

Information on related party balances is disclosed in Note 34.

As at 31 December 2024, the Group had a single borrower with the aggregate gross carrying amount of loans comprising UZS 621,413 million (31 December 2023: UZS 493,551 million).

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

	31 December 2024		31 December 2023	
	Amount	**%**	**Amount**	**%**
Individuals	11,965,321	47	10,790,045	47
Manufacturing	4,935,238	19	4,153,349	18
Trade	2,917,040	11	2,566,200	11
Agriculture	2,471,186	10	1,834,718	8
Construction	1,451,006	6	1,794,133	8
Services	1,349,100	5	1,141,088	5
Transport and communication	419,659	2	461,527	2
Other	59,712	-	316,807	1
Total loans and advances to customers, gross	**25,568,262**	**100**	**23,057,867**	**100**

The analysis of credit quality of loans and advances to customers is presented in the table below:

	31 December 2024	31 December 2023
Stage 1 (12-month ECL)	12,517,172	15,027,586
Stage 2 (Lifetime ECL)	7,081,385	3,466,625
Stage 3 (Lifetime ECL)	5,969,705	4,563,656
Total loans and advances to customers, gross	**25,568,262**	**23,057,867**
Less: Allowance for expected credit losses	(4,735,499)	(2,870,205)
Total loans and advances to customers	**20,832,763**	**20,187,662**

The table below summarizes the carrying value of loans and advances to customers analysed by type of collateral obtained by the Group:

	31 December 2024	31 December 2023
Unsecured loans:	1,986,597	516,044
Loans collateralised by pledge of:		
Real estate	16,777,357	17,876,396
Guarantees of third parties	2,794,635	2,076,460
Insurance policies	2,180,658	910,438
Vehicles	920,973	776,954
Equipment	859,811	825,788
Inventories	12,348	37,244
Cash deposit	3,812	397
Other	32,071	38,146
Total loans and advances to customers, gross	**25,568,262**	**23,057,867**
Less: Allowance for expected credit losses	(4,735,499)	(2,870,205)
Total loans and advances to customers, net	**20,832,763**	**20,187,662**

(in millions of Uzbekistan Soums, unless otherwise indicated)

Guarantees of third parties were not considered in computation of discounted cash flows in calculation of allowance of expected credit losses of loans and advances to customers.

In accordance with the Presidential Decree of the Republic of Uzbekistan No. PD-306 "On measures to provide financial and institutional support for the development of small businesses" dated 14 September 2023, the bank started issuing loans up to UZS 100 million without collateral for the development of small businesses.

The table below summarizes the carrying value of the credit impaired loans and advances to customers (stage 3) analysed by type of collateral obtained by the Group:

	31 December 2024	**31 December 2023**
Unsecured loans:	373,867	62,131
Loans collateralised by pledge of:		
Real estate	3,781,372	2,977,311
Guarantees of third parties	735,512	748,110
Vehicles	306,157	247,295
Insurance policies	528,274	324,206
Equipment and inventory	219,419	204,390
Other	25,104	213
Total Stage 3 (Lifetime ECL) loans and advances to customers, gross	**5,969,705**	**4,563,656**
Less: Allowance for expected credit losses	(3,211,920)	(1,910,165)
Total Stage 3 (Lifetime ECL) loans and advances to customers	**2,757,785**	**2,653,491**

(in millions of Uzbekistan Soums, unless otherwise indicated)

Analysis of credit quality of loans and advances to customers outstanding as at 31 December 2024 is as follows:

	Loans to legal entities	Loans to individuals	Net investment in financial lease	Total
Collectively assessed				
Stage 1 (12-month ECL)				
Not past due	3,552,834	8,075,431	564	11,628,829
up to 30 days	205,964	682,379	-	888,343
Total collectively assessed stage 1 (12-month ECL), gross	**3,758,798**	**8,757,810**	**564**	**12,517,172**
Stage 2 (Lifetime ECL)				
Not past due	1,506,161	229,070	-	1,736,131
up to 30 days	1,155,026	1,055,534	69,171	2,279,731
31 to 60 days	794,919	370,505	-	1,165,424
61 to 90 days	1,644,484	255,333	283	1,900,100
Total collectively assessed stage 2 (Lifetime ECL), gross	**5,100,590**	**1,911,342**	**69,454**	**7,081,386**
Stage 3 (Lifetime ECL)				
Not past due	49,842	25,277	-	75,119
up to 30 days	185,249	99,192	-	284,441
31 to 60 days	145,888	308,077	-	453,965
61 to 90 days	308,269	102,164	-	410,433
91 to 180 days	367,095	316,561	-	683,656
Over 180 days	2,033,112	444,897	9,363	2,487,372
Total collectively assessed stage 3 (Lifetime ECL), gross	**3,089,455**	**1,296,168**	**9,363**	**4,394,986**
Total collectively assessed, gross	**11,948,843**	**11,965,320**	**79,381**	**23,993,544**
Individually impaired				
Stage 3 (Lifetime ECL)				
Not past due	192,984	-	-	192,984
up to 30 days	42,546	-	-	42,546
31 to 60 days	132,223	-	-	132,223
61 to 90 days	262,697	-	-	262,697
91 to 180 days	138,684	-	-	138,684
Over 180 days	805,584	-	-	805,584
Total individually impaired stage 3 (Lifetime ECL), gross	**1,574,718**	**-**	**-**	**1,574,718**
Total loans and advances to customers, gross	**13,523,561**	**11,965,320**	**79,381**	**25,568,262**
Allowance for expected credit losses assessed on a collective basis stage 1 (12-month ECL)	(158,388)	(164,997)	(26)	(323,411)
Allowance for expected credit losses assessed on a collective basis stage 2 (Lifetime ECL)	(957,196)	(234,078)	(8,894)	(1,200,168)
Allowance for expected credit losses assessed on a collective basis stage 3 (Lifetime ECL)	(1,952,559)	(439,514)	(8,025)	(2,400,098)
Allowance for expected credit losses determined on an individual basis stage 3 (Lifetime ECL)	(811,822)	-	-	(811,822)
Total allowance for expected credit losses	**(3,879,965)**	**(838,589)**	**(16,945)**	**(4,735,499)**
Total loans and advances to customers	**9,643,596**	**11,126,731**	**62,436**	**20,832,763**

(in millions of Uzbekistan Soums, unless otherwise indicated)

Analysis of credit quality of loans and advances to customers outstanding as at 31 December 2023 is as follows:

	Loans to legal entities	Loans to individuals	Net investment in financial lease	Total
Collectively assessed				
Stage 1 (12-month ECL)				
Not past due	5,587,800	8,348,200	70,491	14,006,491
up to 30 days	476,364	544,731	-	1,021,095
Total collectively assessed stage 1 (12-month ECL), gross	**6,064,164**	**8,892,931**	**70,491**	**15,027,586**
Stage 2 (Lifetime ECL)				
Not past due	1,108,436	-	-	1,108,436
up to 30 days	177,884	692,431	479	870,794
31 to 60 days	583,147	377,185	2,371	962,703
61 to 90 days	295,324	227,989	1,379	524,692
Total collectively assessed stage 2 (Lifetime ECL), gross	**2,164,791**	**1,297,605**	**4,229**	**3,466,625**
Stage 3 (Lifetime ECL)				
Not past due	637,380	-	-	637,380
up to 30 days	85,460	151,598	2,011	239,069
31 to 60 days	267,303	70,503	-	337,806
61 to 90 days	90,890	48,253	-	139,143
91 to 180 days	299,954	99,371	2,534	401,859
Over 180 days	1,039,676	229,784	2,120	1,271,580
Total collectively assessed stage 3 (Lifetime ECL), gross	**2,420,663**	**599,509**	**6,665**	**3,026,837**
Total collectively assessed, gross	**10,649,618**	**10,790,045**	**81,385**	**21,521,048**
Individually impaired				
Stage 3 (Lifetime ECL)				
Not past due	568,747	-	-	568,747
up to 30 days	38,279	-	-	38,279
31 to 60 days	306,990	-	-	306,990
61 to 90 days	154,189	-	-	154,189
91 to 180 days	175,260	-	-	175,260
Over 180 days	293,354	-	-	293,354
Total individually impaired stage 3 (Lifetime ECL), gross	**1,536,819**	**-**	**-**	**1,536,819**
Total loans and advances to customers, gross	**12,186,437**	**10,790,045**	**81,385**	**23,057,867**
Allowance for expected credit losses assessed on a collective basis stage 1 (12-month ECL)	(388,478)	(52,819)	(2,300)	(443,597)
Allowance for expected credit losses assessed on a collective basis stage 2 (Lifetime ECL)	(427,367)	(87,558)	(1,518)	(516,443)
Allowance for expected credit losses assessed on a collective basis stage 3 (Lifetime ECL)	(1,309,366)	(159,585)	(4,249)	(1,473,200)
Allowance for expected credit losses determined on an individual basis stage 3 (Lifetime ECL)	(436,965)	-	-	(436,965)
Total allowance for expected credit losses	**(2,562,176)**	**(299,962)**	**(8,067)**	**(2,870,205)**
Total loans and advances to customers	**9,624,261**	**10,490,083**	**73,318**	**20,187,662**

(in millions of Uzbekistan Soums, unless otherwise indicated)

The components of net investment in finance lease receivables are as follows:

	31 December 2024	31 December 2023
Amounts receivable under finance leases		
Less than one year	27,974	24,836
Year 1	17,828	17,390
Year 2	17,173	14,874
Year 3	16,421	14,173
Year 4	5,350	13,335
Year 5	-	4,339
Minimum lease payments	84,746	88,947
Less: unearned finance income	(5,365)	(7,562)
Net investment in finance lease (before impairment)	**79,381**	**81,385**
Recoverable within 12 months	25,488	21,702
Recoverable after 12 months	53,893	59,683
Net investment in finance lease (before impairment)	**79,381**	**81,385**
Less: Allowance for expected credit losses	(16,945)	(8,067)
Net investment in finance lease	**62,436**	**73,318**

Net investment in finance lease is collateralised by the equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

10. Investment securities measured at amortised cost

	31 December 2024	31 December 2023
Government bonds	1,648,684	1,376,551
CBU Bonds	132,288	97,357
Corporate bonds	57,543	20,778
Total investment securities measured at amortised cost, gross	**1,838,515**	**1,494,686**
Less: Allowance for expected credit losses	(10,300)	(7,723)
Total investment securities measured at amortised cost	**1,828,215**	**1,486,963**

As at 31 December 2024, government bonds from the MOEF and CBU Bonds include a gross amount of UZS 1,111,302 million (2023: UZS 599,893 million) and UZS 132,288 million that were purchased in 2024 (2023: 97,357 million), respectively.

In addition, the government bonds include Eurobonds issued by the MOEF with interest rate 5.375% per annum and remaining maturity from 4-9 years as at 31 December 2024.

For the balances with the CBU and the Ministry of Economy and Finance, the quality categories are determined based on Moody's sovereign rating Ba3 stable (as at 31 December 2023: Ba3 stable).

(in millions of Uzbekistan Soums, unless otherwise indicated)

11. Financial Assets at Fair Value Through Other Comprehensive Income

	Type of financial instrument	Share in %	31 December 2024	31 December 2023
JSC "Uzbekistan Mortgage Refinancing Company"	equity instruments	6.59%	71,624	14,690
Yashil Energiya LLC	equity instruments	9.58%	34,961	34,473
JSC "O''ZBEKISTON POCHTASI"	equity instruments	2.93%	4,192	3,812
JSC "O'zagrolizing"	equity instruments	0.20%	-	170
Others	equity instruments	3.23 - 7.69%	6,837	3,357
Total financial assets at fair value through other comprehensive income			**117,614**	**56,502**

In accordance with the Presidential Decree of the Republic of Uzbekistan No. PD-394 "On measures to financially support the activities of JSC "Uzbekistan Mortgage Refinancing Company" dated 18 December 2023, the shareholders have been entrusted with contributing funds to the share capital of JSC "Uzbekistan Mortgage Refinancing Company" by issuing additional shares and placing them at nominal value in the prescribed manner. During the year ended 2024, the Bank invested UZS 48,800 million, and proportionally the percentage of shares of the Bank has been decreased from 10% to 6.6% in total.

12. Property and equipment and intangible assets

	Buildings and Premises	Office and computer equipment	Construction in progress	Total Property and equipment	Intangible assets	Total
At cost						
31 December 2022	**225,531**	**237,536**	**44,909**	**507,976**	**31,099**	**539,075**
Additions	-	113,939	18,561	132,500	2,463	**134,963**
Transfers	6,891	2,964	(7,018)	2,837	(2,837)	**-**
Disposals	(6)	(2,338)	(375)	(2,719)	(1,573)	**(4,292)**
Acquisition of subsidiaries	-	5,154	-	5,154	4,830	**9,984**
31 December 2023	**232,416**	**357,255**	**56,077**	**645,748**	**33,982**	**679,730**
Additions	2,470	79,034	240,251	321,755	5,143	**326,898**
Transfers	49,246	(2,817)	(52,046)	(5,617)	5,617	**-**
Disposals	-	(1,013)	-	(1,013)	(509)	**(1,522)**
31 December 2024	**284,132**	**432,459**	**244,282**	**960,873**	**44,233**	**1,005,106**
Accumulated depreciation						
31 December 2022	**37,418**	**121,997**	**-**	**159,415**	**8,282**	**167,697**
Charge for the year (Note 26)	11,549	53,174	-	64,723	5,412	70,135
Disposals	(5)	(2,143)	-	(2,148)	(233)	(2,381)
Acquisition of subsidiaries	-	1,360	-	1,360	775	2,135
31 December 2023	**48,962**	**174,388**	**-**	**223,350**	**14,236**	**237,586**
Charge for the year (Note 26)	12,398	81,911	-	94,309	5,393	99,702
Transfers	(321)	296	-	(25)	25	-
Disposals	-	(602)	-	(602)	(85)	(687)
31 December 2024	**61,039**	**255,993**	**-**	**317,032**	**19,569**	**336,601**
Net book value						
31 December 2022	**188,113**	**115,539**	**44,909**	**348,561**	**22,817**	**371,378**
31 December 2023	**183,454**	**182,867**	**56,077**	**422,398**	**19,746**	**442,144**
31 December 2024	**223,093**	**176,466**	**244,282**	**643,841**	**24,664**	**668,505**

Intangible assets comprise software licenses acquired for conducting its operations.

(in millions of Uzbekistan Soums, unless otherwise indicated)

A significant part of the acquisition of office and computer equipment is represented as Automated Teller Machines and database server in the amount of UZS 39,909 million and UZS 8,486 million respectively.

As at 31 December 2024, construction in progress include UZS 188,700 million of advance payment for the building intended to be used as a head office.

As at 31 December 2024, fully depreciated assets amounted to UZS 122,853 million (31 December 2023: UZS 58,146 million).

As at 31 December 2024 and 31 December 2023, the Group did not pledge premises, equipment and intangible assets as collateral.

13. Other assets

	31 December 2024	31 December 2023
Other financial assets		
Receivables on money transfers	18,697	1,144
Commissions receivable from customers	15,766	1,129
Receivable from employees	1,084	192
Other receivables	-	1,679
Total other financial assets, gross	**35,547**	**4,144**
Less: Allowance for expected credit losses	(5,363)	(303)
Total other financial assets	**30,184**	**3,841**
Other non-financial assets:		
Prepayments	43,244	31,195
Repossessed collateral	10,352	25,535
Prepayments for office and computer equipment	2,448	38,091
Prepayment for construction services	146	2,451
Other	2,964	208
Total other non-financial assets	**59,154**	**97,480**
Total other assets	**89,338**	**101,321**

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

	31 December 2024	31 December 2023
Stage 2 (Lifetime ECL)	26,795	4,144
Stage 3 (Lifetime ECL)	8,752	-
Total other financial assets, gross	**35,547**	**4,144**
Less: Allowance for expected credit losses	(5,363)	(303)
Total other financial assets	**30,184**	**3,841**

(in millions of Uzbekistan Soums, unless otherwise indicated)

The analysis by credit quality of other financial assets outstanding at 31 December 2024 is as follows:

	Commissions receivable from customers	Receivables on money transfers	Receivable from employees	Total
Collectively assessed				
Stage 2 (Lifetime ECL)				
Not past due	13,494	10,896	208	24,598
up to 30 days	718	-	838	1,556
31 to 60 days	284	-	-	284
61 to 90 days	357	-	-	357
Total collectively assessed stage 2 (Lifetime ECL), gross	**14,853**	**10,896**	**1,046**	**26,795**
Stage 3 (Lifetime ECL)				
Not past due	-	7,801	-	7,801
91 to 180 days	786	-	-	786
Over 180 days	127	-	38	165
Total collectively assessed stage 3 (Lifetime ECL), gross	**913**	**7,801**	**38**	**8,752**
Total other financial assets, gross	**15,766**	**18,697**	**1,084**	**35,547**
Allowance for expected credit losses assessed on a collective basis stage 2 (Lifetime ECL)	(1,712)	(108)	(58)	(1,878)
Allowance for expected credit losses assessed on a collective basis stage 3 (Lifetime ECL)	(488)	(2,996)	(1)	(3,485)
Total allowance for expected credit losses	**(2,200)**	**(3,104)**	**(59)**	**(5,363)**
Total other financial assets	**13,566**	**15,593**	**1,025**	**30,184**

The analysis by credit quality of other financial assets outstanding at 31 December 2023 is as follows:

	Receivables on money transfers	Commissions receivable from customers	Receivable from employees	Other receivables	Total
Collectively assessed					
Stage 2 (Lifetime ECL)					
Not past due	1,144	1,129	192	1,679	4,144
Total collectively assessed stage 2 (Lifetime ECL), gross	**1,144**	**1,129**	**192**	**1,679**	**4,144**
Allowance for expected credit losses assessed on a collective basis stage 2 (Lifetime ECL)	(19)	(107)	(18)	(159)	(303)
Total other financial assets, net	**1,125**	**1,022**	**174**	**1,520**	**3,841**

(in millions of Uzbekistan Soums, unless otherwise indicated)

14. Assets classified as held for sale

	31 December 2024	31 December 2023
Repossessed assets received as collateral from loans and advances to customers		
Real estate	208,867	62,601
Vehicles	12,483	3,428
Total assets classified as held for sale	**221,350**	**66,029**

As at 31 December 2024, the carrying value of the repossessed assets received as collateral from loans and advances to customers comprise UZS 317,808 million. During 2024, the Group approved the plan to sell the repossessed assets and actively marketed in different local market platforms. As at 31 December 2024, the assets were recognized as Assets classified as held for sale. In 2024 and 2023, the Group recognised impairment losses on assets classified as held for sale in the amount of UZS 58,621 million and UZS 42,747 million, respectively.

15. Due to other banks

	31 December 2024	31 December 2023
Short term placements of other banks	1,203,135	522,218
Long term placements of other banks	1,714,859	684,334
Total due to other banks	**2,917,994**	**1,206,552**

As at 31 December 2024, term deposits in the amount of UZS 882,992 million were provided by 2 domestic banks and 1 foreign bank (31 December 2023: UZS 565,604 million – 3 domestic banks).

16. Customer accounts

	31 December 2024	31 December 2023
State and public organizations		
- Current/settlement accounts	1,557,351	1,794,962
- Term deposits	1,153,580	880,121
Other legal entities		
- Current/settlement accounts	1,100,209	666,022
- Term deposits	378,208	830,406
Individuals		
- Current/settlement accounts	385,176	288,740
- Term deposits	1,888,088	1,456,115
Total customer accounts	**6,462,612**	**5,916,366**

Economic sector concentration is as follows:

	31 December 2024		31 December 2023	
	Amount	%	Amount	%
Analysis by economic sector/customer type:				
State and public organisations	2,710,931	42	2,675,083	46
Individuals	2,273,264	35	1,744,855	29
Manufacturing	564,655	9	237,760	4
Services	322,225	5	314,299	5
Construction	231,089	4	252,881	4
Trade	179,559	3	127,567	2
Finance sector	149,917	2	521,996	9
Agriculture	16,434	-	15,666	-
Transport and communication	14,515	-	25,720	1
Others	23	-	539	-
Total customer accounts	**6,462,612**	**100**	**5,916,366**	**100**

(in millions of Uzbekistan Soums, unless otherwise indicated)

As at 31 December 2024 and 31 December 2023, the Group had 10 customers with the total balance of UZS 2,500,733 million and UZS 2,528,369 million, respectively.

17. Borrowings from government and international financial institutions

	31 December 2024	31 December 2023
Ministry of Economy and Finance of the Republic of Uzbekistan (MOEF)	5,932,625	6,145,247
International Bank of Reconstruction and Development (IBRD) via MOEF	2,045,285	1,704,176
Islamic Development Bank via MOEF	1,612,663	1,683,277
Asian Development Bank (ADB) via MOEF	1,583,359	1,767,958
Uzbekistan Fund for Reconstruction and Development (UFRD)	1,531,192	913,412
Borrowings from Government	734,359	470,082
Bank World of Privilege	532,392	248,048
Saudi Fund for Development via MOEF	486,719	548,771
European Investment Bank via Entrepreneurship Development Agency under the Ministry of Economic Development and Poverty Reduction	458,208	437,050
KFW IPEX BANK	370,250	460,938
Cargill Financial Services International	258,650	254,839
Japan International Cooperation Agency (JICA) via MOEF	245,942	233,991
International Fund for Agricultural Development (IFAD) via MOEF	208,587	143,148
International Development Association (IDA) via MOEF	198,346	207,178
National Bank for Foreign Economic Activity of Uzbekistan (NBU)	186,758	201,405
JSC "Uzbekistan mortgage refinancing company"	184,637	236,135
French Development Agency via State Committee for Veterinary and Livestock Development	89,420	89,658
COMMERZBANK AG	85,788	113,372
JSC KDB Bank Uzbekistan	85,623	91,499
International Islamic Trade Finance Corporation (ITFC)	41,899	92,224
Islamic Corporation for the Development of the Private Sector (ICD)	35,363	120,621
The Central Bank of the Republic of Uzbekistan	29,893	54,443
JSCB "Asaka Bank"	26,243	38,139
JSCB "Uzbek Industrial and Construction Bank"	24,356	31,792
JSCMB "Ipoteka Bank"	19,745	30,058
JSCB "Aloqabank"	16,596	27,358
JSCB "Mikrokreditbank"	16,224	16,552
JSCB "Turonbank"	9,996	19,344
JSCB "Agrobank"	3,104	4,345
JSC JSCB International Financial Club (IFC Bank)	-	193,492
Landesbank Hessen-Thüringen Girozentrale	-	29,074
"Kamkombank" LLC	-	306,414
China Eximbank via NBU	-	42,811
Banka Kombëtare Tregtare SH.a	-	27,496
Total borrowings from government and international financial institutions	**17,054,222**	**16,984,347**

As at 31 December 2024, borrowings from the Ministry of Economy and Finance of the Republic of Uzbekistan represented in USD and UZS denominated long-term loans, maturing the earliest in May 2025, and the latest in June 2044, which are issued with interest rates ranging from 0% to 14% per annum (including interest rates ranging from 5.25% - 5.875% per annum for the USD denominated loans). The purpose of borrowed funds is the construction of residential housing units in rural areas.

Borrowings from International Bank for Reconstruction and Development provided through the Ministry of Economy and Finance of the Republic of Uzbekistan represented in USD and UZS denominated long-term loans (which can be obtained in UZS and USD equivalent), maturing the earliest in June 2030 and the latest in October 2043, which are issued with an interest rate ranging from 3% to 7.9% per annum for the USD denominated loans and 13.5% per annum for the UZS denominated loans. Loans were borrowed to finance the development of fruits and vegetables sector in Uzbekistan.

Borrowings from Islamic Development Bank provided through the Ministry of Economy and Finance of the Republic of Uzbekistan represent long-term loan, maturing the earliest in November 2032 and the latest in December 2043, which are issued with interest rates ranging from 4%-8.2% per annum. Loans were borrowed with the purpose of construction of residential housing units in rural areas of Tashkent, Fergana and Samarkand regions.

Borrowings from Asian Development Bank provided through the Ministry of Economy and Finance of the Republic of Uzbekistan represented UZS denominated long-term loans, maturing the earliest in August 2029 and the latest in May 2035, which are issued with interest rates from 3% to 13.5% per annum. Loans were borrowed to finance mortgages issued to individuals under Housing for Integrated Rural Development Investment Program.

Borrowings from Fund for Reconstruction and Development of the Republic of Uzbekistan represented in USD and UZS denominated long-term loans, maturing the earliest in July 2025 and the latest in December 2038, which are issued with an interest rate ranging from 7% to 13.5% per annum for UZS denominated loans and ranging from 0% to 7.73% per annum for the USD denominated loans. Loans were borrowed to finance socially important sectors of economy such as development of family entrepreneurship and related service sector (excluding projects for the development of the financial sector and cases of replenishment of working capital in that sector).

As at 31 December 2024, the Group was not in compliance with certain financial covenants stipulated in the following loan agreements where the Group is obliged to comply with the financial covenants in relation to the funds borrowed:

- Borrowings from the International Islamic Trade Finance Corporation (ITFC). As a result of the non-compliance, the Group recognised liability in the outstanding principal amount of equivalent to UZS 41,899 million to ITFC within the Borrowings from government and international financial institutions. The Group was in breach of a financial covenant ratio of non-performing loans (stage 3 loans) against total gross loans; or the overdue ratio of loans overdue more than 90 days divided by total gross loans.
- Borrowings from Asian Development Bank provided through MOEF represent long-term loans with the total outstanding principal amount of equivalent to UZS 489,364 million maturing from August 2029 to March 2033, which are issued with interest rates from 3% to 13.5% under the Subsidiary Loan Agreements #2775-UZB dated 16 February 2012, 3039-UZB dated 11 October 2013, #3271-UZB dated 21 August 2015 and #L3823-UZB (COL) dated 13 November 2019. The Group was in breach of financial covenants of a "return on average assets ratio", a "maximum ratio of the value of non-performing loans (NPLs)" and breach "non-performing loans ratio.
- Borrowings from the International Fund for Agricultural Development (IFAD) under the general agreement signed among the Bank, IFAD and MOEF. The total outstanding principal amount was equivalent to UZS 181,427 million. The Group was in breach of the followings financial covenants: 1) positive net profit for the current financial period and two previous financial period; 2) ratio of non-performing loans to the total loan's portfolio and; 3) ratio of the outstanding balance of the loans issued under the credit line with over 30 days overdue to the gross outstanding balance of the loans issued under this credit line.
- Non-compliance has triggered cross default clauses stipulated in the credit facility agreement signed between the Bank and KFW IPEX BANK in the outstanding principal amount of equivalent to UZS 364,585 million. Under this credit facility agreement cross default events also give KFW IPEX BANK the right to demand prepayment of the loan advanced to the Bank.

As at 31 December 2024, in accordance with IFRS, the Group classified the long-term borrowings from these financial institutions as "Up to 1 month" in the total principal amount of equivalent to UZS 1,077,275 million.

(in millions of Uzbekistan Soums, unless otherwise indicated)

There is also a non-compliance with certain financial covenants in loans agreements with Islamic Corporation for the Development of the Private Sector (ICD). In 2024, the Group was provided with the waiver letter from ICD in response to non-compliance with certain financial covenants.

18. Net debt reconciliation

	Borrowings from government and international financial institutions	Subordinated debt
Carrying amount as at 31 December 2022	**14,666,621**	**-**
Proceeds from issue	6,129,352	-
Redemption	(4,317,580)	-
Off balance sheet liabilities derecognised	(33,793)	-
Interest accrued	1,221,251	-
Interest paid	(1,156,597)	-
Foreign currency translation	475,093	-
Carrying amount as at 31 December 2023	**16,984,347**	**-**
Proceeds from issue	6,434,305	2,792,425
Redemption	(5,832,004)	-
Transfer to share capital	-	(1,600,476)
Transfer to subordinated debt	(533,090)	533,090
Off balance sheet liabilities derecognised	(135,583)	-
Interest accrued	1,432,284	184,798
Interest paid	(1,423,028)	(185,474)
Foreign currency translation	126,991	86,732
Carrying amount as at 31 December 2024	**17,054,222**	**1,811,095**

Due to breach of certain covenants of ITFC and ICD, the Group recognized off-balance sheet liabilities in the balance sheet previously. Current period changes in these liabilities disclosed in "off balance sheet liabilities derecognised" column above.

19. Other liabilities

	31 December 2024	31 December 2023
Other financial liabilities:		
Deposit for stock subscription	488,607	925,408
Trade payables for goods and services received	28,032	29,774
Security Deposits on money transfers	6,633	6,293
Payable to "Guarantee fund of deposits of individuals"	5,520	4,195
Dividends payable	31	60
Other	186	473
Total other financial liabilities	**529,009**	**966,203**
Other non-financial liabilities:		
Taxes other than income tax payable	22,476	17,031
Provision for credit related commitments	25,883	5,910
Accrued employee benefit costs	4,955	11,867
Unearned Income	2,157	12,425
Obligatory payable to pension and other funds	858	668
Other	2,780	2,892
Total other non-financial liabilities	**59,109**	**50,793**
Total other liabilities	**588,118**	**1,016,996**

(in millions of Uzbekistan Soums, unless otherwise indicated)

During 2024, under the PD-306 the Group increased its share capital based on received funds for capital injection in the form of ordinary shares from the MOEF in the amount of equivalents to UZS 1,088,607 million as per the agreement for the subscription of ordinary shares #3543/24 dated 28 November 2024 from which the remaining and not registered funds equivalent to UZS 488,607 million. Subsequently, on 26 February 2025, the Group registered and transferred these funds to the share capital.

20. Subordinated debt

	31 December 2024	31 December 2023
Ministry of Economy and Finance of the Republic of Uzbekistan	537,329	-
Uzbekistan Fund for Reconstruction and Development (UFRD)	1,273,766	-
Total subordinated debt	**1,811,095**	**-**

In accordance with the PD-366, the Fund for Reconstruction and Development of the Republic of Uzbekistan issued USD 225 million as a subordinated debt for 15 years, including a five-year grace period with the interest rate at 5 percent per annum. On 3 January 2024, the Group received the funds equivalent to UZS 2,792,425 million. On 27 September 2024, the Group signed additional agreement to the subordinated debt to change the currency and interest rate from USD to UZS and from 5 to 14 percent per annum, respectively. On the same day, part of these funds USD 125 million (equivalent to UZS 1,600,476 million) were transferred for capital injection.

On 15 March 2024 and 1 May 2024, funds equivalent to UZS 310,046 million and UZS 223,044 million of the Ministry of Economy and Finance of the Republic of Uzbekistan originated as a result of the transfer of the borrowings previously allocated to "Qishloq Qurilish Bank" JSCB to convert them into subordinated debt in accordance with the PD-306 for 15 years, including a five-year grace period with the interest rate at 3 and 12 percent per annum, respectively.

21. Share capital

Number of shares	Authorised shares	Ordinary shares	Preference shares	Total number of shares
31 December 2023	**15,561,710,780**	**15,561,710,780**	**9,000,000**	**15,570,710,780**
31 December 2024	**43,600,863,731**	**43,600,863,731**	**9,000,000**	**43,609,863,731**

The Group's share capital comprises the following:

	Ordinary shares	Preference shares	Share premium	Total
31 December 2023	**1,859,507**	**2,007**	**942**	**1,862,456**
31 December 2024	**5,203,176**	**2,007**	**942**	**5,206,125**

	Nominal registered amount	Effect of hyperinflation	Share premium	Total
Share capital and share premium	5,200,476	4,707	942	**5,206,125**

During 2024, the Group increased its share capital in accordance with the PD-306 receiving funds for capital injection in the form of ordinary shares based on the following agreements:

- #312/925 dated 31 January 2024 from the UFRD in the amount of UZS 931,800 million;
- #312/966 dated 7 May 2024 from the MOEF in the amount of UZS 100,000 million;
- #312/997 dated 28 June 2024 from the MOEF in the amount of UZS 111,393 million;
- #3537/24 dated 12 November 2024 from the UFRD in the amount of USD 125 million (UZS 1,600,476 million);
- #3543/24 dated 28 November 2024 from the MOEF in the total amount of UZS 1,088,607 million from which the Group registered and received only UZS 600,000 million.

(in millions of Uzbekistan Soums, unless otherwise indicated)

In accordance with the Resolution of the President of the Republic of Uzbekistan No.312 dated 7 September 2024 "On measures to improve the comprehensive program of continuous support for small businesses" LLC "Small Business Development Fund" was transferred to JSC "Entrepreneurship Development Company" – a subsidiary of the MOEF. As the reduction in share capital has not yet been registered as at 31 December 2024, the Group did not adjust the ownership of the MOEF in the share capital. Instead, a reduction of UZS 710,000 million was recognized directly in retained earnings. Once the registration is completed, the decrease of the ownership of the MOEF will be recognized in the share capital.

22. Net interest income

	2024	2023
Interest income comprises:		
Interest on loans and advances to customers	3,639,777	3,067,678
Interest on balances due from other banks	523,736	52,447
Interest income on investment securities measured at amortised cost	293,690	241,322
Interest income balances securities purchased under reverse REPO transactions	10,325	-
Interest on cash and cash equivalents	6,119	942
Total interest income	**4,473,647**	**3,362,389**
Interest expense comprises:		
Interest on borrowings from government and international financial institutions	(1,432,284)	(1,221,251)
Interest on term deposits of individuals	(299,698)	(284,839)
Interest on term deposits of state and other legal entities	(252,590)	(276,323)
Interest on subordinated debt	(184,798)	-
Interest on term deposits of other banks	(180,485)	(119,498)
Interest on debt securities in issue	(8,745)	(21,209)
Other interest expenses	(59,350)	(49,888)
Total interest expense	**(2,417,950)**	**(1,973,008)**
Net interest income	**2,055,697**	**1,389,381**

The total interest income and expense calculated using an effective interest rate method for financial assets measured at amortized cost are the same as disclosed above. The interest income includes UZS 161,935 million (2023: UZS 122,726 million) of interest income recognised on Stage 3 loans and advances to customers.

23. Fee and commission income and expense

	2024	2023
Fee and commission income:		
Settlements	216,085	151,908
International money transfers	26,811	29,226
Guarantees and letters of credit	9,445	11,994
SMS and internet banking	6,387	4,599
Foreign exchange operations	625	339
Other	1,186	2,568
Total fee and commission income	**260,539**	**200,634**
Fee and commission expense:		
Settlements	(67,445)	(34,711)
Cash collection services	(6,628)	(6,115)
Fee and commission expenses to other banks	(3,617)	(6,338)
Other	(5,497)	(4,806)
Total fee and commission expense	**(83,187)**	**(51,970)**
Net fee and commission income	**177,352**	**148,664**

(in millions of Uzbekistan Soums, unless otherwise indicated)

24. Net Gain on Foreign Operations

	2024	2023
Translation differences, net	16,419	4,526
Dealing transactions, net	51,897	41,045
Total net gain on foreign exchange operations	**68,316**	**45,571**

25. Other income

	2024	2023
Gain on disposal of premises and equipment	13,671	1,605
Dividend income	9,997	4,516
Income from rental of plastic card terminals	228	198
Other	9,569	4,321
Total other income	**33,465**	**10,640**

26. Operating expenses

	2024	2023
Staff costs	676,924	489,559
Depreciation and amortisation (Note 12)	99,702	70,135
Taxes other than income tax	95,997	69,938
Security services	44,942	46,646
Professional services	29,929	9,399
Repair and maintenance	28,423	13,688
Membership fees	25,832	23,032
Charity and sponsorship	23,392	32,579
Advertising and Publicity	18,273	4,297
Stationery and supplies	16,072	10,506
Business trip and travel expenses	15,437	7,262
Rent expenses	7,610	3,792
Utilities	6,969	4,228
Postage, telephone and fax	6,085	3,508
Fuel	2,369	1,957
Other Insurance expenses	333	6,709
Fines and penalties incurred	16	-
Other operating expenses	12,209	10,900
Total operating expenses	**1,110,514**	**808,135**

Included in staff costs are statutory social security contributions of UZS 66,346 million (2023: UZS 34,446 million).

Expenses for professional services above include UZS 3,200 million (2023: UZS 1,580 million) and UZS 820 million (30 June 2024: UZS 559 million) for audit of the Group's consolidated financial statements for the year ended 31 December 2024 and Review of the Group's consolidated financial information for the period ended 30 June 2024, respectively. No other non-audit services were provided during the years ended 31 December 2024 and 2023.

(in millions of Uzbekistan Soums, unless otherwise indicated)

27. Income taxes

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, which may differ from IFRS.

Income tax expense comprises the following:

	31 December 2024	31 December 2023
Current income tax expense	-	41,671
Deferred tax expense/(benefit)	219,337	(176,030)
Income tax expense/(benefit)	**219,337**	**(134,359)**
Income tax expense/(benefit) relating to the equity instruments classified as FVTOCI	**2,103**	**(73)**

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 31 December 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 income tax rate applicable to the majority of the Group's income is 20%.

Relationships between tax expenses and accounting profit for the six months ended 31 December 2024 and 31 December 2023 are explained as follows:

	2024	2023
IFRS loss before tax	**(1,148,584)**	**(604,749)**
Theoretical tax recovery at the applicable statutory rate - 20%	(229,717)	(120,950)
- Deferred tax asset not recognised on income tax losses	367,111	-
- Non-deductible expenses (employee compensation, representation and other non-deductible expenses)	9,287	12,563
- Tax law change for provision for assets	128,837	21,582
- Tax exempt income	(59,015)	(48,264)
- Other	2,834	710
Income tax expense/(benefit)	**219,337**	**(134,359)**
Income tax expense/(benefit) relating to the equity instruments classified as FVTOCI	2,103	(73)
Total income tax expense/(benefit)	**221,440**	**(134,432)**

According to the article 304 of the Tax Code of the Republic of Uzbekistan, income from government bonds and other government securities of the Republic of Uzbekistan, as well as income on bonds issued abroad by the Republic of Uzbekistan and legal entities of the Republic of Uzbekistan are not considered as income for taxation purposes. As at 31 December 2024 and 31 December 2023, the income in the amount of UZS 255,685 million and UZS 241,322 million, respectively, derived from the purchase of bonds of the government and the CBU.

(in millions of Uzbekistan Soums, unless otherwise indicated)

Temporary differences as at 31 December 2024 comprise:

	31 December 2024	Debited to Other comprehensive income	(Debited)/ credited to profit or loss	31 December 2023
Tax effect of deductible/(taxable) temporary differences				
Cash and cash equivalents	11	-	(235)	246
Securities purchased under REPO transactions	1	-	1	-
Due from other banks	6,579	-	6,010	569
Loans and advances to customers	223,331	-	(233,626)	456,957
Investment securities measured at amortised cost	(8,039)	-	(6,278)	(1,761)
Financial assets at fair value through other comprehensive income	(2,977)	(2,103)	-	(874)
Property and equipment	2,153	-	1,603	550
Intangible assets	95	-	(76)	171
Other assets	630	-	(1,923)	2,553
Assets classified as held for sale	19,292	-	12,970	6,320
Other liabilities	8,735	-	4,550	4,185
Borrowings from government and international financial institutions	(1,986)	-	(2,333)	347
Net deferred income tax asset	**247,825**	**(2,103)**	**(219,337)**	**469,263**
Recognised deferred tax asset	252,788	-	(224,951)	469,790
Recognised deferred tax liability	(4,963)	(2,103)	5,614	(527)
Net deferred income tax asset	**247,825**	**(2,103)**	**(219,337)**	**469,263**

Temporary differences as at 31 December 2023 comprise:

	31 December 2023	Debited to Other comprehensive income	(Debited)/ credited to profit or loss	31 December 2022
Tax effect of deductible/(taxable) temporary differences				
Cash and cash equivalents	246	-	(239)	485
Due from other banks	569	-	73	496
Loans and advances to customers	456,957	-	169,877	287,080
Investment securities measured at amortised cost	(1,761)	-	(3,975)	2,214
Financial assets at fair value through other comprehensive income	(874)	73	-	(947)
Property and equipment	550	-	(53)	603
Intangible assets	171	-	106	65
Other assets	2,553	-	2,259	294
Assets classified as held for sale	6,320	-	6,320	-
Other liabilities	4,185	-	(192)	4,377
Borrowings from government and international financial institutions	347	-	1,854	(1,507)
Net deferred income tax asset	**469,263**	**73**	**176,030**	**293,160**
Recognised deferred tax asset	469,790	-	173,645	294,107
Recognised deferred tax liability	(527)	73	2,385	(947)
Net deferred income tax asset	**469,263**	**73**	**176,030**	**293,160**

(in millions of Uzbekistan Soums, unless otherwise indicated)

28. Earnings per shares

Basic earnings per share are calculated by dividing the profit or loss attributable to shareholders of the Bank by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. The Bank 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:

	2024	2023
Profit for the period attributable to preference shares	269	268
Loss for the period attributable to ordinary shareholders	(1,368,190)	(470,658)
Loss for the period attributable to the owners	**(1,367,921)**	**(470,390)**
Weighted average number of preference shares in issue (millions)	9	9
Weighted average number of ordinary shares in issue (millions)	60,915	15,548
Basic and diluted losses per ordinary share (expressed in UZS per share)	**(22)**	**(30)**

29. Segment reporting

The Group's operations are 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 the operations of the Group are regularly reviewed by the chief operating decision maker to analyse 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 based on these internal reports.

30. Financial risk management

Risk management is fundamental to the Group's banking business and is an essential element of the Group's operations. The main risks inherent to the Group's operations are those related to credit risk, liquidity risk and market/currency risk.

Credit risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

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.

(in millions of Uzbekistan Soums, unless otherwise indicated)

Credit quality of financial assets

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 31 December 2023:

	Cash and cash equivalents (Note 6)		Securities purchased under reverse REPO transactions (Note 7)	Due from other banks (Note 8)		Loans and advances to customers (Note 9)			Investment securities measured at amortised cost (Note 10)	Other financial assets (Note 13)		Credit related commitments (Note 32)		Total
	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	
Gross carrying amount as at 31 December 2023	**1,963,375**	**1,941**	**-**	**1,882,937**	**626**	**15,027,586**	**3,466,625**	**4,563,656**	**1,494,686**	**4,144**	**-**	**590,141**	**-**	**28,995,717**
Changes in the gross carrying amount														
- Transfer from stage 1	-	-	-	-	-	(4,941,809)	4,941,809	-	-	-	-	(13,257)	13,257	-
- Transfer from stage 2	-	-	-	-	-	691,462	(3,104,860)	2,413,398	-	(8,752)	8,752	-	-	-
- Transfer from stage 3	1,941	(1,941)	-	-	-	-	912,928	(912,928)	-	-	-	-	-	-
- Changes in EAD*	(19,913)	-	-	(42,657)	29	(2,767,342)	924,702	556,186	10,496	(3,977)	-	(229,231)	(199)	**(1,571,906)**
New assets issued or acquired	706,917	-	300,891	4,870,164	-	6,358,481	-	-	1,279,824	35,056	-	648,112	-	**14,199,445**
Matured or derecognized assets (except for write off)	(378,776)	-	-	(1,763,061)	-	(1,906,272)	(204,109)	(305,903)	(947,764)	(3,693)	-	(233,376)	-	**(5,742,954)**
Written off assets	-	-	-	-	-	-	-	(432,184)		-	-	-	-	**(432,184)**
Foreign exchange differences	68,464	-	-	5,826	-	55,066	144,290	87,480	1,273	4,017	-	20,261	199	**386,876**
Gross carrying amount as at 31 December 2024	**2,342,008**	**-**	**300,891**	**4,953,209**	**655**	**12,517,172**	**7,081,385**	**5,969,705**	**1,838,515**	**26,795**	**8,752**	**782,650**	**13,257**	**35,834,994**
Loss allowance as at 31 December 2024	**(57)**	**-**	**(6)**	**(32,661)**	**(236)**	**(323,411)**	**(1,200,168)**	**(3,211,920)**	**(10,300)**	**(1,878)**	**(3,485)**	**(25,437)**	**(446)**	**(4,810,005)**

*The line "Changes in EAD" represents changes in the gross carrying amount of financial assets measured at amortised cost issued in prior periods, which have not been fully repaid during the year ended 31 December 2024, and transfers of new issued financial assets measured at amortised cost between stages.

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	Cash and cash equivalents (Note 6)			Due from other banks (Note 8)			Loans and advances to customers (Note 9)			Investment securities measured at amortised cost (Note 10)	Other financial assets (Note 13)		Credit related commitments (Note 32)	Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	
Gross carrying amount as at 31 December 2022	**2,044,748**	**-**	**3,743**	**614,738**	**-**	**-**	**14,957,332**	**2,411,808**	**3,523,277**	**1,254,512**	**13,873**	**4,115**	**288,327**	**25,116,473**
Changes in the gross carrying amount														
- Transfer from stage 1	(1)	1	-	(562)	562	-	(2,933,096)	2,933,096	-	-	-	-	-	-
- Transfer from stage 2	-	(1)	1	-	(562)	562	996,068	(3,245,753)	2,249,685	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	1,223,221	(1,223,221)	-	220	(220)	-	-
- Changes in EAD*	287,020	-	(1,931)	(50,028)	-	64	(1,730,422)	168,621	391,142	7,998	(4,928)	(1,446)	(45,367)	**(979,277)**
New assets issued or acquired	212,015	-	-	1,673,452	-	-	5,549,364	-	-	718,028	3,607	-	534,895	**8,691,361**
Matured or derecognized assets (except for write off)	(655,373)	-	(9)	(384,613)	-	-	(2,117,033)	(143,625)	(384,882)	(489,116)	(13,511)	(3,898)	(208,773)	**(4,400,833)**
Written off assets	-	-	-	-	-	-	-	-	(158,646)	-	-	-	-	**(158,646)**
Foreign exchange differences	74,966	-	137	29,950	-	-	305,373	119,257	166,301	3,264	4,883	1,449	21,059	**726,639**
Gross carrying amount as at 31 December 2023	**1,963,375**	**-**	**1,941**	**1,882,937**	**-**	**626**	**15,027,586**	**3,466,625**	**4,563,656**	**1,494,686**	**4,144**	**-**	**590,141**	**28,995,717**
Loss allowance as at 31 December 2023	**(30)**	**-**	**(1,199)**	**(2,534)**	**-**	**(312)**	**(443,597)**	**(516,443)**	**(1,910,165)**	**(7,723)**	**(303)**	**-**	**(5,910)**	**(2,888,216)**

*The line "Changes in EAD" represents changes in the gross carrying amount of financial assets measured at amortised cost issued in prior periods, which have not been fully repaid during the year ended 31 December 2023, and transfers of new issued financial assets measured at amortised cost between stages.

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	Cash and cash equivalents (Note 6)		Securities purchased under reverse REPO transactions (Note 7)	Due from other banks (Note 8)		Loans and advances to customers (Note 9)			Investment securities measured at amortised cost (Note 10)	Other financial assets (Note 13)		Credit related commitments (Note 32)		Total
	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	
Loss allowance for ECL as at 31 December 2023	**30**	**1,199**	**-**	**2,534**	**312**	**443,597**	**516,443**	**1,910,165**	**7,723**	**303**	**-**	**5,910**	**-**	**2,888,216**
Changes in the gross carrying amount														
- Transfer from stage 1	-	-	-	-	-	(290,613)	290,613	-	-	-	-	(446)	446	-
- Transfer from stage 2	-	-	-	-	-	70,124	(341,911)	271,787	-	(3,485)	3,485	-	-	-
- Transfer from stage 3	1,200	(1,200)	-	-	-	-	262,652	(262,652)	-	-	-	-	-	-
- Changes in ECL*	(1,231)	-	-	(319)	(91)	(241,459)	493,848	1,826,810	(987)	30	-	5,686	17	**2,082,304**
New assets issued or acquired	7	-	6	31,999	-	391,343			6,904	5,036	-	19,023	-	**454,318**
Matured or derecognized assets (except for write off)	(8)	-	-	(1,552)	-	(53,000)	(30,292)	(131,892)	(3,351)	(262)	-	(4,755)	-	**(225,112)**
Recovery / (write off)		-	-	-	-			(432,184)	-	-	-	-	-	**(432,184)**
Foreign exchange differences	59	1	-	(1)	15	3,419	8,815	29,886	11	256	-	19	(17)	**42,463**
Loss allowance for ECL as at 31 December 2024	**57**	**-**	**6**	**32,661**	**236**	**323,411**	**1,200,168**	**3,211,920**	**10,300**	**1,878**	**3,485**	**25,437**	**446**	**4,810,005**

*"Changes in ECL" are attributable to changes in parameters (PD, LGD), changes in ECL and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new financial assets measured at amortised cost originated during the reporting period from Stage 1 to other stages.

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	Cash and cash equivalents (Note 6)			Due from other banks (Note 8)			Loans and advances to customers (Note 9)			Investment securities measured at amortised cost (Note 10)	Other financial assets (Note 13)		Credit related commitments (Note 32)	Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	
Loss allowance for ECL as at 31 December 2022	45	-	2,380	2,482	-	-	200,025	273,754	1,163,586	7,842	773	2,349	3,604	1,656,840
Changes in the gross carrying amount														
- Transfer from stage 1	(1)	1	-	(11)	11	-	(56,757)	56,757	-	-	-	-	-	-
- Transfer from stage 2	-	(1)	1	-	(11)	11	107,472	(246,834)	139,362	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	277,847	(277,847)	-	84	(84)	-	-
- Changes in ECL*	-	-	(1,176)	(1,087)	-	301	(33,901)	157,101	1,124,179	(1,350)	(90)	(113)	498	1,244,362
New assets issued or acquired	7	-	-	1,482	-	-	262,248	-	-	2,745	254	-	4,507	271,243
Matured or derecognized assets (except for write off)	(22)	-	(6)	(343)	-	-	(40,092)	(14,796)	(112,256)	(1,514)	(755)	(2,265)	(2,732)	(174,781)
Write off	-	-	-	-	-	-	-	-	(158,646)	-	-	-	-	(158,646)
Foreign exchange differences	1	-	-	1	-	-	4,602	12,614	31,787	-	37	113	43	49,198
Loss allowance for ECL as at 31 December 2023	30	-	1,199	2,524	-	312	443,597	516,443	1,910,165	7,723	303	-	5,920	2,888,216

*"Changes in ECL" are attributable to changes in parameters (PD, LGD), changes in ECL and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new financial assets measured at amortised cost originated during the reporting period from Stage 1 to other stages.

(in millions of Uzbekistan Soums, unless otherwise indicated)

Geographical risk. Control over the risk related to changes in the legislation and regulatory arena and assessment of their influence on the Group's activity is carried out by all participants of risk management process within their authorities and responsibilities. This approach allows the Group to minimize potential losses from the investment climate fluctuations in the Republic of Uzbekistan. Risk oversight committee sets country limits, assessment and control over the concentration risk is carried out by Risk management.

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

	Uzbekistan	OECD	non-OECD	Total
FINANCIAL ASSETS				
Cash and cash equivalents	1,857,746	442,795	41,410	2,341,951
Securities purchased under reverse REPO transactions	300,885	-	-	300,885
Due from other banks	4,206,243	714,304	420	4,920,967
Loans and advances to customers	20,832,763	-	-	20,832,763
Investment securities measured at amortised cost	1,828,215	-	-	1,828,215
Financial assets at fair value through other comprehensive income	117,614	-	-	117,614
Other financial assets	14,591	6,133	9,460	30,184
TOTAL FINANCIAL ASSETS	**29,158,057**	**1,163,232**	**51,290**	**30,372,579**
FINANCIAL LIABILITIES				
Due to other banks	2,201,404	526,686	189,904	2,917,994
Customer accounts	6,462,612	-	-	6,462,612
Borrowings from government and international financial institutions	8,887,146	3,874,646	4,292,430	17,054,222
Debt securities in issue	20,079	-	-	20,079
Other financial liabilities	522,548	1,163	5,298	529,009
Subordinated debt	1,811,095	-	-	1,811,095
TOTAL FINANCIAL LIABILITIES	**19,904,884**	**4,402,495**	**4,487,632**	**28,795,011**
NET POSITION	**9,253,173**	**(3,239,263)**	**(4,436,342)**	

All financial assets and liabilities from OECD countries comprise banking institutions of Germany, France, Turkey, Japan, Great Britain, European Union countries, and United States of America; non-OECD countries comprise banking institutions of Russia, Saudi Arabia and Kazakhstan.

(in millions of Uzbekistan Soums, unless otherwise indicated)

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

	Uzbekistan	OECD	non-OECD	Total
FINANCIAL ASSETS				
Cash and cash equivalents	1,716,340	2,573	245,174	1,964,087
Due from other banks	1,448,033	186,991	245,693	1,880,717
Loans and advances to customers	20,187,662	-	-	20,187,662
Investment securities measured at amortised cost	1,486,963	-	-	1,486,963
Financial assets at fair value through other comprehensive income	56,502	-	-	56,502
Other financial assets	2,717	935	189	3,841
TOTAL FINANCIAL ASSETS	**24,898,217**	**190,499**	**491,056**	**25,579,772**
FINANCIAL LIABILITIES				
Due to other banks	726,200	194,336	286,016	1,206,552
Customer accounts	5,916,366	-	-	5,916,366
Borrowings from government and international financial institutions	8,279,816	3,700,918	5,003,613	16,984,347
Debt securities in issue	86,799	-	-	86,799
Other financial liabilities	952,526	370	13,307	966,203
TOTAL FINANCIAL LIABILITIES	**15,961,707**	**3,895,624**	**5,302,936**	**25,160,267**
NET POSITION	**8,936,510**	**(3,705,125)**	**(4,811,880)**	

The following table details credit ratings of financial assets held by the Group as at 31 December 2024:

	From AAA to A	From A- to CCC-	Not rated	CBU	Total
Cash and cash equivalents	440,186	386,586	858,102	657,077	**2,341,951**
Securities purchased under reverse REPO transactions	-	300,885	-	-	**300,885**
Due from other banks	714,304	4,205,865	420	378	**4,920,967**
Loans and advances to customers	-	714,197	20,118,566	-	**20,832,763**
Investment securities measured at amortised cost	-	1,828,215	-	-	**1,828,215**
Financial assets at fair value through other comprehensive income	-	-	117,614	-	**117,614**
Other financial assets	-	10,896	19,288	-	**30,184**
Commitments and contingencies	-	-	768,508	-	**768,508**

The following table details credit ratings of financial assets held by the Group as at 31 December 2023:

	From AAA to A	From A- to CCC-	<CCC-	Not rated	CBU	Total
Cash and cash equivalents	-	395,367	742	725,170	842,808	**1,964,087**
Due from other banks	247,093	1,543,755	-	314	89,555	**1,880,717**
Loans and advances to customers	-	-	-	20,187,662	-	**20,187,662**
Investment securities measured at amortised cost	-	1,389,736	-	-	97,227	**1,486,963**
Financial assets at fair value through other comprehensive income	-	-	-	56,502	-	**56,502**
Other financial assets	-	935	-	2,906	-	**3,841**
Commitments and contingencies	236,490	-	-	347,027	-	**583,517**

For the balances with CBU, the quality categories are determined based on the Moody's sovereign rating – Ba3 stable (as at 31 December 2023: Ba3 stable).

The Group enters number of transactions where the counterparties are not rated by international rating agencies.

Renegotiated loans and advances. Loans and advances to customers are generally renegotiated either as part of an ongoing customer relationship or in response to an adverse change in the circumstances of the borrower. Once the terms have been renegotiated any impairment is measured using the original effective interest rate as calculated before the modification of terms and loans are no longer considered past due. Unless there were no indicators of significant increase in credit risk as at reporting date and loans have been repaid for 25% or more of principal amount from the date of restructuring, restructuring, though being considered as not overdue, will be automatically classified as credit-impaired (Stage 3). Loans continue to be subject to an individual or collective impairment assessment. The banking industry is generally exposed to credit risk through its financial assets and contingent liabilities. Credit risk exposure of the Group is concentrated within the Republic of Uzbekistan. The exposure is monitored on a regular basis to ensure that the credit limits and credit worthiness guidelines established by the Group risk management policy are not breached.

Liquidity risk. Liquidity risk refers to the availability of sufficient funds to meet deposits withdrawals and other financial commitments associated with financial instruments as they actually fall due. The Treasury Department controls these types of risks by means of maturity analysis, determining the Group's strategy for the next financial periods. Current liability is managed by the Treasury Department, which deals in the money markets for current liquidity and cash flow optimization. In order to manage liquidity risk, the Group performs daily monitoring of future expected cash flows on customers' and banking operations, which is a part of assets/liabilities management process.

The Board of Management of the Group sets limits on the minimum proportion of maturing funds available to meet deposit withdrawals and on the minimum level on interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand. An analysis of the liquidity risk is presented in the following table.

(in millions of Uzbekistan Soums, unless otherwise indicated)

The presentation of balances below is based upon the information provided internally to key management personnel of the entity as at 31 December 2024:

	Up to 1 month	1 month to 6 months	6 months to 1 year	Over 1 year	Maturity undefined	Total
FINANCIAL ASSETS						
Cash and cash equivalents	241,946	-	-	-	-	241,946
Securities purchased under reverse REPO transactions	300,308	-	-	-	-	300,308
Due from other banks	28,200	463,924	684,331	2,382,249	1,308,037	4,866,741
Loans and advances to customers	655,141	2,359,140	1,875,144	15,213,859	473,190	20,576,474
Investment securities measured at amortised cost	61,661	581,172	424,799	712,442	-	1,780,074
Total interest-bearing financial assets	**1,287,256**	**3,404,236**	**2,984,274**	**18,308,550**	**1,781,227**	**27,765,543**
Cash and cash equivalents	2,100,005	-	-	-	-	2,100,005
Securities purchased under reverse REPO transactions	577	-	-	-	-	577
Due from other banks	54,226	-	-	-	-	54,226
Loans and advances to customers	77,201	64,323	16,900	96,360	1,505	256,289
Investment securities measured at amortised cost	10,212	37,929	-	-	-	48,141
Financial assets at fair value through other comprehensive income	117,614	-	-	-	-	117,614
Other financial assets	30,184	-	-	-	-	30,184
Total financial assets	**3,677,275**	**3,506,488**	**3,001,174**	**18,404,910**	**1,782,732**	**30,372,579**
FINANCIAL LIABILITIES						
Due to other banks	-	1,028,828	1,211,056	666,024	-	2,905,908
Customer accounts	917,841	830,564	1,167,210	1,145,261	-	4,060,876
Borrowings from government and international financial institutions	1,145,496	940,720	1,260,298	13,153,135	-	16,499,649
Debt securities in issue	-	20,000	-	-	-	20,000
Subordinated debt	-	-	-	1,799,041	-	1,799,041
Total interest-bearing financial liabilities	**2,063,337**	**2,820,112**	**3,638,564**	**16,763,461**	**-**	**25,285,474**
Due to other banks	12,086	-	-	-	-	12,086
Customer accounts	1,083,915	-	-	1,501	1,316,320	2,401,736
Borrowings from government and international financial institutions	303,305	51,675	89,766	109,827	-	554,573
Debt securities in issue	79	-	-	-	-	79
Other financial liabilities	529,009	-	-	-	-	529,009
Credit related commitments	483,230	16,111	31,450	237,717	-	768,508
Subordinated debt	12,054	-	-	-	-	12,054
Total financial liabilities	**4,487,015**	**2,887,898**	**3,759,780**	**17,112,506**	**1,316,320**	**29,563,519**
Interest sensitivity gap	(776,081)	584,124	(654,290)	1,545,089	1,781,277	
Cumulative interest sensitivity gap	**(776,081)**	**(191,957)**	**(846,247)**	**698,842**	**2,480,069**	
Liquidity gap	(809,740)	618,590	(758,606)	1,292,404	446,412	
Cumulative liquidity gap	**(809,740)**	**(191,150)**	**(949,756)**	**342,648**	**809,060**	

(in millions of Uzbekistan Soums, unless otherwise indicated)

The presentation of balances below is based upon the information provided internally to key management personnel of the entity as at 31 December 2023:

	Up to 1 month	1 month to 6 months	6 months to 1 year	Over 1 year	Maturity undefined	Total
FINANCIAL ASSETS						
Cash and cash equivalents	23,635	-	-	-	-	23,635
Due from other banks	188,987	29,421	271,797	88,249	1,210,452	1,788,906
Loans and advances to customers	1,017,787	1,965,818	1,763,536	14,260,785	579,441	19,587,367
Investment securities measured at amortised cost	19,713	605,568	363,919	443,802	-	1,433,002
Total interest-bearing financial assets	**1,250,122**	**2,600,807**	**2,399,252**	**14,792,836**	**1,789,893**	**22,832,910**
Cash and cash equivalents	1,940,452	-	-	-	-	1,940,452
Due from other banks	91,811	-	-	-	-	91,811
Loans and advances to customers	62,426	169,618	112,147	235,362	20,742	600,295
Investment securities measured at amortised cost	-	11,166	20,342	22,453	-	53,961
Financial assets at fair value through other comprehensive income	56,502	-	-	-	-	56,502
Other financial assets	3,841	-	-	-	-	3,841
Total financial assets	**3,405,154**	**2,781,591**	**2,531,741**	**15,050,651**	**1,810,635**	**25,579,772**
FINANCIAL LIABILITIES						
Due to other banks	25,732	488,552	334,996	345,487	-	1,194,767
Customer accounts	545,355	1,358,151	900,122	853,135	-	3,656,763
Borrowings from government and international financial institutions	1,149,465	1,013,067	841,691	13,394,598	-	16,398,821
Debt securities in issue	36,500	-	30,000	20,000	-	86,500
Total interest-bearing financial liabilities	**1,757,052**	**2,859,770**	**2,106,809**	**14,613,220**	**-**	**21,336,851**
Due to other banks	11,785	-	-	-	-	11,785
Customer accounts	1,058,600	-	200	-	1,200,803	2,259,603
Borrowings from government and international financial institutions	301,875	26,454	64,875	192,322	-	585,526
Debt securities in issue	299	-	-	-	-	299
Other financial liabilities	966,203	-	-	-	-	966,203
Credit related commitments	341,329	18,999	84,025	139,164	-	583,517
Total financial liabilities	**4,437,143**	**2,905,223**	**2,255,909**	**14,944,706**	**1,200,803**	**25,743,784**
Interest sensitivity gap	(506,930)	(258,963)	292,443	179,616	1,789,893	
Cumulative interest sensitivity gap	**(506,930)**	**(765,893)**	**(473,450)**	**(293,834)**	**1,496,059**	
Liquidity gap	(1,031,989)	(123,632)	275,832	105,945	609,832	
Cumulative liquidity gap	**(1,031,989)**	**(1,155,621)**	**(879,789)**	**(773,844)**	**(164,012)**	

The analysis of liabilities by maturity does not reflect the historical stability of customer current account balances, which have traditionally been repaid over a longer period than indicated in the tables above.

In this regard, Management believes that although a substantial portion of current accounts and customer deposits are on demand and mature in less than one month, diversification of these deposits by number and type of depositors, and the past experience of the Group, indicate that these deposits provide a long-term and stable source of funding for the Group. Therefore, an essential part of the Group's current accounts is considered to be stable resources for the purposes of liquidity analysis and management.

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.

The table above summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the maturity dates.

In the table above, the terms to maturity correspond to the contractual terms. However, individuals are entitled to terminate the deposit agreement ahead of schedule according to effective laws and entitled for the full deposit amount.

As at 31 December 2024, if interest rates at that date had been 165 basis points lower (2023: 165 basis points lower) with all other variables held constant, profit for the year would have been UZS 41,513 million higher (2023: (2023: UZS 19,395 million lower). UZS 19,395 million higher). If interest rates had been 165 basis points higher (2023: 165 basis points higher), with all other variables held constant, profit would have been UZS 41,513 million lower.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

(in millions of Uzbekistan Soums, unless otherwise indicated)

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

	Up to 1 month	1 month to 6 months	6 months to 1 year	Over 1 year	Maturity undefined	Total
Interest-bearing financial liabilities						
Due to other banks	-	1,130,406	1,294,698	679,025	-	**3,104,129**
Customer accounts	932,349	1,056,225	1,309,509	1,273,757	-	**4,571,840**
Borrowings from government and international financial institutions	1,193,633	1,399,320	1,903,304	23,469,044	-	**27,965,301**
Debt securities in issue	-	20,513	-	-	-	**20,513**
Subordinated debt	-	-	-	3,699,416	-	**3,699,416**
Total interest-bearing financial liabilities	**2,125,982**	**3,606,464**	**4,507,511**	**29,121,242**	**-**	**39,361,199**
Non-interest-bearing financial liabilities and commitments						
Due to other banks	12,086	-	-	-	-	**12,086**
Customer accounts	1,083,915	-	1,500	-	1,316,321	**2,401,736**
Borrowings from government and international financial institutions	303,305	51,675	89,766	109,827	-	**554,573**
Debt securities in issue	79	-	-	-	-	**79**
Other financial liabilities	529,009	-	-	-	-	**529,009**
Credit related commitments	483,230	16,111	31,450	237,717	-	**768,508**
Subordinated debt	12,054	-	-	-	-	**12,054**
Total non-interest-bearing financial liabilities and commitments	**2,423,678**	**67,786**	**122,716**	**347,544**	**1,316,321**	**4,278,045**
Total financial liabilities and commitments	**4,549,660**	**3,674,250**	**4,630,227**	**29,468,786**	**1,316,321**	**43,639,244**

(in millions of Uzbekistan Soums, unless otherwise indicated)

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

	Up to 1 month	1 month to 6 months	6 months to 1 year	Over 1 year	Maturity undefined	Total
Interest-bearing financial liabilities						
Due to other banks	31,403	510,872	353,119	356,655	-	**1,252,049**
Customer accounts	553,834	1,558,432	992,840	926,035	-	**4,031,141**
Borrowings from government and international financial institutions	1,339,957	1,350,793	1,404,944	23,960,212	-	**28,055,906**
Debt securities in issue	37,155	3,723	34,073	20,819	-	**95,770**
Total interest-bearing financial liabilities	**1,962,349**	**3,423,820**	**2,784,976**	**25,263,721**	-	**33,434,866**
Non-interest-bearing financial liabilities and commitments						
Due to other banks	11,785	-	-	-	-	**11,785**
Customer accounts	1,058,600	-	200	-	1,200,803	**2,259,603**
Borrowings from government and international financial institutions	301,875	26,454	64,875	192,322	-	**585,526**
Debt securities in issue	299	-	-	-	-	**299**
Other financial liabilities	966,203	-	-	-	-	**966,203**
Credit related commitments	341,329	18,999	84,025	139,164	-	**583,517**
Total non-interest-bearing financial liabilities and commitments	**2,680,091**	**45,453**	**149,100**	**331,486**	**1,200,803**	**4,406,933**
Total financial liabilities and commitments	**4,642,440**	**3,469,273**	**2,934,076**	**25,595,207**	**1,200,803**	**37,841,799**

Market risk. Market risk is that the risk that the Group's earnings or capital or its ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates or prices. Market risk covers interest rate risk, currency risk, credit spreads, commodity prices and equity prices that the Group is exposed to. There have been no changes as to the way the Group measures risk or to the risk it is exposed or the manner in which these risks are managed and measured.

The Group is exposed to interest rate risks as it borrows funds at both fixed and floating rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings.

The Treasury Department also manages interest rate and market risks by matching the Group's interest rate position, which provides the Group with a total cumulative positive interest margin. The Treasury Department conducts monitoring of the Group's current financial performance, estimates the Group's sensitivity to changes in interest rates and its influence on the Group's profitability.

The majority of the Group's loan contracts and other financial assets and liabilities that bear interest which contains clauses enabling the interest rate to be changed at the option of the lender. The Group monitors its interest rate margin and consequently does not consider itself exposed to significant interest rate risk or consequently cash flow risk.

Currency risk. Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

(in millions of Uzbekistan Soums, unless otherwise indicated)

Assets and Liabilities Management Committee controls currency risk by analysis and management of the open currency position on the estimated basis of UZS devaluation and other macroeconomic indicators, which gives the Group an opportunity to minimize losses from significant currency rates fluctuations towards its national currency. The Treasury Department performs daily monitoring of the Group's open currency position based on daily reports and information with the aim to match the requirements of the Central Bank of the Republic of Uzbekistan.

The Group's exposure to foreign currency exchange rate risk at 31 December 2024 is presented in the table below:

	UZS	USD	EUR	Other	Total
FINANCIAL ASSETS					
Cash and cash equivalents	1,064,763	1,248,885	13,828	14,475	2,341,951
Securities purchased under reverse REPO transactions	300,885	-	-	-	300,885
Due from other banks	4,076,366	143,825	-	700,776	4,920,967
Loans and advances to customers	16,271,902	4,016,177	544,684	-	20,832,763
Investment securities measured at amortised cost	1,799,248	28,967	-	-	1,828,215
Financial assets at fair value through other comprehensive income	117,614	-	-	-	117,614
Other financial assets	19,127	9,035	2,022	-	30,184
TOTAL FINANCIAL ASSETS	**23,649,905**	**5,446,889**	**560,534**	**715,251**	**30,372,579**
FINANCIAL LIABILITIES					
Due to other banks	571,314	2,157,740	188,940	-	2,917,994
Customer accounts	5,663,337	794,468	4,453	354	6,462,612
Borrowings from government and international financial institutions	12,446,905	3,618,856	456,038	532,423	17,054,222
Debt securities in issue	20,079	-	-	-	20,079
Other financial liabilities	522,547	6,332	-	130	529,009
Subordinated debt	1,811,095	-	-	-	1,811,095
TOTAL FINANCIAL LIABILITIES	**21,035,277**	**6,577,396**	**649,431**	**532,907**	**28,795,011**
NET BALANCE SHEET POSITION	**2,614,628**	**(1,130,507)**	**(88,897)**	**182,344**	

The Group's exposure to foreign currency exchange rate risk at 31 December 2023 is presented in the table below:

	UZS	USD	EUR	Other	Total
FINANCIAL ASSETS					
Cash and cash equivalents	802,818	956,080	10,294	194,895	1,964,087
Due from other banks	1,447,427	186,197	-	247,093	1,880,717
Loans and advances to customers	14,651,936	5,032,257	503,469	-	20,187,662
Investment securities measured at amortised cost	1,452,105	34,858	-	-	1,486,963
Financial assets at fair value through other comprehensive income	56,502	-	-	-	56,502
Other financial assets	2,327	1,514	-	-	3,841
TOTAL FINANCIAL ASSETS	**18,413,115**	**6,210,906**	**513,763**	**441,988**	**25,579,772**
FINANCIAL LIABILITIES					
Due to other banks	17,000	1,141,492	48,060	-	1,206,552
Customer accounts	5,178,183	725,563	5,883	6,737	5,916,366
Borrowings from government and international financial institutions	11,555,463	4,077,546	603,384	747,954	16,984,347
Debt securities in issue	86,799	-	-	-	86,799
Other financial liabilities	27,118	939,085	-	-	966,203
TOTAL FINANCIAL LIABILITIES	**16,864,563**	**6,883,686**	**657,327**	**754,691**	**25,160,267**
NET BALANCE SHEET POSITION	**1,548,552**	**(672,780)**	**(143,564)**	**(312,703)**	

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the reporting date relative to the functional currency of the respective entities, with all other variables held constant:

	2024	2023
In millions of Uzbekistan Soums	**Impact on profit or loss**	**Impact on profit or loss**
US Dollars strengthening by 15% (2023: 15%)	(169,576)	(100,917)
US Dollars weakening by 15% (2023: 15%)	169,576	100,917
Euro strengthening by 15% (2023: 15%)	(13,335)	(21,535)
Euro weakening by 15% (2023: 15%)	13,335	21,535

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the respective entity of the Group.

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.

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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. The Bank monitors interest rates for its financial instruments.

The table below summarises nominal interest rates based on reports reviewed by key management personnel as at 31 December 2024 and 31 December 2023:

	2024			2023		
	UZS	USD	EUR	UZS	USD	EUR
Assets						
Cash and cash equivalents	11.5%-18%	-	-	0-20%	-	-
Securities purchased under reverse REPO transactions	14%	-	-	-	-	-
Due from other banks	0%-23%	0%-5.35%	-	0%-23%	0%-5.18%	-
Loans and advances to customers	0%-45.7%	0.95%-15%	2.75%-10%	0%-36%	0%-15%	2.75%-10%
Investment securities measured at amortised cost	15%-22%	5.38%	-	8%-19%	4.75-5.38%	-
Liabilities						
Due to other banks	16%-21%	6.5%-9.5%	5%-6%	19%	0%-9.35%	5.5%-6%
Debt securities in issue	18%	-	-	18% - CBU policy rate+4%	-	-
Customer accounts						
Individuals						
- *term deposits*	0%-28%	0%-6%	-	0%-28%	2%-6%	-
Legal entities						
- *current/demand accounts*	0%-12%	-	-	0%-12%	-	-
- *term deposits*	14%-20%	5%-9%	6%	13%-21%	5%-7%	6%
Borrowings from government and international financial institutions						
- *borrowings from the Ministry of Finance of Uzbekistan*	0%-14%	5.88%	-	0%-14%	5.25%-5.88%	-
- *term borrowings from international financial institutions*	3%-13.5%	2.5%-11.14%	3.2%-7.02%	3%-14%	2.5%-12.3%	4.85%-7.02%
- *term borrowings from domestic financial institutions*	3%-18%	2%-9.55%	-	3%-20%	2%-4.5%	-
Subordinated debt	0%-14%	0%-7.73%	-	-	-	-

Other price risk. The Bank is exposed to prepayment risk through providing loans, including mortgages, which give the borrower the right to early repay the loans. The Bank's current year profit or loss and equity at the 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 (2023: no material impact). The Bank has no significant exposure to equity price risk.

Climate-related risk. The Group and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and

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societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation.
For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

Management believes that it is currently not possible to explicitly incorporate climate risk factors in the Group's risk framework, including ECL measurement. Existing scenarios, forecasts, and estimates are covering only the long-term horizon well beyond the maturity of the existing portfolios. Such scenarios are also high-level, and attribution to specific borrowers without additional data would be highly arbitrary. To address the information gap for detailed, borrower-specific data, the Group is collecting information to perform a robust assessment of the risks specific of its borrowers. The Group is planning to enhance its credit risk scoring models to incorporate such information in the PD and LGD measurement in the future.

31. Management of capital

The Bank's objectives when managing capital are (i) to comply with the capital requirements set by the CBU, and (ii) to safeguard the Bank'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:

		Prescribed minimum level	**31 December 2024 (unaudited)**	**31 December 2023 (unaudited)**
Regulatory capital ratio	Ratio of regulatory capital to risk weighted assets	0.13	0.185	0.132
Capital adequacy ratio	Ratio of Bank's tier 1 capital to risk weighted assets	0.1	0.136	0.114
Capital adequacy ratio	Ratio of Bank's main tier 1 capital to risk weighted assets	0.08	0.136	0.114
Leverage ratio	Ratio of Bank's tier 1 capital to total assets less intangibles	0.06	0.127	0.104

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

	31 December 2024 (unaudited)	**31 December 2023 (unaudited)**
Tier 1 capital	4,229,276	2,926,395
Tier 2 capital	1,537,098	442,160
Total regulatory capital	**5,766,374**	**3,368,555**
Risk - weighted assets	**31,180,269**	**25,615,034**

32. Commitments and contingencies

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 Bank 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 Bank on behalf of a customer authorizing a third party to draw drafts on the Bank 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.

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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 Bank is potentially exposed to loss in an amount equal to the total unused commitments. 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 Bank 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.

As at 31 December 2024 and 31 December 2023, the nominal or contract amounts were:

	31 December 2024	31 December 2023
Commitments on unused credit lines	423,610	303,896
Letters of credit	215,373	36,964
Guarantees issued	156,924	249,281
Total credit related commitments, gross	**795,907**	**590,141**
Cash coverage	(1,516)	(714)
Less: Allowance for expected credit losses	(25,883)	(5,910)
Total credit related commitments	**768,508**	**583,517**

Extension of loans to customers within credit line limits is approved by the Group on a case-by-case basis and depends on borrowers' financial performance, debt service and other conditions.

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded.

Lease commitments – the Group had no material lease commitments outstanding as at 31 December 2024 and 31 December 2023.

Legal proceedings – From time to time and in the normal course of business, claims against the Group can be received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred by the Group and accordingly no provision has been made in these consolidated financial statements.

Taxation. Provisions of the Uzbek tax legislation are sometimes inconsistent and may have more than one interpretation, which allows the Uzbek tax authorities to take decisions based on their own arbitrary interpretation of these provisions. In practice, the Uzbek tax authorities often interpret the tax legislation not in favour of the taxpayers, who have to resort to court proceeding to defend their position against the tax authorities. It should be noted that the Uzbek tax authorities can use the clarifications issued by the judicial bodies that have introduced the concept of "unjustified tax benefit", "primary commercial goal of transaction" and the criteria of "commercial purpose (substance) of transaction". Such uncertainty could, in particular, be attributed to tax treatment of financial instruments and determination of market price of transactions for transfer pricing purposes. It could also lead to temporary taxable differences occurred due to loan impairment provisions and income tax liabilities being treated by the tax authorities as understatement of the tax base. The management of the Group is confident that applicable taxes have all been accrued and, consequently, creation of respective provisions is not required. Generally, taxpayers are subject to tax audits with respect to three calendar years preceding the year of the audit. However, completed audits do not exclude the possibility of subsequent additional tax audits performed by upper-level tax inspectorates reviewing the results of tax audits of their subordinate tax inspectorates. Also, according to the clarification of the Country Constitutional Court the statute of limitation for tax liabilities may be extended beyond the five-year term set forth in the tax legislation, if a court determines that the taxpayer has obstructed or hindered a tax inspection.

33. Fair value of financial instruments

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.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level 2 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 3 measurements are valuations not based on observable market data (that is, unobservable inputs). The Management applies judgement in categorising 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.

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

	Fair value as at 31 December 2024	Fair value as at 31 December 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial assets at fair value through other comprehensive income (equity instruments)	117,614	56,502	Level 3	Discounted cash flows of future expected dividends. Discount rate estimated based on unobservable internally generated historical dividend received rates	Discount rate	The greater discount - the smaller fair value

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 the 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 recognising a change in the valuations would have on the assets reported on the consolidated statement of financial position, as well as, the related other comprehensive income.

The fair value of the equity instruments 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 of using the average rate of return on investments. The Management believes that this approach accurately reflects the fair value of these securities, given they are not traded. Such financial instruments were categorised as Level 3.

(b) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value are as follows:

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	31 December 2024				31 December 2023			
	Level 2 fair value	Level 3 fair value	Total fair value	Carrying value	Level 2 fair value	Level 3 fair value	Total fair value	Carrying value
Loans and advances to customers	-	20,671,058	20,671,058	20,832,763	-	20,306,299	20,306,299	20,187,662
Due from other banks	-	4,991,921	4,991,921	4,920,967	-	1,871,131	1,871,131	1,880,717
Investment securities measured at amortised cost	-	1,946,758	1,946,758	1,828,215	-	1,552,711	1,552,711	1,486,963
Due to other banks	-	2,954,004	2,954,004	2,917,994	-	1,202,483	1,202,483	1,206,552
Customer accounts	6,515,113	-	6,515,113	6,462,612	5,915,624	-	5,915,624	5,916,366
Borrowings from government and international financial institutions	-	17,311,270	17,311,270	17,054,222	-	17,865,324	17,865,324	16,984,347

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

As at 31 December 2024 and 31 December 2023, the Group determined fair value for some of its financial assets and liabilities using the discounted cash flow model by applying statistical bulletin prepared by the CBU, which became open to public starting 2019. Such financial instruments were categorised as Level 2.

For those financial instruments where interest rates were not directly available in the CBU statistical bulletin, the Management used discounted cash flow model by applying market interest rates based on the rates of the deals concluded towards the end of the reporting period, thereby, categorizing such instruments as Level 3.

34. Transactions with related parties

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. Transactions between the Bank and its subsidiary, which is a related party to the Bank, have been eliminated on consolidation and are not disclosed in this note. Terms, conditions and amounts of related party transactions are usually same as those between unrelated parties. Transactions with related parties are settled on an arm's-length basis and recognised in the financial statements according to the same accounting policy as for similar transactions with unrelated parties.

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Details of transactions between the Group and other related parties are disclosed below:

	31 December 2024		31 December 2023	
	Related party balances	**Total category as per financial statements caption**	**Related party balances**	**Total category as per financial statements caption**
Cash and cash equivalents				
- entities under common control	775,087	2,341,951	969,584	1,964,087
Securities purchased under reverse REPO transactions				
- entities under common control	300,885	300,885	-	-
Due from other banks				
- entities under common control	2,559,740	4,920,967	197,210	1,880,717
Loans and advances to customers				
- entities under common control	816,413	20,832,763	193,068	20,187,662
Investment securities measured at amortised cost				
- shareholders	1,639,008	1,828,215	1,369,124	1,486,963
- entities under common control	132,082	1,828,215	117,839	1,486,963
Current income tax prepayment				
- entities under common control	27,382	27,382	25,177	25,177
Other assets				
- entities under common control	13,647	89,338	4,101	101,321
Due to other banks				
- entities under common control	779,250	2,917,994	714,279	1,206,552
Borrowings from government and international financial institutions				
- shareholders	7,463,817	17,054,222	7,058,659	16,984,347
- entities under common control	1,232,166	17,054,222	1,075,210	16,984,347
Customer accounts				
- shareholders	73,773	6,462,612	195,270	5,916,366
- key management personnel	-	6,462,612	-	5,916,366
- entities under common control	2,637,158	6,462,612	2,479,813	5,916,366
Other liabilities				
- shareholders	488,638	588,118	925,468	1,016,996
- entities under common control	16,079	588,118	4,690	1,016,996
Subordinated debt				
- shareholders	1,811,095	1,811,095	-	-

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	2024		2023	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Interest income				
- shareholders	249,823	4,473,647	225,168	3,362,389
- entities under common control	300,398	4,473,647	35,854	3,362,389
Interest expense				
- shareholders	(940,512)	(2,417,950)	(632,446)	(1,973,008)
- entities under common control	(377,671)	(2,417,950)	(368,948)	(1,973,008)
Fee and commission income				
- entities under common control	3,112	260,539	1,833	200,634
Fee and commission expense				
- entities under common control	(12,343)	(83,187)	(31,981)	(51,970)
Operating expenses				
- entities under common control	(31,216)	(1,110,514)	(8,404)	(808,135)
- key management personnel	(8,506)	(1,110,514)	(9,004)	(808,135)
Income tax benefit/(expense)				
- entities under common control	(219,337)	(219,337)	134,359	134,359

35. Subsequent events

In January 2025, the Group received USD 10,000,000 under a trade finance agreement with Commercial Bank of Dubai for a period of 188 days with the interest rate at SOFR 6 months plus 3% per annum.

In March 2025, the Group received EUR 25,000,000 under a trade related loan agreement with Cargill Financial Services International Inc. for a period of up to 720 days with the interest rate at EURIBOR plus 5.95% per annum to finance the exportation and/or importation of various commodities and goods from textile, automobile and oil and gas sectors.

In March 2025, based on the Resolution of President of the Republic of Uzbekistan #96 dated 7 March 2025 "On additional measures to support the development of women's entrepreneurship", the Group received UZS 452,143 million for the period of 7 years, with the CBU refinancing rate per annum.

In January 2025, based on PD-397 dated 18 December 2023 "On measures for organizing the activities of the Industrial Development Fund", the Group received USD 5,437,890 for the period of 10 years, with the interest rate of 5% per annum.

During January-March 2025, the Group received USD 28,158,067 under a trade finance agreement with MASHREQBANK PSC for a period for one year with the interest rate at SOFR 12 months plus 2.5% to finance import contracts.

During January-March 2025, based on PD-15 dated 18 January 2024 "On additional measures for enhancement of procedure for provision in lease of the parcels of land of agricultural purpose", the Group received USD 1,689,100 for the period of 10 years, with the interest rate of 5% per annum.

On 10 April 2025 the Bank and Raiffeisen Bank International AG signed a loan agreement for the amount of EUR 6,239,400 for the purpose of financing export contracts for a period of up to 780 days, with the interest rate at EURIBOR 3-month plus 1.35% per annum.

In accordance with the Resolution of the President of the Republic of Uzbekistan PD-357 dated 14 October 2024, the bank contributed UZS 75,000 million to the authorized capital of "United Ventures" LLC in order to establish venture funds for commercial banks and economic entities to finance startup projects in the Republic of Uzbekistan, make venture investments, and manage their funds in other venture funds on a contractual basis.

In accordance with the Resolution of the President of the Republic of Uzbekistan PD-364 dated 10 November 2023 "On additional measures to increase the role and share of microfinance services in the development of entrepreneurial activity", and the PD-109 dated 12 August 2024 "On measures for the accelerated development of the factoring services market", the Group established a 100% subsidiaries "BIZNESNI RIVOJLANTIRISH MIKROMOLIYA TASHKILOTI" LLC and "BRB FAKTORING TASHKILOTI" LLC with an authorized charter capital UZS 5,000 million and USD 10 million respectively.