JSC “National Bank for Foreign Economic Activity of the Republic of Uzbekistan”

Consolidated Financial Statements
For the year ended 31 December 2024
and Independent Auditor’s Report

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JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan"

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

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of Joint Stock Company "National Bank For Foreign Economic Activity of the Republic of Uzbekistan" and its subsidiaries (together referred to as "the Group") as at 31 December 2024 and the results of its operations, cash flows and changes in shareholders' equity for the year then ended, in compliance with 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 disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated statement of financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS Accounting Standards;
- maintaining statutory accounting records in compliance with legislation of the Republic of Uzbekistan and the Russian Federation 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 of the Group for the year ended 31 December 2024 were approved by the Management Board on 2 May 2025.

On behalf of the Management Board:

Mirsoatov Alisher Kudratullaevich
Chairman of the Management Board

2 May 2025
Tashkent, Uzbekistan

Rikhsiev Bohodir Tolaganovich
Chief Accountant

2 May 2025
Tashkent, Uzbekistan

"Deloitte & Touche"
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Republic of Uzbekistan

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan":

Opinion

We have audited the consolidated financial statements of the Joint Stock Company "National Bank for Foreign Economic Activity of the Republic of Uzbekistan" (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, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the 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.

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.

Erkin Ayupov, 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
Expected credit losses on loans to customers	
As at 31 December 2024, gross loans to customers amounted to UZS 111,505,709 million, with associated allowance for expected credit losses ("ECL") of UZS 3,736,407 million assessed on a collective basis and UZS 5,198,465 million assessed on an individual basis. The resulting net loans to customers represent 75% of the Group's total assets. The calculation of the ECL requires the management to apply complex models dependent on significant judgements and use of assumptions. Probability of default ("PD") and loss given default ("LGD") are key inputs that the management determines based on a large volume of historical data accumulated in the Group and forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. For loans assessed on a collective basis, there is a risk that the underlying data driving the PDs and LGDs comprising of general loan parameters, information on days past due, status of restructurings, history of defaults and recoveries, collateral haircuts and other qualitative factors may be inaccurate or incomplete. There is also a risk that the exposures with significant increase in credit risk and credit-impairment are not completely or accurately identified/classified as at the reporting date, as not all relevant qualitative and quantitative information was captured. The ECL on individually significant credit-impaired loans may be misstated due to errors related to the estimation of future cash receipts from the sale of collateral or use of inappropriate assumptions. Due to the significance and subjectivity of judgements used by the Management of the Group and the volume of loans assessed either, on a collective, or an individual basis, we identified the assessment of expected credit losses, particularly the assessment of the PDs and LGDs, as a key audit matter.	We obtained an understanding of the processes within the lending business cycle including credit risk management, as well as internal controls around loan origination, calculation of overdue days, collateral monitoring, and ECL assessment. We challenged the reasonableness of the methodology on collective loan loss provisioning and its compliance with IFRS 9 "Financial Instruments" requirements. With the involvement of our credit risk advisory specialists, we tested the mathematical accuracy and computation of the ECL on loans to customers assessed on a collective basis by re-performing and calculating elements of the expected credit losses based on relevant audited source data on a sample basis. This included assessing the appropriateness of model design and formulas used, considering modelling techniques and recalculating PDs, LGDs and exposure at default ("EAD"). We also carried out a back-testing to check the reasonableness of predictive capabilities of ECL model. For a sample of loans, we challenged the Group's analysis of whether there was a significant increase in credit risk or default. In order to evaluate whether the loans have been appropriately classified to the respective stage, we checked days overdue on loans, restructuring status of loans, analyzed qualitative and other credit risk factors and checked if relevant impairment events had been identified properly. For individually significant loans, we challenged the management's justification of the borrowers' credit assessment, analyzed the reasonableness of the scenario applied and the assumptions underlying the ECL calculation:

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Refer to Notes 3, 7 and 24 to the consolidated financial statements for information on the Group's material accounting policy information and disclosures related to loans to customers and associated expected credit losses.	such as valuation of available collateral and the haircuts applied, estimation of cash flows available for debt service. We evaluated the accuracy and completeness of the disclosures in the consolidated financial statements relating to the loans to customers for compliance with IFRS 9 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, 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.

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

Erkin Ayupov, Qualified Auditor/Engagement Partner

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.

Report on findings from procedures performed in accordance with the requirements of the Law of the Republic of Uzbekistan No. ZRU-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 for ensuring that the internal control and organization of risk management systems comply with the Central Bank requirements.
In accordance with the Article 74 of the Law of the Republic of Uzbekistan No. ZRU-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 internal policies, procedures and methodologies with the

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applicable requirements established by the Central Bank, 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 the 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 Group, other than those which we considered necessary to enable us to express an opinion as to whether the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank 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.

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

- in accordance with Central Bank requirements and recommendations, as at 31 December 2024, the Bank's internal audit function was subordinated and accountable to Those Charged with Governance, 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 Central Bank requirements. The reports were approved by the Bank's Those Charged with Governance and included observations made by the Bank's internal audit function in respect of internal control systems;
- as at 31 December 2024 the Bank 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 credit risk, market risk, liquidity risk, operational risk, country risk, legal risk, reputational risk (hereinafter "significant risks") and to carry out stress-testing, was approved by the Bank's authorised management bodies in accordance with 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;
- the frequency of reports prepared by the Bank's risk management during 2024, 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, Those Charged with Governance and Executive Management of the Bank had responsibility to monitor the Bank's compliance with risk and capital adequacy limits set by Bank's internal documentation. To exercise control over the effectiveness of the Bank's risk management procedures and their consistent application during 2024, Those Charged with Governance 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.

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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 Central Bank requirements.

Audit Organisation "Deloitte & Touche" LLC is included in the Register of audit organisations of the Ministry of Economy and Finance of the Republic of Uzbekistan dated 08 June 2021

Erkin Ayupov
Qualified Auditor/Engagement Partner
Auditor qualification certificate authorizing audit of companies, #04830 dated 22 May 2010 issued by the Ministry of Economy and Finance of the Republic of Uzbekistan

Auditor qualification certificate authorizing audit of banks, #6/8 dated 25 January 2021 issued by the Central Bank of the Republic of Uzbekistan

2 May 2025
Tashkent, Uzbekistan

Director,
Audit Organisation "Deloitte & Touche" LLC

JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan"

Consolidated Statement of Financial Position as at 31 December 2024

(in millions of Uzbek Soums)

	Notes	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	5	18,422,741	14,377,483
Amounts due from credit institutions	6	3,565,128	6,943,790
Derivative financial assets		259,389	179,039
Loans to customers	7	102,570,837	94,783,232
Investment securities	8	7,441,674	7,140,848
Investments in associates		268,671	211,504
Property and equipment	9	2,307,302	2,004,539
Current income tax assets		46,918	33,500
Deferred income tax assets	10	19,175	202,672
Other assets	12	1,463,023	612,799
Assets classified as held for sale	7	438,530	-
Total assets		**136,803,388**	**126,489,406**
Liabilities			
Amounts due to the CBU		982,953	1,045,549
Amounts due to credit institutions	13	8,241,262	11,497,362
Amounts due to customers	14	38,582,800	33,968,762
Other borrowed funds	16	57,250,426	55,467,518
Subordinated loans	17	1,805,129	1,783,232
Debt securities issued	15	9,353,170	3,655,270
Other liabilities	12	541,428	585,306
Total liabilities		**116,757,168**	**108,002,999**
Equity			
Share capital	18	15,994,554	15,476,078
Contribution from shareholders		211,175	126,096
Retained earnings		3,643,005	2,670,786
Other reserves		123,114	170,050
Total equity attributable to shareholders of the Bank		**19,971,848**	**18,443,010**
Non-controlling interests		74,372	43,397
Total equity		**20,046,220**	**18,486,407**
Total equity and liabilities		**136,803,388**	**126,489,406**

On behalf of the Management Board:

Mirsoatov Alisher Kudratullaevich
Chairman of the Management Board

2 May 2025
Tashkent, Uzbekistan

Rikhsiev Bohodir Tolaganovich
Chief Accountant

2 May 2025
Tashkent, Uzbekistan

The notes on pages 14-83 form an integral part of these consolidated financial statements

Consolidated Statement of Profit or Loss for the year ended 31 December 2024

(in millions of Uzbek Soums)

	Notes	2024	2023
Interest income	20	12,293,027	10,606,305
Interest expense	20	(6,420,521)	(5,069,070)
Net interest income		**5,872,506**	**5,537,235**
Credit loss expense	11	(2,658,843)	(1,754,147)
Initial recognition adjustment on interest bearing assets	7	(247,223)	(247,839)
Net interest income after credit loss expense and initial recognition adjustment		**2,966,440**	**3,535,249**
Fee and commission income	21	983,408	813,879
Fee and commission expense	21	(259,772)	(199,448)
Net gain from financial instruments at fair value through profit or loss		129,614	86,654
Net gain from foreign currencies:			
- dealing	22	1,851,715	847,896
- translation differences		213,449	179,916
Share of profit/ (loss)of associates		2,817	(94,970)
Dividend income		32,013	67,714
Other income		112,263	45,138
Provision for impairment of investments in associates		-	(41,891)
Recovery/(provision) for other impairment		150,403	(115,250)
Personnel and other operating expenses	23	(2,696,565)	(2,059,537)
Revenue from non-banking activities		85,551	49,153
Costs of sales from non-banking activities		(92,473)	(62,418)
Net non-interest income/(expense)		**512,423**	**(483,164)**
Profit before income tax expense		**3,478,863**	**3,052,085**
Income tax expense	10	(873,885)	(736,642)
Profit for the year		**2,604,978**	**2,315,443**
Attributable to:			
- shareholders of the Bank		2,571,995	2,296,771
- non-controlling interests		32,983	18,672
		2,604,978	**2,315,443**

On behalf of the Management Board:

Mirsoatov Alisher Kudratullaevich
Chairman of the Management Board

2 May 2025
Tashkent, Uzbekistan

Rikhsiev Bohodir Tolaganovich
Chief Accountant

2 May 2025
Tashkent, Uzbekistan

The notes on pages 14-83 form an integral part of these consolidated financial statements

Consolidated Statement of Other Comprehensive Income for the year ended 31 December 2024
(in millions of Uzbek Soums)

	2024	2023
Profit for the year	**2,604,978**	**2,315,443**
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	(44,711)	(82,980)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(44,711)**	**(82,980)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Revaluation (loss)/gain on equity securities measured at FVTOCI	(5,918)	50,953
Income tax relating to items that will not be reclassified subsequently to profit or loss	1,184	(10,190)
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods	**(4,734)**	**40,763**
Other comprehensive loss for the year	**(49,445)**	**(42,217)**
Total comprehensive income for the year	**2,555,533**	**2,273,226**
Attributable to:		
- shareholders of the Bank	2,525,059	2,257,956
- non-controlling interests	30,474	15,270
	2,555,533	**2,273,226**

On behalf of the Management Board:

Mirsoatov Alisher Kudratullaevich
Chairman of the Management Board

2 May 2025
Tashkent, Uzbekistan

Rikhsiev Bohodir Tolaganovich
Chief Accountant

2 May 2025
Tashkent, Uzbekistan

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

(in millions of Uzbek Soums)

	Notes	Attributable to shareholders of the Bank						
		Share capital	Contribution from shareholders	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
As at 1 January 2023		**14,350,285**	**126,096**	**1,710,706**	**208,865**	**16,395,952**	**24,328**	**16,420,280**
Profit for the year		-	-	2,296,771	-	**2,296,771**	18,672	**2,315,443**
Other comprehensive loss		-	-	-	(38,815)	**(38,815)**	(3,402)	**(42,217)**
Total comprehensive income/(loss) for the year		**-**	**-**	**2,296,771**	**(38,815)**	**2,257,956**	**15,270**	**2,273,226**
Dividends to shareholders of the Bank:		**1,183,167**	**-**	**(1,237,972)**	**-**	**(54,805)**	**-**	**(54,805)**
Capitalization of dividends	18	*1,183,167*	-	*(1,183,167)*	-	-	-	-
Paid dividends	18	-	-	*(54,805)*	-	***(54,805)***	-	***(54,805)***
Tax on dividends	18	-	-	(98,719)	-	**(98,719)**	(1,696)	**(100,415)**
Other distributions to the shareholders of the Bank	18	(57,374)	-	-	-	**(57,374)**		**(57,374)**
Share increase in subsidiary with non-controlling interest		-	-	-	-	-	5,495	**5,495**
As at 31 December 2023		**15,476,078**	**126,096**	**2,670,786**	**170,050**	**18,443,010**	**43,397**	**18,486,407**
As at 1 January 2024		**15,476,078**	**126,096**	**2,670,786**	**170,050**	**18,443,010**	**43,397**	**18,486,407**
Profit for the year		-	-	2,571,995	-	**2,571,995**	32,983	**2,604,978**
Other comprehensive loss		-	-	-	(46,936)	**(46,936)**	(2,509)	**(49,445)**
Total comprehensive income/(loss) for the year		**-**	**-**	**2,571,995**	**(46,936)**	**2,525,059**	**30,474**	**2,555,533**
Dividends to shareholders of the Bank:		**774,592**	**-**	**(1,419,484)**	**-**	**(644,892)**	**-**	**(644,892)**
Capitalization of dividends	18	*774,592*	-	*(774,592)*	-	-	-	-
Paid dividends	18	-	-	*(644,892)*	-	***(644,892)***	-	***(644,892)***
Tax on dividends	18	-	-	(103,098)	-	**(103,098)**	-	**(103,098)**
Other distributions to the shareholders of the Bank	18	(256,116)	85,079	-	-	**(171,037)**		**(171,037)**
Other dividends	18	-	-	(77,194)	-	**(77,194)**	-	**(77,194)**
Establishment of a new subsidiary with non-controlling interest		-	-	-	-	-	6,075	**6,075**
Disposal of subsidiary		-	-	-	-	-	(5,574)	**(5,574)**
As at 31 December 2024		**15,994,554**	**211,175**	**3,643,005**	**123,114**	**19,971,848**	**74,372**	**20,046,220**

On behalf of the Management Board:

Mirsoatov Alisher Kudratullaevich
Chairman of the Management Board

2 May 2025
Tashkent, Uzbekistan

Rikhsiev Bohodir Tolaganovich
Chief Accountant

2 May 2025
Tashkent, Uzbekistan

The notes on pages 14-83 form an integral part of consolidated financial statements

JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan"

Consolidated Statement of Cash Flows for the year ended 31 December 2024

(in millions of Uzbek Soums)

	Notes	2024	2023
Cash flows from operating activities			
Profit before income tax expense		**3,478,863**	**3,052,085**
Adjustments for:			
Credit loss expense	11	2,658,843	1,754,147
(Recovery)/provision for other impairment		(150,403)	115,250
Provision for impairment of investments in associates		-	41,891
Initial recognition adjustment on interest bearing assets	7	247,223	247,839
Net gain from foreign currencies – translation differences		(213,449)	(179,916)
Net gain from financial instruments at FVTPL		(129,614)	(86,654)
Depreciation and amortization	9	281,486	233,867
Share of (profit)/loss from associates		(2,817)	94,970
Change in interest income accrual		511,155	(1,015,957)
Change in interest expenses accrual		56,572	256,419
Cash flows from operating activities before changes in operating assets and liabilities		**6,737,859**	**4,513,941**
Net (increase)/decrease in operating assets			
Amounts due from credit institutions		3,405,849	686,766
Loans to customers		(9,812,058)	(4,560,937)
Other assets		(547,110)	(265,780)
Net increase/(decrease) in operating liabilities			
Amounts due to the CBU		(91,833)	306,154
Amounts due to credit institutions		(3,494,751)	(5,121,800)
Amounts due to customers		1,080,729	(7,863,169)
Other liabilities		84,545	119,651
Net cash flows from/(used in) operating activities before income tax		**(2,636,770)**	**(12,185,174)**
Income tax paid		(702,622)	(682,264)
Net cash used in operating activities		**(3,339,392)**	**(12,867,438)**
Cash flows from investing activities			
Purchase of investment securities		(298,086)	(5,869,168)
Proceeds from sale and redemption of investment securities		127,583	1,031,158
Proceeds from sale of associates		-	7,500
Purchase of investments in associates		-	(118,321)
Dividends received from associates and investment securities		4,000	7,675
Purchase of property and equipment		(1,106,416)	(832,844)
Proceeds from sale of property and equipment		65,663	130,312
Net cash used in investing activities		**(1,207,256)**	**(5,643,688)**

Consolidated Statement of Cash Flows for the year ended 31 December 2024 (Continued)

(in millions of Uzbek Soums, unless otherwise indicated)

	Notes	2024	2023
Cash flows from financing activities			
Proceeds from issue of debt securities	30	5,145,225	21,806
Redemption of debt securities issued	30	(20,163)	(114,999)
Proceeds from other borrowed funds and amounts due to customers	30	20,776,458	20,508,436
Repayment of other borrowed funds and amounts due to customers	30	(16,651,143)	(12,449,200)
Repayment of subordinated loans		(46,945)	-
Dividends paid, including attributable taxes	30	(825,184)	(153,524)
Net cash from financing activities		**8,378,248**	**7,812,519**
Effect of changes in foreign exchange rates on cash and cash equivalents		213,603	629,402
Effect of expected credit losses on cash and cash equivalents	11	55	669
Net increase/(decrease) in cash and cash equivalents		**4,045,258**	**(10,068,536)**
Cash and cash equivalents, beginning of the year	5	14,377,483	24,446,019
Cash and cash equivalents, end of the year	5	**18,422,741**	**14,377,483**
Interest received		11,781,872	9,590,348
Interest paid		(6,363,949)	(4,812,651)

Non-cash transactions			
Write off loans	7	2,447,462	32,703
Redemption of shares		171,037	57,374
Repossessed assets/Assets held for sale	7	438,530	-
New subsidiary by contributing a property		-	344,657

On behalf of the Management Board:

Mirsoatov Alisher Kudratullaevich
Chairman of the Management Board

2 May 2025
Tashkent, Uzbekistan

Rikhsiev Bohodir Tolaganovich
Chief Accountant

2 May 2025
Tashkent, Uzbekistan

1. Principal activities

The Joint Stock Company "National Bank for Foreign Economic Activity of the Republic of Uzbekistan" ("the Bank") is the parent company in the Group. It was formed by the Decree of the President of the Republic of Uzbekistan No. PD-244 dated 7 September 1991. The Bank operates under a general banking license No. 22 reissued by the Central Bank of the Republic of Uzbekistan ("CBU") on 25 December 2021.

The Bank provides services to the Government of the Republic of Uzbekistan, accepts deposits from the public and extends credits, transfers payments in the Republic of Uzbekistan and abroad, exchanges currencies and provides other banking services to its corporate and individual customers. The head office of the Bank is located in Tashkent.

The Bank's registered legal address is 101 Amir Temur Avenue, Tashkent, the Republic of Uzbekistan.

The Bank participates in the state deposit insurance program. The State Deposit Insurance Fund guarantees repayment of 100% of deposits of individuals in case of business failure and revocation of the CBU banking license, except for the cases provided for by the Law of the Republic of Uzbekistan No 360-II dated 5 April 2002.

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

	31 December 2024	31 December 2023
Shareholders:		
The Fund for Reconstruction and Development of the Republic of Uzbekistan ("UFRD")	59.3%	59.3%
The Ministry of Economy and Finance of the Republic of Uzbekistan	40.7%	40.7%
Total	**100.00%**	**100.00%**

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

These consolidated financial statements were authorized for issue by the Management Board of the Group on 2 May 2025.

2. Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

These consolidated financial statements are presented in millions of Uzbek Soums ("UZS"), except per share amounts and unless otherwise indicated.

The Group maintains its accounting records in accordance with the respective laws of the Republic of Uzbekistan and the Russian Federation. These consolidated financial statements have been prepared from statutory accounting records and have been adjusted to conform to IFRS Accounting Standards. These adjustments include certain reclassifications to reflect the economic substance of underlying transactions including reclassification of certain assets and liabilities, income and expenses to appropriate financial statement caption.

The consolidated financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. For example, derivative financial assets and equity securities have been measured at fair value.

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

Going concern. These consolidated financial statements have been prepared with the assumption that the Group is a going concern and will continue in operation for the foreseeable future.
The Group's activities continue to be affected by the uncertainty and instability of the current economic environment. The financial position and the results of the Bank continue to be significantly impacted by the reforms of the government.
For the year ended 31 December 2024, the Group incurred a net cash outflow from operating activities in the amount of UZS 3,339,392 million (2023: UZS 12,867,438 million). The net cash outflow from operating activities is predominantly due to expected maturity of short-term deposits of the single foreign financial institution (Note 13) and lending the funds received from international financial institutions and the State to finance the government and investment projects which led to an increase in the loans to customers (Note 7).

The Management of the Group believes that the cash outflows outlined above combined with the factors below do not raise a concern over the Group's ability to continue as a going concern:

- Continued ongoing support by the Government of the Republic of Uzbekistan ("the State"). The Group is a state-owned bank with the Ministry of Economy and Finance and UFRD as key shareholders, jointly holding 100% interest in the share capital of the Bank as at 31 December 2024 (31 December 2023: 100%).
- The Bank is a strategic financial institution of the Republic of Uzbekistan and plays a vital role in the development of certain sectors of economy of the Republic of Uzbekistan. As at 31 December 2024, borrowings from the Ministry of Economy and Finance of the Republic of Uzbekistan and the UFRD amounted to UZS 4,618,568 and 4,329,931 million, respectively (31 December 2023: UZS 4,984,336 million and UZS 4,124,575 million) (Note 16) and amounts due to customers from the Ministry of Economy and Finance amounted to UZS 6,370,250 million (31 December 2023: UZS 5,998,243 million) and UFRD in the amount of UZS 3,013,893 million (2023: UZS 0 million) (Note 14). The Government will continue financing the Group on an ongoing basis and the maturity of funds received from shareholders and amounts due to customer can be renegotiated if that will be necessary; and
- In addition, during 2024 the Group has received additional financing from international financial institutions under existing credit lines and new agreements, including financing from the China Development Bank Corporation, Exim bank of China, Societe Generale, Standard Chartered Bank and Commerzbank AG.

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

3. Material accounting policy information

Basis of consolidation

Subsidiaries, entities controlled by the Group, are consolidated. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

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

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interests, the cumulative translation differences, recorded in equity; recognises the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss and reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

Fair value measurement

The Group measures financial instruments carried at FVTPL and FVTOCI at fair value at each balance sheet date.
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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets and liabilities

Initial recognition
Date of recognition
All regular way purchases and sales of financial assets and liabilities are recognised on the trade date i.e. the date that the Group commits to purchase the asset or liability. Regular way purchases or sales are purchases or sales of financial assets and liabilities that require delivery of assets and liabilities within the period generally established by regulation or convention in the marketplace.

Initial measurement
The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value and, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.
Measurement categories of financial assets and liabilities
The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:
- Amortised cost;
- FVTOCI;
- FVTPL.

The Group classifies and measures its derivative and trading portfolio at FVTPL. The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.
Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading, are derivative instruments or the fair value designation is applied.
Amounts due from credit institutions, loans to customers, debt investments securities at amortised cost
The Group only measures amounts due from credit institutions, loans to customers and other financial investments at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The details of these conditions are outlined below.
Business model assessment
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.
The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognized in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit or loss, and an ECL provision.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

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

Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group changes the business model for managing financial assets. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets and liabilities in 2023.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, amounts due from the Central Bank, excluding obligatory reserves, and amounts due from credit institutions that mature within ninety days of the date of origination and are free from contractual encumbrances.

Obligatory reserves with the Central Banks

Central Banks of the Republic of Uzbekistan and the Russian Federation, 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 consolidated statement of cash flows. Effective from 1 July 2024, the Central Bank of the Republic of Uzbekistan revised the regulatory framework governing the maintenance of obligatory reserves. Under the revised approach, commercial banks of the Republic of Uzbekistan are required to maintain 100% averaging of obligatory reserve within their correspondent accounts with the Central Bank (Note 6), thus, from 1 July 2024, these amounts are considered as part of cash and cash equivalents for the purposes of the consolidated statement of cash flows.

Borrowings
Issued financial instruments or their components are classified as liabilities, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity instruments. Such instruments include amounts due to the Central bank, amounts due to credit institutions, amounts due to customers, debt securities issued, other borrowed funds and subordinated loans. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the borrowings are derecognised as well as through the amortisation process.
If the Group purchases its own debt, it is removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The right of set-off must not be contingent on a future event and must be legally enforceable in all of the following circumstances:
- The normal course of business;
- The event of default; and
- The event of insolvency or bankruptcy of the entity and all of the counterparties.

These conditions are not generally met in master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Renegotiated loans
Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions.
The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.
When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:
- Change in currency of the loan;
- Change in counterparty;
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, presented within interest revenue calculated using EIR in the consolidated statement of profit or loss, to the extent that an impairment loss has not already been recorded.
For modifications not resulting in derecognition, the Group also reassesses whether there has been a significant increase in credit risk or whether the assets should be classified as credit-impaired.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or 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.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash- settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Write-off

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. A write-off constitutes a derecognition event.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Taxation

The current income tax expense is calculated in accordance with the regulations of the Republic of Uzbekistan and of the Russian Federation.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Republic of Uzbekistan and Russian Federation also have various operating taxes that are assessed on the Group's activities. These taxes are included as a component of operating expenses.

Property and equipment

Property and equipment are carried at restated cost after the change of functional currency adjustment applied on 1 January 2007, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment. Such cost includes the cost of replacing part of equipment when that cost is incurred if the recognition criteria are met.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation of an asset begins when it is available for use. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	Years
Buildings	20-30
Furniture and equipment	2-10

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.

The asset's residual values, useful lives and methods are reviewed, and adjusted as appropriate, at each financial year- end.

Costs related to repairs and renewals are charged when incurred and included in "Personnel and other operating expenses" unless they qualify for capitalization.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Share capital

Ordinary shares are 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, if any.

Other reserves

Other reserves represent the revaluation reserve on equity investment securities carried at FVTOCI and exchange difference on translation of foreign operations.

Contingencies

Contingent liabilities are not recognized in the consolidated statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognized in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

Recognition of income and expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Interest and similar revenue and expense

The Group calculates interest revenue on debt financial assets measured at amortized cost or at FVTOCI by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest revenue or expense.

When a financial asset becomes credit-impaired, the Group calculates interest revenue by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest revenue on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest revenue by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following category:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period as respective performance obligations are satisfied. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan.

Fee income earned from services that are provided at a point of time

Fees or components of fees that are linked to certain performance obligations are recognised after fulfilling the corresponding criteria. The amount of fee or commission received or receivable represents the transaction price for the services identified as distinct performance obligations. Such income includes fees for arranging a sale or purchase of foreign currencies on behalf of a customer, fees for processing payment transactions, fees for cash settlements, collection or cash disbursements. When the contract provides for a variable consideration, fee and commission income is only recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur until the uncertainty associated with the variable consideration is subsequently resolved.

Foreign currency translation

The consolidated financial statements are presented in Uzbek Soums, which is the Group's presentation currency. The functional currency of the Group entities operating in the Republic of Uzbekistan is UZS, while the functional currency of the Group entity operating in the Russian Federation is Ruble. The Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Gains and losses resulting from the translation of foreign currency transactions are recognized in the consolidated statement of profit or loss as net gain on foreign exchange operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items

(in millions of Uzbek Soums, unless otherwise indicated)

measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.
Differences between the contractual exchange rate of a transaction in a foreign currency and the CBU exchange rate on the date of the transaction are included in net gain/(loss) on foreign exchange operations. The official CBU exchange rates (UZS):

Currency	**31 December 2024**	**31 December 2023**
USD	12,920.48	12,338.77
EUR	13,436.01	13,731.82
Ruble	130.17	136.36

As at the reporting date, the assets and liabilities of the entities whose functional currency is different from the presentation currency of the Group are translated into UZS at the rate of exchange ruling at the reporting date and, their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken to other comprehensive income. On disposal of a subsidiary or an associate whose functional currency is different from the presentation currency of the Group, the deferred cumulative amount recognised in other comprehensive income relating to that particular entity is recognised in the consolidated statement of profit or loss.

Application of new and revised IFRS Accounting Standards

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.

4. Significant accounting judgments and estimates

Estimation uncertainty
In the process of applying the Group's accounting policies, management has used its judgments and made estimates in determining the amounts recognized in the consolidated financial statements. The most significant use of judgments and estimates are as follows:

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position, including on initial recognition, cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is used by management, amongst others, in determining the proxy for market rates required in establishing fair values. Additional details are provided in Note 25.

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

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on the lifetime expected credit loss (hereinafter - "LTECL") basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as inflation rate and statistical data of non-performing loans from bulletin of Central Bank of Republic of Uzbekistan, and the effect on PDs, EADs and LGDs;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Qualitative criteria in determination loan's quality and estimation of PD, LGD and macroeconomic model are disclosed in "Risk Management" (Note 24).

Borrowings from financial institutions
The Group obtains long term financing from government, state and international financial institutions at interest rates at which such institutions ordinarily lend in emerging markets and which may be lower than rates at which the Group could source the funds from local lenders. As a result of this financing, the Group is able to advance funds to specific customers at advantageous rates. Management has considered whether gains or losses should arise on initial recognition of these instruments and its judgment is that these funds and the related lending are at the market rates and no initial recognition gains or losses should arise. In making this judgment management also considered that these instruments are a separate market sector.

(in millions of Uzbek Soums, unless otherwise indicated)

5. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash on hand	3,147,043	1,975,977
Current accounts with Central Banks	3,183,713	2,407,175
Current accounts with other credit institutions	7,797,181	5,485,610
Time deposits with credit institutions up to 90 days	4,295,677	4,509,649
Total cash and cash equivalents, gross	**18,423,614**	**14,378,411**
Less – allowance for impairment	(873)	(928)
Total cash and cash equivalents	**18,422,741**	**14,377,483**

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

	2024	2023
ECL allowance as at 1 January	**928**	**1,597**
Changes in ECL	(55)	(669)
At 31 December	**873**	**928**

6. Amounts due from credit institutions

	31 December 2024	31 December 2023
Time deposits for more than 90 days	3,570,320	6,470,155
Obligatory reserve with the Central Banks	20,154	524,003
Total Amounts due from credit institutions, gross	**3,590,474**	**6,994,158**
Less – allowance for impairment	(25,346)	(50,368)
Total Amounts due from credit institutions	**3,565,128**	**6,943,790**

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.

As at 31 December 2024, obligatory reserves with Central Banks comprise mandatory cash balances with the Central Banks of the Republic of Uzbekistan and the Russian Federation in the amounts of UZS 0 million and UZS 20,154 million, respectively (2023: UZS 514,263 million and UZS 9,740 million).

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.

As at 31 December 2024, time deposits for more than 90 days includes interbank deposit between the Bank and JSCB Turonbank for the amount of UZS 164,713 million, which is pledged as collateral against borrowings from the JSC "Uzbekistan Mortgage Refinancing Company" in Note 16.

(in millions of Uzbek Soums, unless otherwise indicated)

All balances of amounts due from credit institutions allocated to Stage 1. An analysis of changes in gross carrying value and corresponding ECL allowance on amounts due from credit institutions during the years ended 31 December is as follows:

	2024	2023
Gross carrying value as at 1 January	**6,994,158**	**7,411,785**
New originations or purchase of financial assets	896,709	821,104
Assets derecognised or repaid	(4,126,170)	(1,508,315)
Foreign exchange differences	(174,223)	269,584
As at 31 December	**3,590,474**	**6,994,158**

	2024	2023
ECL allowance as at 1 January	**50,368**	**87,333**
New originations or purchase of financial assets	11,570	4,608
Assets derecognised or repaid	(35,357)	(37,907)
Foreign exchange differences	(1,235)	(3,666)
As at 31 December	**25,346**	**50,368**

7. Loans to customers

	31 December 2024	31 December 2023
Corporate lending		
Private companies	50,355,507	45,090,217
State companies	36,759,789	37,207,600
State and local institutions	5,618,479	6,466,836
Gross investment in finance lease	247,121	235,995
Non-banking financial institutions	195,256	179,379
Total corporate lending	**93,176,152**	**89,180,027**
Loans to individuals		
Mortgage loans	10,683,979	8,974,951
Consumer loans	3,869,183	2,317,402
Car loans	3,331,724	2,460,592
Education loans	442,279	324,380
Agriculture loans	2,392	3,764
Total loans to individuals	**18,329,557**	**14,081,089**
Gross loans to customers	**111,505,709**	**103,261,116**
Less: allowance for impairment	(8,934,872)	(8,477,884)
Loans to customers	**102,570,837**	**94,783,232**

An analysis of loans to customers at amortized cost allocated by stages is as follows:

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Private companies	31,005,260	15,865,464	3,484,783	**50,355,507**
State companies	32,704,252	3,641,414	414,123	**36,759,789**
State and local institutions	5,017,956	76,044	524,479	**5,618,479**
Gross investment in finance lease	247,121	-	-	**247,121**
Non-banking financial institutions	195,099	-	157	**195,256**
Loans to individuals	17,805,270	310,124	214,163	**18,329,557**
Gross loans	**86,974,958**	**19,893,046**	**4,637,705**	**111,505,709**
Less – Allowance for impairment	(1,179,564)	(4,987,683)	(2,767,625)	**(8,934,872)**
Loans to customers	**85,795,394**	**14,905,363**	**1,870,080**	**102,570,837**

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Private companies	21,843,364	19,132,529	4,114,324	**45,090,217**
State companies	36,608,065	275,813	323,722	**37,207,600**
State and local institutions	6,428,367	36,110	2,359	**6,466,836**
Gross investment in finance lease	235,995	-	-	**235,995**
Non-banking financial institutions	179,379	-	-	**179,379**
Loans to individuals	13,717,598	165,029	198,462	**14,081,089**
Gross loans	**79,012,768**	**19,609,481**	**4,638,867**	**103,261,116**
Less – Allowance for impairment	(1,206,848)	(4,720,130)	(2,550,906)	**(8,477,884)**
Loans to customers	**77,805,920**	**14,889,351**	**2,087,961**	**94,783,232**

Allowance for impairment of loans to customers at amortised cost

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the private companies during the year ended 31 December 2024 is as follows:

Private companies	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2024	**21,843,364**	**19,132,529**	**4,114,324**	**45,090,217**
New originations or purchase of financial assets	16,879,287	-	-	**16,879,287**
Assets derecognised or repaid	(4,752,811)	(2,227,202)	(17,878)	**(6,997,891)**
- Transfer to Stage 1	5,230,306	(5,230,306)	-	**-**
- Transfer to Stage 2	(4,637,649)	5,110,481	(472,832)	**-**
- Transfer to Stage 3	-	(1,835,302)	1,835,302	**-**
Changes in the gross value of financial assets*	(4,129,093)	585,133	412,645	**(3,131,315)**
Foreign exchange differences	571,856	330,131	35,295	**937,282**
Written off assets	-	-	(2,496,836)	**(2,496,836)**
Recovery of early written-off assets	-	-	74,763	**74,763**
As at 31 December 2024	**31,005,260**	**15,865,464**	**3,484,783**	**50,355,507**

(in millions of Uzbek Soums, unless otherwise indicated)

Private companies	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**460,643**	**4,706,265**	**2,149,576**	**7,316,484**
New originations or purchase of financial assets	359,499	-	-	**359,499**
Assets derecognised or repaid	(33,101)	(95,630)	(60,940)	**(189,671)**
- Transfer to Stage 1	245,644	(245,644)	-	-
- Transfer to Stage 2	(86,028)	467,125	(381,097)	-
- Transfer to Stage 3	-	(171,859)	171,859	-
Net increases/(decrease) due to change in credit risk	(200,331)	84,468	2,243,122	**2,127,259**
Changes in risk parameters	(119,854)	52,272	76,935	**9,353**
Foreign exchange differences	7,512	24,743	12,120	**44,375**
Written off assets	-	-	(2,496,836)	**(2,496,836)**
Recovery of early written-off assets	-	-	74,763	**74,763**
As at 31 December 2024	**633,984**	**4,821,740**	**1,789,502**	**7,245,226**

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the state companies during the year ended 31 December 2024 is as follows:

State companies	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2024	**36,608,065**	**275,813**	**323,722**	**37,207,600**
New originations or purchase of financial assets	9,858,891	-	-	**9,858,891**
Assets derecognised or repaid	(6,003,000)	(106,934)	(12,195)	**(6,122,129)**
- Transfer to Stage 1	157,261	(157,261)	-	-
- Transfer to Stage 2	(1,832,342)	1,836,254	(3,192)	-
- Transfer to Stage 3	-	(46,236)	46,236	-
Changes in the gross value of financial assets*	(6,666,854)	1,776,725	60,272	**(4,829,857)**
Foreign exchange differences	582,231	63,053	-	**645,284**
As at 31 December 2024	**32,704,252**	**3,641,414**	**414,123**	**36,759,789**

(in millions of Uzbek Soums, unless otherwise indicated)

State companies	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**638,266**	**3,650**	**307,775**	**949,691**
New originations or purchase of financial assets	205,704	-	-	**205,704**
Assets derecognised or repaid	(53,002)	(1,507)	(8,139)	**(62,648)**
- Transfer to Stage 1	1,980	(1,980)	-	-
- Transfer to Stage 2	(12,075)	13,753	(1,678)	-
- Transfer to Stage 3	-	(806)	806	-
Net increases/(decrease) due to change in credit risk	(170)	38,914	15,598	**54,342**
Changes in risk parameters	(358,134)	92,883	41,272	**(223,979)**
Foreign exchange differences	8,036	2,850	-	**10,886**
As at 31 December 2024	**430,605**	**147,757**	**355,634**	**933,996**

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the state and local institutions during the year ended 31 December 2024 is as follows:

State and local institutions	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2024	**6,428,367**	**36,110**	**2,359**	**6,466,836**
New originations or purchase of financial assets	53,085	-	-	**53,085**
Assets derecognised or repaid	(27,436)	(36,110)	(3,483)	**(67,029)**
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	(714,335)	714,335	-	-
- Transfer to Stage 3	-	(626,399)	626,399	-
Changes in the gross value of financial assets*	(877,095)	(13,813)	(113,628)	**(1,004,536)**
Foreign exchange differences	155,370	1,921	12,832	**170,123**
As at 31 December 2024	**5,017,956**	**76,044**	**524,479**	**5,618,479**

State and local institutions	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**55,805**	**1,584**	**1,714**	**59,103**
New originations or purchase of financial assets	499	-	-	**499**
Assets derecognised or repaid	(54)	(1,584)	(2,839)	**(4,477)**
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	(2,885)	2,885	-	-
- Transfer to Stage 3	-	(2,885)	2,885	-
Net increases/(decrease) due to change in credit risk	-	-	525,266	**525,266**
Changes in risk parameters	(9,282)	-	(4,525)	**(13,807)**
Foreign exchange differences	1,413	-	1,978	**3,391**
As at 31 December 2024	**45,496**	**-**	**524,479**	**569,975**

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the gross investment in finance lease during the year ended 31 December 2024 is as follows:

(in millions of Uzbek Soums, unless otherwise indicated)

Investment in finance lease	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2024	**235,995**	-	-	**235,995**
Foreign exchange differences	11,126	-	-	**11,126**
As at 31 December 2024	**247,121**	-	-	**247,121**

Investment in finance lease	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**3,437**	-	-	**3,437**
Changes in risk parameters	(2,380)	-	-	**(2,380)**
Foreign exchange differences	50	-	-	**50**
As at 31 December 2024	**1,107**	-	-	**1,107**

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the non-banking financial institutions in during the year ended 31 December 2024 is as follows:

Non-banking financial institutions	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2024	**179,379**	-	-	**179,379**
New originations or purchase of financial assets	91,846	-	-	**91,846**
Assets derecognised or repaid	(18,272)	-	-	**(18,272)**
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	(203)	203	-	-
- Transfer to Stage 3	-	(203)	203	-
Changes in the gross value of financial assets*	(57,651)	-	(46)	**(57,697)**
As at 31 December 2024	**195,099**	-	**157**	**195,256**

Non-banking financial institutions	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**1,931**	-	-	**1,931**
New originations or purchase of financial assets	1,887	-	-	**1,887**
Assets derecognised or repaid	(101)	-	-	**(101)**
Changes in risk parameters	(1,160)	-	1	**(1,159)**
As at 31 December 2024	**2,557**	-	**1**	**2,558**

(in millions of Uzbek Soums, unless otherwise indicated)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans to individuals in during the year ended 31 December 2024 is as follows:

Loans to individuals	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2024	**13,717,598**	**165,029**	**198,462**	**14,081,089**
New originations or purchase of financial assets	6,537,736	-	-	**6,537,736**
Assets derecognised or repaid	(941,516)	(12,510)	(24,457)	**(978,483)**
- Transfer to Stage 1	139,339	(139,339)	-	-
- Transfer to Stage 2	(257,246)	330,009	(72,763)	-
- Transfer to Stage 3	-	(94,858)	94,858	-
Changes in the gross value of Financial assets*	(1,390,641)	61,793	43,452	**(1,285,396)**
Written off assets	-	-	(31,724)	**(31,724)**
Recovery of early written-off assets	-	-	6,335	**6,335**
As at 31 December 2024	**17,805,270**	**310,124**	**214,163**	**18,329,557**

Loans to individuals	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**46,766**	**8,631**	**91,841**	**147,238**
New originations or purchase of financial assets	52,223	-	-	**52,223**
Assets derecognised or repaid	(3,141)	(838)	(12,922)	**(16,901)**
- Transfer to Stage 1	19,242	(19,242)	-	-
- Transfer to Stage 2	(1,577)	30,051	(28,474)	-
- Transfer to Stage 3	-	(2,275)	2,275	-
Net increases/(decrease) due to change in credit risk	(18,692)	(3,177)	52,957	**31,088**
Changes in risk parameters	(29,006)	5,036	17,721	**(6,249)**
Written off assets	-	-	(31,724)	**(31,724)**
Recovery of early written-off assets	-	-	6,335	**6,335**
As at 31 December 2024	**65,815**	**18,186**	**98,009**	**182,010**

(in millions of Uzbek Soums, unless otherwise indicated)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the private companies during the year ended 31 December 2023 is as follows:

Private companies	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2023	**29,079,955**	**8,051,283**	**2,932,324**	**40,063,562**
New originations or purchase of financial assets	13,593,890	-	-	**13,593,890**
Assets derecognised or repaid	(5,963,479)	(645,224)	(331,303)	**(6,940,006)**
- Transfer to Stage 1	325,035	(325,035)	-	-
- Transfer to Stage 2	(10,226,128)	10,561,587	(335,459)	-
- Transfer to Stage 3	-	(1,820,328)	1,820,328	-
Changes in the gross value of financial assets*	(6,348,864)	1,782,815	(270,728)	**(4,836,777)**
Foreign exchange differences	1,382,955	1,527,431	265,427	**3,175,813**
Written off assets	-	-	(25,163)	**(25,163)**
Recovery of early written-off assets	-	-	58,898	**58,898**
As at 31 December 2023	**21,843,364**	**19,132,529**	**4,114,324**	**45,090,217**

Private companies	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**580,580**	**2,436,637**	**1,216,424**	**4,233,641**
New originations or purchase of financial assets	318,560	-	-	**318,560**
Assets derecognised or repaid	(114,369)	(40,288)	(85,049)	**(239,706)**
- Transfer to Stage 1	80,638	(80,638)	-	-
- Transfer to Stage 2	(178,567)	315,070	(136,503)	-
- Transfer to Stage 3	-	(68,640)	68,640	-
Net increases/(decrease) due to change in credit risk	(74,124)	358,121	618,278	**902,275**
Changes in risk parameters	(164,341)	1,576,389	390,952	**1,803,000**
Foreign exchange differences	12,266	209,614	43,099	**264,979**
Written off assets	-	-	(25,163)	**(25,163)**
Recovery of early written-off assets	-	-	58,898	**58,898**
As at 31 December 2023	**460,643**	**4,706,265**	**2,149,576**	**7,316,484**

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the state companies during the year ended 31 December 2023 is as follows:

(in millions of Uzbek Soums, unless otherwise indicated)

State companies	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2023	**33,923,929**	**761,404**	**229,710**	**34,915,043**
New originations or purchase of financial assets	11,835,854	-	-	**11,835,854**
Assets derecognised or repaid	(6,954,974)	(205,277)	(196,043)	**(7,356,294)**
- Transfer to Stage 1	427,488	(427,488)	-	-
- Transfer to Stage 2	(401,098)	401,831	(733)	-
- Transfer to Stage 3	-	(256,471)	256,471	-
Changes in the gross value of financial assets*	(4,957,772)	(25,732)	33,519	**(4,949,985)**
Foreign exchange differences	2,734,638	27,546	798	**2,762,982**
As at 31 December 2023	**36,608,065**	**275,813**	**323,722**	**37,207,600**

State companies	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**1,632,479**	**10,256**	**82,440**	**1,725,175**
New originations or purchase of financial assets	174,544	-	-	**174,544**
Assets derecognised or repaid	(159,352)	(3,320)	(67,951)	**(230,623)**
- Transfer to Stage 1	4,934	(4,934)	-	-
- Transfer to Stage 2	(13,685)	13,784	(99)	-
- Transfer to Stage 3	-	(12,180)	12,180	-
Net increases/(decrease) due to change in credit risk	(4,823)	332	296,886	**292,395**
Changes in risk parameters	(1,104,459)	(405)	(16,000)	**(1,120,864)**
Foreign exchange differences	108,628	117	319	**109,064**
As at 31 December 2023	**638,266**	**3,650**	**307,775**	**949,691**

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the state and local institutions during the year ended 31 December 2023 is as follows:

(in millions of Uzbek Soums, unless otherwise indicated)

State and local institutions	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2023	**7,283,326**	-	**52,760**	**7,336,086**
New originations or purchase of financial assets	850,572	-	-	**850,572**
Assets derecognised or repaid	(980,032)	-	(27,221)	**(1,007,253)**
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	(102,315)	127,855	(25,540)	-
- Transfer to Stage 3	-	(102,315)	102,315	-
Changes in the gross value of financial assets*	(1,151,406)	10,570	(99,955)	**(1,240,791)**
Foreign exchange differences	528,222	-	-	**528,222**
As at 31 December 2023	**6,428,367**	**36,110**	**2,359**	**6,466,836**

State and local institutions	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**144,716**	-	**48,200**	**192,916**
New originations or purchase of financial assets	5,489	-	-	**5,489**
Assets derecognised or repaid	(13,240)	-	(24,445)	**(37,685)**
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	(917)	24,672	(23,755)	-
- Transfer to Stage 3	-	(917)	917	-
Net increases/(decrease) due to change in credit risk	-	(22,171)	1,922	**(20,249)**
Changes in risk parameters	(90,463)	-	(1,125)	**(91,588)**
Foreign exchange differences	10,220	-	-	**10,220**
As at 31 December 2023	**55,805**	**1,584**	**1,714**	**59,103**

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the gross investment in finance lease during the year ended 31 December 2023 is as follows:

Investment in finance lease	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2023	**214,701**	-	-	**214,701**
Foreign exchange differences	21,294	-	-	**21,294**
As at 31 December 2023	**235,995**	-	-	**235,995**

Investment in finance lease	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**12,210**	-	-	**12,210**
Changes in risk parameters	(9,984)	-	-	**(9,984)**
Foreign exchange differences	1,211	-	-	**1,211**
As at 31 December 2023	**3,437**	-	-	**3,437**

(in millions of Uzbek Soums, unless otherwise indicated)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans issued to the non-banking financial institutions in during the year ended 31 December 2023 is as follows:

Non-banking financial institutions	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2023	**142,944**	-	-	**142,944**
New originations or purchase of financial assets	109,232	-	-	**109,232**
Assets derecognised or repaid	(32,594)	-	-	**(32,594)**
Changes in the gross value of financial assets*	(40,203)	-	-	**(40,203)**
As at 31 December 2023	**179,379**	-	-	**179,379**

Non-banking financial institutions	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**2,047**	-	-	**2,047**
New originations or purchase of financial assets	1,648	-	-	**1,648**
Assets derecognised or repaid	(335)	-	-	**(335)**
Changes in risk parameters	(1,429)	-	-	**(1,429)**
As at 31 December 2023	**1,931**	-	-	**1,931**

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans to individuals in during the year ended 31 December 2023 is as follows:

Loans to individuals	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2023	**8,986,203**	**110,814**	**215,755**	**9,312,772**
New originations or purchase of financial assets	6,184,363	-	-	**6,184,363**
Assets derecognised or repaid	(687,193)	(5,599)	(37,812)	**(730,604)**
- Transfer to Stage 1	109,821	(109,821)	-	-
- Transfer to Stage 2	(155,629)	206,599	(50,970)	-
- Transfer to Stage 3	-	(69,059)	69,059	-
Changes in the gross value of financial assets*	(719,967)	32,095	(31,435)	**(719,307)**
Written off assets	-	-	(7,540)	**(7,540)**
Recovery of early written-off assets	-	-	41,405	**41,405**
As at 31 December 2023	**13,717,598**	**165,029**	**198,462**	**14,081,089**

Loans to individuals	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**42,379**	**7,360**	**89,455**	**139,194**
New originations or purchase of financial assets	20,605	-	-	**20,605**
Assets derecognised or repaid	(3,171)	(292)	(20,364)	**(23,827)**
- Transfer to Stage 1	15,697	(15,697)	-	-
- Transfer to Stage 2	(1,141)	14,707	(13,566)	-
- Transfer to Stage 3	-	(1,793)	1,793	-
Net increases/(decrease) due to change in credit risk	(15,154)	1,865	(17,098)	**(30,387)**
Changes in risk parameters	(12,449)	2,481	17,756	**7,788**
Written off assets	-	-	(7,540)	**(7,540)**
Recovery of early written-off assets	-	-	41,405	**41,405**
As at 31 December 2023	**46,766**	**8,631**	**91,841**	**147,238**

(in millions of Uzbek Soums, unless otherwise indicated)

*Changes in the gross value of financial assets includes changes in gross carrying amount associated with partial repayment of debt, additional drawdowns and accrual of interest.

As at 31 December 2024, loans to customers assessed for expected credit losses on an individual basis had a gross amount of UZS 7,891,011 million (2023: UZS 7,049,271 million) and allowance for impairment of UZS 5,198,465 million (2023: UZS 4,614,722 million).

During 2024, the Group recognised initial recognition loss on loans bearing interest rates below market for the total amount of UZS 247,223 million (2023: UZS 247,839 million).

Collateral and other credit enhancements
The amount and type of collateral required depends on the assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.
The main types of collateral obtained are as follows:

- For commercial lending, charges over real estate properties, third party guarantees, vehicles and cash deposits;
- For retail lending, mortgages over residential properties and vehicle;
- For letters of credit and guarantees cash deposits.

The Group also obtains guarantees from the Government of the Republic of Uzbekistan for loans to the government related entities. In addition, as part of the Government's financing arrangements of the projects with strategic importance, the Group provides loans to certain state-owned entities. Such loans can be secured by government guarantees or other means of government support. In 2024, the government has provided the Group a formal notice expressing its commitment to ensuring the timely repayment of the obligations of one borrower, a state owned entity, by taking all necessary measures to enable the borrower to meet its debt obligations as they fall due. Although the formal notice does not constitute a legally binding guarantee or surety under the loan agreement, it has been considered a form of credit enhancement in assessing the credit risk of the borrowers of the Group with the outstanding balance of UZS 2,335,529 million as at 31 December 2024. Given the nature and extent of the government's involvement and support history, the Group has taken this government support into account in its assessment of expected credit losses.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for loan impairment.
In absence of collateral or other credit enhancements, ECL in respect of Stage 3 loans to customers as at 31 December 2024 and 2023 would have been higher by:

	31 December 2024	31 December 2023
Private companies	230,411	1,894,177
Loans to individuals	52,775	95,548
State companies	4,795	13,215
	287,981	**2,002,940**

The significant decrease in potential Expected Credit Losses in 2024 compared to 2023 is primarily attributed to the write-off of non-performing loans in 2024, which substantially reduced the average time loans spent in default status. Also, the ECL model incorporates more recent statistical data, shifting from the 2019-2023 period used in the previous year to the 2020-2024 period in the current year which has resulted in the inclusion of more favorable recovery trends in the Loss Given Default calculation.

(in millions of Uzbek Soums, unless otherwise indicated)

The remaining loans in the portfolio demonstrated improved Recovery Rates due to partial debt repayments and decreased delinquency. These structural changes in the composition and quality of the loan portfolio collectively led to a substantial reduction in additional expected credit losses that would have occurred in the absence of collateral.

During the years ended 31 December 2024 and 2023, the Group received financial and non-financial assets by taking possession of collateral it held as security. As at 31 December 2023, such assets amounting to UZS 194,671 million, are included in other assets. During 2024, the Group has recovered some of its impaired loans through repossession of collateral in the form of buildings and equipment. As at 31 December 2024, the carrying value of repossessed collateral amounted to UZS 464,159 million of which UZS 438,530 million has been classified as assets held for sale. Assets held for sale were measured at the lower of their carrying amount and fair value less costs to sell. The remaining part of repossessed collateral was included within other assets as they were not ready for sale.

Concentration of loans to customers

As of 31 December 2023, the Group had a concentration of loans in the amount of UZS 44,339,815 million due from ten largest borrowers representing 39.8% of gross loan portfolio (2023: UZS 45,134,811 million or 43.7%). An allowance of UZS 4,340,504 million (2023: UZS 2,434,163 million) was recognised against these loans.

As at 31 December 2024 and 2023, a significant amount of loans was granted to companies operating in the Republic of Uzbekistan, which represented a significant geographical concentration in one region.

Loans are principally issued to companies operating in the following industry sectors:

	31 December 2024	31 December 2023
Manufacturing	34,527,682	31,445,214
Transport and communication	25,026,127	26,680,806
Individuals	18,329,557	14,081,089
Trade and catering	8,072,356	6,111,994
Tourism	6,376,710	5,870,718
Government social structure	5,743,002	6,678,415
Construction	2,999,438	2,926,869
Agriculture	2,910,463	3,481,404
Housing and Utilities	1,005,321	1,120,316
Other	6,515,053	4,864,291
Total loans to customers	**111,505,709**	**103,261,116**
Less: allowance for impairment	(8,934,872)	(8,477,884)
Loans to customers	**102,570,837**	**94,783,232**

The table below summarizes the gross carrying amounts of loans and advances to customers analysed by type of collateral obtained by the Group as at 31 December 2024 and 31 December 2023:

(in millions of Uzbek Soums, unless otherwise indicated)

	31 December 2024	31 December 2023
Loans collateralised by:		
- real estate	41,429,213	38,564,648
- government guarantee and credit enhancements	31,759,260	30,430,223
- surety of third parties	13,996,678	9,901,150
- equipment and inventory	6,141,119	7,621,565
- vehicles	4,460,811	3,500,945
- insurance	3,629,171	2,402,273
- cash deposits	34,775	1,197,707
- other collateral	9,674,576	8,915,388
Unsecured loans	380,106	727,217
Total loans to customers, gross	**111,505,709**	**103,261,116**
Less – allowance for impairment	(8,934,872)	(8,477,884)
Total loans to customers	**102,570,837**	**94,783,232**

As at 31 December 2024, loans to individuals in the amount of UZS 354,763 million (2023: UZS 133,998 million) were pledged as collateral against borrowings from the JSC "Uzbekistan Mortgage Refinancing Company" in Note 16.

8. Investment securities

	31 December 2024	31 December 2023
Debt securities at amortised cost		
State bonds	7,012,113	6,776,502
Less: allowance for impairment	(25,378)	(52,091)
Debt securities at amortised cost	**6,986,735**	**6,724,411**
Equity securities at FVTOCI		
Corporate shares	454,939	416,437
Equity securities at FVTOCI	**454,939**	**416,437**
Investment securities	**7,441,674**	**7,140,848**

As at 31 December 2024, state bonds include long-term state bonds issued by the Ministry of Economy and Finance of the Republic of Uzbekistan in the amount of USD 500,000,000 equivalent of UZS 6,460,240 million with remaining maturity of between 3 and 6 months. In addition, the state bonds include eurobonds issued by JSC Uzbekneftegaz. The debt securities bear interest rates ranging from 4% to 15% per annum and remaining maturity of between 3 months and 7 years as at 31 December 2024.

As at 31 December 2024 and 2023, debt securities of the Government of the Republic of Uzbekistan at amortised cost in the amount of UZS 76,844 million (2023: UZS 76,844 million) were pledged as collateral against borrowings from the JSC "Uzbekistan Mortgage Refinancing Company" in Note 16.

(in millions of Uzbek Soums, unless otherwise indicated)

Equity securities at FVTOCI comprise equity investments in:

	31 December 2024	31 December 2023
JSC Uzbek Korean Development Bank	256,749	249,722
JSC Uzbekistan Mortgage Refinancing Company	115,641	19,465
LLC Yashil Energiya	69,656	67,067
JSC Republican Currency Exchange	11,086	18,615
JSC Uzbekinvest	-	55,475
LLC Solfy CA	-	2,226
JSC Qurilishmashleasing	-	1,924
Other	1, 807	1,943
Total investment securities	**454,939**	**416,437**

During 2024, the Group disposed of its share of 17% in JSC Uzbekinvest and 9% in JSC Qurilishmashleasing in accordance with the Presidential Decree (Note 18). During 2024, the Group made additional investments in the JSC Uzbekistan Mortgage Refinancing Company's capital in the amount of UZS 91,781 million without change in ownership.

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

All balances of investment securities measured at amortised cost are allocated to Stage 1. An analysis of changes in the gross carrying values and associated ECL during the year is as follows:

Debt securities at amortised cost	**2024**	**2023**
Gross carrying value as at 1 January	**6,776,502**	**1,417,650**
New originations or purchase of financial assets	206,305	5,928,682
Assets derecognised or repaid	(275,597)	(1,031,158)
Foreign exchange differences	304,903	461,328
As at 31 December	**7,012,113**	**6,776,502**

Debt securities at amortised cost	**2024**	**2023**
ECLs as at 1 January	**52,091**	**9,394**
New originations or purchase of financial assets	1,458	45,048
Assets derecognised or repaid	(144)	(6,621)
Change in risk parameters	(29,368)	-
Foreign exchange differences	1,341	4,270
As at 31 December	**25,378**	**52,091**

(in millions of Uzbek Soums, unless otherwise indicated)

9. Property and equipment

	Buildings and other real estate	Construction in progress	Furniture and equipment	Other	Total
Cost					
31 December 2022	**512,891**	**39,340**	**1,118,612**	**41,606**	**1,712,449**
Additions	38,517	288,083	575,851	21,100	**923,551**
Acquisition of subsidiaries	371,865	646	-	-	**372,511**
Disposals and write-offs	(143,622)	(1,793)	(33,784)	(832)	**(180,031)**
Transfers	27,797	(33,993)	5,924	272	-
31 December 2023	**807,448**	**292,283**	**1,666,603**	**62,146**	**2,828,480**
Additions	162,281	217,091	266,518	98,905	**744,795**
Acquisition of subsidiaries	18,273	-	831	-	**19,104**
Disposals and write-offs	(43,767)	-	(20,917)	(1,946)	**(66,630)**
Disposal of Subsidiaries	(123,077)	(5,593)	(44,120)	(1,267)	**(174,057)**
Transfers	44,272	(154,597)	104,067	6,258	-
31 December 2024	**865,430**	**349,184**	**1,972,982**	**164,096**	**3,351,692**
Accumulated depreciation					
31 December 2022	**(156,507)**	-	**(458,779)**	**(24,507)**	**(639,793)**
Charge for the year (Note 23)	(34,642)	-	(191,212)	(8,013)	**(233,867)**
Transfers	67	-	(219)	152	-
Disposals and write-offs	32,323	-	16,723	673	**49,719**
31 December 2023	**(158,759)**	-	**(633,487)**	**(31,695)**	**(823,941)**
Charge for the year (Note 23)	(22,187)	-	(246,784)	(12,515)	**(281,486)**
Transfers	2,751	-	(3,943)	1,192	-
Disposals and write-offs	9,058	-	18,799	942	**28,799**
Disposal of subsidiaries	19,929	-	11,762	547	**32,238**
31 December 2024	**(149,208)**	-	**(853,653)**	**(41,529)**	**(1,044,390)**
Net book value					
31 December 2023	**648,689**	**292,283**	**1,033,116**	**30,451**	**2,004,539**
31 December 2024	**716,222**	**349,184**	**1,119,329**	**122,567**	**2,307,302**

As at 31 December 2024 and 2023, property and equipment included fully depreciated assets of UZS 407,136 million and UZS 219,667 million, respectively.

(in millions of Uzbek Soums, unless otherwise indicated)

10. Taxation

The corporate income tax expense comprises:

	2024	2023
Current income tax	689,203	668,719
Deferred tax charge - origination and reversal of temporary differences	184,682	67,923
Income tax expense	**873,885**	**736,642**

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 and the Russian Federation, where the Group operates, which may differ from IFRS Accounting Standards.

The Group is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses and certain income being treated as non-taxable for tax purposes.
Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 31 December 2024 and 2023 relate mostly to different methods/timing of income and expense recognition as well as to temporary differences generated by tax – book bases' differences for certain assets.

The corporate income tax rate applicable to the majority of the Group's income comprised 20% for 2024 and 2023, respectively (20% for 2024 and 2023 in the Russian Federation).

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

	2024	2023
Profit before income tax expense	**3,478,863**	**3,052,085**
Statutory tax rate	20%	20%
Theoretical income tax expense at the statutory rate	**695,773**	**610,417**
Non-deductible expenditures	326,100	321,190
Income tax privileges	(147,988)	(194,965)
Income tax expense	**873,885**	**736,642**

(in millions of Uzbek Soums, unless otherwise indicated)

Deferred tax assets and liabilities and their movements for the respective years comprise:

Tax effect on deductible temporary differences	**1 January 2023**	**In the statement of profit or loss**	**Other comprehensive income**	**31 December 2023**	**In the statement of profit or loss**	**Other comprehensive income**	**31 December 2024**
Loans to customers	316,950	(92,243)	-	224,707	14,942	-	239,649
Amounts due from credit institutions	127,202	(116,963)	-	10,239	(21,586)	-	(11,347)
Property and equipment	21,819	(3,054)	-	18,765	(6,281)	-	12,484
Other liabilities	7,382	10,003	-	17,385	(11,994)	-	5,391
Deferred tax asset	**473,353**	**(202,257)**	**-**	**271,096**	**(24,919)**	**-**	**246,177**
Tax effect of taxable temporary differences							
Financial assets at fair value through other comprehensive income	30,798	-	10,190	40,988	-	(1,184)	39,804
Investments in associates	3,018	(5,620)	-	(2,602)	56,848	-	54,245
Other borrowed funds	113,552	(113,552)	-	-	-	-	-
Derivative financial assets	18,477	17,331	-	35,808	16,070	-	51,878
Other provisions and accruals	26,723	(32,493)	-	(5,770)	86,845	-	81,075
Deferred tax liability	**192,568**	**(134,334)**	**10,190**	**68,424**	**159,763**	**(1,184)**	**227,002**
Net deferred tax asset	**280,785**	**(67,923)**	**(10,190)**	**202,672**	**(184,682)**	**1,184**	**19,175**

(in millions of Uzbek Soums, unless otherwise indicated)

11. Credit loss expense

The table below shows the ECL charges on financial instruments recorded in the consolidated statement of profit or loss for the year ended 31 December 2024:

2024	Note	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	5	(55)	-	-	**(55)**
Amounts due from credit institutions	6	(23,787)	-	-	**(23,787)**
Loans to customers	7	(208,596)	170,837	2,883,507	**2,845,748**
Debt securities measured at amortised cost	8	(28,054)	-	-	**(28,054)**
Other financial assets	12	(6,586)	-	-	**(6,586)**
Financial guarantees	19	13,408	-	-	**13,408**
Undrawn loan commitments	19	(133,134)	-	-	**(133,134)**
Letters of credit	19	(8,697)	-	-	**(8,697)**
Total credit loss expense		**(395,501)**	**170,837**	**2,883,507**	**2,658,843**

The table below shows the ECL charges on financial instruments recorded in the consolidated statement of profit or loss for the year ended 31 December 2023:

2023	Note	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	5	(669)	-	-	**(669)**
Amounts due from credit institutions	6	(33,299)	-	-	**(33,299)**
Loans to customers	7	(1,246,847)	1,872,712	1,093,762	**1,719,627**
Debt securities measured at amortised cost	8	38,427	-	-	**38,427**
Other financial assets	12	2,598	-	-	**2,598**
Financial guarantees	19	(52,756)	-	-	**(52,756)**
Undrawn loan commitments	19	80,164	-	-	**80,164**
Letters of credit	19	55	-	-	**55**
Total credit loss expense		**(1,212,327)**	**1,872,712**	**1,093,762**	**1,754,147**

(in millions of Uzbek Soums, unless otherwise indicated)

12. Other assets and liabilities

	31 December 2024	31 December 2023
Other financial assets		
Trade receivables	113,416	126,938
Receivables from disposal of subsidiary	71,083	-
Receivables as a result of court proceedings	3,022	5,003
	187,521	**131,941**
Less: allowance for impairment	(9,412)	(15,998)
Total other financial assets	**178,109**	**115,943**
Other non-financial assets:		
Prepayments for materials and services	843,225	405,947
Construction of residential complex	303,865	-
Repossessed assets	25,629	194,671
Inventory	25,299	45,728
Tax settlements	5	5,395
Other non-financial assets	112,520	21,147
	1,310,543	**672,888**
Less: allowance for impairment	(25,629)	(176,032)
Total other non-financial assets	**1,284,914**	**496,856**
Other assets	**1,463,023**	**612,799**

As at 31 December 2024, prepayments for materials and services mainly include prepayments for the upgrade of the software and hardware complex of the bank's accounting system in the amount of UZS 115,121 million and for the construction of a touristic zone in Khiva City in the amount of UZS 122,929 million and a modern ropeway in the touristic zone of the Kashkadaryo region in the amount of UZS 104,467 million.
As at 31 December 2024, the other non-financial assets include construction in progress in the amount of UZS 303,865 million and prepayment in the amount of UZS 156,218 million associated with the construction of a modern residential and resort complex in the Chorvoq mountains area, Bostanlyk district of Tashkent region. Asset is being developed for subsequent resale.

An analysis of changes in the ECLs for other financial assets for the year ended 31 December 2024 is as follows:

	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**15,998**	-	-	**15,998**
ECL charge	(6,586)	-	-	**(6,586)**
As at 31 December 2024	**9,412**	-	-	**9,412**

An analysis of changes in the ECLs for other financial assets for the year ended 31 December 2023 is as follows:

	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**13,400**	-	-	**13,400**
ECL charge	2,598	-	-	**2,598**
As at 31 December 2023	**15,998**	-	-	**15,998**

(in millions of Uzbek Soums, unless otherwise indicated)

Other liabilities comprise:	31 December 2024	31 December 2023
Other financial liabilities		
Accounts payable	274,524	276,715
Payables to employees	38,384	15,556
Total other financial liabilities	**312,908**	**292,271**
Other non-financial liabilities:		
Provision for litigations	20,359	20,359
Unearned revenue	12,949	5,191
Other	103,068	46,918
Total other non-financial liabilities	**136,376**	**72,468**
Allowance for credit related liabilities and financial guarantees (Note 19)	92,144	220,567
Total other liabilities	**541,428**	**585,306**

13. Amounts due to credit institutions

	31 December 2024	31 December 2023
Time deposits	370,092	3,155,910
Correspondent accounts with other banks	7,871,170	8,341,452
Amounts due to credit institutions	**8,241,262**	**11,497,362**

During 2024, time deposits in the total amount of USD 150,000,000 (UZS equivalent of UZS 1,897,731 million) from single foreign financial institution was repaid at maturity.

14. Amounts due to customers

	31 December 2024	31 December 2023
Current accounts	16,127,250	14,203,797
Term deposits	22,455,550	19,764,965
Amounts due to customers	**38,582,800**	**33,968,762**
Held as security against letters of credit (Note 19)	986,689	546,072

Included in term deposits are deposits placed by the Ministry of Economy and Finance of the Republic of Uzbekistan in the amount of UZS 6,370,250 million (2023: UZS 5,998,243 million) and UFRD in the amount of UZS 3,013,893 million (2023: UZS 0 million) mainly directed to financing of mortgage and education loans to individuals and corporate lending. These deposits have the purpose of financing and repayment schedules. Funds were provided at interest rate from 2%-5.88% in foreign currency and from 6%-14% in local currency with a maturity up to 21 years. Should the Bank use the proceeds for a different purpose, these deposits become repayable on demand.

As at 31 December 2024 and 2023, customer accounts in the amount of UZS 16,692,607 million and UZS 16,886,893 million (43% and 50% of total customer accounts), respectively, were due to ten customers, which represents a significant concentration.

(in millions of Uzbek Soums, unless otherwise indicated)

Amounts due to customers include accounts with the following types of customers:

	31 December 2024	31 December 2023
State and budgetary organizations	14,703,055	11,401,372
Individuals	12,193,311	10,181,125
Private enterprises	11,592,941	12,310,971
Other	93,493	75,294
Amounts due to customers	**38,582,800**	**33,968,762**

An analysis of customer accounts by economic sector is as follows:

	31 December 2024	31 December 2023
Individuals	12,193,311	10,181,125
Government social structure	9,397,081	8,892,370
Manufacturing	5,972,019	5,280,161
Financial sector	3,694,155	3,129,977
Trading and catering	1,880,365	981,766
Transport and communication	1,750,940	2,015,710
Construction	1,160,080	577,892
Agriculture	101,625	256,532
Other	2,433,224	2,653,229
Amounts due to customers	**38,582,800**	**33,968,762**

15. Debt securities issued

	31 December 2024	31 December 2023
Eurobonds	9,353,170	3,644,221
Certificates of Deposits	-	11,049
Debt securities issued	**9,353,170**	**3,655,270**

In October 2020, the Group had issued Eurobonds in London Stock Exchange having aggregate nominal value of USD 300,000,000 (UZS equivalent of 3,876,144 million) bearing annual interest rate of 4.85% and maturing in October 2025. In July 2024, the Group had issued Eurobonds in London Stock Exchange having aggregate value of USD 300,000,000 (UZS equivalent of 3,876,144 million) and UZS 1,400,000 million bearing annual interest rate of 8.5% and 19.875% maturing in July 2027 and 2029, respectively.

The debt securities issued stipulate certain financial covenants, non-compliance of which may give the bond holders a right to demand early repayment. As at 31 December 2024, the Group was in compliance with respective financial covenants for Eurobonds.

(in millions of Uzbek Soums, unless otherwise indicated)

16. Other borrowed funds

	31 December 2024	31 December 2023
China Development Bank Corporation	13,469,378	10,462,020
Eximbank of China	12,934,274	12,766,666
Financial and Credit technologies LLC	5,594,071	-
Ministry of Economy and Finance of the Republic of Uzbekistan	4,618,568	4,984,336
Fund for Reconstruction and Development of the Republic of Uzbekistan	4,329,931	4,124,575
Societe Generale	2,718,898	695,464
Deutsche Bank AG	2,712,358	2,799,271
Silk Road Fund	2,017,923	2,308,864
International Development Projects LLC	1,734,892	2,230,632
Commerzbank AG	1,522,947	799,166
Eximbank of Korea	868,275	893,239
Standard Chartered Bank	730,881	-
Credit Suisse AG	687,457	1,751,803
Sumitomo Mitsui Banking Corporation	542,837	714,891
Landesbank Baden-Württemberg	424,656	554,113
Agency for the Promotion of Export under the MIFT of the Republic of Uzbekistan	419,268	562,510
Citibank N.A. New York	351,052	438,815
Uzbekistan Mortgage Refinancing Company	275,666	260,617
Natixis Bank	274,611	864,599
Islamic Development Bank	168,740	214,541
Fund for Supporting Youth Entrepreneurship	157,621	144,888
Baobab Securities Limited	96,149	192,256
Keb Hana Bank	88,351	116,359
Eximbank of Turkey	40,487	57,552
Raiffeisen Bank International AG	40,023	61,918
Instituto de Credito Official	25,967	30,078
Entrepreneurship Development Company JSC	16,628	-
Gazprombank JSC*	-	5,614,438
Kamkombank LLC	-	1,367,414
European Bank for Reconstruction and Development	-	3,780
Other	388,517	452,713
Other borrowed funds	**57,250,426**	**55,467,518**

The following are the main attractions made by the Group with multiple loan agreements and withdrawals on the existing agreements with the above-mentioned lenders:

- In April 2024, the Group entered a new loan agreement with Societe Generale with a total commitment of EUR 200,000,000 (UZS equivalent of 2,687,202 million) and made a full amount drawdown with the tenor of 2 years (possibility of extension for another one year) and lump sum repayment at maturity. The loan borrowed to general corporate purposes.

- In 2024, the Group received the remaining amount of CNY 500,000,000 (UZS equivalent of 885,060 million) under the existing loan agreement with Eximbank of China signed in August 2023 with a total commitment of CNY 2,000,000,000 (UZS equivalent of 3,540,240 million) with the tenor of 5 years, including 2 years grace period. The purpose of loan agreement is to finance projects involving the purchase of Chinese-made products.

- The Group raised funds from Commerzbank AG with the total commitment of EUR 72,000,000 (UZS equivalent of 967,393 million) in October 2023 for the tenor of 1 year. During 2024, the Group received the remaining amount of EUR 57,600,000 (UZS equivalent of 773,914 million). The funds are borrowed to finance the project for the production of 4 sets of gas turbine equipment. This loan has been extended for additional 12 months, till October 2025.

- The Group entered a new loan agreement with China Development Bank Corporation in July 2024 with a total commitment of CNY 2,000,000,000 (UZS equivalent of 3,540,240 million) with the tenor of 3 years and lump sum repayment at maturity. The purpose of loan agreement is to finance projects for small and medium sized enterprises.

- The Group entered a new loan agreement with Ministry of Economy and Finance of the Republic of Uzbekistan in September 2024 with the tenor of 10 months. During 2024 under this agreement the Group received UZS 1,340,722 million, of which UZS 1,216,717 million remains outstanding as at 31 December 2024. The purpose of loan agreement is to finance projects involving the purchase of cotton raw materials.

During 2024, the Group repaid loans in the total amount of UZS 15,273,738 million and continues to proactively collaborate with the above-mentioned lenders.

*During 2024, as a result of restrictive measures imposed by the United States and the EU, Gazprombank JSC has agreed to assign its rights to receive payments from the Group to another financial institution Financial and Credit Technologies LLC upon which the restrictive measures were not imposed.

On 9 Dec 2024, the Group received a waiver of expected credit losses ratio, one of the financial covenants, from Baobab Securities Limited until 1 January 2026.
The management considers the rates of long-term financing from government, state and international financial institutions to be at market (Note 4).

17. Subordinated loans

	31 December 2024	31 December 2023
International Bank for Reconstruction and Development via the Ministry of Economy and Finance of the Republic of Uzbekistan	1,145,792	1,092,681
Ministry of Economy and Finance of the Republic of Uzbekistan	313,932	361,055
Asian Development Bank via the Ministry of Economy and Finance	345,405	329,496
Subordinated Loans	**1,805,129**	**1,783,232**

18. Equity

In millions of Uzbek Soums except for numbers of shares	Number of outstanding shares (in thousand)	Ordinary shares	Total
As at 31 December 2022	**14,350,285**	**14,350,285**	**14,350,285**
New shares issued	1,183,167	1,183,167	1,183,167
Redemption of shares	(57,374)	(57,374)	(57,374)
As at 31 December 2023	**15,476,078**	**15,476,078**	**15,476,078**
New shares issued	774,592	774,592	774,592
Redemption of shares	(256,116)	(256,116)	(256,116)
As at 31 December 2024	**15,994,554**	**15,994,554**	**15,994,554**

At the Shareholders' meeting in July 2024, the Group declared dividends in respect to the results of 2023 in the amount of UZS 1,256,975 million (2023: UZS 1,303,128 million) on ordinary shares, of which UZS 774,592 million (2023: UZS 1,183,167 million) was capitalized to Share Capital, UZS 419,534 million was allocated for payout (2023: UZS 54,805 million) and the remaining 62,849 million (2023: 98,719 million) was allocated to tax on dividends. At the Shareholders' meeting in December 2024, the Group declared dividends in respect to the results of first half of 2024 in the amount of UZS 237,219 million on ordinary shares, from which UZS 225,358 million was allocated for payout and the remaining 11,861 million was allocated to tax on dividends. All shares have a par value of UZS 1,000. Also, UZS 28,388 million was allocated to tax on dividends paid by JSCB Asia Invest Bank to its shareholders.

During 2024, in accordance with government decrees and decisions of the Supervisory Board the following assets were transferred to the State Assets Management Agency of the Republic of Uzbekistan free of charge:

- fully impaired investment in associate Navruz Bogi LLC,
- equity securities measured at FVTOCI in Qurilishmashleasing JSC, Uzbekinvest JSC, and Bozor, pul va kredit LLC,
- building and repossessed asset.

These transfers were compensated by decreasing the Government's share in the Group's share capital in the total amount of UZS 256,116 million.
Pursuant to government resolution, it was decided that the Group will fund the construction of a medical center and that such funding will be treated as distribution of dividends. As at 31 December 2024, expenses incurred by the Group amounted to UZS 77,195 million.

19. Commitments and contingencies

Operating environment

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 USD 2,388.98 per troy ounce (2023: USD 1,943.00 per troy ounce). The military and political conflict between Russia and Ukraine escalated in early 2022. As a result, several countries introduced economic sanctions against Russia and Belarus, including measures to ban new investment and restrict interaction with major financial institutions and many state enterprises. Since a significant portion of remittances to Uzbekistan comes from Russia, fluctuations in their flow depend on the nature of the sanctions imposed, their impact on the Russian economy, and the devaluation of the Russian ruble. Because these factors change from year to year, the exact impact on Uzbekistan's financial environment remains uncertain and difficult to predict.
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 to participants from outside of Uzbekistan. The process may require significant changes in national legislation.

The Group also monitors the activities of its Russian subsidiary – JSCB Asia Invest Bank, for any transactions with the financial institutions and entities, upon which sanctions were applied. In 2024 and 2023 the activities of JSCB Asia Invest Bank were not significantly hindered by consequences of conflict between Russian and Ukraine and it remained profitable during this period.

As at 31 December 2024 and 2023, the total assets of JSCB Asia Invest Bank, the largest subsidiary of the Bank located in Russian Federation, comprised 4.1% and 3.7% of total assets of the Group. JSCB Asia Invest Bank was not under any sanctions during the reporting period and there were no limitations externally imposed upon transactions between the Bank and JSCB Asia Invest Bank. JSCB Asia Invest Bank had the following streams of the revenue for the year ended 31 December 2024: Interest income amounted to UZS 546,894 million or 4.5% of the Group's Interest income (2023: UZS 385,968 million or 3.6%), Commission income amounted to 230,007 or 23.4% of the Group's Commission income (2023: UZS 179,027 million or 22%), Net gain from dealing in foreign currencies amounted to UZS 712,709 million or 38.4% of the Group's Net gain from dealing in foreign currencies (2023: UZS 291,525 million or 34.4%).

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 the base rate to 13.5% per annum comparing to 14% per annum at the beginning of the year. Subsequently, in March 2025, the Central Bank of the Republic of Uzbekistan increased the base rate to 14%. 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.

Legal

In the ordinary course of business, the Group is subject to legal actions and complaints. As at 31 December 2024, the Group was still in the process of litigation with "Uzinterimpeks" JSC and "Uzmarkazimpeks" JSC on the claims for the amounts of USD 550,000 and USD 1,100,000, respectively (the equivalent of UZS 7,106 million and UZS 14,213 million). The cases were fully satisfied by the court. The Management considers there to be a high possibility for the Group to pay off these claims and therefore has accrued the respective provision as at 31 December 2024. Management believes that the ultimate liability, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group.

Taxation

Uzbekistan currently has a number of laws related to various taxes imposed by both state and regional governmental authorities. Implementing regulations are often unclear or non-existent and few precedents have been established. Often, differing opinions regarding legal interpretation exist both among and within government ministries and organisations (like the State Tax Committee of the Republic of Uzbekistan and its various inspectorates) thus creating uncertainties and areas of conflict. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities that are empowered by law to impose extremely severe fines, penalties and interest charges. These facts create tax risks in Uzbekistan substantially more significant than typically found in countries with more developed tax systems. Management believes that the Group is in substantial compliance with the tax laws affecting its operations. However, the risk remains that relevant authorities could take differing positions with regard to interpretive issues.

As at 31 December 2024 management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency and customs positions will be sustained.

Capital expenditure commitments

As at 31 December 2024 and 2023, the Group had no material contractual expenditure commitments in respect of premises and equipment.

Credit related commitments

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the consolidated statement of financial position.

The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

The risk-weighted amount is obtained by applying credit conversion factor and counterparty risk weightings according to the principles employed by the Basle Committee on Banking Supervision.

As of 31 December, the Group's commitments and contingencies comprised the following:

(in millions of Uzbek Soums, unless otherwise indicated)

	31 December 2024	31 December 2023
Credit related commitments		
Undrawn loan commitments	3,464,342	6,662,090
Letters of credit	1,034,948	1,550,200
Financial guarantees	762,669	1,713,007
	5,261,959	**9,925,297**
Other commitments		
Performance guarantees	856,406	502,919
	856,406	**502,919**
Commitments and contingencies	**6,118,365**	**10,428,216**
Provision for ECL for credit related commitments (Note 11)	(92,144)	(220,567)
Deposits held as securities against letters of credit (Note 14)	(986,689)	(546,072)
Total credit related commitments	**5,039,532**	**9,661,577**

All balances of commitments and contingencies are allocated to Stage 1. An analysis of changes in the ECL allowances during the years ended 31 December is as follows:

Undrawn loan commitments	**2024**	**2023**
ECL allowance as at 1 January	**158,436**	**78,272**
New exposures	11,805	135,396
Amounts paid	(100,514)	(37,063)
Changes to models and inputs used for ECL calculations	(44,425)	(18,169)
As at 31 December	**25,302**	**158,436**

Letters of credit	**2024**	**2023**
ECL allowance as at 1 January	**14,006**	**13,951**
New exposures	1,417	13,935
Amounts paid	(9,853)	(3,165)
Changes to models and inputs used for ECL calculations	(261)	(10,715)
As at 31 December	**5,309**	**14,006**

Financial guarantees	**2024**	**2023**
ECL allowance as at 1 January	**48,125**	**100,881**
New exposures	19,999	5,993
Amounts paid	(17,079)	(3,853)
Changes to models and inputs used for ECL calculations	10,488	(54,896)
As at 31 December	**61,533**	**48,125**

(in millions of Uzbek Soums, unless otherwise indicated)

20. Net interest income

	2024	2023
Loans to customers	10,564,090	8,740,108
Amounts due from credit institutions	1,048,733	997,185
Investment securities	368,230	260,660
Cash and cash equivalents	311,170	605,109
Interest income calculated using effective interest rate	**12,292,223**	**10,603,062**
Finance leases	804	3,243
Other interest income	**804**	**3,243**
Total interest income	**12,293,027**	**10,606,305**
Other borrowed funds	(3,142,809)	(2,634,286)
Amounts due to customers	(2,445,073)	(1,550,362)
Amounts due to credit institutions	(263,813)	(633,060)
Debt securities issued	(486,164)	(174,700)
Subordinated loans	(82,662)	(76,662)
Total interest expense	**(6,420,521)**	**(5,069,070)**
Net interest income	**5,872,506**	**5,537,235**

21. Net fee and commission income

	2024	2023
Settlement operations	352,444	291,950
Foreign settlement operations	204,859	156,039
Operations with plastic cards	186,301	125,925
Cash operations	152,730	137,042
Letters of credit and guarantee issuance	53,250	58,222
Foreign currency exchange operations	5,451	2,689
Other	28,373	42,012
Fee and commission income	**983,408**	**813,879**
Operations with plastic cards	(104,009)	(77,756)
Settlement expenses	(91,064)	(59,111)
Cash collection services	(27,272)	(18,988)
Conversion expenses	(25,729)	(20,937)
Other	(11,698)	(22,656)
Fee and commission expense	**(259,772)**	**(199,448)**
Net fee and commission income	**723,636**	**614,431**

22. Net dealing from foreign currencies

During 2024, the Group generated dealing gains from foreign currency transactions due to an increase in the volume of exchange and over-the-counter transactions carried out in part of settlement and cash services for the customers.

(in millions of Uzbek Soums, unless otherwise indicated)

The volume was primarily driven by increased market demand from customers for over-the-counter transactions, resulting from changes in the exchange market conditions due to the external geopolitical situation.

23. Personnel and other operating expenses

	2024	2023
Salaries and bonuses	1,120,548	900,198
Social security costs	135,226	112,883
Personnel expenses	**1,255,774**	**1,013,081**
Property and software maintenance	302,152	167,381
Depreciation and amortization	281,486	233,867
Legal and consultancy	187,747	190,005
Charity and Sponsorship	149,415	63,161
Membership fee	118,231	109,067
Security	104,212	90,166
Operating taxes	70,326	45,630
Office supplies	51,560	42,019
Communications	46,175	39,009
Utilities and rent	31,044	22,711
Business travel and related expenses	10,253	9,112
Transportation expenses	4,690	4,495
Penalties incurred and related	1,488	30
Other	82,012	29,803
Other operating expenses	**1,440,791**	**1,046,456**
Total personal and other operating expenses	**2,696,565**	**2,059,537**

To be in line with the Law of the Republic of Uzbekistan on Public Procurement, the Management of the Bank has made the information on audit and non-audit fees accessible in the tender information portal of Uzbek Commodity Exchange.

24. Risk management

Introduction

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

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

Risk management structure

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

Board of Directors

The Board of Directors, legally titled as Supervisory Board, is responsible for the overall risk management approach and for approving the risk strategies and principles.

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

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

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

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

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

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

Risk measurement and reporting systems
The Group's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Group also runs worst case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.
Monitoring and controlling risks is primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks types and activities.
Information compiled from all the businesses is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Management Board, the Risk Committee, and the head of each business division. The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, liquidity ratios and risk profile changes. On a monthly basis detailed reporting of industry, customer and geographic risks takes place. Senior management assesses the appropriateness of the allowance for expected credit losses on a quarterly basis. The Board of Directors receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.
For all levels throughout the Group, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.
A daily briefing is given to the Management Board and all other relevant employees of the Group on the realized of market limits, proprietary investments and liquidity, plus any other risk developments.

Risk mitigation
As part of its overall risk management, the Group uses derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies, equity risks, credit risks, and exposures arising from forecast transactions.
The Group actively uses collateral to reduce its credit risks (see below for more detail).

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.
In order to avoid excessive concentrations of risks, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk
Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed 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 a credit risk classification system, which allocates each counterparty to a certain risk category. Risk are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.
As at 31 December 2024, the carrying value of all financial assets except for loans to customers is the best representation of their maximum exposure to credit risk.

Impairment assessment
The Group calculates ECL based on the most probable scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD	The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously realized and is still in the portfolio.
EAD	The *Exposure at Default* 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, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
LGD	The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realized of any collateral. It is usually expressed as a percentage of the EAD.

(in millions of Uzbek Soums, unless otherwise indicated)

The ECL allowance is based on the credit losses expected to arise over the life of the asset (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Group groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1:	When loans are first realized, the Group realized an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
Stage 3:	Loans considered credit-impaired. The Group records an allowance for the LTECL.
POCI:	Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest revenue is subsequently realized based on a credit-adjusted EIR. ECL are only realized or released to the extent that there is a subsequent change in the lifetime expected credit losses.

As at 31 December 2024, the modification of the terms and conditions of the renegotiated loans to customers was not substantial and did not result in their derecognition. The Group classified them within Stage 2 and 3 and did not change their allowance for impairment from lifetime to 12-month ECLs.

Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Group considers amounts due from banks defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Other impairment triggers include:

- Loan restructure with "default" category;
- Default rating;
- Involvement in legal proceedings of the borrower, which may worsen its financial condition;
- Implementation measures for financial recovery/ or prevention of bankruptcy (reorganization);
- Withdrawal of the license for operations.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria are present at reporting date. The decision whether to classify an asset as Stage 2 or

Stage 1 once cured depends on whether there has been a significant increase in credit risk compared to initial recognition.

PD estimation process
The Group Risk Management Department estimates PD on a portfolio divided by its key segments. The estimation process incorporates payment behavior information and, where practical, also utilizes information from the international external rating agencies. PDs, incorporating forward looking information and the IFRS 9 stage classification of the exposure, are assigned for each PD bucket. This is repeated for each economic scenario as appropriate. Under the updated PD model, Group Risk Management Department has removed expert weights magnifying the effect of defaults occurring in certain periods in the calculation of PD.
The Bank has an internal asset quality grading system used for regulatory purposes.
The Group's internal ratings scale:

Standard	1	The quality of these assets is classified as "standard" if the borrower is up to 30 days past due on principal and/or interest within the last 180 days. The quality of assets whose condition has been revised cannot be categorised as "standard".
Substandard	2	As a whole, the financial position of a borrower is stable, but some unfavorable circumstances or tendencies are present, which, if not disposed of, raise some doubts about the borrower's ability to repay on time. Assets with overdue of principal and interest for 31 days or more but not more than 90 days are also classified as "Substandard".
Unsatisfactory	3	The primary source of repayment is not sufficient and the Bank has to seek additional loan repayment sources. The financial position of a borrower or forecasted cash flows is not sufficient to settle obligations. The value of collateral is not exceeding or equal to outstanding loan amount. Assets with overdue of principal and interest for 91 days or more but not more than 180 days are also classified as "Unsatisfactory".
Doubtful	4	"Doubtful" are loans which, in addition to having the characteristics of "Unsatisfactory" loans, have additional shortcomings, which make it doubtful that the loan will be repaid in full under the existing circumstances. There is of partial repayment of the loan in near terms. Assets with overdue of principal and interest for 181 days or more but not more than 365 days are also classified as "Doubtful".
Impaired	5	Loans classified as "impaired" are considered uncollectible and have such a little value that their continuance as assets of the Group is not worth. This classification does not mean that the loans have absolutely no likelihood of recovery, but rather means that the Group should cease recognising such loans and make every effort to liquidate such debts through selling of collateral or collection of the outstanding loan. Assets with overdue of principal and interest for 366 days are also classified as "Impaired".

The Group's internal credit rating grades for financial assets other than loans are as follows:

Internal rating grade	*Internal rating description*
AA+ to AAA AA A- to AA- BBB+ BBB BBB- and no overdue	Standard grade
BB- to BB+ B- to B+ CCC- to CCC+ CC- to CC+ C- to C+ and no overdue	Substandard grade
D or overdue	Unsatisfactory, doubtful and impaired

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing client's ability to increase its exposure while approaching default. To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

EAD modelling is based on the contractual cash flows expected over the modelling horizon. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Group's models.

Loss given default

For corporate lending assets, LGD values are assessed at least semiannually by account managers and reviewed and approved by the Group's Risk Management Department.

Historically, the credit risk assessment is based on a LGD assessment process that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realized from any collateral held.

The Group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type) as well as borrower characteristics.

The Group assesses the LGD rates based on two separate LGD model: for unsecured and secured loans. LGD for unsecured loans is calculated based on historical recoveries on defaulted loans, whereas LGD for secured loans is calculated based on the collateral values.

Significant increase in credit risk

In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk using following criteria:

- The principal and/or interest on financial assets are past due for 31-90 days;
- Decrease of turnover on client accounts for the last year compared to the previous year and presence of overdue debts;
- Restructure of loans "potentially bad debt";

- External rating decreases for 3 notches.

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as the account becoming restructured due to credit event. In certain cases, the Bank may also consider that events explained in "Definition of default" section above are a significant increase in credit risk as opposed to a default. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Grouping financial assets measured on a collective basis
Dependent on the factors below, the Group calculates ECLs either on a collective or on an individual basis.
Asset classes where the Group calculates ECL on an individual basis include:

- Stage 3 assets, with exposure greater than UZS 100,000 million.

For other assets classes the Group calculates ECL on a collective basis.
The Group groups these exposures into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans, for example overdue bucket, product type, or borrower's industry.

Forward-looking information and multiple economic scenarios
In its ECL estimation process, the Group apply the inflation rates as economic inputs in a range of forward-looking information.
The Group may also apply regression model using historical default rates of the Bank, GDP, inflation and currency exchange rates in developing an adjustment for forward-looking information.
The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Credit quality per class of financial assets
A methodology to determine credit ratings of borrowers has been developed in the Group to assess corporate borrowers. This method allows for calculation and assignment/confirmation of a borrower's rating and rating of collateral for a loan. The system is based on a scoring model depending on key performance indicators of the borrower with the possibility of insignificant expert adjustments in case of insufficient objectivity of the benchmark.
The method provides for the rating assignment on the basis of the following criteria groups: market indicators of the borrower, goodwill, credit history, transparency and reliability of information, information on business and business environment, relations of the Group and the borrower, financial situation of the borrower, business activity, and collateral provided. The financial situation and business activity are the most important criteria. Therefore, the scoring model provides for overall assessment of the borrower and the loan.
The scoring assessment based on the borrower's parameters is one of the main factors for the decision-making process relating to loans.
A methodology of evaluation of borrowers-individuals is based on following criteria: education, occupancy, financial position, credit history, property owned by the borrower. Based on information obtained the maximum limit of a loan is calculated. The maximum limit of a loan is calculated using a ratio of debt burden on a borrower.
Financial assets other than loans to customers are classified as Stage 1 upon their initial recognition unless their external credit rating is assessed as "D" or default equivalent. These assets are subsequently reclassified to Stage 2 when their credit rating is downgraded by specific number of notches.
The table below shows the mapping of the internal asset quality grades of the financial assets with their respective staging used for the calculation of ECL.

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2024	Notes	Stage	Standard grade	Sub-standard grade	Unsatis-factory grade	Doubtful grade	Impaired	Total
Cash and cash equivalents except for cash on hand	5	Stage 1	10,109,237	5,166,461	-	-	-	**15,275,698**
Amounts due from credit institutions	6	Stage 1	245,854	3,319,274	-	-	-	**3,565,128**
Loans to customers, gross	7							
- State companies		Stage 1	9,923,407	22,780,845	-	-	-	**32,704,252**
		Stage 2	102	3,641,312	-	-	-	**3,641,414**
		Stage 3	-	-	75,030	9,350	329,743	**414,123**
- Private companies		Stage 1	19,243,501	11,761,759	-	-	-	**31,005,260**
		Stage 2	1,931,972	13,933,492	-	-	-	**15,865,464**
		Stage 3	222,600	87,546	932,416	712,585	1,529,636	**3,484,783**
- State and local institutions		Stage 1	4,940,947	77,009	-	-	-	**5,017,956**
		Stage 2	-	76,044	-	-	-	**76,044**
		Stage 3	-	-	-	524,479	-	**524,479**
Gross investment in finance lease		Stage 1	-	247,121	-	-	-	**247,121**
		Stage 2	-	-	-	-	-	**-**
		Stage 3	-	-	-	-	-	**-**
- Non-banking financial institutions		Stage 1	179,319	15,780	-	-	-	**195,099**
		Stage 2	-	-	-	-	-	**-**
		Stage 3	-	-	157	-	-	**157**
- Individuals		Stage 1	17,405,882	399,054	-	-	334	**17,805,270**
		Stage 2	271	309,831	22	-	-	**310,124**
		Stage 3	-	-	62,851	50,271	101,041	**214,163**
Debt investment securities	8	Stage 1	-	6,986,735	-	-	-	**6,986,735**
Other financial assets	12	Stage 1	178,109	-	-	-	-	**178,109**
Financial guarantees	19	Stage 1	762,669	-	-	-	-	**762,669**
Undrawn loan commitments	19	Stage 1	3,464,342	-	-	-	-	**3,464,342**
Letters of credit	19	Stage 1	1,034,948	-	-	-	-	**1,034,948**
			69,643,160	**68,802,263**	**1,070,476**	**1,296,685**	**1,960,754**	**142,773,338**

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2023		Notes	Stage	Standard grade	Sub-standard grade	Unsatis-factory grade	Doubtful grade	Impaired	Total
Cash and cash equivalents except for cash on hand		5	Stage 1	8,533,580	3,867,926	-	-	-	**12,401,506**
Amounts due from credit institutions		6	Stage 1	1,337,792	5,605,998	-	-	-	**6,943,790**
Loans to customers, gross		7							
-	State companies		Stage 1	12,197,294	23,772,505	-	-	-	**35,969,799**
			Stage 2	255,051	17,112	-	-	-	**272,163**
			Stage 3	-	-	51	8,586	7,310	**15,947**
-	Private companies		Stage 1	14,226,636	7,156,085	-	-	-	**21,382,721**
			Stage 2	3,926,094	10,407,053	80,226	8,685	4,206	**14,426,264**
			Stage 3	112,345	102,139	496,544	404,122	849,598	**1,964,748**
-	State and local institutions		Stage 1	5,938,003	434,559	-	-	-	**6,372,562**
			Stage 2	-	34,526	-	-	-	**34,526**
			Stage 3	-	-	-	645	-	**645**
	Gross investment in finance lease		Stage 1	-	232,558	-	-	-	**232,558**
			Stage 2	-	-	-	-	-	-
			Stage 3	-	-	-	-	-	-
-	Non-banking financial institutions		Stage 1	159,036	18,412	-	-	-	**177,448**
			Stage 2	-	-	-	-	-	-
			Stage 3	-	-	-	-	-	-
-	Individuals		Stage 1	13,412,865	257,328	-	303	336	**13,670,832**
			Stage 2	1,264	154,740	-	308	86	**156,398**
			Stage 3	401	248	28,583	27,326	50,063	**106,621**
Debt investment securities		8	Stage 1	-	6,724,411	-	-	-	**6,724,411**
Other financial assets		12	Stage 1	115,943	-	-	-	-	**115,943**
Financial guarantees		19	Stage 1	1,713,007	-	-	-	-	**1,713,007**
Undrawn loan commitments		19	Stage 1	6,662,090	-	-	-	-	**6,662,090**
Letters of credit		19	Stage 1	1,550,200	-	-	-	-	**1,550,200**
				70,141,601	**58,784,548**	**605,404**	**449,975**	**912,651**	**130,894,179**

See Note 7 for more detailed information with respect to the allowance for impairment of loans to customers. Financial guarantees, letters of credit and loan commitments are assessed and a provision for expected credit losses is calculated in similar manner as for loans.

The Assets and Liabilities Management Committee ("ALMC") exercises control over the risk in the legislation and regulatory arena and assesses its influence on the Group's activity. This approach allows the Group to minimize potential losses from the investment climate fluctuations in the Republic of Uzbekistan.

(in millions of Uzbek Soums, unless otherwise indicated)

The geographical concentration of Group's financial assets and liabilities is set out below:

31 December 2024	Republic of Uzbekistan	OECD	CIS and other foreign countries	Total
Assets				
Cash and cash equivalents	8,119,792	5,285,607	5,017,342	**18,422,741**
Amounts due from credit institutions	3,016,216	246,004	302,908	**3,565,128**
Derivative financial assets	-	259,389	-	**259,389**
Loans to customers	102,218,824	-	352,013	**102,570,837**
Investment securities	7,441,674	-	-	**7,441,674**
Other financial assets	141,356	6,312	30,441	**178,109**
Total financial assets	**120,937,862**	**5,797,312**	**5,702,704**	**132,437,878**
Liabilities				
Amounts due to the CBU	982,953	-	-	**982,953**
Amounts due to the credit institutions	6,377,564	477	1,863,221	**8,241,262**
Amounts due to customers	37,018,851		1,563,949	**38,582,800**
Other borrowed funds	10,206,050	11,216,962	36,015,576	**57,438,588**
Subordinated loans	1,805,129	-	-	**1,805,129**
Debt securities issued		9,353,170	-	**9,353,170**
Other financial liabilities	264,345	2,001	46,562	**312,908**
Total financial liabilities	**56,654,892**	**20,572,610**	**39,489,308**	**116,716,810**
Net assets/(liabilities)	**64,282,970**	**(14,775,298)**	**(33,786,604)**	**15,721,068**

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2023	Republic of Uzbekistan	OECD	CIS and other foreign countries	Total
Assets				
Cash and cash equivalents	6,377,309	7,016,724	983,450	**14,377,483**
Amounts due from credit institutions	6,665,093	228,484	50,213	**6,943,790**
Derivative financial assets	-	179,039	-	**179,039**
Loans to customers	94,446,590	-	336,642	**94,783,232**
Investment securities	7,140,848	-	-	**7,140,848**
Other financial assets	90,636	13,206	12,101	**115,943**
Total financial assets	**114,720,476**	**7,437,453**	**1,382,406**	**123,540,335**
Liabilities				
Amounts due to the CBU	1,045,549	-	-	**1,045,549**
Amounts due to the credit Institutions	6,268,598	1,314	5,227,450	**11,497,362**
Amounts due to customers	33,372,949	12,811	583,002	**33,968,762**
Other borrowed funds	10,529,639	9,973,304	34,964,575	**55,467,518**
Subordinated loans	1,783,232	-	-	**1,783,232**
Debt securities issued	11,049	3,644,221	-	**3,655,270**
Other financial liabilities	168,587	8,534	115,150	**292,271**
Total financial liabilities	**53,179,603**	**13,640,184**	**40,890,177**	**107,709,964**
Net assets/(liabilities)	**61,540,873**	**(6,202,731)**	**(39,507,771)**	**15,830,371**

Liquidity risk and funding management

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 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.

Analysis of financial liabilities by remaining contractual maturities

The tables below summarise the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2024	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities					
Amounts due to the CBU	982,953	-	-	-	**982,953**
Amounts due to credit institutions	8,215,423	25,841	-	-	**8,241,264**
- Contractual amounts payable	1,728	1,301,608	-	-	**1,303,336**
- Contractual amounts receivable	(5,271)	(1,321,033)	-	-	**(1,326,304)**
Amounts due to customers	21,754,852	10,089,921	10,244,404	12,595,844	**54,685,021**
Other borrowed funds	3,522,904	4,358,275	47,089,515	10,126,020	**65,096,714**
Subordinated loans	23,069	79,935	544,937	2,060,381	**2,708,322**
Debt securities issued	196,329	4,818,204	6,657,439	-	**11,671,972**
Other financial liabilities	312,908	-	-	-	**312,908**
Credit related commitments	160,347	596,658	3,644,585	637,942	**5,039,532**
Total undiscounted financial liabilities and credit commitments	**35,165,242**	**19,949,409**	**68,180,880**	**25,420,187**	**148,715,718**

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2023	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities					
Amounts due to the CBU	1,045,549	-	-	-	**1,045,549**
Amounts due to credit institutions	11,512,870	32,189	-	-	**11,545,059**
- Contractual amounts payable	581,642	1,410,417	1,451,423	-	**3,443,482**
- Contractual amounts receivable	(716,280)	(1,401,379)	(1,580,922)	-	**(3,698,581)**
Amounts due to customers	19,330,137	13,958,629	8,471,447	3,721,634	**45,481,847**
Other borrowed funds	1,855,771	12,990,204	40,332,633	9,995,131	**65,173,739**
Subordinated loans	12,943	69,598	780,880	1,738,049	**2,601,470**
Debt securities issued	53,921	174,633	3,743,026	-	**3,971,580**
Other financial liabilities	292,271	-	-	-	**292,271**
Credit related commitments	664,607	3,063,564	5,080,379	853,027	**9,661,577**
Total undiscounted financial liabilities and credit commitments	**34,633,431**	**30,297,855**	**58,278,866**	**16,307,841**	**139,517,993**

The amounts of financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

Group has received significant funds from international and local financial institutions (Note 16). Any significant withdrawal of these funds would have an adverse impact on the operations of the Group. Management believes that this level of funding will remain with the Group for the foreseeable future and that in the event of withdrawal of funds, the Group would be given sufficient notice so as to realize its liquid assets to enable repayment.

The maturity analysis does not reflect the historical stability of current accounts. Their liquidation has historically taken place over a longer period than indicated in the tables above. These balances are included in amounts due in less than three months in the tables above.

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, 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.

(in millions of Uzbek Soums, unless otherwise indicated)

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 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.

Market risk – non-trading
Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's consolidated statement of profit or loss.
The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and financial liabilities held at 31 December.

Assets/Liabilities	**Increase in basis point 2024**	**Sensitivity of net interest income 2024**
Financial assets	+291	301,481
Financial liabilities		(477,708)
Assets/Liabilities	**Decrease in basis point 2024**	**Sensitivity of net interest income 2024**
Financial assets	-291	(301,481)
Financial liabilities		477,708
Assets/Liabilities	**Increase in basis point 2023**	**Sensitivity of net interest income 2023**
Financial assets	+180	306,196
Financial liabilities		(234,794)
Assets/Liabilities	**Decrease in basis point 2023**	**Sensitivity of net interest income 2023**
Financial assets	-180	(306,196)
Financial liabilities		234,794

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.
The Treasury Department controls currency risk by managing 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 with the aim to match the requirements of the Central Bank of the Republic of Uzbekistan.

(in millions of Uzbek Soums, unless otherwise indicated)

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

31 December 2024	UZS	USD	EURO	Other currency*	Total
Financial assets					
Cash and cash equivalents	9,791,440	4,500,341	2,622,820	1,508,140	18,422,741
Amounts due from credit institutions	1,119,409	2,383,112	-	62,607	3,565,128
Loans to customers	37,672,207	39,727,572	12,272,381	12,898,677	102,570,837
Investment securities	532,927	6,908,747	-	-	7,441,674
Other financial assets	123,919	41,956	837	11,397	178,109
Total financial assets	**49,239,902**	**53,561,728**	**14,896,038**	**14,480,821**	**132,178,489**
Financial liabilities					
Amounts due to the CBU	31,215	519,494	267,582	164,662	982,953
Amounts due to credit Institutions	3,698,319	3,352,716	401,607	788,620	8,241,262
Amounts due to customers	21,270,065	13,262,401	2,993,739	1,056,595	38,582,800
Other borrowed funds	5,671,617	25,603,540	10,899,121	15,076,148	57,250,426
Subordinated loans	313,932	1,491,197	-	-	1,805,129
Debt securities issued	1,536,034	7,817,136	-	-	9,353,170
Other financial liabilities	228,629	46,147	68	38,064	312,908
Total financial liabilities	**32,749,811**	**52,092,631**	**14,562,117**	**17,124,089**	**116,528,648**
Open balance sheet position	**16,490,091**	**1,469,097**	**333,921**	**(2,643,268)**	

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2023	UZS	USD	EURO	Other currency*	Total
Financial assets					
Cash and cash equivalents	2,704,256	5,571,110	1,361,126	4,740,991	**14,377,483**
Amounts due from credit institutions	1,772,172	3,185,956	1,052,733-	932,929	**6,943,790**
Loans to customers	33,706,411	42,628,497	10,913,726	7,534,598	**94,783,232**
Investment securities	416,437	6,724,411	-	-	**7,140,848**
Other financial assets	82,008	33,266	593	76	**115,943**
Total financial assets	**38,681,284**	**58,143,240**	**13,328,178**	**13,208,594**	**123,361,296**
Financial liabilities					
Amounts due to the CBU	1,973	621,249	392,871	29,456	**1,045,549**
Amounts due to credit Institutions	142,915	7,054,100	961,874	3,338,473	**11,497,362**
Amounts due to customers	17,739,702	13,633,397	1,616,728	978,935	**33,968,762**
Other borrowed funds	6,022,963	27,418,782	9,854,783	12,170,990	**55,467,518**
Subordinated loans	361,055	1,422,177	-	-	**1,783,232**
Debt securities issued	11,049	3,644,221	-	-	**3,655,270**
Other financial liabilities	164,593	117,493	2	10,183	**292,271**
Total financial liabilities	**24,444,250**	**53,911,419**	**12,826,258**	**16,528,037**	**107,709,964**
Open balance sheet position	**14,237,034**	**4,231,821**	**501,920**	**(3,319,443)**	

**Other currency includes Russian Ruble, Chinese Yuan, Japanese Yen and Dirham.*

Currency risk sensitivity

The tables below indicate the currencies to which the Group had significant exposure at 31 December on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the UZS, with all other variables held constant on the consolidated statement of profit or loss. The effect on equity does not differ from the effect on the consolidated statement of profit or loss. A negative amount in the table reflects a potential net reduction in the consolidated statement of profit or loss or equity, while a positive amount reflects a net potential increase.

	2024	2023
	Impact on profit before tax	**Impact on profit before tax**
US Dollars strengthening by 5% (2023: 10%)	73,455	423,182
US Dollars weakening by 5% (2023: 10%)	(73,455)	(423,182)
Euro strengthening by 3% (2023: 15%)	10.018	75,288
Euro weakening by 3% (2023: 15%)	(10,018)	(75,288)
Other currency strengthening by 5% (2023: 9%)	(132,163)	(298,750)
Other currency weakening by 5% (2023: 9%)	132,163	298,750

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. Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities, whereas assets are held at market value on the statement of financial position. In these circumstances, the different measurement bases for liabilities and assets may lead to volatility in equity.
Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion.

Operational risk
Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but a control framework and monitoring and responding to potential risks could be effective tools to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

25. Fair value measurements

Fair value measurement procedures
The Group's investment committee determines the policies and procedures for both recurring fair value measurement, such as investment securities.
At each reporting date, the investment committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the investment committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The investment committee also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the investment committee present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(in millions of Uzbek Soums, unless otherwise indicated)

		Fair value measurement			
At 31 December 2024	**Date of valuation**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value					
Derivative assets	31 December 2024	-	259,389	-	**259,389**
Investment securities - equity securities at FVTOCI	31 December 2024	-	-	454,939	**454,939**
Assets for which fair values are disclosed					
Amounts due from credit institutions	31 December 2024	-	-	3,588,662	**3,588,662**
Loans to customers	31 December 2024	-	-	100,167,414	**100,167,414**
Investment securities measured at amortised cost	31 December 2024	-	6,870,112	-	**6,870,112**
Liabilities for which fair values are disclosed					
Amounts due to credit institutions	31 December 2024	-	-	8,220,163	**8,220,163**
Amounts due to customers	31 December 2024	-	-	38,650,129	**38,650,129**
Other borrowed funds	31 December 2024	-	-	57,073,349	**57,073,349**
Debt securities issued	31 December 2024	-	9,513,539	-	**9,513,539**

(in millions of Uzbek Soums, unless otherwise indicated)

		Fair value measurement			
At 31 December 2023	**Date of valuation**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value					
Derivative assets	31 December 2023	-	179,039	-	**179,039**
Investment securities - equity securities at FVTOCI	31 December 2023	-	-	416,437	**416,437**
Assets for which fair values are Disclosed					
Amounts due from credit Institutions	31 December 2023	-	-	6,987,007	**6,987,007**
Loans to customers	31 December 2023	-	-	92,842,798	**92,842,798**
Investment securities measured at amortised cost	31 December 2023	-	6,463,207	-	**6,463,207**
Liabilities for which fair values are Disclosed					
Amounts due to credit institutions	31 December 2023	-	-	11,480,780	**11,480,780**
Amounts due to customers	31 December 2023	-	-	34,053,875	**34,053,875**
Other borrowed funds	31 December 2023	-	-	54,791,218	**54,791,218**
Debt securities issued	31 December 2023	-	3,842,293	-	**3,842,293**

			2024			***2023***
Financial assets	***Carrying value***	***Fair value***	***Unrecognised gain/(loss)***	***Carrying value***	***Fair value***	***Unrecognised gain/(loss)***
Amounts due from credit Institutions	3,565,128	3,588,662	23,534	6,943,790	6,987,007	43,217
Loans to customers	102,570,837	100,167,414	(2,403,423)	94,783,232	92,842,798	(1,940,434)
Investment securities measured at amortised cost	6,986,735	6,870,112	(116,623)	6,724,411	6,463,207	(261,204)
Financial liabilities						
Amounts due to credit Institutions	8,241,262	8,220,163	21,099	11,489,604	11,480,780	8,824
Amounts due to customers	38,582,800	38,650,129	(67,329)	33,968,762	34,053,875	(85,113)
Other borrowed funds	57,250,426	57,073,349	177,077	55,467,518	54,791,218	676,300
Debt securities	9,353,170	9,513,539	(160,369)	3,655,270	3,842,293	(187,023)
Total unrecognised change in fair value			**(2,526,034)**			**(1,745,433)**

Valuation techniques and assumptions

The following describes the methodologies and assumptions used to determine fair values for assets and liabilities recorded at fair value in the financial statements and those items that are not measured at fair value in the statement of financial position, but whose fair value is disclosed.

(in millions of Uzbek Soums, unless otherwise indicated)

Assets for which fair value approximates carrying value
For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Derivatives
Derivatives valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Investment securities
Debt investment securities at amortized cost
Due to the absence of an active market or observable inputs for instruments with characteristics similar to the Bank's financial instruments, the Management determined the fair value using the discounted cash flow model based on the average rates of the deals concluded throughout the reporting period.

Equity securities
Investment securities valued using a valuation technique or pricing models primarily consist of unquoted equity and debt securities. These securities are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. The Management have used the Asset based valuation approach focused on investment company's net assets value (NAV) and dividend discount model for calculation of FV amount of equity securities. The Management believes that such approach accurately reflects the fair value of this security.

Financial assets and financial liabilities carried at amortized cost
Fair value of the quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans to customers, customer deposits, amounts due from credit institutions and amounts due to the CBU and credit institutions and other financial assets and liabilities, obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

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

	At 31 December 2023	*Total gain recorded in other comprehensive income*	*Purchases*	*Sales/ Disposals*	*At 31 December 2024*
Financial assets					
Investment securities – equity securities at FVTOCI	416,437	(5,918)	91,781	(47,361)	454,939
Total level 3 financial assets	**416,437**	**(5,918)**	**91,781**	**(47,361)**	**454,939**

(in millions of Uzbek Soums, unless otherwise indicated)

	At 31 December 2022	*Total gain recorded in other comprehensive income*	*Purchases*	*Sales/ disposals*	*At 31 December 2023*
Financial assets					
Investment securities – equity securities at FVTOCI	338,503	50,593	126,009	(99,028)	416,437
Total level 3 financial assets	**338,503**	**50,593**	**126,009**	**(99,028)**	**416,437**

During 2024, there were no transfers between the levels of fair value hierarchy.

Significant unobservable inputs and sensitivity of level 3 financial instruments measured at fair value to changes to key assumptions

The following table shows the quantitative information about significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy:

31 December 2024	Carrying amount	Valuation techniques	Unobservable input	Range (weighted average)	Sensitivity of the input to fair value
Investment securities measured at FVTOCI Equity securities	454,939	Net Asset Value/ Dividend discount model	Discount rate	17-21% (19%)	2% increase/(decrease) in the discount rate would result in an (decrease)/increase in fair value of the Investment securities measured at FVOCI by (UZS 2,821) / UZS 2,821

31 December 2023	Carrying amount	Valuation techniques	Unobservable input	Range (weighted average)	Sensitivity of the input to fair value
Investment securities measured at FVTOCI Equity securities	416,437	Net Asset Value/ Dividend discount model	Discount rate	12-16% (14%)	2% increase/(decrease) in the discount rate would result in an (decrease)/increase in fair value of the Investment securities measured at FVOCI by (UZS 3,597 million)/ UZS 3,597 million

26. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. See Note 24 "Risk management" for the Group's contractual undiscounted repayment obligations.

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2024	*Within one year*	*More than one year*	*Total*
Cash and cash equivalents	18,422,741	-	**18,422,741**
Amounts due from credit institutions	2,303,158	1,261,970	**3,565,128**
Derivative financial assets	259,389	-	**259,389**
Loans to customers	26,638,715	75,932,122	**102,570,837**
Investment securities	6,498,555	943,119	**7,441,674**
Investments in associates	-	268,671	**268,671**
Property and equipment	281,486	2,025,816	**2,307,302**
Current income tax assets	46,918	-	**46,918**
Deferred income tax assets	-	19,175	**19,175**
Other assets	1,159,158	303,865	**1,463,023**
Total assets	**55,610,120**	**80,754,738**	**136,364,858**
Amounts due to the CBU	982,953	-	**982,953**
Amounts due to credit institutions	8,241,262	-	**8,241,262**
Amounts due to customers	27,883,787	10,699,013	**38,582,800**
Debt securities issued	4,111,823	5,241,347	**9,353,170**
Other borrowed funds	5,158,533	52,091,893	**57,250,426**
Subordinated loans	43,965	1,761,164	**1,805,129**
Other liabilities	541,428	-	**541,428**
Total liabilities	**46,963,751**	**69,793,417**	**116,757,168**
Net	**8,646,369**	**10,961,321**	**19,607,690**

31 December 2023	*Within one year*	*More than one year*	*Total*
Cash and cash equivalents	14,377,483	-	**14,377,483**
Amounts due from credit institutions	4,203,825	2,739,965	**6,943,790**
Derivative financial assets	49,264	129,775	**179,039**
Loans to customers	34,823,169	59,960,063	**94,783,232**
Investment securities	137,809	7,003,039	**7,140,848**
Investments in associates	-	211,504	**211,504**
Property and equipment	233,867	1,770,672	**2,004,539**
Current income tax assets	33,500	-	**33,500**
Deferred income tax assets	-	202,672	**202,672**
Other assets	612,799	-	**612,799**
Total assets	**54,471,716**	**72,017,690**	**126,489,406**
Amounts due to the CBU	1,045,549	-	**1,045,549**
Amounts due to credit institutions	11,497,362	-	**11,497,362**
Amounts due to customers	26,846,644	7,122,118	**33,968,762**
Debt securities issued	53,430	3,601,840	**3,655,270**
Other borrowed funds	12,072,550	43,394,968	**55,467,518**
Subordinated loans	49,603	1,733,629	**1,783,232**
Other liabilities	585,306	-	**585,306**
Total liabilities	**52,150,444**	**55,852,555**	**108,002,999**
Net	**2,321,272**	**16,165,135**	**18,486,407**

27. Related party disclosures

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or 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.

- "Parent" - legal entity shareholder which have control to the Group through the Government;
- "Key management personnel" - members of the Management Board and the Council of the Bank;
- "Government controlled entities" - entities that are controlled, jointly controlled or significantly influenced by the Government.
- "Associates" – entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights.

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

Transactions with government-related entities

The Government of the Republic of Uzbekistan, acting through The Fund for Reconstruction and Development of the Republic of Uzbekistan and The Ministry of Economy and Finance of the Republic of Uzbekistan, controls the Group.

The Government of the Republic of Uzbekistan, directly and indirectly controls and has significant influence over a significant number of entities through its government agencies and other organizations (together referred to as "government-related entities"). The Group enters into banking transactions with these entities including but not limited to lending, deposit taking, cash settlement, foreign exchange, providing guarantees, as well as securities and derivative transactions. These transactions comprise a large portion of the Group's transactions.

Transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

As at 31 December 2024, the outstanding loan balances with customers included loans issued to Associates, and, as at 31 December 2023, loans issued to Government controlled entities at rates that differ from market rates.

(in millions of Uzbek Soums, unless otherwise indicated)

	31 December 2024					31 December 2023				
	Parent	Government controlled entities	Associates	Key management personnel	Total category as per financial statement caption	Parent	Government controlled entities	Associates	Key management personnel	Total category as per financial statement caption
Cash and cash equivalents	-	3,248,887	-	-	**18,422,741**	-	3,290,592	-	-	**14,377,483**
Amounts due from credit institutions	-	2,546,518	-	-	**3,565,128**	-	4,602,515	-	-	**6,943,790**
Loans to customers (gross)	-	40,775,479	7,799,990	1,189	**111,505,709**	-	42,059,665	6,394,818	2,076	**103,261,116**
Allowance for impairment – Loans to customers	-	(1,357,202)	(4,066,93)	(4)	**(8,934,872)**	-	(964,483)	(4,027,723)	(6)	**(8,477,884)**
Investment securities	-	6,986,735	-	-	**7,441,674**	-	6,819,892	-	-	**7,140,848**
Other assets	-	11,598	90	-	**1,276,237**	-	3,152	75	-	**612,799**
Amounts due to the CBU	-	982,953	-	-	**982,953**	-	1,045,549	-	-	**1,045,549**
Amounts due to credit institutions	-	1,551,017	-	-	**8,241,262**	-	3,895,372	-	-	**11,497,362**
Amounts due to customers	3,015,541	12,889,116	8,213	201	**38,582,800**	-	11,401,372	20,524	480	**33,968,762**
Other borrowed funds	4,329,545	5,874,742	-	-	**57,438,588**	4,124,575	6,405,064	-	-	**55,467,518**
Subordinated loans		1,805,129	-	-	**1,805,129**		1,783,232	-	-	**1,783,232**
Debt securities issued	-	-	-	-	**9,353,170**	-	10,129	-	-	**3,655,270**
Guarantees	-	1,420,301	-	-	**1,619,075**	-	1,624,276	-	-	**2,215,926**
Letters of credit	-	706,962	24,470	-	**1,034,948**	-	1,323,892	-	-	**1,550,200**
Undrawn loan commitments	-	1,609,643	110,852	-	**3,464,342**	-	2,799,162	4,922	-	**6,662,090**

(in millions of Uzbek Soums, unless otherwise indicated)

	31 December 2024					31 December 2023				
	Parent	Government controlled entities	Associates	Key management personnel	Total category as per financial statement caption	Parent	Government controlled entities	Associates	Key management personnel	Total category as per financial statement caption
Interest income on loans to customers	-	3,254,500	-	-	**10,564,090**	-	2,799,508	364,990	138	**8,740,108**
Interest income on amounts due from credit institutions	-	327,346	-	-	**1,048,733**	-	-	-	-	**997,185**
Interest income on cash and cash equivalents	-	6,473	-	-	**311,110**	-	20,732	-	-	**605,109**
Interest income on investment securities	-	368,230	-	-	**368,230**	-	247,544	-	-	**260,660**
Interest income on finance leases	-	804	-	-	**804**	-	3,243	-	-	**3,243**
Impairment charge for loans to customers	-	(577,374)	(39,317)	(2)	**(2,658,843)**	-	682,319	(1,568,219)	(3)	**(1,789,044)**
Interest expense on amounts due to customers	(15,062)	(1,203,500)	-	-	**(2,445,073)**	-	(668,880)	-	-	**(1,550,362)**
Interest expense on other borrowed funds	(306,076)	(231,628)	-	-	**(3,142,809)**	(227,071)	(466,559)	-	-	**(2,634,286)**
Interest expense on other subordinated loans	-	(82,662)	-	-	**(82,662)**	-	(76,662)	-	-	**(76,662)**
Fee and commission income	-	164,056	2,203	-	**983,408**	-	125,925	-	-	**813,879**
Fee and commission expense	-	(57,908)	-	-	**(259,772)**	-	(77,756)	-	-	**(199,448)**
Operating expense:		(294,257)	-	-	**(1,440,791)**	-	(154,697)	-	-	**(1,046,456)**
Salaries and bonuses	-	-	-	(9,741)	**(1,120,548)**	-	-	-	(8,865)	**(900,198)**
Social security costs	-	-	-	(1,159)	**(135,226)**	-	-	-	(1,047)	**(112,883)**

(in millions of Uzbek Soums, unless otherwise indicated)

28. Segmentation information

The Group's operations are a single reportable segment.
The Group provides mainly banking services in the Republic of Uzbekistan. The Group identifies the segment in accordance with the criteria set in IFRS 8, Operating Segments, and based on the way of operations of the Group are regularly reviewed by the chief operating decision-maker to 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.
Revenue from transactions with a single customer comprised not more than 5% of the Group's total revenue and amounted to UZS 707,219 million (2023: UZS 627,186 million).
Substantial part of the Group's operations and assets are located in the Republic of Uzbekistan.

29. Subsidiaries

The consolidated financial statements include the following major subsidiaries:

		31 December 2024			
Subsidiary	**Principal place of business**	**Country of incorporation**	**Date of incorpo-ration**	**Nature of activities**	**Ownership/ voting,%**
JSC NBU Invest Group	Tashkent	Uzbekistan	2008	Asset management	100%
CJSC Asia Invest Bank	Moscow	Russia	1996	Banking	95,9%
NBU Samarkand Invest LLC	Samarkand	Uzbekistan	2017	Asset management	100%
NBU Gazgan Invest LLC	Navoiy	Uzbekistan	2017	Asset management	100%
Zomin Ropeway LLC	Jizzakh	Uzbekistan	2021	Service	100%
Zominsoy Development Invest LLC	Jizzakh	Uzbekistan	2020	Service	100%
Suffa Spa LLC	Jizzakh	Uzbekistan	2017	Service	100%
Suffa Shale LLC	Jizzakh	Uzbekistan	2023	Service	100%
Khiva Plaza LLC	Khorezm	Uzbekistan	2023	Service	100%
Chorvoq Resort Complex LLC	Tashkent	Uzbekistan	2023	Service	100%
Zominsoy Development Invest 2 LLC	Jizzakh	Uzbekistan	2023	Asset management	100%
Zominsoy Development Invest 3 LLC	Jizzakh	Uzbekistan	2023	Asset management	100%
Miraki Ropeway LLC	Kashkadarya	Uzbekistan	2024	Service	100%
Health Resort Rokhat-NBU LLC	Issyk-Kul	Kyrgyzstan	2024	Service	100%
National East Bazaar LLC	Khorezm	Uzbekistan	2024	Service	100%
NBU Jewelry Group LLC	Tashkent	Uzbekistan	2024	Service	100%
NBU Green House Dream LLC	Khorezm	Uzbekistan	2024	Agriculture	90,42%

(in millions of Uzbek Soums, unless otherwise indicated)

31 December 2023					
Subsidiary	**Principal place of business**	**Country of incorporation**	**Date of incorporation**	**Nature of activities**	**Ownership/ voting,%**
JSC NBU Invest Group	Tashkent	Uzbekistan	2008	Asset management	100%
CJSC Asia Invest Bank	Moscow	Russia	1996	Banking	95.9%
NBU Samarkand Invest LLC	Samarkand	Uzbekistan	2017	Asset management	100%
NBU Gazgan Invest LLC	Navoiy	Uzbekistan	2017	Asset management	100%
Marmarobod LLC	Navoiy	Uzbekistan	2019	Manufacturing	100%
Invest Group Center LLC	Tashkent	Uzbekistan	1999	Office maintenance	100%
Zomin Ropeway LLC	Tashkent	Uzbekistan	2021	Service	100%
Zominsoy Development Invest LLC	Tashkent	Uzbekistan	2020	Service	100%
Suffa Spa LLC	Jizzakh	Uzbekistan	2017	Service	100%
Royal Silk LLC	Andijan	Uzbekistan	2020	Textile	100%
Suffa Shale LLC	Djizzakh	Uzbekistan	2023	Service	100%
Khiva Plaza LLC	Khorezm	Uzbekistan	2023	Hotel	100%
Chorvoq Resort Complex LLC	Tashkent	Uzbekistan	2023	Service	100%
World-Leader LLC	Tashkent	Uzbekistan	2023	Trade	99.3%
Zominsoy Development Invest 1 LLC	Jizzakh	Uzbekistan	2023	Asset management	75.6%
Zominsoy Development Invest 2 LLC	Jizzakh	Uzbekistan	2023	Asset management	100%
Zominsoy Development Invest 3 LLC	Jizzakh	Uzbekistan	2023	Asset management	100%

In 2024, the Group established new subsidiaries: Health Resort Rokhat-NBU LLC with a charter capital of UZS 91,246 million as of the date of establishment, operates in the tourism and recreation sector, with 100% ownership; Miraki Ropeway LLC with a charter capital of UZS 50,000 million, focused on tourism and recreation, with 100% ownership; NBU Green House Dream LLC with 90,42% ownership and charter capital of UZS 26,307 million, focused on vegetable growing; National East Bazaar LLC with 100% ownership and charter capital of UZS 100 million, engaged in the lease and management of premises for trade organization; and NBU Jewelry Group LLC with 100% ownership and charter capital of UZS 100 million, a jewelry center in Bukhara.

(in millions of Uzbek Soums, unless otherwise indicated)

30. Changes in liabilities arising from financing activities

	Debt securities issued	Other borrowed funds	Subordi-nated loans	Amounts due to customers	Dividends to share-holders of the bank	Total liabilities from financing activities
Carrying amount at 31 December 2022	**3,409,313**	**43,827,997**	**1,648,202**	**5,123,164**	**-**	**54,008,676**
Proceeds from issue	21,806	18,762,346	-	1,746,090	-	**20,530,242**
Redemption	(114,999)	(11,438,872)	-	(1,010,328)	(153,524)	**(12,717,723)**
Foreign currency translation	333,993	4,154,583	126,757	-	-	**4,615,333**
Other	5,157	161,464	8,273	139,317	153,524	**467,735**
Carrying amount at 31 December 2023	**3,655,270**	**55,467,518**	**1,783,232**	**5,998,243**	**-**	**66,904,263**
Financial liabilities						
Proceeds from issue	5,145,225	16,064,822	-	1,762,562	-	**22,972,609**
Redemption	(20,163)	(15,273,738)	(46,945)	(1,377,405)	(825,184)	**(17,543,435)**
Foreign currency translation	270,642	1,069,028	66,231	-	-	**1,405,901**
Other	302,196	(77,204)	2,611	-	825,184	**1,052,787**
Carrying amount at 31 December 2024	**9,353,170**	**57,250,426**	**1,805,129**	**6,383,400**	**-**	**74,792,125**

The "Other" line includes the effect of accrued but not yet paid interest on bonds issued, other borrowed funds and subordinated loans. The Group classifies interest paid as cash flows from operating activities.

31. Capital adequacy

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the ratios established by the Basel Capital Accord 1988 and the ratios established by the CBU in supervising the Group.

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity.
The Management Board reviews the capital structure on a monthly basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group balances its overall capital structure through the payment of dividends, new share issues as well as the issue

of new debt or the redemption of existing debt. The Group's general policy in relation to risks related to capital management is reflected in the Bank's Capital Management Policy approved by the Board of Directors and amended from time to time based on the Group's strategic goals and the regulatory requirements of the Central Bank of the Republic of Uzbekistan.

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

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

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

In millions of Uzbek Soums	**31 December 2024 (unaudited)**	**31 December 2023 (unaudited)**
Tier 1 capital		
Ordinary share capital	16,250,670	15,476,078
Capital reserves	655,681	569,854
Retained earnings (previous years)	1,144,283	49,312
Less:		
Intangible assets	(21,079)	(10,198)
Investments to non-consolidated entities	(193,862)	(149,690)
Other investments	(414,018)	(386,750)
Total main tier 1 capital	**17,421,675**	**15,548,606**
Total tier 1 capital	**17,421,675**	**15,548,606**
Tier 2 capital		
Current year net profit	777,245	1,716,547
Impairment provision on standard assets	661,290	735,555
Subordinated loans	1,006,861	1,105,153
Other	14,548	16,599
Total tier 2 capital	**2,459,944**	**3,573,854**
Total regulatory capital	**19,881,619**	**19,122,460**
Risk weighted assets	**102,030,206**	**95,809,335**
Assets for leverage ratio	**141,133,282**	**137,333,152**
Capital adequacy ratios:		
Main tier 1 capital adequacy ratio	*17.08%*	*16.23%*
Tier 1 capital adequacy ratio	*17.08%*	*16.23%*
Total regulatory capital adequacy ratio	*19.49%*	*19.96%*
Leverage ratio	*12.34%*	*11.32%*

32. Events after the reporting period

At the beginning of 2025, based on the decision of the Supervisory Board, the Group has established a new 100% subsidiary NBU Asset Management LLC with a share capital amounting to UZS 500,000 million. This newly formed company is dedicated to the recovery of debts associated with problematic projects, the attraction of qualified investors to these projects, and the restoration of their financial stability.
In the first quarter of 2025, the Group gradually made an additional injection into the authorized capital of its subsidiary JSC NBU Invest Group in the total amount of UZS 602,680 million.

In March 2025, the Group received EUR 100,000,000 (UZS equivalent of UZS 1,396,372 million as at date of receipt) under Term Loan Facility Agreement with Standard Chartered Bank signed in May 2024 with total commitment of EUR 114,871,813 (UZS equivalent of UZS 1,604,038 million as at date of receipt), tenor of 10 years including 3 year of grace period. The purpose of loan agreement is to finance SME projects.

On 18 February 2025, the President of Uzbekistan approved the revised edition of the Law "On Guarantees for the protection of deposits in banks" according to which the maximum guaranteed amount is now set at UZS 200 million (in USD 15,479 as at 31 December 2024) per depositor in one bank. The new regulation will not affect previously opened deposits, provided that their terms have not been modified after the effective date of the changes in the Law.