

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum (the "**Offering Memorandum**") and you are advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from (i) Joint-Stock Commercial Bank "Uzbek Industrial and Construction Bank" in its capacity as the issuer (the "**Issuer**") or (ii) Citigroup Global Markets Limited, J.P. Morgan Securities plc, Mashreqbank psc, Raiffeisen Bank International AG, Société Générale and Standard Chartered Bank (together, the "**Joint Bookrunners**") or (iii) JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan" or Joint-Stock Commercial Bank "Uzbek Industrial and Construction Bank" in its capacity as a co-manager (together with the Joint Bookrunners, the "**Managers**") or as a result of such access. The Offering Memorandum is intended for the addressee only.

THE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE OFFERING MEMORANDUM. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE NOTES REFERENCED IN THE OFFERING MEMORANDUM (THE "**NOTES**") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES; DIRECTLY OR INDIRECTLY, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Confirmation of your Representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the Notes, prospective investors must be either (1) qualified institutional buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act) or (2) purchasing outside the United States in accordance with Regulation S under the Securities Act. The Offering Memorandum is being sent to you at your request, and by accessing the attached document you shall be deemed to have represented to the Issuer and the Joint Bookrunners that (1) either (a) you and any customers you represent are QIBs or (b) you and any customers you represent are located outside the United States and the electronic mail address that you have provided and to which this Offering Memorandum has been delivered is not located in the United States, its territories and possessions, any state of the United States or the District of Columbia and (2) you consent to delivery of the attached document by electronic transmission.

The communication of the Offering Memorandum and any other document or materials relating to the issue of the Notes is not being made, and the Offering Memorandum and such other documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, the Offering Memorandum and such other documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The Offering Memorandum and such other documents and/or materials are for distribution only to persons who (i) have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")), (ii) fall within Article 49(2)(a) to (d) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are other persons to whom it may otherwise lawfully be communicated or distributed under the Financial Promotion Order (all such persons together being referred to as "**relevant persons**"). The Offering Memorandum and such other documents and/or materials are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which

the Offering Memorandum and any such other document or materials relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the Offering Memorandum or any other documents and/or materials relating to the issue of the Notes or any of their contents.

The Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

IMPORTANT – EUROPEAN ECONOMIC AREA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "**retail investor**" means a person who is one (or both) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UNITED KINGDOM RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a "**retail investor**" means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law in the United Kingdom; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law in the United Kingdom ("**UK MiFIR**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law in the United Kingdom (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the United Kingdom Financial Conduct Authority's ("**FCA**") Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Neither this electronic transmission nor the Offering Memorandum constitutes or contains any offer to sell or invitation to subscribe or make commitments for or in respect of any securities in any jurisdiction where such an offer or invitation would be unlawful. The Offering Memorandum has been sent to you in an electronic form.

You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Managers, the Trustee, the Principal Paying Agent, the Paying Agents, the Registrar nor any person who controls any of them, nor any director, officer, employee or agent of any of them, nor any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Joint Bookrunners.

No representation or warranty, expressed or implied, is made or given by or on behalf of the Managers, the Trustee, the Principal Paying Agent, the Paying Agents, the Registrar nor any person who controls any of them, nor any director, officer, employee or agent of any of them, nor any affiliate of any such person, as to the accuracy, completeness or fairness of the information or opinions contained in the Offering Memorandum and such persons do not accept responsibility or liability for any such information or opinions.

The Notes will not be offered for circulation, distribution, placement, sale or purchase in the territory of the Republic of Uzbekistan.

PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS

1. The Notes are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).
2.
 - (a) In the United Kingdom, the COBS requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the United Kingdom.
 - (b) By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or any of the Joint Bookrunners, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Bookrunners that:
 - (i) it is not a retail client in the United Kingdom; and
 - (ii) it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the United Kingdom or communicate (including the distribution of the Offering Memorandum) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the United Kingdom.
 - (c) In selling or offering the Notes or making or approving communications relating to the Notes you may not rely on the limited exemptions set out in COBS.
3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the United Kingdom) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in the Offering Memorandum, including (without limitation) any requirements under MiFID II or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.
4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Bookrunners the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.



**JOINT-STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK"**

(incorporated in the Republic of Uzbekistan)

U.S.\$300,000,000 9.450 per cent. Fixed Rate Resettable Perpetual Additional Tier 1 Notes

Issue Price 100.000 per cent.

Joint-Stock Commercial Bank "Uzbek Industrial and Construction Bank" (the "**Issuer**" or the "**Bank**"), a bank incorporated under the laws of the Republic of Uzbekistan, is issuing an aggregate principal amount of the U.S.\$300,000,000 9.450 per cent. Fixed Rate Resettable Perpetual Additional Tier 1 Notes (the "**Notes**"). The Notes will be constituted by, subject to, and have the benefit of a trust deed to be dated 23 October 2025 (as may be amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and Citibank, N.A., London Branch as trustee (the "**Trustee**") for the benefit of Noteholders (as defined in "*Terms and Conditions of the Notes*" (the "**Conditions**")).

Interest on the Notes ("**Interest**") will accrue from time to time as follows: (i) in respect of the period from (and including) 23 October 2025 (the "**Issue Date**") to (but excluding) 23 April 2031 (the "**First Reset Date**"), at the rate of 9.450 per cent. per annum, and (ii) in respect of each period from (and including) the First Reset Date and every fifth anniversary thereof (each, a "**Reset Date**") to (but excluding) the next succeeding Reset Date (each such period, a "**Reset Period**"), at the rate determined by the Calculation Agent (as defined in Conditions) on the relevant Reset Determination Date (as defined in the Conditions) equal to the sum of the relevant Treasury Yield (as defined in the Conditions) plus 5.792 per cent. per annum (the "**Margin**") (rounded if necessary to five decimal places, with 0.000005 rounded up) in accordance with Condition 5 (*Interest*). Subject as provided in the Conditions, Interest will be payable semi-annually in arrear on 23 April and 23 October in each year (each, an "**Interest Payment Date**"), with the first Interest Payment Date falling on 23 April 2026 (the "**First Interest Payment Date**").

The Issuer may elect, at any time, in its sole and absolute discretion, to cancel (in whole or in part) the payment of any Interest otherwise scheduled to be paid on an Interest Payment Date as further provided in Condition 5 (*Interest*). The Issuer will be required to cancel any Interest, or part thereof, otherwise scheduled to be paid on an Interest Payment Date if a resolution of the general meeting of the Issuer's shareholders requires the relevant payment of Interest (or the relevant part thereof) to be cancelled.

The Notes are perpetual. Subject to the Redemption Conditions (as defined in the Conditions) being satisfied, all, and not some only, of the Notes may be redeemed at the option of the Issuer on any calendar day falling in the period commencing on (and including) 23 October 2030 and ending on (and including) the First Reset Date or on any Interest Payment Date falling after the First Reset Date, in each case at, per Note, its principal amount plus, if applicable, where not cancelled pursuant to or otherwise subject to the limitations on payment set out in the Conditions, an amount equal to the accrued and unpaid Interest for the then current Interest Period to (but excluding) the date fixed for redemption of the Notes which shall be specified by the Issuer in the relevant redemption notice (the "**Redemption Price**"). The Notes are also redeemable at the Redemption Price, on or after the Issue Date, at any time, at the option of the Issuer (subject to the Redemption Conditions being satisfied), in whole but not in part, if there is a Tax Event (as defined in the Conditions) that is continuing. In addition, following the occurrence of a Capital Disqualification Event (as defined in the Conditions) that is continuing, the Issuer may redeem the Notes (in whole but not in part) in its sole discretion (subject to the Redemption Conditions being satisfied), at any time, at the Redemption Price.

This offering memorandum (the "**Offering Memorandum**") does not comprise a prospectus for the purposes of (i) Article 8 of Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**") or (ii) Article 8 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom (the "**UK Prospectus Regulation**"). This Offering Memorandum has been prepared solely in order to allow Notes to be offered in circumstances which do not impose an obligation on the Issuer or any Joint Bookrunner (as defined in "*Subscription and Sale*") to publish a prospectus under the EU Prospectus Regulation or the UK Prospectus Regulation.

Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Notes to be admitted to trading on the International Securities Market (the "**ISM**"). References in this Offering Memorandum to the Notes being "**listed**" (and all related references) shall mean that the Notes have been admitted to trading on the ISM. The ISM is not a regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of the domestic law in the United Kingdom ("**UK MiFIR**").

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the United Kingdom Financial Conduct Authority (the "FCA"). The London Stock Exchange has not approved or verified the contents of this Offering Memorandum.

By acquiring the Notes, each Noteholder acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of the Bail-in Power (as defined in the Conditions) by the Competent Authority (as defined in the Conditions) as provided in Condition 23 (*Acknowledgement of Statutory Write-Down or Conversion*).

Investing in the Notes involves risks. See "Risk Factors" starting on page 9 for a discussion of certain factors that should be considered in connection with an investment in the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States (such Notes, the "**Regulation S**

Notes") in reliance on Regulation S under the Securities Act ("**Regulation S**") and within the United States (such Notes, the "**Rule 144A Notes**") to qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") in reliance on and in compliance with Rule 144A. Prospective purchasers are hereby notified that sellers of any Rule 144A Note may be relying upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Offering Memorandum, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Notes will be offered and sold in registered form and without interest coupons attached in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Notes will be represented by beneficial interests in an unrestricted global Note (the "**Global Note**"), in registered form and without interest coupons attached. The Global Note which will be registered in the name of a nominee for and will be deposited with a common depository for Euroclear Bank SA/NA ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or about the Issue Date.

The Global Notes will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive, registered, form, without interest coupons. See "*Summary of the Provisions relating to the Notes when in Global Form*". Interests in the Rule 144A Global Note will be subject to certain restrictions on transfer. See "*Transfer Restrictions*". Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depository Trust Company ("**DTC**"), Euroclear and Clearstream, Luxembourg and their participants. It is expected that delivery of the Global Notes will be made on or about the Issue Date. Except as described herein, definitive certificates for Notes will not be issued in exchange for beneficial interests in the Global Notes.

Joint Structuring Banks to the Issuer

Citigroup

J.P. Morgan

Joint Bookrunners and Joint Lead Managers

Citigroup
Raiffeisen Bank International

J.P. Morgan
Société Générale
Corporate & Investment Banking

Mashreq
Standard Chartered Bank

Co-Managers

NBU

SQB

Sole Sustainability Structuring Bank

Citigroup

Offering Memorandum dated 21 October 2025

IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

This offering memorandum (the "**Offering Memorandum**") has been prepared for the purpose of giving information with regard to the Issuer and its consolidated subsidiaries taken as a whole (the "**Group**"), the Notes, which, according to the particular nature of the Issuer, the Group and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group, the rights attaching to the Notes and of the reasons for the issuance and its impact on the Issuer and the Group. The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer, the information contained in this Offering Memorandum is in accordance with the facts and this Offering Memorandum makes no omission likely to affect its import.

THE NOTES ARE OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS. AN INVESTMENT IN THE NOTES IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF ALL OR PART OF THE INVESTMENT.

No person is authorised to give any information or to make any representation in connection with the offer or sale of the Notes other than as contained in this Offering Memorandum and any information or representation not so contained must not be relied upon as having been authorised by the Issuer, the Trustee, any Agent (as defined herein) or any Joint Bookrunner (as defined in "*Subscription and Sale*"). Neither the delivery of this Offering Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the business and affairs of the Issuer or the Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or that the information contained in it is correct as at any time subsequent to the date on which it is supplied. No representation or warranty, express or implied, is made by any Joint Bookrunner, any Agent or the Trustee as to the accuracy or completeness of such information. None of the Joint Bookrunners, the Agents or the Trustee accepts any responsibility whatsoever for the contents of this Offering Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Issuer or the Notes. Each of the Joint Bookrunners, the Agents and the Trustee accordingly disclaims all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this Offering Memorandum or any such statement.

None of the Joint Bookrunners, the Sole Sustainability Structuring Bank, the Agents, the Trustee or any of their respective directors, affiliates, advisers and agents accepts any responsibility for any "green", "ESG", "sustainable", "social" or similar assessment of the Notes or makes any representation or warranty or assurance: (a) as to whether such Notes will meet any investor expectations or requirements regarding such "green", "ESG", "sustainable", "social" or similar labels; (b) as to the suitability and reliability of any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Notes; or (c) as to whether such Notes will fulfil any green, social, environmental or sustainability criteria or guidelines with which any prospective investors are required, or intend, to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or sustainability impact of any projects or uses, the subject of or related to the Bank's Sustainability Finance Framework (the "**Framework**"). None of the Joint Bookrunners, the Sole Sustainability Structuring Bank, the Agents, the Trustee or any of their respective directors, affiliates, advisers or agents is responsible for the use or allocation of proceeds (or an amount equal thereto) for the Notes, nor the impact, monitoring or public reporting of such use of proceeds (or an amount equal thereto) nor do any of the Joint Bookrunners, the Sole Sustainability Structuring Bank, the Agents, the Trustee or any of their respective directors, affiliates, advisers or agents undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of a sum equal to the net proceeds of the issue of such Notes in full. In addition, none of the Joint Bookrunners, the Sole Sustainability Structuring Bank, the Agents, the Trustee or any of their respective directors, affiliates, advisers or agents is responsible or has undertaken the assessment of the Framework including, without limitation, the assessment or verification of the eligible categories for Eligible Projects.

Pursuant to the recommendation in the voluntary process guidelines for issuing green bonds published by the International Capital Market Association ("**ICMA**") (the "**Green Bond Principles**") and in the voluntary process guidelines for issuing social bonds by the ICMA (the "**Social Bond Principles**") that issuers use external

review to confirm their alignment with key features of the Green Bond Principles and Social Bond Principles, at the Bank's request, Sustainable Fitch, a Fitch Solutions Company ("**Sustainable Fitch**") has issued a second party opinion dated 11 July 2024 (the "**Opinion**") in relation to the Bank's Framework. The Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in the Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given by the Joint Bookrunners, the Sole Sustainability Structuring Bank, the Agents, the Trustee or any of their respective directors, affiliates, advisers and agents as to the suitability or reliability of the Opinion or any report, assessment, opinion or certification of any third party (whether or not solicited by the Bank) which may be made available in connection with the Framework. As at the date of this Offering Memorandum, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the Joint Bookrunners, the Sole Sustainability Structuring Bank, the Agents, the Trustee or any of their respective directors, affiliates, advisers and agents or any other person to buy, sell or hold the Notes and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Opinion or any such other opinion or certification may change at any time and the Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Memorandum.

This Offering Memorandum does not constitute an offer to sell, or a solicitation to subscribe for or purchase, by or on behalf of the Issuer, any Joint Bookrunner or any other person, any of the Notes in any jurisdiction where it is unlawful for such person to make such offer or solicitation. The distribution of this Offering Memorandum and the offer and sale of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Offering Memorandum may come are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe such restrictions. This Offering Memorandum may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorised or is unlawful. Further information with regard to restrictions on offers and sales of the Notes and the distribution of this Offering Memorandum is set out under "*Subscription and Sale*".

No action has been or will be taken to permit a public offering of the Notes or the distribution of this Offering Memorandum (in any form) in any jurisdiction where action is required for such purposes.

None of the Issuer, the Joint Bookrunners, the Agents, the Trustee, or any of its or their respective representatives or affiliates makes any representation to any offeree or purchaser of Notes offered hereby regarding the legality of an investment by such offeree or purchaser under applicable legal, investment or similar laws. The contents of this Offering Memorandum should not be construed as legal, financial, business or tax advice. Each prospective investor should consult his or her own legal adviser, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of Notes.

To the fullest extent permitted by law, the Joint Bookrunners, the Agents and the Trustee accept no responsibility whatsoever for the Notes, the Trust Deed or the Paying Agency Agreement (each as defined herein) (including the effectiveness thereof) or the contents of this Offering Memorandum or for any other statement made or purported to be made by a Joint Bookrunner, an Agent or the Trustee or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Joint Bookrunner, each Agent and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of the Notes, the Trust Deed, the Paying Agency Agreement, this Offering Memorandum or any such statement.

In connection with the offering of the Notes, the Joint Bookrunners and any of their affiliates, acting as investors for their own accounts, may purchase Notes and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Notes and other securities of the Issuer or related investments in connection with the offering of the Notes or otherwise. Accordingly, references in this Offering Memorandum to the Notes being issued, offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, the Joint Bookrunners and any of their affiliates acting as

investors for their own accounts. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Recipients of this Offering Memorandum are authorised to use it solely for the purpose of considering an investment in the Notes and may not reproduce, forward or distribute this Offering Memorandum, in whole or in part, and may not disclose any of the contents of this Offering Memorandum or use any information herein for any purpose other than considering an investment in the Notes.

Persons into whose possession this Offering Memorandum comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. Any consents or approvals that are needed in order to purchase any Notes must be obtained. The Issuer and the Joint Bookrunners are not responsible for compliance with these legal requirements. The appropriate characterisation of any Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase such Notes, is subject to significant interpretative uncertainties. None of the Issuer, the Agents, the Trustee, the Group or the Joint Bookrunners or any of the respective representatives is making any representation to any offeree or purchaser of the Notes regarding the legality of an investment by such offeree or purchaser under relevant legal investment or similar laws. Such investors should consult their legal advisers regarding such matters.

The Joint Bookrunners and their respective affiliates may have performed and expect to perform in the future various financial advisory, investment banking and commercial banking services for, and may arrange loans and other non-public market financing for, and enter into derivative transactions with, the Issuer and its affiliates (including its shareholders).

Prior to making any decision as to whether to invest in the Notes, prospective investors should read this Offering Memorandum. In making an investment decision, prospective investors must rely upon their own examination of the Issuer and the Group and the terms of this Offering Memorandum, including the risks involved. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances.

If investors are in any doubt about the contents of this Offering Memorandum, investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser.

Any investment in Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Fund of Guarantee of Citizens' Deposits in Banks of the Republic of Uzbekistan.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET

Solely for the purpose of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended ("**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target

market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

Prohibition of Sales to European Economic Area ("EEA") Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a **"retail investor"** means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **"IDD"**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014, as amended (the **"PRIIPs Regulation"**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO UNITED KINGDOM INVESTORS

Prohibition of Sales to United Kingdom Retail Investors – the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a **"retail investor"** means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **"FSMA"**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law in the United Kingdom (the **"UK PRIIPs Regulation"**) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

The communication of this Offering Memorandum and any other document or materials relating to the issue of the Notes offered hereby is not being made, and this Offering Memorandum and such other documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the FSMA. Accordingly, this Offering Memorandum and such other documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. This Offering Memorandum and such other documents and/or materials are for distribution only to persons who (i) have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **"Financial Promotion Order"**)), (ii) fall within Article 49(2)(a) to (d) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are other persons to whom it may otherwise lawfully be communicated or distributed under the Financial Promotion Order (all such persons together being referred to as **"relevant persons"**). This Offering Memorandum and any such other documents and/or materials are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum and any such other documents and/or materials relate will be engaged in only with relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Memorandum or any other documents and/or materials relating to the issue of the Notes offered hereby or any of their contents.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 (Chapter 289) of Singapore, as modified or amended from time to time (the **"SFA"**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **"CMP Regulations 2018"**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore (the **"MAS"**) Notice SFA 04-N12: Notice

on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO PROSPECTIVE U.S. INVESTORS

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any State securities commission in the United States or any other regulatory authority in the United States nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States. The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes are being offered and sold outside the United States in reliance on Regulation S and within the United States to QIBs in reliance on the exemption from registration provided by Rule 144A (see "*Subscription and Sale*"). Prospective purchasers are hereby notified that sellers of any Rule 144A Note may be relying upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see "*Transfer Restrictions*".

STABILISATION

In connection with the issue of the Notes, Citigroup Global Markets Limited (the "**Stabilisation Manager**") or any person acting on behalf of the Stabilisation Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS

1. The Notes are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).
2.
 - (a) In the United Kingdom, the COBS requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the United Kingdom.
 - (b) By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or any of the Joint Bookrunners, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Bookrunners that:
 - (i) it is not a retail client in the United Kingdom; and
 - (ii) it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the United Kingdom or communicate (including the distribution of the Offering Memorandum) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the United Kingdom.
 - (c) In selling or offering the Notes or making or approving communications relating to the Notes you may not rely on the limited exemptions set out in COBS.

3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the United Kingdom) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in the Offering Memorandum, including (without limitation) any requirements under MiFID II or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.
4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Bookrunners the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

CERTAIN INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM

In this Offering Memorandum, the Issuer relies on and refers to publicly available information released by official and unofficial sources other than the Issuer. These sources include, but are not limited to, the Central Bank of Uzbekistan (the "**CBU**"), research reports, analyst reports, press releases, securities filings and industry publications, including the State Committee of the Republic of Uzbekistan on Statistics and IMF. Although the Issuer believes that this information is reliable, it has not independently verified this information and cannot guarantee its accuracy and completeness. In addition, some of the information contained in this Offering Memorandum has been derived from official data published by the Government of the Republic of Uzbekistan (the "**Government**"). Official statistics and other data published by Uzbekistan federal, regional and local governments are substantially less complete or transparent than those of Western countries. Official statistics may also be compiled on the basis of methodologies different from those used in Western countries. Where information in this Offering Memorandum has been sourced from third parties, this information has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information published by the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Memorandum includes market data and industry forecasts and projections that have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. The forecasts and projections are based on industry surveys and the preparers' expertise in the industry, and there is no assurance that any of the forecasts or projections will be achieved. Similarly, the Issuer believes that the surveys and market research others have performed are reliable, but the Issuer has not independently verified this information.

In addition, the Issuer has included its own estimates, assessments, adjustments and judgements in preparing some market information, which have not been verified by an independent third party. Market information included herein is, therefore, unless otherwise attributed exclusively to a third party source, subjective to a certain degree. Market information or that market information prepared by other sources may differ materially from the market information included herein.

The contents of the Issuer's website (<https://www.sqb.uz/en/>) or any other websites referred to in this Offering Memorandum do not form any part of the content of this Offering Memorandum.

LIMITATIONS ON ENFORCEMENT OF ARBITRAL AWARDS AND JUDGMENTS

Substantially all of the Issuer's directors and executive officers reside in Uzbekistan. All or a substantial portion of their and the Group's assets are located in Uzbekistan. As a result, it may not be possible for you to:

- effect service of process outside Uzbekistan upon substantially all of the Issuer's directors and executive officers; or
- enforce non-Uzbek court judgments obtained against the Issuer or substantially all of its directors and executive officers in non-Uzbek courts in any action.

In addition, it may be difficult for you to enforce, in original actions brought in courts in jurisdictions located outside the United Kingdom, liabilities predicated upon English law, as applicable.

The United Kingdom is not party to a treaty on mutual recognition and enforcement of judgments with the Republic of Uzbekistan and even if an applicable international treaty is in effect, the recognition and enforcement in Uzbekistan of a foreign judgment will in all events be subject to exceptions and limitations provided for in the laws of the Republic of Uzbekistan. In the absence of such agreements, the courts of Uzbekistan may recognise and enforce a foreign judgment on the basis of the principle of reciprocity. The Uzbek legislation does not include clear rules on the application of the principle of reciprocity. Thus, there can be no assurance that the courts of Uzbekistan will recognise and enforce a judgment rendered by courts of a jurisdiction with which Uzbekistan has no agreement on the basis of the principle of reciprocity.

The Trust Deed will be governed by English law and will provide the option for disputes, controversies and causes of action brought by any party thereto against the Issuer to be settled by arbitration in accordance with the LCIA Rules in London, England. The Republic of Uzbekistan and the United Kingdom are parties to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958 (the "**New York Convention**"). However, an Uzbek court may refuse the recognition and enforcement of foreign arbitral awards in full or part if one of the following grounds exists:

- a party to the arbitration agreement is in any way incapable by the law applicable to it or the arbitration agreement is invalid under the chosen governing law, and in the absence of such governing law — according to the law of the country where a foreign arbitral award has been rendered;
- a party against which a foreign arbitral award is rendered has not been timely and duly notified about the appointment of the arbitrator or the proceedings, their time and place or due to other reasons could not provide its explanations;
- a foreign arbitral award is rendered in a dispute not provided for or not subject to the terms of the arbitration agreement or arbitration clause in the contract, or contains rulings on matters beyond the scope of the arbitration agreement or arbitration clause in the contract, unless rulings on matters covered by the arbitration agreement either by such agreement or reservation may be separated from those not covered by such agreement or reservation;
- a composition of the arbitration body or the arbitration process did not comply with the agreement of the parties or, in the absence thereof, did not comply with the law of the country where the arbitration took place;
- a foreign arbitral award is not final for the parties or cancelled, or suspended by the competent authority of the state where it was rendered, or of the country the laws of which are being applied;
- a dispute was resolved by an incompetent foreign court or arbitration.

The court may also refuse to recognise and enforce a foreign arbitral award if:

- enforcement of a foreign arbitral award will contradict the "public order" of the Republic of Uzbekistan;
- the subject matter of the dispute may not be subject to arbitration under the laws of the Republic of Uzbekistan;

- the statute of limitations for the enforcement of a foreign arbitral award has expired.

Recognition and enforcement of foreign arbitral awards in Uzbekistan may still be difficult, in particular, if the enforcement of a foreign arbitral award conflicts with the "public policy" of Uzbekistan. The laws of Uzbekistan do not provide any clear guidelines for determining what the "public policy" of Uzbekistan actually is. The ambiguity of the "public policy" concept may be used by Uzbek courts to deny recognition and enforcement of foreign arbitral awards rendered against Uzbekistan or threatening its interests.

In addition, an Uzbek court will ignore any dispute resolution agreement of the parties if it finds that under the Uzbekistan legislation it has exclusive jurisdiction over such disputes.

Although Uzbek law recognises choice of law principles for contractual obligations, the choice of foreign law will not exclude the application of mandatory rules of Uzbek law which cannot be derogated from by the agreement of the parties. According to Uzbek law, regardless of the choice of law applicable to the relations of the parties, certain mandatory rules of Uzbek law still shall be applied.

In Uzbekistan, upon receipt of a foreign arbitral award, the party seeking to enforce the award must submit an application for the recognition and enforcement of the foreign arbitral award to the relevant economic courts in the Republic of Uzbekistan. The court will review the award to ensure there are no grounds (as discussed above) to refuse recognition and enforcement. Upon a finding that the foreign arbitral award is satisfactory, the court will adapt a ruling on recognition and enforcement and issue a writ of execution, which must be submitted to the Bureau of Mandatory Enforcement within three years of the court's ruling on the foreign arbitral award.

As a condition for admissibility in evidence of any documents, the courts of Uzbekistan will require the submission of such documents either (i) as originally executed counterparts, or (ii) as duly notarised copies. In addition, in case of an official document issued outside Uzbekistan, unless a valid international agreement of Uzbekistan provides otherwise, such official document will be admissible in evidence by a court of Uzbekistan if (i) such official document is legalised by an Uzbek consul in the country of its issuance and a duly certified Uzbek language translation of such official document is notarised by an Uzbek notary or (ii) the apostil is affixed to such official document by the competent authority of the country of its issuance subject to the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents dated 5 October 1961 and a duly certified Uzbek language translation of such official document is notarised by an Uzbek notary.

See *"Risk Factors– Risks Related to Republic of Uzbekistan – Enforcement of judgments or arbitral awards against the Bank can be difficult"*.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Memorandum, are not historical facts but constitute "forward-looking statements" within the meaning of section 27A of the Securities Act and Section 21E of the U.S. Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets in which the Group participates or seeks to participate, and any statements preceded by, followed by or that include the words "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates" or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements include, amongst other things, statements concerning:

- overall business conditions;
- changes in tax requirements (including tax rate changes, new tax laws and revised tax law interpretations);
- economic and political conditions in Uzbekistan;
- the timing, impact and other uncertainties of future actions;
- inflation, interest rate fluctuations, foreign currency and exchange rate fluctuations and other capital market conditions in Uzbekistan;
- the condition and performance of the economy, including the Uzbekistan's banking sector;
- the effects of, and changes in, the policy of the Government of the Republic of Uzbekistan;
- the timing and terms of privatisation of the Bank;
- the effects of changes in laws, regulations and taxation or accounting standards or practices in Uzbekistan;
- the Bank's ability to maintain or increase market share for its products and services and control expenses;
- the Bank's ability to meet its funding obligations and develop and maintain additional sources of financing;
- the Bank's ability to continue to diversify its client base;
- the impact of the growth of the Bank's loan portfolio on its revenue potential and overall asset quality;
- technological changes; and
- the Bank's ability to manage the risks associated with the aforementioned factors.

The forward-looking statements included in this Offering Memorandum involve known and unknown risks, uncertainties and other factors which may cause the Group's actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Group will operate in the future. You should be aware that a number of important factors provided above could cause the industry's or the Group's own actual results or performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

This list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievements to differ materially include those discussed under "*Risk Factors*". When considering forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Group operates. Such forward-looking statements speak only as at the date on which they are made, and the Issuer expressly disclaims

any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The Issuer does not make any representation or warranty that the results anticipated by such forward-looking statements will be achieved.

PRESENTATION OF FINANCIAL INFORMATION

Presentation of Financial Information

The Group's financial information set forth herein has, unless otherwise indicated, been extracted, without material adjustment, from the Group's unaudited condensed consolidated interim financial information as at and for the six-month period ended 30 June 2025 (the "**Interim Financial Statements**"), the Group's audited consolidated financial statements as at and for the year ended 31 December 2024 (the "**2024 Financial Statements**") and the Group's audited consolidated financial statements as at and for the years ended 31 December 2023, 2022 and 2021 (the "**2023-2021 Financial Statements**" and, together with the 2024 Financial Statements, the "**Annual Financial Statements**"; and together with the Interim Financial Statements, the "**Financial Statements**"), set forth on pages F-2 through F-272 of this Offering Memorandum. The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The Interim Financial Statements have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**").

The Uzbek soum is the functional currency of the Group and the presentation currency for the Financial Statements. The Financial Statements and financial information included elsewhere in this document have, unless otherwise noted, been presented in Uzbek soums.

Independent Auditors

The Annual Financial Statements included in the Offering Memorandum have been audited by Audit Organization "PricewaterhouseCoopers" LLC ("**PwC**") who has issued an unqualified independent auditor's reports on the Annual Financial Statements appearing herein.

PwC has a licence authorising the audit of companies registered by the Ministry of Economy and Finance of the Republic of Uzbekistan under registration number No. 00780 dated 5 April 2019 and a certificate authorising the audit of banks registered by the CBU under registration number No. 9 dated 14 February 2014.

The Interim Financial Statements included elsewhere in this Offering Memorandum have been reviewed by PwC, as stated in the report appearing herein. PwC reported that they reviewed the Interim Financial Statements, included in this Offering Memorandum and issued an unqualified review report. However, their report states they did not audit and they do not express an audit opinion on the Interim Financial Statements. Accordingly, the degree of reliance on their report on the Interim Financial Statements should be restricted in light of the limited nature of the review procedures applied.

Changes in Presentation

In 2023, the Group reclassified "Proceeds from borrowings due to other banks" and "Repayment of borrowings due to other banks" from the financing activities to the operating activities section of the consolidated statement of cash flows, under the net change - "due to other banks" line. In addition, the Group reclassified "Proceeds from disposal of repossessed assets" from "Cash flows from investing activities" to the operating activities section of the consolidated statement of cash flows, under the net change – "non-current assets held for sale" line. The Bank's management believes these classifications align with current market practice and provide more reliable and relevant information. This change has been applied retrospectively and has resulted in restatement of comparative figures for the years ended 31 December 2022 and 2021. Please see Note 3 of the 2023-2021 Financial Statements for further details regarding the effect of the changes in presentation on the financial statements for the years ended 31 December 2022 and 2021. The abovementioned changes in presentation have been applied in the preparation of the 2024 Financial Statements and the Interim Financial Statements.

Restatement of Prior Year Figures

In preparing the 2023-2021 Financial Statements, the Bank has made (i) certain restatements to the consolidated statement of financial position as at 31 December 2022 and 2021 and the corresponding statement of profit or loss for the year ended 31 December 2022 due to a modified retrospective approach in the initial application of IFRS 17 "Insurance Contracts" and (ii) corrections of errors in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 and consolidated statements of cash flows

for the year ended 31 December 2022. Please refer to Note 3 of the 2023-2021 Financial Statements for further details regarding the effect of adoption of new standards and the effect of error corrections.

Certain Definitions and Currencies

In this Offering Memorandum, all references to:

- the "**Bank**" or the "**Issuer**" are to JSCB "Uzbek Industrial and Commercial Bank";
- "**CBU**" are to the Central Bank of Uzbekistan;
- "**CIS**" are to the Commonwealth of Independent States and its member states as at the date of this Offering Memorandum, being Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan and Uzbekistan;
- "**Competent Authority**" are to the CBU or such other successor authority having primary bank supervisory authority with respect to prudential oversight and supervision in relation to the Bank;
- "**EU**" are to the European Union;
- "**Ministry of Economy and Finance**" are to the Ministry of Economy and Finance of the Republic of Uzbekistan;
- "**UFRD**" are to the Fund for Reconstruction and Development of the Republic of Uzbekistan; and
- "**US**" or "**United States**" are to the United States of America.

In this Offering Memorandum, the following currency terms are used:

- "**EUR**", "**Euro**" "**euro**" or "**€**" mean the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.
- "**U.S.\$**" or "**U.S. dollar**" means the lawful currency of the United States; and
- "**UZS**", "**Uzbek soums**" or "**soums**" means the lawful currency of the Republic of Uzbekistan.

References in the Offering Memorandum to a "**billion**" are to a thousand million.

Exchange Rate

The table below sets forth, for the periods and dates indicated, certain information regarding the exchange rate between the Uzbek soum and the U.S. dollar, based on the official exchange rate quoted by the CBU. Fluctuations in the exchange rates between the Uzbek soum and the U.S. dollar in the past are not necessarily indicative of fluctuations that may occur in the future.

Year	Uzbek soum per U.S.\$1.00			Period end
	High	Low	Average ⁽¹⁾	
2025 (up to and including 21 October 2025)	13,003.95	12,022.90	12,712.78	12,060.15
2024.....	12,928.70	12,341.54	12,652.57	12,920.48
2023.....	12,389.97	11,246.81	11,800.24	12,338.77
2022.....	11,571.99	10,800.55	11,045.70	11,225.46

Source: CBU

Note:

(1) The average rates are calculated as the average of the daily exchange rates on each calendar day (which is announced by the CBU for such day).

Rounding

Certain figures included in this Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Key Performance Indicators

The key performance indicators ("**KPIs**") or alternative performance measures ("**APMs**") described below have been calculated based on data derived from the Financial Statements and unaudited accounting records and management accounts. Where used, the relevant metrics are identified as APMs and accompanied by an explanation of each such metric's components and calculation method.

This Offering Memorandum includes certain financial measures that are not measures of performance specifically defined by IFRS. These include (without limitation) the following financial measures: return on average assets, return on average equity, cost-to-income ratio, net interest margin, allowance for loan losses/gross loans, total liquid assets/total assets, Total Regulatory Capital Adequacy Ratio, Tier 1 Capital Adequacy Ratio, Core Tier 1 Capital Adequacy Ratio, non-performing loans as a proportion of the loans and advances to customers including finance lease receivables, gross ("**NPL ratio**"), non-performing loans coverage, and problem loans/gross loans. See "*Selected Consolidated Financial Information*" for the information on the basis of calculation of the non-IFRS financial measures. In addition, this Offering Memorandum includes certain of the Group's selected statistical information in "*Selected Statistical and Other Information*", including average balance of interest-earning assets, average balance of non-interest-earning assets, average balance of total assets, average balance of interest-bearing liabilities, average balance of non-interest-bearing liabilities, average balance of equity, average balance of equity and non-interest-bearing liabilities, average balance of equity and liabilities, average yield on interest-earning assets, average rate paid on interest-bearing liabilities, ratio of net charge-offs, total weighted average yield, average balance of term deposits, average balance of current/settlement accounts, average balance of total deposits and current/settlement accounts, average rate paid on term deposits. See "*Selected Statistical and Other Information*" for the information on the basis of calculation of the selected statistical information.

The KPIs disclosed in this Offering Memorandum should not, however, be considered as an alternative to, in isolation from or as substitutes for financial information reported under IFRS. The KPIs disclosed in this Offering Memorandum were not audited, reviewed or otherwise reported on by independent auditors and are not measures specifically defined by IFRS and the Group's use of these measures may vary from other companies in its industry due to differences in accounting policies or differences in the calculation methodology of similar measures by other companies in its industry.

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OVERVIEW OF THE BANK

This overview highlights certain information concerning the business of the Bank and the Notes. It does not contain all information that may be important to an investor in the Notes or an investment decision in relation to the Notes. This overview should be carefully read in conjunction with, and is qualified in its entirety by reference to, the more detailed information in this Offering Memorandum, including the Financial Statements. Investors should also consider the matters set forth in "Risk Factors" before deciding to invest in the Notes. Certain statements in this Offering Memorandum include forward-looking statements which also involve risk and uncertainties as described under "Cautionary Statement Regarding Forward-Looking Statements".

Overview

Established in 1922, the Bank is one of the leading universal banks in the Republic of Uzbekistan. According to the CBU, as at 30 June 2025, the Bank ranked as the second largest commercial bank in Uzbekistan by total assets (11.0 per cent. market share) and the third largest by loan portfolio size (12.0 per cent. market share). The Bank offers a comprehensive range of banking services, including corporate lending, state and municipal organisations lending and retail lending, deposit-taking, cash handling, international money transfers, letters of credit, guarantees, foreign exchange operations and other products, including insurance products and consulting services. The Bank conducts its banking operations from its head office in Tashkent and, as at 30 June 2025, had 79 branches within Uzbekistan.

The Bank has historically operated as a state financing vehicle on the basis of funding provided by state agencies, such as the UFRD and the Ministry of Economy and Finance, for subsidised financing of investment projects in a number of strategic industries, mainly oil and gas & chemicals and energy, and has otherwise in its day-to-day operations relied on funding provided by the Uzbekistan Government in the form of predominantly subsidised loans, deposits, capital injections and state guarantees, as well as funding received as borrowings from the IFIs. Since 2018, as part of the on-going economic reforms in Uzbekistan, the Bank has been undergoing a transitional reform of its banking organisation from being dependent on state control, support and funding to more of a market-orientated commercial structure. Under this transition strategy, the Uzbekistan Government has been gradually decreasing its influence on the business and loan portfolio of the Bank, as well as reducing the state support financing available to the Bank as well as the state guarantees that borrowers of the Bank have benefitted from and which the Bank has received as credit support. Furthermore, as part of the transition the Bank has taken steps to diversify its loan portfolio and client base to increase the share of higher-margin loans attributable to developing sectors of the Uzbekistan's economy, such as manufacturing, agriculture and retail, to give attention to development of small and medium enterprises in the loan and deposit portfolios, as well as to develop further its long-standing relationships with large corporate customers in oil and gas, chemicals and energy sectors on more commercial and market orientated terms. Additionally, the Bank began providing green financing by establishing the "green banking" department and further developing this strategic line of business, providing funding for green projects, introducing green products for corporate and retail customers.

In accordance with the Decree of the President of the Republic of Uzbekistan No. UP-5992 "On the Strategy of Reforming the Banking System for 2020-2025" dated 12 May 2020 (the "**Decree on Reforming the Banking System**"), the Bank is expected to be privatised through a sale of the Government's stake. Pursuant to Presidential Decree No. PP-253 dated 31 July 2023, as amended by Presidential Decree No. PP-455 dated 25 December 2024, the Government was mandated to reduce its ownership in the Bank's charter capital to below 50.0 per cent. by the end of 2024 through a sale to a strategic investor meeting specified criteria (the "**Privatisation**"). As at the date of this Offering Memorandum, the Privatisation remains ongoing and has been formally extended until the end of 2025.

As at 30 June 2025, the Group's total assets comprised UZS94,767,521 million. As at 30 June 2025, total loans and advances to customers including finance lease receivables, gross amounted to UZS74,183,903 million, with gross loans to corporate customers, gross loans to state and municipal organisations and gross loans to individuals accounting for 67.0 per cent., 18.6 per cent. and 14.4 per cent. of total loans and advances to customers including finance lease receivables, gross, respectively. For the six months ended 30 June 2025 and 2024, the Group generated profit of UZS661,683 million and UZS247,268 million, respectively, and UZS1,115,025 million, UZS856,154 million and UZS633,655 million for the years ended 31 December 2024, 2023 and 2022, respectively.

The Bank was incorporated as a joint-stock commercial bank in 1991 and is domiciled in the Republic of Uzbekistan. It is registered in Uzbekistan to carry out banking and foreign exchange activities and has operated under the banking licence No. 17 issued by the CBU on 25 December 2021. Its registered and head office is located at Shaxrisabskaya str. 3, 100000 Tashkent city, Republic of Uzbekistan. The telephone number of the registered office and the head office of the Bank is +998 (71) 200-43-43. As at the date of this Offering Memorandum, the Bank has the following long-term ratings: BB from Fitch and BB- from S&P.

Competitive Strengths

The Bank's management believes that the Group has a number of competitive advantages, including the following:

- Leading position in the Uzbekistan banking market and growing client base;
- Streamlining business with advanced IT solutions;
- Active contribution to the development of efficient economy through "Green banking" projects;
- Comprehensive banking network;
- Strong balance sheet with prudential capital ratios and robust asset quality; and
- Strong corporate governance and experienced management with a deep understanding of local and global markets.

Strategy

The following are the key elements of the Bank's strategy:

- Continued diversification of the loan portfolio and funding base;
- Diversified product range and IT development;
- Further development of risk-management and credit policies;
- Further development of high-quality corporate governance and qualified personnel; and
- Promoting ESG and green financing.

Risk Factors

An investment in the Notes involves a high degree of risk. For a detailed discussion of the risks and other factors to be considered when making an investment decision with respect to the Notes, see "*Risk Factors*" and "*Cautionary Statement Regarding Forward-Looking Statements*". Prospective investors in the Notes should carefully consider the risks and other information contained in this Offering Memorandum prior to making any investment decision with respect to the Notes. Prospective investors should note that the risks described in this Offering Memorandum are not the only risks the Bank faces. The Bank has described only the risks it considers to be material. However, there may be additional risks that it currently considers immaterial or of which it is currently unaware.

OVERVIEW OF THE OFFERING

The following overview contains basic information about the Notes and is not intended to be complete. For a more complete understanding of the Notes, please refer to the Conditions. Capitalised terms not defined in this section have the meanings given to them in the Conditions.

Issuer	Joint-Stock Commercial Bank "Uzbek Industrial and Construction Bank"
Joint Structuring Banks to the Issuer	Citigroup Global Markets Limited and J.P. Morgan Securities plc
Joint Bookrunners and Joint Lead Managers	Citigroup Global Markets Limited, J.P. Morgan Securities plc, Mashreqbank psc, Raiffeisen Bank International AG, Société Générale and Standard Chartered Bank
Co-Managers	JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan" and Joint-Stock Commercial Bank "Uzbek Industrial and Construction Bank"
Sole Sustainability Structuring Bank	Citigroup Global Markets Limited
Notes Offered	U.S.\$300,000,000 aggregate principal amount of 9.450 per cent. Fixed Rate Resettable Perpetual Additional Tier 1 Notes
Trustee	Citibank, N.A., London Branch
Principal Paying Agent, Calculation Agent and Transfer Agent	Citibank, N.A., London Branch
Registrar	Citibank Europe plc, Germany Branch
Issue Price	100.000 per cent.
Issue Date	23 October 2025
Status	The Notes constitute direct, subordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The rights and claims of the Noteholders are subordinated as described in Condition 3 (<i>Subordination</i>).
Maturity Date	The Notes are perpetual securities with no scheduled redemption date. The Notes may only be redeemed by the Issuer in the limited circumstances described in Condition 6 (<i>Optional Redemption</i>), as summarised below.
Subordination and Ranking	<p>The payment obligations of the Issuer under the Notes constitute direct, subordinated and unsecured obligations of the Issuer and shall, save for such exceptions as may arise by mandatory operation of law, upon the insolvency or the liquidation of the Issuer (determined at all times in accordance with the Applicable Banking Regulations) rank:</p> <ul style="list-style-type: none"> (i) senior to (A) any claims for the liquidation amount of (x) the Ordinary Shares and (y) the Preferred Shares (as defined in the Conditions) that do not qualify as Additional Tier 1 Instruments (as defined in the Conditions) and (B) any other subordinated obligations of the Issuer which by law and/or by their terms, to the extent permitted by the laws of the Republic of Uzbekistan, rank junior to the Issuer's obligations under the Notes; (ii) <i>pari passu</i> and without any preference among themselves and with (A) any claims for the liquidation amount of the Preferred

Shares qualifying as Additional Tier 1 Instruments, (B) any claims for principal in respect of other contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 Instruments and (C) any other subordinated obligations of the Issuer which by law and/or by their terms, to the extent permitted by the laws of the Republic of Uzbekistan, rank *pari passu* with the Issuer's obligations under the Notes; and

- (iii) junior to (A) any claims for principal in respect of unsubordinated obligations of the Issuer, (B) any claims in respect of Tier 2 Instruments (as defined in the Conditions) and (C) any other subordinated obligations of the Issuer which by law and/or by their terms, to the extent permitted by the laws of the Republic of Uzbekistan, rank senior to the Issuer's obligations under the Notes.

For further information, see Condition 3 (*Subordination*).

Interest

Interest will accrue on the outstanding principal amount (the "**Outstanding Principal Amount**") of the Notes from time to time as follows:

- (i) in respect of the period from (and including) the Issue Date to (but excluding) 23 April 2031 (the "**First Reset Date**"), at the rate of 9.450 per cent. per annum, and
- (ii) in respect of each period from (and including) the First Reset Date and every fifth anniversary thereof (each, a "**Reset Date**") to (but excluding) the next succeeding Reset Date (each such period, a "**Reset Period**"), at the rate determined by the Calculation Agent on the relevant Reset Determination Date equal to the sum of the relevant Treasury Yield plus the Margin (rounded if necessary to five decimal places, with 0.000005 rounded up).

Subject as provided in Conditions 2 (*Status*), 5(d), 5(e) and 5(i), Interest shall be payable semi-annually in arrear on 23 April and 23 October in each year (each, an "**Interest Payment Date**"), with the first Interest Payment Date falling on 23 April 2026.

For further information, see Condition 5 (*Interest*).

Solvency Condition

Subject to Condition 3 (*Subordination*), any amounts payable in respect of principal and interest on the Notes shall be payable only if and to the extent that the Issuer could be considered Solvent at the time of payment thereof and still be considered Solvent immediately thereafter (the "**Solvency Condition**"). The Issuer shall be considered "Solvent" if its assets exceed its liabilities as determined at all times in accordance with the Applicable Banking Regulations (as defined in the Conditions). For the avoidance of doubt, the Solvency Condition shall not prejudice the Trustee's right to prove and/or claim in the insolvency or liquidation of the Issuer the outstanding principal amount of any Note together with any accrued and unpaid Interest that has not been cancelled in accordance with the Conditions, in each case in accordance with the Conditions.

For further information, see Conditions 2 (*Status*) and 5(i).

Cancellation and limitations on payment of Interest

Discretionary Cancellation of Interest

Subject to Conditions 5(e) and 5(i), the Issuer may elect at any time, in its sole and absolute discretion, to cancel (in whole or in part) the payment of any Interest otherwise scheduled to be paid on an Interest Payment Date.

Mandatory Cancellation of Interest

Without prejudice to any right of the Issuer to cancel the payments of any Interest at its discretion pursuant to Condition 5(d), the Issuer will cancel any Interest (or part thereof) otherwise scheduled to be paid on an Interest Payment Date if a resolution of the general meeting of the Issuer's shareholders requires the relevant payment of Interest (or the relevant part thereof) to be cancelled.

Non-cumulative Interest; No event of default

If the payment of any amount of Interest (or part thereof) scheduled on an Interest Payment Date is not made in respect of the Notes as a result of any election of the Issuer to cancel such payment of Interest pursuant to Condition 5(d) or the limitations on payment set out in Conditions 2 (*Status*), 5(e) and 5(i), then the right of the Noteholders to receive the relevant payment of Interest (or part thereof) in respect of the relevant Interest Period will be extinguished and the Issuer will have no obligation to pay such Interest (or part thereof) accrued for such Interest Period or to pay any interest thereon, whether or not Interest on the Notes is paid in respect of any future Interest Period or whether Interest is not paid as a result of bankruptcy, liquidation or the dissolution of the Issuer or otherwise. For further information, see Condition 5(f).

Any election to cancel the payment of any Interest (or part thereof) pursuant to Condition 5(d) or any non-payment of any Interest (or part thereof) as a result of the limitations on payment set out in Conditions 2 (*Status*), 5(e) and 5(i) will not constitute a default or an event of default or the occurrence of any event related to the insolvency of the Issuer, or in any way limit or restrict the Issuer from making any payment of Interest or distribution or equivalent payment in connection with any instrument ranking senior, junior or *pari passu* to the Notes. For further information, see Condition 5(g).

Dividends and other distributions

If any scheduled payment of Interest is not made in full because of the cancellation of Interest, the Issuer shall ensure that: (i) no distribution or dividend in cash or in kind shall be paid or made on any Ordinary Shares (as defined in the Conditions); and, so as not to circumvent the foregoing prohibition on distributions or dividends; and (ii) no transaction shall be entered into that would allow the Issuer to directly or indirectly, redeem, purchase or otherwise acquire any of the Ordinary Shares, other than, the amount of dividend on Ordinary Shares payable in cash pursuant to Decree of the President of the Republic of Uzbekistan No. UP-5468 dated 29 June 2018 (as amended, supplemented or restated or superseded from time to time), in each of case (i) and (ii), unless and until the Interest due and payable on the Notes on any subsequent Interest Payment Date has been paid in full or no Notes remain outstanding.

Risk Factors

An investment in the Notes involves a high degree of risk. See "*Risk Factors*".

Use of Proceeds

The gross proceeds received by the Issuer from the issuance of the Notes are expected to be included in the Issuer's Additional Tier 1 Capital and

may be used by the Issuer for its general corporate purposes. For more information, see "*Use of Proceeds*".

The Issuer intends to allocate an amount equivalent to the net proceeds of the Notes to finance or re-finance, in whole or in part, Eligible Social Projects and/or Eligible Green Projects in accordance with the use of proceeds criteria and selection process described in the Issuer's Framework.

Form

The Notes will be in registered form, without interest coupons attached, in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

The Notes will be issued in the form of a Regulation S Global Note and a Rule 144A Global Note, each in registered form and without interest coupons attached. The Regulation S Global Note will be deposited with the common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of such common depositary. The Rule 144A Global Note will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee of DTC. Ownership interests in the Regulation S Global Note and Rule 144A Global Note will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg, DTC and their respective participants. Notes in definitive form will be issued only in limited circumstances.

Enforcement Events

Subject to Condition 15 (*Enforcement*), the Trustee and the Noteholders shall only have a right of remedy in respect of the following events (each, an "**Enforcement Event**"):

- (a) *non-payment of principal*: if the Issuer fails to pay the principal on any of the Notes when due in accordance with Condition 5 (*Interest*) and such failure to pay is not remedied within five days of the due date for payment, the Trustee may (in accordance with Condition 15 (*Enforcement*)) institute proceedings for the winding-up, insolvency or liquidation of the Issuer and/or may prove and/or claim in any consequent winding-up, insolvency (bankruptcy) or liquidation of the Issuer, with the question of whether the Issuer is, as a matter of fact, insolvent or in liquidation being determined in accordance with Applicable Banking Regulations; or
- (b) *insolvency*: in the event of the commencement of proceedings for the winding-up, insolvency or liquidation of the Issuer (each as determined in accordance with and subject to, Applicable Banking Regulations), the Trustee may (in accordance with Condition 15 (*Enforcement*)) prove and/or claim in the insolvency or liquidation of the Issuer and the amount of any claim in respect of a Note shall be its outstanding principal amount together with any accrued and unpaid Interest that has not been cancelled in accordance with the Conditions.

The Trustee, in its discretion, may or (subject to Condition 15 (*Enforcement*)) if so requested by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) institute such proceedings and/or take any other steps or actions against the Issuer as it may think fit to enforce any term or condition binding on

the Issuer under the Notes or the Trust Deed (other than any payment obligations of the Issuer arising thereunder, including any damages awarded for breach of any obligations), provided that in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it pursuant to the Conditions and the Trust Deed.

Optional Redemption and Conditions to Redemption

All, and not some only, of the Notes may be redeemed at the option of the Issuer (subject to the satisfaction of the Redemption Conditions (as described below)) on any calendar day falling in the period commencing on (and including) 23 October 2030 and ending on (and including) the First Reset Date or on any Interest Payment Date falling after the First Reset Date, in each case at the Redemption Price.

The Notes may further be redeemed on or after the Issue Date at the option of the Issuer (subject to the satisfaction of the Redemption Conditions) in whole but not in part, at any time, at the Redemption Price if there is a Tax Event that is continuing.

The Notes are redeemable on or after the Issue Date at the option of the Issuer (subject to the satisfaction of the Redemption Conditions) in whole but not in part, at any time, at the Redemption Price if there is a Capital Disqualification Event that is continuing.

Any redemption of the Notes in accordance with the Conditions is subject to the Redemption Conditions, namely that:

- (i) the Competent Authority has provided its consent or, as the case may be, has confirmed that it does not object, to the redemption of the Notes by the Issuer, and such consent or confirmation have not been revoked by the relevant date of such redemption;
- (ii) such optional redemption would result, on a pro forma basis, in the CBU Tier 1 Capital Adequacy Ratio being at or above the level required by the CBU Capital Regulation in connection with the redemption and/or repurchase of Additional Tier 1 Instruments, unless the Competent Authority has waived this condition in relation to any optional redemption of the Notes; and
- (iii) the Solvency Condition is satisfied.

For further information, see Condition 6 (*Optional Redemption*).

Substitution/Variation

If a Capital Disqualification Event or a Tax Event has occurred and is continuing, the Issuer (in its sole discretion, but subject as set out below), having given not less than 5 nor more than 60 days' irrevocable notice to the Trustee, the Principal Paying Agent, the Registrar and the Noteholders, may, without any requirement for the consent or approval of the Noteholders, but subject to the prior consent of the Competent Authority (and otherwise in accordance with Applicable Banking Regulations then in force), either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that the Notes remain or, as the case may be, become Qualifying Additional Tier 1 Notes.

For further information, see Condition 7 (*Substitution and Variation*).

Purchases

The Issuer and its Subsidiaries may, but are not obliged to, purchase, or procure others to purchase for its account, Notes at any price in the open market or otherwise, subject to the prior consent of the Competent

Authority and otherwise in accordance with the Applicable Banking Regulations then in force.

For further information, see Condition 8 (*Purchases*).

Withholding Tax

All payments in respect of Interest and principal on the Notes will be made free and clear of, and without withholding or deduction for, any Taxes imposed, levied, collected, withheld or assessed by a Tax Jurisdiction, unless such withholding or deduction is required by law. If any such deduction or withholding is made, the Issuer shall (subject to certain exceptions) pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received had no such deduction or withholding been required, as more fully described in Condition 10 (*Taxation*).

Admission to Trading of the Notes

Application has been made to the London Stock Exchange for the Notes to be admitted to trading on the ISM.

Ownership Restrictions

None of DTC, Euroclear or Clearstream, Luxembourg, will monitor compliance with any transfer or ownership restrictions.

Governing Law and Arbitration

The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with any of them shall be governed by and construed in accordance with English law, except that the provisions of Condition 2 (*Status*) and Condition 3 (*Subordination*) will be governed by, and construed in accordance with, the laws of the Republic of Uzbekistan, and contain provisions for arbitration in London, England.

Selling Restrictions

United States, EEA, United Kingdom, Uzbekistan, Singapore and any other jurisdiction relevant to the offering of the Notes. See "*Subscription and Sale*".

Acknowledgement of Statutory Write-Down or Conversion

By acquiring the Notes, each Noteholder acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of the Bail-in Power by the Competent Authority as provided in Condition 23 (*Acknowledgement of Statutory Write-Down or Conversion*).

Security Identification

Regulation S Notes:

ISIN: XS3200158478

Common Code: 320015847

Rule 144A Notes:

ISIN: US917935AC27

Common Code: 320270880

CUSIP: 917935AC2

Legal Entity Identifier

213800C2NIFPFTXYIU69

RISK FACTORS

An investment in the Notes involves risks. Accordingly, you should carefully consider the risks described below, as well as the other information in this Offering Memorandum, before making an investment decision. The risks and uncertainties below are not the only ones the Group faces. Additional risks and uncertainties not presently known to the Bank, or that the Bank currently believes are immaterial, could also impair its business operations. Factors which the Bank believes are specific to the Bank, the Group and/or the Notes and material for an informed investment decision with respect to investing in the Notes issued under are described below. In each category below the Bank sets out the most material risks, in its assessment, taking into account the negative impact of such risks on the Bank and/or the Group and the probability of their occurrence. If any of the following risks actually materialises, the Group's business, results of operations and financial condition could be materially and adversely affected and it could affect the Bank's ability to meet its obligations under the Notes.

Risks Related to the Bank's Business and Industry

The banking sector in Uzbekistan and the Bank are undergoing a transition period

The Bank has historically operated as a financing vehicle on the basis of funding provided by the state agencies, such as the UFRD and the Ministry of Economy and Finance, for financing subsidised investment projects in a number of strategic industries, mainly oil and gas & chemicals and energy, and has otherwise in its day-to-day operations relied on primarily subsidised funding provided by the Government in the form of loans, deposits, capital injections and state guarantees, as well as funding received as borrowings from the IFIs.

Before 2018, the Bank's business and loan portfolio was heavily influenced by Government support and state-directed lending, with a significant share of loans concentrated in state-owned enterprises and priority sectors, often backed by state guarantees. This reduced the Bank's credit risk exposure and reliance on commercial credit assessment, but limited portfolio diversification and market orientation. Since 2018, as part of on-going economic reforms in Uzbekistan, the banking sector has been undergoing a transitional reform aimed at transitioning from a model based on state control, support and funding to a more market-orientated and commercial model. In line with the reform, the Government has been gradually decreasing its influence on the business and loan portfolio of the Bank, as well as reducing the state support available to the Bank and the state guarantees that borrowers of the Bank have benefitted from and which the Bank has received as credit support. See "*—The Bank's strategy is determined by the Government as its major beneficial shareholder and the interests of the Bank's shareholders or management may conflict with those of the Noteholders*".

The Decree on Reforming the Banking System was adopted to facilitate the implementation of these reforms. The purpose of the Decree on Reforming the Banking System is to increase the efficiency and ensure financial stability of the banking system. Additionally, the Decree is intended to reduce the Government's ownership in the banking sector by privatising the majority of the nine state-owned banks, leaving only: "National Bank for Foreign Economic Activity of the Republic of Uzbekistan", JSCB "Agrobank" and JSC "Microcreditbank" under the majority-ownership of the Government. See "*—Future privatisation of the Bank may adversely affect its business, financial condition or prospects*" and "*—Non-privatisation of the Bank may adversely affect its business, financial condition and prospects.*" In anticipation of this transition, the Bank has taken steps to diversify its loan portfolio and client base to increase the share of higher-margin loans attributable to developing sectors of Uzbekistan's economy such as manufacturing, agriculture and retail banking customers, to prioritise the development of small and medium enterprises and retail share in the loan and deposit portfolios, as well as to further develop its long-standing relationships with large corporate clients in the oil and gas & chemicals and energy sectors on more commercial and market orientated terms. However, in line with the general economic reforms in Uzbekistan, many of the Bank's existing corporate clients are undergoing either privatisations or similar transition processes. These changes are expected to result, among other things, in business volatility and increased need to secure funding on commercial market terms. There can be no assurance that following the transition of the Bank to a market-based pricing policy and reduction of state support, long-term corporate clients of the Bank, who previously benefitted from state guarantees of their borrowings but are unlikely to do so going forward, will retain their low-risk credit profile. There can be no assurance that, following privatisation or transition to more independent management, the credit profiles of such corporate clients will not be negatively affected, or such existing corporate clients would not attract financing from or place their deposits with the Bank's competitors offering better terms on banking products.

The transition of the Bank and the banking industry generally to a more market-orientated and commercial model will also likely result in increased competition for the Bank with other state-owned banks, foreign and private banks for the same client base. See "*The Bank operates in a competitive industry*" below. Moreover, as the Bank is expanding its client base to new industries and sectors, the Bank is exposed to an additional degree of operational and credit risk since the Bank may not have sufficient knowledge, procedures and resources to adequately evaluate and measure creditworthiness of new types of customers, including retail customers and customers operating in new sectors. That, in turn, can adversely impact on the overall asset quality of the Bank, leading to a potential deterioration of its financial position and results of operations, including an increase in the impairment levels and/or exceeding internal limits on NPL levels. See "*The Bank may not be able to successfully implement its strategy to grow its business, and may be subject to risks relating to its business expansion*" and "*The Bank may not be able to accurately assess the credit risk of potential and current borrowers or maintain the quality of its loan portfolio*" below.

Furthermore, notwithstanding the Bank's successful implementation of certain aspects of its transitional strategy since 2018, the Bank is still in a transition stage and, while it is fully committed to continuous development and improvement of its business, any further development efforts of the Bank might be hindered by a number of internal, market and macroeconomic risks. There can be no assurance that the Bank will succeed in implementation of all the necessary stages of transformation or achieve the growth or profitability that it would expect. Failure to implement its transition strategy or achieve the growth or profitability that it would expect from the transformation could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

Future privatisation of the Bank may adversely affect its business, financial condition and prospects

As at the date of this Offering Memorandum, the Privatisation process is at the preparatory stage, and the deadline to complete the Privatisation by the end of 2025 is likely to be extended to a later date.

If the Privatisation were to occur, holders of the Bank's U.S.\$400,000,000 8.95 per cent. notes due 2029 (the "**2029 Notes**") and UZS2,250,000,000,000 21.0 per cent. notes due 2027 (the "**2027 Notes**") would have the right to require the Bank to redeem the notes held by them in the event that a new investor (other than an acceptable investor, being the Republic of Uzbekistan or any entity with a credit rating at least equal to Uzbekistan's sovereign rating or investment grade and not subject to sanctions) acquires control of the Bank and an adverse credit ratings event takes place, defined as a downgrade or withdrawal of the Bank's or the notes' rating within six months of such change of control caused by that change. Furthermore, most of the Bank's loan agreements contain change of control provisions, which could be triggered upon the Privatisation and allow the lenders to cancel their undrawn commitments and/or declare the outstanding loans immediately due and payable. Such acceleration could, in turn, trigger cross-default provisions under other financing arrangements if the Bank were unable to refinance the affected facilities or obtain necessary waivers.

The Bank may face liquidity constraints fulfilling its obligations under the relevant bonds or loans and it may encounter challenges in arranging additional financing. A failure to fulfil such obligations could trigger events of default, potentially leading to acceleration of indebtedness and cross defaults, which may have a material adverse effect on the Bank's business and result in additional costs associated with renegotiating agreements as well as further difficulties in managing its operations.

In addition, the Bank is subject to certain contractual requirements under the Bank's U.S.\$100,000,000 floating rate notes due 2028 (the "**2028 Notes**") and other debt instruments with respect to potential investor(s) in the Privatisation, including, but not limited to, that such investor(s) should not be subject of any sanctions and should have a credit rating no lower than the sovereign rating of the Republic of Uzbekistan. If an investor meeting these requirements is identified and the Privatisation is implemented, the Government's shareholding in the Bank will decrease, and depending on the profile and credit quality of the new shareholder(s), such change in ownership could affect market perceptions of the Bank and may adversely impact its ability to attract funding in the local or international markets on favourable terms. See "*Any downgrade in the ratings of the Bank may adversely affect the Bank's business*". Further, a new shareholder or management may seek to change the Bank's strategic direction, including, but not limited to, altering the mix of services that the Bank offers, expanding into product areas that the Bank is not currently active in or, conversely, reducing the Bank's activity in certain areas.

If any of these events occur, they could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects and the trading price of the Notes.

Failure to privatise the Bank may require the Bank to obtain additional refinancing and may adversely affect the Bank's business, financial condition and prospects

The Bank is subject to certain contractual requirements regarding the timing of the Privatisation. Holders of the 2028 Notes may require the Bank to redeem the 2028 Notes held by them if the Republic of Uzbekistan continues to own or control the Bank after 31 December 2025. In addition, the Bank's lenders, including Asian Development Bank ("ADB") under a U.S.\$50 million facility agreement, International Finance Corporation ("IFC") under a U.S.\$75 million facility agreement and European Bank for Reconstruction and Development ("EBRD") under a U.S.\$50 million facility agreement, may accelerate their loans and declare all amounts due and payable if the Privatisation has not occurred by 31 December 2025.

Non-payment by the Bank following acceleration under these facilities with ADB, IFC or EBRD would trigger cross-default provisions under the Bank's other debt instruments.

As at the date of this Offering Memorandum, the Republic of Uzbekistan through the UFRD and the Ministry of Economy and Finance continues to hold a controlling interest in the Bank. The Bank does not currently expect that Privatisation will be completed by 31 December 2025, and there can be no assurance that the Privatisation will be completed within the approved timeframe. Although the Bank is currently seeking waiver or modification of the relevant provisions in the facilities with ADB, IFC and EBRD, there can be no assurance that such waivers or extensions will be granted. Any failure to obtain the necessary waivers or extensions would require the Bank to repay these facilities at maturity, and failure to do so would result in cross-acceleration and cross-default of the Bank's other borrowings.

In addition, in the likely case that Privatisation is not completed by 31 December 2025, holders of the 2028 Notes would be entitled to put these notes to the Bank after 31 December 2025. Should a significant portion of holders of the 2028 Notes exercise this option, the Bank would be required to bear substantial cash outflows to redeem the 2028 Notes, which would require it to obtain additional financing.

The Bank plans to seek financing from its existing credit lines with various lenders to meet its redemption obligations. There can be no assurance, however, that such financing will be available or sufficient to cover the required cash outflows, or that it will be available on terms that are favourable or acceptable to the Bank.

The occurrence of any of these events could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank would be adversely affected if it ceases to receive funding from the Government

In terms of both assets and liabilities including funding, the Bank has historically been reliant on the Government. State-owned entities, which have been and remain a significant source of the Bank's funding, are also among its major clients, such as JSC Uztransgaz, JSC Uzbekneftegaz, JSC Angren Thermal Power Station and JSC Novo-Angren Thermal Power Station.

As at 30 June 2025, the Bank's assets related to the Government (and government-owned entities) and state and municipal organisations amounted to 23.8 per cent. of the Bank's total assets, and were mainly represented by loans and advances to customers including finance lease receivables, which made up 14.6 per cent., and investment in debt securities, which comprised 7.4 per cent. As at 30 June 2025, the share of liabilities attracted from the Government and state and municipal organisations amounted to 25.9 per cent. of the Bank's total liabilities, primarily consisting of customer accounts at 16.1 per cent. and other borrowed funds at 4.6 per cent. Since 2019, the Bank has not received funding from the Government in the form of equity injections.

In anticipation of the contemplated Privatisation of the Bank, the share of liabilities attracted from state and municipal organisations may significantly decrease, as such funds may be redirected to banks that are not expected to undergo Privatisation, such as Joint-Stock Company "National Bank for Foreign Economic Activity of the Republic of Uzbekistan" ("NBU") and Joint-Stock Commercial Bank "Agrobank" ("Agrobank"). This could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects. Similarly, any unplanned or unexpected reduction in state funding to any of the Bank's state-owned customers or radical shift in Government policy towards the Bank resulting in the loss of the state-owned

customers may result in a decrease in operational volumes for the Bank or failure of such customers to serve their obligations under the existing loans and other arrangements with the Bank, which could in turn have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

In addition, the Government has been, and remains, a very significant source of funding through borrowings, as well as the ultimate controlling entity of many of the Bank's major clients. If the Government reduces subsidies or financial support to the Bank's customers, they may struggle to service their debts, leading to higher default rates and increased NPLs for the Bank, and reduce their borrowing for new projects or expansions, resulting in a decrease in the Bank's lending activity and revenue. Reduced Government support for, or participation in, may also adversely affect credit ratings of the Bank and/or the Bank's state-owned customers, hindering their ability to attract funding on the local and international capital markets at favourable terms (or at all), which could in turn have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

The Bank operates in a competitive industry

In recent years, Uzbekistan's banking sector has become increasingly competitive. According to the CBU, as at 30 June 2025, there were 36 commercial banks (including the Bank) operating in Uzbekistan. The Bank competes with a number of these banks, including NBU, Agrobank, Joint Stock Company "Asakabank" ("**Asakabank**"), Joint-Stock Commercial Bank "Xalq Bank of the Republic of Uzbekistan" ("**Xalq Bank**"), Joint-Stock Commercial Bank "Kapitalbank" ("**Kapitalbank**") and Joint-Stock Commercial Mortgage Bank "Ipoteka-Bank" ("**Ipoteka-Bank**") in respect of retail and micro finance loans and in the corporate sector. According to the CBU, as at 30 June 2025, seven foreign-owned banks had presence in Uzbekistan, which, following the liberalisation of the economy and transitional development of the banking sector, pose an increased competitive challenge for the local market, as they could draw on the support from their parent banks and offer banking products on more attractive terms than the Bank and other Uzbek financial institutions (such as privatised Ipoteka-Bank which can utilise the expertise and financial resources of Hungarian OTP Bank, its major shareholder). There can be no assurance that the Bank's customers will not transfer a significant portion of their deposits and/or loans to one or more of the Bank's competitors or that the Bank will gain a significant share of new customers in the market which would meet its growth targets.

The Bank also faces competition from digital banks, such as TBC Uzbekistan and Anor Bank, offering financial services. In particular, digital banks have gained notable traction in the retail segment by leveraging streamlined mobile onboarding, faster loan processing and high-yield deposit products, enabling such competitors to build retail portfolios and deposit bases comparable to that of the Bank despite operating on a smaller scale. Should the Bank fail to continue to enhance its digital capabilities and adapt to evolving customer expectations, it may experience increased client outflows and a loss of market share to more agile competitors. Increased competition may have a negative impact on the Bank, particularly if the Bank's competitors possess greater financial resources (especially in the case of banks with foreign capital investment or banks which are representative offices or subsidiaries of non-resident foreign banks, by way of access to funding from foreign capital or their parent entity), have access to lower-cost funding, provide a broader offering of products, or if the Bank's competitors merged to significantly enhance their financial resources, access to funding and product offerings. Consequently, an increase in competition could lead to significant pressure on the Bank's market share and has already led to, and may, in the future, continue to lead to, increased pricing pressures on the Bank's products and services, which could in turn have a material adverse effect on the Bank's business results of operations, financial condition and prospects.

The Bank may be unable to attract sufficient new customers, or engage and retain its existing customers

The successful implementation of the Bank's growth strategy depends on the Bank's ability to attract new customers and expand its existing customers' base by offering new competitive products and services. In the period under review, the Bank has maintained one of the leading positions on the Uzbekistan banking market in terms of customer accounts and has expanded its deposit portfolio, but there can be no assurance that the Bank may be able to sustain such growth. The Group's customer accounts increased by UZS12,104,684 million, or 79.0 per cent., to UZS27,433,503 million as at 30 June 2025 from UZS15,328,819 million as at 31 December 2022.

The Bank continues to invest significant resources in its infrastructure and development and other areas in order to enhance its existing products and services, as well as introduce new products and services aimed at increasing the number of customers. The changes and developments taking place in the banking industry in Uzbekistan may also require the Bank to re-evaluate its business model and adopt significant changes to its long-term strategies. As the market for the Bank's services matures, or as new or existing competitors introduce new products, services or functionality that compete with the Bank's products, services or functionality, the Bank may face external pressures and be unable to innovate and adapt to these changes and therefore to retain current customers or attract sufficient new customers.

The Bank's ability to attract, retain and grow its customer base requires it to create new products, both independently and jointly with third parties, and, therefore, the Bank may face risks associated with expansion into areas in which it has limited experience or no experience. The Bank may also introduce significant changes to its existing products or develop and introduce new and unproven products and services, which may require significant investments of time, money and resources. For example, the Bank has introduced the "Tezkor" and "Tezkor 2" products, which offer SMEs rapid access to financing through streamlined procedures and simplified underwriting. The future performance of these and other new products or services, however, is inherently uncertain, and as a result of potential underperformance of these products or services the Bank may fail to attract or retain customers or generate sufficient return to justify its investments, which may adversely affect its business, financial condition and results of operations.

In addition, the Bank's efforts to attract and retain customers and its plan to establish a retail-only application that integrates the Bank's payment system, insurance products, brokerage and investment services, which it calls a 'SuperApp', will entail substantial development costs and engagement of significant human resources and third-party service providers. Creating such a product requires technologically advanced processes, and involves high costs. The Bank launched the first phase of the SuperApp, which offers insurance products, gold accounts, flexible deposits and loans, as well as QR payment solutions. As part of the second phase, the Bank is developing a broader range of investment solutions and additional banking services, with the launch of this phase expected in 2026. If the Bank's efforts to attract and retain customers are not successful, or if its customers reduce or discontinue their usage of the Bank's products and services, the Bank's business, financial condition and results of operations may be materially adversely affected.

The Bank's loan portfolio may not continue to grow, which could adversely affect growth in net interest income

The Bank's loan portfolio has increased significantly in recent years. As at 30 June 2025, total loans and advances to customers including finance lease receivables, gross increased by UZS4,411,882 million, or 6.3 per cent., as compared to 31 December 2024. As at 31 December 2024, total loans and advances to customers including finance lease receivables, gross increased by UZS9,364,246 million, or 15.5 per cent., as compared to 31 December 2023, which in turn was an increase of UZS9,109,387 million, or 17.8 per cent., as compared to 31 December 2022. The growth in the Bank's loan portfolio increased as a result of the increases in corporate loans and loans to individuals driven by the growth in lending activity. There can be no assurance that the Bank will be able to grow its loan portfolio in the future or that any future growth will be in line with its historical rates of loan portfolio growth. The pace of the Bank's loan portfolio growth may be constrained by, among other factors, the Bank's ability to increase lending volumes to customers that meet its credit quality standards and the Bank's access to necessary funding. If the Bank is unable to further expand its loan portfolio, the Bank may be unable to generate sufficient interest income which could have a material adverse effect on the business, results of operations, financial condition and prospects.

The Bank's loan portfolio is exposed to geographic concentration

All of the Bank's customers are in Uzbekistan. The Bank's major customers include state-owned enterprises in such strategically important sectors, as oil and gas (Uzbekneftegaz), energy (Angren Thermal Power Station), chemicals (Navoiyazot), and others. These customers have a long history of cooperation with the Bank mainly as a result of subsidised funding provided to these companies by the Government through the Bank. The Bank's financial stability could be adversely impacted by its geographic concentration, as economic or political difficulties in Uzbekistan may simultaneously affect its customer base, potentially leading to a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank's loan portfolio is exposed to client concentration

As at 30 June 2025, the Bank had loans outstanding to 11 borrowers in the amount of UZS15,502,304 million (20.9 per cent. of total loans and advances to customers including finance lease receivables, gross) which individually exceeded 10.0 per cent. of the Bank's equity. As at 31 December 2024, loans to 17 borrowers with aggregate loan amounts which individually exceeded 10.0 per cent. of the Bank's equity accounted for UZS22,381,944 million (32.1 per cent. of total loans and advances to customers including finance lease receivables, gross), as compared to 16 borrowers in the amount of UZS20,498,189 million (33.9 per cent. of total loans and advances to customers including finance lease receivables, gross) as at 31 December 2023 and to 14 borrowers in the amount of UZS17,320,728 million (33.8 per cent. of total loans and advances to customers including finance lease receivables, gross) as at 31 December 2022. As at 30 June 2025, the average maturity of the loan book attributable to these borrowers was 5.5 years.

The maximum exposure to a single borrower or a group of related borrowers shall not exceed 25.0 per cent. of a bank's Tier 1 capital. See "*The Banking Sector and Banking Regulation in the Republic of Uzbekistan – Mandatory Ratios*". As at 30 June 2025, the Bank was in compliance with the above mandatory ratio.

The Bank uses collateral to minimise losses related to defaults on its largest exposures, reducing guarantee exposures and seeking to further diversify its loan book. There can be no assurance, however, that any such measures will be successful or adequate to insure against the risks they are intended to cover. In addition, macroeconomic shocks or industry-specific fluctuations may adversely affect the quality and realisable value of collateral in respect of the Bank's loan portfolio, for example real estate in Uzbekistan. See "*– Collateral values may decline or may not be of such high credit value*" and "*– Risks Related to the Republic of Uzbekistan – The Bank may be adversely affected by changes in Uzbekistan's economic, political and other conditions*". Any loss of a key corporate borrower or deterioration in the quality of the Bank's corporate loan portfolio could, in turn, have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank's loan portfolio is exposed to industry concentration

Strategic sectors of the Uzbekistan's economy, including manufacturing, oil and gas & chemicals, have historically accounted for the most significant share of the Bank's loan portfolio, accounting for 54.9 per cent. of the total loans and advances to customers including finance lease receivables, gross as at 30 June 2025, 56.4 per cent. as at 31 December 2024, 55.6 per cent. as at 31 December 2023 and 56.7 per cent. as at 31 December 2022. Accordingly, the Bank's significant exposure to the oil and gas & chemicals and retail sectors, combined with any downturn or adverse trends in these sectors, could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

A significant proportion of the Bank's loan portfolio is denominated in foreign currencies, and the quality of the Bank's loan portfolio may deteriorate as a result of slower economic growth and depreciations and devaluations of the soum against the U.S. dollar or other foreign currencies

As at 30 June 2025 and 31 December 2024, 63.3 per cent. and 62.4 per cent. of the Bank's loan portfolio, respectively, was denominated in foreign currency (U.S. dollars, euro and other currencies). In 2017, the CBU, with the intention to liberalise the currency market in Uzbekistan, devalued the soum against the U.S. dollar by about 92.0 per cent., causing a devaluation in the soum from UZS4,210.35 per U.S.\$1 to UZS8,100 per U.S.\$1. The Bank sustained low NPLs (loans overdue for 90 days and longer) and default levels in its loan portfolio following the devaluation.

In the period under review, the soum further devalued from UZS10,837.66 per U.S.\$1 as at 1 January 2022 to UZS12,654.13 per U.S.\$1 as at 30 June 2025. Any further depreciation of the Uzbek soum against the U.S. dollar may result in customers with U.S. dollar-denominated loans facing difficulties servicing their debt obligations, as they would be required to allocate a larger amount of soum to service their debt obligations. Furthermore, any depreciation of the soum against the U.S. dollar or other foreign currencies, and any future devaluations in the currencies of Uzbekistan's neighbouring countries (including countries forming part of the CIS, and, specifically, the Russian Federation) could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank is subject to operational risk inherent in banking activities

The Bank may incur losses or undue costs due to the inadequacy or failure of internal processes or systems or human error, or from errors made during the execution or performance of operations, clerical or record-keeping errors, business disruptions (caused by various factors such as software or hardware failures and communication breakdowns), failure to execute outsourced activities, criminal activities (including credit fraud and electronic crimes), unauthorised transactions, robbery and damage to assets. The financial services industry is exposed to the risk of misconduct by employees, which could involve, among other things, the improper use or disclosure of confidential information, violation of laws and regulations concerning financial abuse and money laundering, or embezzlement and fraud, any of which could result in regulatory sanctions or fines, as well as serious reputational or financial harm for the Bank. The Bank is occasionally susceptible to service interruptions caused by third party services such as telecommunications, which are beyond the Bank's control. Such interruptions may result in interruption to services of the Bank's branches and/or impact customer service. Given the Bank's high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. In addition, a number of banking transactions are not fully automated, which may further increase the risk that human error or employee tampering will result in losses that may be difficult for any bank to detect quickly or at all. The proper functioning of banking systems, risk management, internal controls, accounting, customer service and other information technology systems, such as loan origination, are critical to the Bank's operations.

Any failure of third parties to adequately perform key outsourced activities, such as card processing and the transportation of cash, could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank faces liquidity and funding risk

The Bank is exposed to liquidity risk arising out of mismatches between the maturities of its assets and liabilities. Liquidity risk is inherent in banking operations and may be heightened by a number of factors, including an over-reliance on, or an inability to access, a particular source of funding, changes in credit ratings or market-wide phenomena, such as financial market instability. Credit markets worldwide have in recent years experienced, and may continue to experience, a reduction in liquidity and long-term funding as a result of global economic and financial factors, as well as geopolitical events. The availability of credit in emerging markets, such as Uzbekistan, in particular, is significantly influenced by the level of investor confidence and, as such, any factors that affect investor confidence could affect the price or availability of funding for the Bank.

Other borrowed funds, comprising borrowings from IFIs and financial institutions in Uzbekistan, are the main source of funding for the Bank and amounted to 48.3 per cent. of the Bank's total funding as at 30 June 2025. The Bank has several open credit lines with IFIs, see "*Operating and Financial Review – Liquidity and Capital Resources – Funding*".

A significant portion of the Bank's funding is derived from customer accounts, accounting for 32.6 per cent. of the Bank's total funding as at 30 June 2025. As a matter of Uzbek law, term deposits may be withdrawn by individual depositors at any time, which exposes the Bank to unexpected calls on its cash resources. In the event of any downturn in confidence in the Bank or the banking sector in Uzbekistan in general, customers could seek to withdraw their deposits and consequently the Bank may not have the necessary funds to meet its liabilities as they fall due, which will have a material adverse effect on its business, financial condition, results of operations and prospects.

The Bank's current liquidity and funding sources may be affected by unfavourable financial market conditions. If assets held by the Bank to provide liquidity become illiquid or devalue substantially, the Bank may be required, or may choose, to rely on other sources of funding to finance its operations and future growth. Only a limited amount of funding, however, is available in Uzbekistan's inter-bank market, and such funding sources may be more expensive and less flexible, not available in the quantity or cost that is required. In addition, the cost of funding in Uzbekistan may significantly increase in the case of unfavourable financial market conditions, economic reforms implemented by the Government or other macroeconomic changes. For example, CBU's main policy interest rate (the "**refinancing rate**") increased from 14.0 per cent. to 17.0 per cent. in March 2022 in response to temporary external shocks, particularly the conflict between Russia and Ukraine. After the normalisation of economic conditions in Uzbekistan and with easing inflationary conditions, the CBU eventually cut its refinancing rate to 13.5 per cent. in July 2024. On 20 March 2025, the CBU increased the

refinancing rate by 0.5 percentage points up to 14.0 per cent. citing sustained inflationary pressures and rising inflation expectations. As at the date of this Offering Memorandum, the CBU refinancing rate was 14.0 per cent. Should the cost of funds on the inter-bank lending market further increase and the availability of this source of funding to the Bank diminish, or should the Bank fail to procure timely sources of other funding on commercially viable terms, it may hinder the Bank's ability to service its liabilities and have a material adverse effect on its business, financial condition, results of operations and prospects.

The Bank's operations are subject to interest rate risk

The Bank faces interest rate risk resulting from movements in interest rates that affect income or the value of financial instruments. For example, instruments on both the asset and liability side may exhibit different sensitivities to changes in interest rates, including changes in long-term and short-term interest rates relative to one another. An increase in interest rates could negatively affect the value of the Bank's assets with longer tenors that may have relatively lower fixed interest rates locked up until maturity relative to possible liabilities with shorter tenors. If the Bank is unable for any reason to reprice or adjust the rates on its interest earning assets in response to changes in rates on its interest-bearing liabilities in an expedited or an effective manner as a result of economic or other reasons, then the Bank's interest income margins would be adversely affected. An increase in interest rates may reduce the demand for loans from the Bank. In addition, higher interest rates increase the Bank's deposit and borrowing costs and the Bank may be required to seek alternative sources of liquidity and funding, which may only be available at increased cost or have limited or no availability. A decrease in the general level of interest rates may affect the Bank through, among other things, increased pre-payments on its loan portfolio and increased competition for deposits. Accordingly, the Bank could become subject to interest rate movements on both domestic and international markets may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank may face counterparty, systemic or contagion risk from other financial institutions

Financial service institutions that transact with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediates, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Bank interacts on a daily basis. The Bank routinely executes a high volume of transactions with numerous counterparties in the financial services industry, including brokers and dealers and commercial banks, resulting in significant credit concentration. As a result, the Bank is exposed to counterparty risk and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations.

Moreover, problems at certain financial institutions in Uzbekistan or in other countries could cause general market concerns over the health of financial institutions. These problems could further lead to reduced access to liquidity and funding for financial institutions and/or decline in the value of their debt or equity instruments, possibly including the Notes, such risk being sometimes referred to as "contagion effect". A default by, or even concerns about the stability of one or more financial service institutions, including institutions to which the Bank may not have direct exposure, or which may not even be among its counterparties, could lead to further significant systematic liquidity problems, or losses or defaults by other financial institutions. The "systemic risk" has further been exacerbated by the collapse of a number of banks worldwide, such as Credit Suisse in Europe and Silicon Valley Bank and Signature Bank in the United States.

All of the above factors could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank may not be able to accurately assess the credit risk of potential and current borrowers or maintain the quality of its loan portfolio

Credit risk assessment is generally more difficult for banks in Uzbekistan than for banks operating in jurisdictions with more developed market economies due to the scarcity of reliable information in Uzbekistan about potential borrowers. In particular, it is difficult to make long-term forecasts with respect to a corporate borrower's financial position because the financial performance of Uzbekistan companies is generally more volatile and their credit quality is less predictable than those of similar companies in more mature markets and economies. Furthermore, many potential corporate borrowers do not prepare audited accounts in accordance with IFRS and/or do not have extensive or externally verified credit histories. The availability of accurate and

comprehensive financial and general credit information on SMEs in Uzbekistan is even more limited, which makes it more difficult for the Bank to accurately assess the credit risk associated with such lending. The Bank annually reviews its credit policies designed to manage the risk. The Bank's Credit Committee makes decisions on extension of loans, guided by the Bank's Credit Policy and takes into consideration opinions of the Credit Department, Risk Management Department, Underwriting Department, Business Departments, Compliance Department and Legal Department. The credit quality review process is continuous and provides early identification of possible changes in the creditworthiness of customers, including regular collateral revaluations, potential losses and corrective actions needed to reduce risk, which may include obtaining additional collateral in accordance with underlying loan agreements. See "*Risk Management*".

The Bank currently does not apply a single scoring or evaluation system to all types of loans across all business segments or within one particular segment, and a manual credit quality review remains an integral element of credit quality assessment procedure for all corporate and most of SME loans, which may subject the Bank to additional operational risk. The Bank also continues to provide retail loans offline in its offices and makes approval decisions based on data provided by the borrowers, as well as third parties (such as the Credit Bureau "Credit Information Analytical System" and the borrower's employer).

The Bank's procedures, controls and IT employed in loan origination and verification may generate errors, an officer at the Bank may fail to adhere to compliance procedures, which may lead to incorrect assessments of the level of risk of particular retail borrowers. Retail loan approval decisions in SQB Mobile are made based on information obtained from external databases, which contain information such as customer income, credit history, financial hardships, restrictions imposed on the person's property, and involvement of a person in litigation. Such external databases include the Bureau of Compulsory Enforcement, the INPS (Individual Savings Pension Account, which aggregates data on the monthly income of individuals), the ASOKI (the system which facilitates the retrieval and analysis of information from the Credit Bureau "Credit Information Analytical System") external database, which provides information regarding the credit history of an individual. There is no guarantee that external databases used by SQB Mobile will be readily available at any given moment of time to provide necessary information, or that information about the borrower contained in such databases is completely reliable and up to date. Scoring techniques and checks used by the Bank to evaluate the creditworthiness of applicants for its loan products may not always present a complete and accurate picture of each customer's financial condition. The Bank's scoring models may be based on inaccurate assumptions or assumptions that can quickly become out of date, as well as past trends and behavioural patterns that may not repeat in the future. The Bank may be unable to accurately evaluate the current financial condition of each prospective borrower or independently assess information provided by prospective borrowers when providing offline retail loans, and thus may be unable to determine the long-term economic outlook for each such borrower. Furthermore, the availability and reliability of information of external data bases, the limited availability of recent and reliable credit information on retail and SME borrowers constrains the Bank's ability to detect and prevent fraudulent activities by potential borrowers, including the use of false information in order to obtain loans, which could lead in decreased loan recovery for the Bank.

Notwithstanding the credit policies, risk assessment procedures and systems that the Bank has in place, there is no assurance that such procedures and systems, credit loss allowance and supporting collateral will be sufficient to protect the Bank against increased levels of defaults, losses or potential write-offs. Furthermore, the quality of the Bank's loan portfolio may deteriorate due to external factors beyond the Bank's control such as negative developments in the Uzbekistan economy or in the economies of its neighbouring countries, the unavailability or limited availability of credit information on certain of its customers, as well as any failure of its risk management procedures or rapid expansion of its loan portfolio. See "*The Bank's risk management strategies and procedures are developing and may not be completely effective*" and "*Risks related to the Republic of Uzbekistan –The Group may be adversely affected by changes in Uzbekistan's economic, political and other conditions*".

In 2022, the Bank engaged third-party consultants (the "**Consultants**") to perform a limited due diligence review of the credit quality and adequacy of the provisioning of the Bank's corporate loans. The Consultants adopted a more conservative position than the Bank did with respect to evaluating credit quality and creating provisions for such loans, primarily as a result of differences in methodology adopted by the Consultants (based on primarily individual assessment of the top 20 groups of 47 borrowers) and methodology followed by the Bank (based on the approved methodology in accordance with IFRS 9 "Financial Instruments" which provides for individual assessment and portfolio-based assessment for loans). As part of the Privatisation preparation, the

Consultants are currently conducting a further analysis of the Bank's loan book and the adequacy of its provisioning levels. There is no assurance that this process will not identify further discrepancies between the results of the analysis conducted by the Consultants and the Bank's approach in terms of the adequacy of the created provisions. Further, there can be no assurances that a new shareholder(s) or management following the Privatisation will not take a different view with regards to loan loss provisioning which might be different from the current position and methodology followed by the Bank, which could adversely affect the Bank's business, financial position and/or results of operations.

Limited availability of reliable data and accurate forecasts in respect of corporate borrowers in Uzbekistan, as well as a failure to properly assess the risk of potential borrowers or deterioration in the financial condition of a significant number of the Bank's corporate or retail customers and any future deterioration in the quality of the loan portfolio or increase in its loan impairment charges may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank's risk management strategies and procedures are developing and may not be completely effective

Although the Bank invests substantial time and effort in its risk management strategies and procedures, and continues to upgrade its risk management system in the context of the implementation of the Bank's transition strategy and planned operational and internal control network, such strategies and procedures for risk management may nevertheless fail under certain circumstances, particularly when confronted with risks that it has not identified or anticipated. Further, there is no assurance that the Bank will succeed in the development and implementation of the updated risk management systems at a pace corresponding to the growth of the Bank's business and that any delays in such implementations will not limit the Bank's ability to develop and expand its business. In addition, the Bank's risk management methods may lack observations of historical market behaviour traditionally used as a base for risk management procedures due to limited availability of historic information. The Bank collects statistical information from CIS banking markets and applies statistical techniques to these observations to arrive at quantifications of its market risk exposures. See "*The Bank is subject to operational risk inherent in banking activities*", "*The Bank faces liquidity and funding risk*" and "*The Bank's operations are subject to interest rate risk*". In developing its statistical models, the Bank may not identify or anticipate some circumstances and quantifications and may not take all risks into account. Moreover, there is no assurance that the Bank's risk management model will always be timely and efficient. If the Bank's measures to assess and mitigate risks prove insufficient or inaccurate, its losses may be greater than expected and this could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank's failure to maintain and protect customer and employee data could have a material adverse effect on the Bank

The Bank collects, processes and stores personal data (including names, addresses, ages and bank details) from its customers, business contacts and employees as part of the operation of its business, and the Bank must comply with data protection and privacy laws in Uzbekistan. Those laws and standards impose certain requirements on the Bank in respect of the collection, use, processing and storage of such personal data. Data collected by the Bank and its appointed third parties may not be processed in accordance with notifications made to, or obligations imposed by, data subjects, regulators or other counterparties or applicable law. Failure to operate effective data controls in respect of the collection, use, processing and storage of such personal data, as prescribed by applicable law, could potentially lead to administrative fines, financial costs, reputational damage and undermine trust in the Bank's business and brand, any of which could have a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank is subject to certain data protection laws and industry standards. The Law of the Republic of Uzbekistan "On Personal Data" No. LRU-547 dated 2 July 2019, as amended (the "**Personal Data Law**"), is a special legislative act that established a framework for the protection of personal data. The scope of application of the Personal Data Law is quite broad, as it applies to relations arising from processing and protection of personal data, regardless of the applied means of processing, including information technologies. From the Uzbek law standpoint, the Bank can qualify as the owner/operator of personal database and therefore shall comply with various requirements of Uzbek data protection laws, including the data localisation requirement. Under this rule, the Bank processing personal data of Uzbek citizens with the use of information technologies, including via the Internet, must collect, systematise and store personal data on technical means physically located in the territory of the Republic of Uzbekistan and in databases duly registered with the State Register of

Personal Databases. Failure to comply with the data localisation requirement may potentially lead to blocking of access to the information resources of the Bank in Uzbekistan (e.g., websites, applications), as well as to administrative and criminal liability. A fundamental element in processing of personal data is the establishment of the purpose(s) or goal(s) of such processing. In order to achieve the intended goals of personal data processing the Bank has the right to independently determine the procedure and principles of collection and systematisation of personal data. Therefore, the volume and the nature of the personal data to be processed should correspond to the goal(s) and applied methods of processing.

Existing laws and regulations on personal data protection may be amended, the manner in which such laws and regulations are enforced or interpreted may change and new laws or regulations on personal data protection may be adopted, including in order to further regulate or restrict the use of personal data. If the existing interpretation of the laws and regulations were to change or future regulations were imposed, it could have a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank is exposed to the risk that the personal data it controls could be wrongfully accessed and/or used, whether by employees, agents or other third parties, or otherwise lost or disclosed or processed in breach of data protection regulations. If the Bank or any of the third-party service providers on which it relies fail to process, store or protect such personal data in a secure manner or if any such theft or loss of personal data were otherwise to occur, the Bank could face liability under data protection laws. This could result in damage to the Bank's reputation as well as the loss of business, which could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

As a large financial institution, the Bank can be subject to attacks on its information security systems, some of which involve sophisticated and highly targeted attacks on its website and infrastructure. The methods used to obtain unauthorised, improper or illegal access to information security systems are constantly evolving. Targeted attacks may also be difficult to detect quickly and are often not recognised until they are launched against a target. Unauthorised parties may attempt to gain access to the Bank's platforms through various means, including hacking into platforms, or attempting to fraudulently induce employees and customers into disclosing usernames, passwords, payment card information, or other sensitive information, which may in turn be used to access the Bank's systems.

The Bank has experienced in the past, and may experience in the future, cyberattacks and other security breaches (due, among other factors, to human error, malfeasance, system errors or vulnerabilities, or other irregularities) affecting the protection of customer and employee personal data and functionality of the Bank's systems, in general. While the Bank has systems and processes designed to prevent cyberattacks and security breaches, which systems and processes have been effective in preventing material financial losses in the past, and while the Bank expects to continue to expend significant resources to bolster these protections, such measures cannot provide absolute security, and any security breach could have a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank relies on third-party providers, including software and hardware suppliers and credit bureaus

In carrying out its operations, the Bank relies on a variety of third-party services. The Bank's technology infrastructure and services incorporate software, systems and technologies developed by third parties, as well as hardware purchased or commissioned from third-party suppliers. As the Bank's technology infrastructure and services expand and become increasingly complex, the Bank faces increased risks relating to the performance and security of its technology, including risks relating to incompatibility of the components produced by third parties, service failures or delays or back-end procedures on hardware and software. Additionally, the Bank currently develops the majority of its IT core systems software with the assistance of one particular independent company, Fido Business LLC, an IT company based in Uzbekistan that specialises in software solutions for the banking sector. See "*The Bank's IT systems may malfunction, fail to secure the Bank against hacking, or be insufficient to support future business expansion*". The availability of Fido Business LLC's services to the Bank may be negatively affected by a number of factors, some of which are beyond control of the Bank, including business interruptions, allocation of services to other purchasers, fluctuations in prices and increased costs. Should the Bank's relationship with Fido Business LLC deteriorate, or should any contracts with Fido Business LLC not be renewed/entered into on a timely basis or on commercially acceptable terms, or at all, the Bank will have to engage a new provider of relevant services. This might prove to be time consuming due to the absence of a substantial number of experienced IT providers on Uzbekistan market, which can offer services meeting

the requirements of the Bank's current business as well as able to serve the Bank's strategic development aspirations. All these may adversely affect the Bank's business.

Additionally, in order to effectively operate its business, the Bank grants certain third-party providers limited access to certain data in its systems at their request, which may pose additional security risks and challenges in protecting the Bank's technology infrastructure. See "*The Bank's failure to maintain adequately and protect customer and employee data could have a material adverse effect on the Bank*". Although the Bank contractually requires third party providers to implement reasonable cybersecurity controls, a compromise of their systems could have an adverse impact on the Bank's ability to operate and expose data, provided to these third parties. There can be no assurance that the contractual requirements related to the use, security and privacy regarding the information technology assets (and the data thereon) imposed on the Bank's third-party suppliers will be followed or will be adequate to prevent misuse. Any misuse, compromise, or failure to adequately abide by these contractual requirements could result in liability, litigation and reputational harm.

In connection with its risk management processes the Bank relies on services and information supplied by third parties, including certain databases. As such, in order to perform credit assessment, the Bank retrieves certain information from LLC Credit Bureau "Credit Information Analytical Centre" and other external data bases, maintained by governmental and commercial organisations, and information from these data bases is subsequently downloaded and integrated into the Bank's own client data base, which information is used to make loan approval decisions in SQB Mobile. As such, any risks related to the interruption of such external databases, the accuracy of the data kept thereby and the availability of such data generally, may impact the Bank's consumer finance origination and assessment processes.

If these third parties cease to provide the facilities or services, experience operational interference or disruptions, breach their agreements with the Bank, fail to perform their obligations or meet the Bank's expectations, do not renew their licences or otherwise cease to make their services or products available at a reasonable cost or at all, the Bank's operations could be disrupted or otherwise adversely impacted, which in turn could result in a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank's IT systems may malfunction, fail to secure the Bank against hacking, or be insufficient to support future business expansion

The Bank is subject to cyber-security threats, such as data leakage, insider threat (that is, the risk of a harmful use of information obtained by authorised employees or contractors) and privilege abuse, cyber intrusion, network attacks, and targeted advance email attacks. Although cyber-security threats have not materially affected the Bank's operations to date, it is expected that such threats will continue to increase, which will require the Bank to closely monitor such threats.

While the Bank continues to upgrade its technologies, centralising its information systems and controlling the operation of its hardware and software, taking into account international best practices. In addition, to implement the Bank's transition strategy and introduce a more sophisticated risk management systems to the Bank's IT systems and procedures, the Bank continues to further improve its IT capabilities, both for internal management of the Bank's operations and for the digital products and services for the Bank's clients. However, there can be no assurance that its IT systems will be sufficiently developed and will continue to function in a manner that pre-empts significant disruptions or temporary loss of functionality, and the possibility of a systems failure that may adversely affect its operational activities financial performance cannot be eliminated. Moreover, due to the rapid pace of development of financial technology and systems, which may render certain existing technology, equipment and systems obsolete, there can be no assurance that Bank's IT systems will at all times be as modern or as efficient as systems used by other financial institutions and competitors.

Further, the Bank's ability to operate its business depends on its ability to protect the computer systems and databases it operates and uses to inhibit the intrusion of third parties who may attempt to gain access to the Bank's computer systems, networks or databases through the Internet or otherwise. The risk of cybersecurity breaches for large financial institutions has increased in recent years in part because of the proliferation of new technologies, the use of internet and telecommunications technology and the increased sophistication and activities of organised criminals and hackers. In addition, customers may access the Bank's products and services, using personal smartphones, computers, tablets and other mobile devices that are beyond the Bank's control systems. Any interruptions or breaches in security of the Bank's IT systems might result in failures or

interruptions in the Bank's risk management, general ledger, deposit servicing, loan organisation and/or other important operations. Although the Bank believes that its computer systems, networks and databases are well protected from unauthorised access, given the potential technical and financial resources of intruders, no assurance can be given that its computer systems, networks and databases will not suffer from such attacks in the future.

In addition, the Bank develops the majority of its IT core systems software (including core banking software, Internet, mobile banking, and human resources software) with the assistance of Fido Business LLC, and shall availability of Fido Business LLC's services to the Bank be negatively affected by any factors, including those, which are beyond the control of the Bank, the Bank's ability to operate its business may be adversely affected. See *"The Bank relies on third-party providers, including software and hardware suppliers and credit bureaus"*.

Furthermore, given the operational growth of the Bank in the reporting period, should the Bank's business volumes continue to grow at a rapid pace, it could lead to significant increases in the utilisation of its IT systems, to a point where capacity limits could be reached and the systems would be unable to adequately support further growth. A failure of the Bank's IT systems to adequately support its operations and the growth of its business and to enable it to monitor and manage its operations effectively could result in a material adverse effect on its business, financial condition, results of operations and prospects. In addition, as financial technology continues to develop, the Bank (or its third-party suppliers) may be exposed to new risks, including those it may not be able to anticipate, as well as increased operating costs from ensuring that any new products and services it provides are implemented correctly and operated safely and securely. Therefore, any failure on part of the Bank to effectively manage its IT, cybersecurity and privacy risks, may expose it to liability, including regulatory fines or penalties and increased expenses from the resolution of any cybersecurity or privacy breaches of the Bank's databases and the mitigation of the impact of such breaches on affected individuals. Any of the above could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

Any downgrade in the ratings of the Bank may adversely affect the Bank's business

As at the date of this Offering Memorandum, the Bank has a long-term foreign and local issuer default rating at "BB" from Fitch and "BB-/B" with a stable outlook from S&P. These ratings reflect each agency's opinion of the Bank's financial strength, operating performance and ability to meet the Bank's debt obligations as they become due. The Bank's ratings are also sensitive to changes in the sovereign rating of the Republic of Uzbekistan. In June 2025, Fitch affirmed the Republic of Uzbekistan's long-term foreign-currency issuer default rating at 'BB' level with a Stable outlook. In May 2025, S&P Global Ratings affirmed the Republic of Uzbekistan's long-term and short-term sovereign credit rating for foreign and local currency liabilities at the 'BB-/B' level but upgraded the outlook to positive. There can be no assurance that the Bank or the Republic of Uzbekistan will be able to maintain their current credit ratings, and any deterioration in the geopolitical situation, the general economic or political environment or the Banks's financial condition could lead to downgrades. Any such downgrade in the ratings of the Bank could undermine confidence in the Bank, limit its ability to effectively negotiate new loan facilities and make it more difficult and/or expensive for it to raise capital going forward. Such downgrade may also affect or effectively limit the Bank's access to capital markets as investing in the Bank will in such case be considered less attractive and/or no longer be allowed for certain investors. Any of the above could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank is required to obtain certain licences, permits, consents and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially adversely affect the Bank's operations

The Bank's operations are subject to strict regulation by governmental and state authorities, particularly the CBU. See *"The Banking Sector and Banking regulation in the Republic of Uzbekistan – Role of the Central Bank of Uzbekistan"*. In order to be able to perform banking operations the Bank is required to be registered with the CBU and hold a general banking licence issued by the CBU. A breach of any regulatory guidelines could expose the Bank to potential liability, including the loss of its banking licence. See *"The Banking Sector and Banking regulation in the Republic of Uzbekistan – Regulation of the Banking Sector – Cancellation of Banking Licence"*. If the CBU were to suspend or revoke the Bank's general banking licence, then this would

render the Bank unable to perform any banking operations (including processing payments from its customers) and/or lead to winding-up of its business (whether by way of bankruptcy proceedings or liquidation).

The Bank is also required to obtain and maintain a number of other statutory and regulatory licences, permits, consents and approvals in the Republic of Uzbekistan, generally for carrying out its business, some of which may expire in the ordinary course and for which the Bank would be required to apply to obtain the approval or their renewal. Obtaining or renewal of these licences, permits, consents and approvals is not always routine and the conditions attached to obtaining or renewing them are subject to change and may not be predictable. Any failure by the Bank to obtain, maintain, renew or extend any such required licence, permit, consent or approval may impair the Bank's ability to achieve its strategic objectives and could have an adverse effect on the Bank's business, financial condition, results of operations and prospects.

Failure to implement and maintain an effective system of financial reporting and internal controls may materially and adversely affect the Bank's ability to accurately or timely prepare financial information

As with many other banks in Uzbekistan and other CIS countries, the Bank's current system of internal financial reporting was not originally designed for the preparation of IFRS financial statements, leading to potential risk of lack of timeliness or inaccurate preparation of financial statements under IFRS. Preparation of the Bank's IFRS-based financial statements is a manual process that involves the transformation and reclassification of the Bank's statutory financial statements into IFRS through accounting adjustments, and requires an on-going review and update of applicable IFRS and related pronouncements that should be applied to the underlying Uzbekistan Accounting Legislation and related instructions ("UAL"). This process is complicated, time-consuming and requires significant attention from the Bank's senior accounting personnel and an adequate system of internal controls over financial reporting. Notwithstanding the above, the Bank has been preparing its annual financial statements in accordance with the IFRS since 2000 and intends to continue doing so in the future in line with its continuing obligations in accordance with the Rulebook as an Issuer with Notes admitted to trading on the International Securities Market of the London Stock Exchange.

In the course of annual and interim reporting process, the Bank's management identifies from time to time, weaknesses in its reporting process and internal controls around preparing financial statements, and undertakes efforts to address them. While preparing the 2023-2021 Financial Statements (i) certain errors were identified relating to the year ended 31 December 2022 (for which years the Bank had previously prepared financial statements in accordance with the IFRS), which have been corrected and presented in the 2023-2021 Financial Statements included in this Offering Memorandum; and (ii) certain changes in presentation were applied retrospectively for the year ended 31 December 2022. As a result of the abovementioned correction of errors and changes in presentation, this Offering Memorandum includes restated financial statements for the comparative periods. For more information on corrected errors and changes in presentation, see Note 3 to the 2023-2021 Financial Statements and "*Presentation of Financial Information*".

If the Bank's financial and reporting procedures and internal controls do not keep pace with its growth and the applicable financial reporting framework, the Bank may not be able to prepare financial information in a timely and accurate manner, whether in accordance with the terms of the Notes or otherwise. This includes the implementation of internal controls by management to ensure that the Bank's financial statements are prepared in accordance with IFRS or other applicable financial reporting standards. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with IFRS. A failure by the Bank to implement and maintain effective internal controls, could result in material misstatements in its financial statements or failure to prepare interim and/or annual financial information in a timely manner, which may cause a need to restate financial statements or result in a loss of confidence in its reported financial information, which in turn and could have a negative impact on the Bank's compliance with the terms of the Notes, access to external financing, and potentially its business and results of operations.

Collateral values may decline or may not be of such high credit value

As at 30 June 2025, the Bank held collateral (including letters of surety and state guarantees) against gross loans fully covering the value of total loans and advances to customers including finance lease receivables, gross. The main forms of collateral are corporate and state guarantees, and charges over real estate, insurance policies, equipment, inventory and other receivables. Downturns in the residential and commercial real estate markets or

a general deterioration of economic conditions in the industries in which the Bank's customers operate may result in asset illiquidity and a decline in the value of the collateral securing loans. In addition, declining or unstable prices of collateral in Uzbekistan may make it difficult for the Bank to accurately value the collateral it holds. If the fair value of the collateral that the Bank holds declines significantly or otherwise is lower than the Bank initially valued, it could be required to record additional provisions and could experience lower than expected recovery levels on collateralised loans.

In addition, as part of its transition strategy to gradually decrease state support and expand the share of higher-margin loans in its portfolio, the share of the Bank's loan portfolio covered by state guarantees has been slightly decreasing in the period under review. In the future the share of the Bank's loan portfolio covered by collateral generally, and state guarantees in particular, is expected to further decrease, which may lead to additional provisions and lower than expected recovery levels on loans. Furthermore, the Bank may face difficulties with enforcing security under Uzbek law, which may also lead lower than expected recovery levels on collateralised loans. See "*Risk Management – Collateral*". If any of these risks materialise, they could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank's insurance policies may not cover, or fully cover, certain types of losses

The Bank generally maintains insurance policies covering its assets, operations and certain employees in line with general business practices in Uzbekistan, including a comprehensive insurance policy with highly rated Uzbek insurance companies, and obtains reinsurance for its insurance products. The Bank seeks to insure against a range of risks, including fire, lightning, flooding, employee liability, employee fraud, and a variety of additional risks such as employee infidelity, on-premises incidents, in-transit incidents, forged cheques, counterfeited currency, damage to offices and office contents, computer systems risks, service bureau operations, electronic computer instructions, electronic data transfer, computer viruses, electronic communications, electronic transmissions, electronic securities, forged telefacsimile, legal fees, and legal expenses. However, there can be no assurance that all types of potential losses are insured, that policy or reinsurance limits would be sufficient to cover them, or that reinsurance counterparties in all circumstances would be able or willing to meet their obligations. Any uninsured loss or a loss in excess of insured limits, or shortfall in recoveries from reinsurers, could adversely affect the Bank's existing operations and create additional significant costs and liabilities and could, in turn, have a material adverse effect on the business, financial condition, results of operations and prospects.

The Bank depends on key management and qualified personnel

The current senior management team includes a number of individuals that the Bank believes contribute significant experience and expertise in the banking industry. The Bank's ability to continue to retain, motivate and attract qualified and experienced banking and management personnel is vital to its business. Further, following the on-going transition to independent operations from state direction, client diversification and the active development of Uzbekistan's banking sector, there is currently an intense competition in Uzbekistan banking industry for personnel with relevant expertise. There can be no assurance that the Bank will be able to successfully recruit and retain the necessary qualified personnel. The loss or diminution in the services of members of its senior management team or an inability to recruit, train or retain necessary personnel could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects as well as impair its ability to achieve its strategic objectives.

The Bank may fail to receive corporate approval in respect of certain transactions with related parties

In the past, the Bank has engaged in transactions with related parties under common control of the principal shareholders. See "*Certain Transactions with Related Parties*". The Bank's management expects that the Bank will continue to enter into related party transactions in the future. Under the laws and regulations of Uzbekistan, certain related party transactions are required to be approved by the general shareholders meeting of the Bank prior to execution of such transactions. Failure to receive such approval may lead to invalidity of the transaction. If the shareholder(s) of the Bank is deemed to be the interested party and/or beneficiary of a related party transaction, such shareholder(s) must abstain from voting on the approval of the related party transaction. Should both the UFRD and the Ministry of Economy and Finance as the current principal shareholders of the Bank be deemed interested in a related party transaction with the Bank and abstain from voting, the Bank's minority shareholders may not reach a quorum for voting or may not vote in favour of approving the transaction. See

"Principal Shareholders". Failure to receive an approval and enter into a material related party transaction, could have an adverse effect on the Bank's business, results of operations, financial condition and prospects.

Climate change may negatively affect the Bank's business and operations

The business environment in which the Bank operates is continually changing. ESG-related issues may directly or indirectly impact key stakeholders, including customers, investors, employees, rating agencies and regulators, and these stakeholders are increasingly demanding more climate-related disclosures, including climate risk assessment and greenhouse gas ("GHG") emissions reporting. The Bank recognises climate change as an emerging risk but considers it is currently not feasible to integrate climate-related risks, both physical and transitional, into the overall risk management framework and decision-making processes.

A failure to manage those risks which have ESG implications may adversely impact the reputation of the Bank, the results of its operations, its customers, and its ability to deliver on its long-term strategy and therefore its long-term success.

Climate change is an ESG theme that poses potentially significant long-term risks to the Bank and its customers, not only from the physical impacts of climate change, driven by both specific short-term climate-related events such as acute or chronic weather events and longer-term impacts, but also from transition risks associated with the shift to a low carbon economy. Climate change, sustainability and the reduction of emissions is an important issue for the Bank. Among other things, transitional and physical risks could impact the performance and financial position of the Bank's customers and their ability to repay their loans.

Failure to keep pace with customer and societal expectations for action to manage and mitigate climate-related risk or failure to keep with the increasing level of interest and reporting requirements from governments, investors, customers and civil society may result in a decline in demand for the Bank's services, which could have an adverse impact on the financial condition and prospects of the Bank.

Protectionist trade measures and tariffs could adversely affect the operations and creditworthiness of the Bank's clients engaged in international trade

A significant portion of the Bank's corporate client base is engaged in export and import activities, including in sectors such as metals and mining, energy, agriculture and manufacturing. As such, the Bank is exposed to macroeconomic and geopolitical risks affecting global trade flows, including changes in trade policy, tariffs, quotas and other non-tariff barriers imposed by foreign governments.

In recent years, governments – particularly in the United States and other major economies – have adopted a more protectionist stance on international trade. For example, in April 2025, the U.S. administration introduced a package of protectionist trade measures aimed at reducing the U.S. trade deficit, including a baseline 10.0 per cent. tariff on imports from more than 150 countries, including Uzbekistan, and higher rates for jurisdictions deemed to maintain unfair trade practices. In May 2025, additional tariffs were imposed on strategic imports from China and other selected countries, further escalating global trade tensions. On 10 April 2025, President Trump issued Executive Order 14266 pausing the increase of worldwide tariffs (save for China) for 90 days until 9 July 2025. In parallel, the United States held diplomatic talks with China to negotiate reductions in reciprocal duties and mitigate market disruptions, resulting in the temporary reduction of the U.S. and Chinese tariffs. Following the expiry of the suspension period on 9 July 2025, the baseline 10.0 per cent. tariff on imports from countries including Uzbekistan was set to automatically resume; however, an Executive Order dated 7 July extended the suspension period to 1 August 2025. On 31 July 2025, a "Further Modifying the Reciprocal Tariff Rates" Executive Order was issued establishing adjusted reciprocal tariff rates for over 60 countries. Higher tariffs on Chinese goods remained in place throughout. Uzbekistan was not included in the adjustment list, and accordingly the tariff on imports from Uzbekistan remained at the baseline 10.0 per cent. On 7 July 2025, the U.S. administration indicated the potential for an additional 10.0 per cent. tariff on imports from countries associated with the BRICS countries, including Uzbekistan, further contributing to global trade policy uncertainty.

Such measures may adversely impact the demand for Uzbek exports in key foreign markets, increase input costs for importing companies, disrupt supply chains, and heighten economic uncertainty. In turn, this could negatively affect the revenues, margins, and creditworthiness of the Bank's export- and import-oriented clients.

In some cases, counterparties may face delays in payment or contract renegotiation risks due to trade-related disruptions.

Any continuation or escalation of global trade disputes, or the imposition of additional trade barriers targeting Uzbek-origin goods or key trade partners, could result in lower cross-border transaction volumes, reduced foreign currency inflows, and a deterioration in the quality of the Bank's loan portfolio. These developments could materially and adversely affect the Bank's business, financial condition, cashflows, results of operations and prospects.

The Bank may not be able to successfully implement its strategy to grow its business, and may be subject to risks relating to its business expansion

The Bank aims to achieve long-term sustainable growth and profitability of its business by increasing the relative and absolute size of its business, mostly by increasing its loan portfolio, funding base and fee-generating businesses. There can be no assurance, however, that the Bank will be able to achieve its major strategic objectives, including increasing its revenue or profitability. The Bank's ability to achieve its strategic objectives may be adversely affected by negative trends in Uzbekistan's economy, the economies of neighbouring countries and the performance of the global economy.

The Bank's strategic focus has historically been on provision of subsidised investment financing and corporate banking services to state-owned strategic companies. Recently, in line with the Government's policy shift and the Bank's transition strategy, the Bank has sought to increase its presence in retail and SME banking and increase the share of these sectors in its loan portfolio and deposit base, and this goal remains an integral part of its global strategy for the upcoming years. While the growth of the Bank's retail loan portfolio diversifies its overall loan portfolio, it also tends to increase the credit risk exposure in the loan portfolio, reflecting the high-risk nature of retail clients and respective lending products as well as the generally more limited information available to assess the credit worthiness of such borrowers. A greater degree of risk of default by such customers may result in an increase in overdue amounts and, consequently, in higher loan impairment provisions as well as negatively affect the Bank's net interest income.

In addition, the predominant part of the Bank's loan portfolio has historically contained a low degree of risk and was covered by state guarantees. Thus, with such increased exposure to credit risk as the Bank seeks to expand its business to both SME and retail customers and the reduction of state guarantees, the Bank's risk management, internal control and operational capabilities may not be sufficient for such growth in the Bank's business under such strategy. The ability of the Bank to grow its customer base and expand its loan portfolio will depend on, amongst other things, the successful implementation of its credit policies and provisioning procedures, especially in retail lending, as well as the availability of affordable funding and maintaining its capital adequacy. Should the Bank fail to successfully implement such policies and procedures or maintain its capital adequacy or should affordable funding not be available, this may have material adverse consequences to its business, results of operations, financial condition and prospects. See "*– Risks Related to the Bank's Business and Industry – The Bank's risk management strategies and procedures are developing and may not be completely effective*".

Furthermore, the growth of the Bank's retail portfolio is dependent on increasing consumer understanding and acceptance of credit products, particularly in smaller population centres outside of Tashkent. Sustainable development of consumer finance in Uzbekistan is dependent on economic stability and growth, increases in consumers' average disposable income and levels of consumer spending, which are linked to stable economic development of Uzbekistan. Therefore, external shocks or downturns in Uzbekistan's economy generally and banking and consumer finance sectors in particular may hinder the Bank's ability to implement its growth strategy, which may in turn have material adverse consequences to its business, results of operations, financial condition and prospects. See "*– Risks Related to the Republic of Uzbekistan – The Bank may be adversely affected by changes in Uzbekistan's economic, political and other conditions*".

In addition, the Bank's strategic objectives are based, in part, on the expectation that Uzbekistan's banking sector will continue to grow in general and with respect to retail and SME banking in particular. There can be no assurance that these expectations will be met, which could, in turn, adversely affect the Bank's ability to achieve its objectives.

Notwithstanding the strategic aims, the Bank's overall goal is profitability and accordingly, it may not fulfil certain growth strategic goals if doing so would result in a negative impact on profitability. There can also be

no assurance that the anticipated growth in retail and SME loans will offset any deterioration in the quality of the Bank's loan portfolio. Furthermore, the Bank's expansion strategy is expected to be financed by attracting more deposits, additional borrowings and possibly additional capital, as well as cash flows provided by operations. However, external financing and the cost of such financing are dependent on numerous factors, many of which are outside of the Bank's control. The Bank cannot provide any assurance that it will be able to arrange any such external financing on commercially reasonable terms, if at all, and the Bank's inability to access such funding at favourable rates could adversely affect its ability to implement its strategy. If any of these risks materialise, they could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

The Bank's strategy is determined by the Government as its major beneficial shareholder and interests of the Bank's shareholders or management may conflict with those of the Noteholders

As at the date of this Offering Memorandum, the Government, through the UFRD and the Ministry of Economy and Finance, ultimately controls a stake exceeding 95.0 per cent. of the voting shares and the charter capital of the Bank. Even though the number of representatives of the UFRD and the Ministry of Economy and Finance decreased to just two out of nine seats on the Bank's Supervisory Council, the Government is still able to determine the outcome of all material matters concerning the Bank that may be decided by the shareholders and can appoint the members of the Bank's Supervisory Council. Accordingly, the Government could cause the Bank to pursue transactions or to make large dividend payments or other distributions or payments to shareholders that are designed to implement the policy of the Government rather than benefit the Bank or the Noteholders, even though such transactions may involve increased risk for the Bank and, consequently, for the Noteholders. Although the Bank retains autonomy to determine day-to-day commercial matters, its overall strategy and, therefore, indirectly the focus of its loan portfolio, is prescribed by the Government. This influence extends beyond lending activities; for example, under a decree of the Cabinet of Ministers of the Republic of Uzbekistan dated 28 February 2024, the Government required the Bank to dispose of its headquarters building. The interests of the Bank's shareholders and management may, in some circumstances, conflict with the interests of the Noteholders and any such conflict could have a material adverse effect on the Noteholders' investment in the Notes.

Historically, through its loan book, the Bank assisted the Government in financing infrastructural and development projects for the Uzbekistan oil and gas & chemicals and energy sectors. Since 2018, in line with the general reform of the banking sector in Uzbekistan and the Bank's strategy, the Government has been seeking to decrease its influence on the business and loan portfolio of the Bank, as well as reducing the state support financing available to the Bank. However, in the period under review, the Bank continued to issue loans to state-owned companies operating in those sectors using funding provided by the Government in the form of loans or deposits from the state agencies. Such loans have higher margins as compared to the periods before the reform of banking sector, but interest rates remain below market rates, thus affecting the Bank's net profit. Should the Government abandon the Privatisation plan and retain its control over the Bank, the Bank still may be directed by the state as its major beneficial shareholder to invest in subsidiaries or to provide lending to companies and projects which are not commercially viable or at below market rates. Therefore, the Government might require the Bank to engage in business practices which do not correspond with its business strategy and are not necessarily consistent with the best interests of the Noteholders, and which may negatively affect the Bank's net interest income.

Risks Related to the Bank's Legal, Regulatory, Compliance and Governance Framework

The Bank is subject to certain regulatory ratios and breach of these ratios may subject the Bank to fines and other sanctions imposed by the CBU

The Bank, like all regulated financial institutions in Uzbekistan, is required to comply with certain capital adequacy and regulatory ratios based on UAL and set by the CBU. The current CBU capital regulation is based on a combination of Basel II and III guidelines, with material regulatory discretion exercised by the CBU reflecting the specifics of the local banking industry. The main mandatory capital ratios reportable by Uzbekistan's banks are the Total Regulatory Capital Adequacy Ratio, the Tier 1 Capital Adequacy Ratio, Core Tier 1 Capital Adequacy Ratio and the Leverage Ratio. See "*The Banking Sector and Banking Regulation in the Republic of Uzbekistan – Mandatory Ratios*" and "*Operating and Financial Review – Liquidity and Capital Resources – Capital Management*".

As at 30 June 2025, according to the Bank's management, the Bank was in compliance with all of the mandatory regulatory ratios set out by the CBU and calculated based on UAL: the Bank's Total Regulatory Capital Adequacy Ratio amounted to 15.2 per cent. (minimum requirement: 13.0 per cent.), Tier 1 Capital Adequacy Ratio amounted to 11.3 per cent. (minimum requirement: 10.0 per cent.), Core Tier 1 Capital Adequacy Ratio amounted to 11.3 per cent. (minimum requirement: 8.0 per cent.) and Leverage Ratio amounted to 9.8 per cent. (minimum requirement: 6.0 per cent.). However, should the Bank be in breach of any regulatory ratios, the Bank may face a material adverse effect on its reputation, business, financial condition, results of operations and prospects. In addition, a breach of regulatory ratios could result in enforcement measures by the CBU, including restrictions on the Bank's operations, the imposition of fines, the withdrawal of the Bank's licence and, in extreme circumstances, the initiation of liquidation proceedings. Furthermore, should the CBU increase the minimum prescribed limits for mandatory capital ratios or introduce additional capital or liquidity buffers, the Bank may be required to adjust its business mix to conform to more strict capital and liquidity standards, which may limit the Bank's ability to exercise its strategy and have a material adverse effect on the Bank's business, financial condition, results of operations and prospects. In order to comply with such increased requirements, the Bank may need to seek additional capital, or, if it is unable to do so, the CBU could require the Bank to raise capital or impose other supervisory measures.

Furthermore, certain of the Bank's financing facilities contain covenants on maintenance of capital adequacy and certain other mandatory ratios above prescribed regulatory minimums. See "*The Bank is required to comply with certain financial and other restrictive covenants, and in the past breached certain covenants in its facility agreements*". Failure of the Bank to comply with the contractual ratio levels may lead to breach of covenants under financial facilities, which in turn may cause acceleration of the Bank's indebtedness and cross defaults, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank is subject to substantial regulation and oversight, and future changes in regulations or relevant policies are unpredictable

As a commercial bank and participant of the financial market of the Republic of Uzbekistan, the Bank is subject to significant regulation and supervision by the CBU, the finance market regulator. If regulations change or the Bank expands its businesses, the Bank may become subject to additional rules and regulations, which may affect its operations. In November 2019, the amendments to the law "*On banks and banking activity*" was adopted. This law introduced changes to, *inter alia*, licencing requirements for banks, reporting and transparency rules. See "*The Banking Sector and Banking Regulation in the Republic of Uzbekistan – Recent and Expected Banking Reforms*".

Future changes in regulation on financial market participants, fiscal or other policies are unpredictable and there is often a delay between the announcement of a change and the publication of detailed rules relating to such change. There can be no assurance that the current regulatory environment in which the Bank operates will not be materially tightened; new or additional requirements or mandatory ratios will not be introduced, including as a result of a change in government in Uzbekistan; or the Bank will be able to comply with any or all resulting regulations. In addition, there can be no assurance that the current regulatory environment in which the Bank operates with respect to competition and anti-monopoly matters will not be subject to significant change in the future. If any of these risks materialise, they could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Changes in the Issuer's effective tax rate and tax positions may vary

The Issuer is subject to income taxes in numerous jurisdictions, in particular in the Republic of Uzbekistan. A change in tax laws, treaties or regulations, or their interpretation, in any country in which the Issuer operates could result in a lower or higher tax rate on the Issuer's earnings, which could have a material impact on its earnings and cash flows from operations. In addition, the Issuer may be subject to audit by tax authorities, and its tax estimates and tax positions could be materially affected by many factors including the final outcome of any tax audits and related litigation, the introduction of new tax accounting standards, legislation, regulations and related interpretations, its global mix of earnings, the realisability of deferred tax assets and changes in uncertain tax positions. Future increases in the Issuer's tax rate or adverse changes in tax laws could have a material adverse effect on the Issuer's profitability and liquidity and its ability to make payments on the Notes.

The Bank is required to comply with certain financial and other restrictive covenants, and in the past breached certain covenants in its facility agreements

The Bank is subject to certain financial and other restrictive covenants under the terms of its indebtedness that impose certain requirements on the Bank to comply with financial ratios and tests and certain restrictions that limit the Bank's ability to, among others, obtain further financing and/or repay existing long-term indebtedness. See "*Risks related to the Bank's Business and Industry —Future privatisation of the Bank may adversely affect its business, financial condition and prospects*" and "*Risks related to the Bank's Business and Industry —Failure to privatise the Bank may require the Bank to obtain additional refinancing and may adversely affect its business, financial condition and prospects*". The Bank's ability to meet its financial covenants and tests under the terms of its indebtedness are, to an extent, affected by events beyond the Bank's control, such events may include, among others, macroeconomic and political shocks, sharp fluctuations in foreign currency exchange rates and commodity prices.

On 29 June 2021, the Bank executed a U.S.\$122 million Sinasure-covered facility agreement with UBS AG as an agent (the "**Agent**") for a term of 12 years (the "**Facility Agreement**"). The proceeds from the Facility Agreement were used to purchase a building to serve as the Bank's headquarters, which the Bank is now required to sell pursuant to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan dated 28 February 2024 as the headquarters building is an underutilised, non-revenue-generating asset. The Decree did not impose any specific deadline for the sale of the headquarters building. The terms of the Facility Agreement require that the Bank prepay the facility at such time that the building is no longer owned by the Bank. As at the date of this Offering Memorandum, the Bank has not yet sold its headquarters building and intends to proceed with the sale only when it determines that such sale would be economically beneficial. The Facility Agreement also included certain restrictive covenants, including with respect to the Bank's ability to incur or maintain financial indebtedness exceeding U.S.\$25 million, which, if adhered to, would materially limit the Bank's ability to operate in the ordinary course. The Bank was not in compliance with the said restrictive covenant. Neither the Agent nor the lenders under the Facility Agreement exercised their right to accelerate all or part of the loans and declare amounts borrowed under the Facility Agreement due and payable, and some lenders under the Facility Agreement continued to lend to the Bank under other facilities. On 2 July 2024, the Bank fully prepaid the outstanding amount under the Facility Agreement and the Facility Agreement was terminated. The Bank has other outstanding debt facilities which contain cross default provisions, certain of which may have been breached by the default in the Facility Agreement described above. While the Bank has taken steps to rectify the cross defaults by prepaying the Facility Agreement and notify all other relevant lenders of the breach, no assurance can be given that certain lenders will not claim to have rights under existing facilities arising therefrom.

During the year 2024, the Bank's management undertook a detailed review of the Bank's debt agreements and identified that in one case there was a clause that the Bank did not comply with as at 31 December 2023. The implication of this was that this debt and a number of other facilities where there are conditions in the relevant facility agreements, should no longer be considered, for financial reporting purposes, as long term as at 31 December 2023. There was a similar situation as at 31 December 2022 and 2021. Therefore, the Bank's management took action and notified the transaction agent on 27 June 2024 to voluntarily prepay this debt and did so on 2 July 2024. Following the early repayment of the debt, the Bank has taken legal advice where it was considered appropriate and received any necessary additional loan covenant waivers. Please refer to Note 36 of the 2024 Financial Statements for further details.

As at 31 December 2024, the Group was in compliance with all financial covenants under its borrowing arrangements except for (i) the Total Overdue Loans to Loan Portfolio Ratio set by MFT XXI, a Russian lender that is not affiliated with any sanctioned entity; and (ii) the Single Currency Foreign Exchange Risk Ratio set by IFC and ADB. The Group communicated the breaches to the relevant lenders and obtained a waiver from MFT XXI on 28 June 2024 covering the remainder of 2024, and a subsequent waiver on 17 April 2025, which released the Group from compliance with the covenant until 31 December 2025. In addition, IFC and ADB granted waivers in May 2025, after the reporting date. As at 31 December 2024, the breach of the financial covenant relating to the Single Currency Foreign Exchange Risk Ratio had triggered cross-default clauses in several related contracts, entitling the lenders to request early repayment. However, none of the lenders exercised this right, and all such lenders granted waivers after the reporting date. Further details are provided in Note 36 to the 2024 Financial Statements.

As at 30 June 2025, the Bank remained in breach of the Total Overdue Loans to Loan Portfolio Ratio covenant under a borrowing agreement with MFT XXI LLC. This breach is covered by the formal waiver obtained on 17 April 2025, which applies until 31 December 2025 and which removed any legal event of default. For reporting purposes, the Bank's management classified the corresponding amount of UZS660 billion as repayable on 31 December 2025 in both the undiscounted maturity analysis and the expected maturity profile as at 30 June 2025. Further details are provided in Note 28 to the Interim Financial Statements. No assurance can be given that the Bank will be able to remain in compliance with these or other financial covenants in the future, or that further waivers will be granted if required.

Should the Bank be unable to correctly identify and report compliance with the terms of its loan agreements in relation to past or future events, or should a contrary position be taken by the Bank's other creditors, the Bank may have to restate its Financial Statements and/or the Bank's lenders may terminate their commitments to further lend to the Bank or accelerate the loans and declare all amounts borrowed due and payable triggering events of default in other finance agreements.

If any of these events occurs, the Bank cannot give any assurance that available assets would be sufficient to repay in full all of the Bank's affected indebtedness, or that the Bank would be able to secure alternative financing. Even if the Bank could obtain alternative financing, the Bank's management cannot give any assurance that such financing would be on terms that are favourable or acceptable to the Bank.

The Bank's measures to prevent corruption, money laundering or terrorist financing may not be completely effective

Third parties may attempt to use the Bank as a conduit for money laundering or terrorist financing without its knowledge, nor that the measures described above will be completely effective in pre-empting, identifying and/or terminating such activity. If the Bank fails to comply with anti-corruption, anti-money laundering or anti-terrorism financing laws or if it is otherwise associated with corruption, money laundering or terrorist financing, this could have a material adverse effect on its reputation, business, financial condition, results of operations and prospects.

Risks Related to the Republic of Uzbekistan

The Bank may be adversely affected by changes in Uzbekistan's economic, political and other conditions

The Bank's operations are primarily located in, and the vast majority of its revenue is sourced from, Uzbekistan. The Bank's results of operations are, and are expected to continue to be, significantly affected by financial and economic developments in or affecting Uzbekistan and, in particular, by the level of economic activity in Uzbekistan. They can also be affected by political, social and legal developments in the country. Factors such as GDP, inflation, interest and currency exchange rates, as well as unemployment, personal income and the financial situation of companies, have a material impact on customer demand for the Bank's products and services.

Global and regional economic conditions remain volatile, and there is significant economic uncertainty. Real GDP growth in Uzbekistan was 6.5 per cent. in 2024, 6.3 per cent. in 2023 and 5.7 per cent. in 2022, according to the Statistics Agency under the President of the Republic of Uzbekistan. According to preliminary data of the Statistics Agency under the President of the Republic of Uzbekistan, in the six months ended 30 June 2025, the GDP demonstrated growth in real terms of 7.2 per cent. compared to the same period of 2024. According to the IMF's World Economic Outlook published in April 2025, the near-term outlook for the Central Asia and Middle East is positive, with real GDP growth in the regions projected to be 3.0 per cent. in 2025 and then 3.5 per cent. in 2026. In April 2025, the IMF projected 5.9 per cent. real GDP growth in Uzbekistan in 2025.

Uzbekistan continues to face significant risks to its growth prospects, including risks associated with the exchange rate, financial stability, inflation and capital flight. Market turmoil and economic deterioration in Uzbekistan may cause consumer spending to decline and have a material adverse effect on the liquidity and financial condition of the Bank's customers in Uzbekistan. Moreover, notwithstanding the stable political environment in Uzbekistan during the current period of economic reforms and the fact that Uzbekistan's economy was one of the three economies in the Europe and Central Asia region to maintain positive economic growth in 2020 despite the impact of COVID-19, Uzbekistan's economy is nonetheless vulnerable to external shocks and the economic performance of its trading partners (particularly Russia, China and Kazakhstan), to

regional geopolitical developments and uncertain and volatile global and regional political conditions, such as, for example, Russia invasion in Ukraine and sanctions imposed thereon by, among others, the United States, the United Kingdom and the EU, as well as ongoing escalation of conflict in the Middle East or slowdown in economic growth in China, one of the main trade partners of Uzbekistan. See *"The Russia-Ukraine conflict and the sanctions imposed by numerous national and international authorities in response, as well as countermeasures taken by Russia, have had, and will continue to have, an adverse impact on Uzbekistan's economy"* below.

In addition, Uzbekistan is in the process of implementing structural economic reforms aimed at, among others, price and trade liberalisation and tax control. See *"Uzbekistan's economy and the banking market has been undergoing significant changes"*. Should the Government succeed in the implementation of market reforms, Uzbekistan's economy would be more integrated into the world trading system and inter-linked with the global economy and economies of the main trade partners and neighbouring states of Uzbekistan, which may make Uzbekistan's economy even more vulnerable to external shocks, such as global economic crises and currency and commodity price volatility.

Furthermore, Uzbekistan faces economic risks of volatility in workforce remittances (in particular, from Russia) and unemployment. The rate of unemployment in Uzbekistan decreased from 8.9 per cent. as at 31 December 2022 to 6.8 per cent. as at 31 December 2023 and then to 5.5 per cent. as at 31 December 2024, mainly due to the implementation of economic reforms in the country, the creation of a foundation for the establishment of businesses through training the unemployed population in professions and entrepreneurship, and the formation of sources of family income by providing permanent jobs to the citizens applying for work. Decreases in remittance inflows or increases in the unemployment rate could have an adverse effect on the economy of Uzbekistan in general and consequently on the personal income and financial situation of the Bank's customers, adversely affecting customer demand for the Bank's products and services.

All of the above events could have substantial political and macroeconomic ramifications, which could, in turn, have a significant impact on the Uzbekistan's economy. If any of these risks materialise, they could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Russia-Ukraine conflict and the sanctions imposed by numerous national and international authorities in response, as well as countermeasures taken by Russia, have had, and will continue to have, an adverse impact on Uzbekistan's economy

The intensification of the Russia-Ukraine conflict in February 2022, and the resulting wide range of sanctions imposed on persons in or related to Russia by the EU, the US, the UK and a number of other jurisdictions have had, and are expected to continue to have, a significant negative impact on the global economy and Uzbekistan. There have been material disruptions in energy markets (resulting in surges of energy prices and overall uncertainty for consumers), trade and investment (complicating trade and investment flows in Europe and Asia as well as broader economic integration and cooperation in the CIS region) and financial markets (eroding investors' and lenders' confidence and sentiment).

The conflict and resulting sanctions also had and continue to have a material impact on the Uzbekistan economy that relies on trade with its neighbour countries, including Russia and China, two of its biggest economic partners, for its exports and imports, including the disruption on some of the trade routes and corridors that Uzbekistan uses to access the European and Asian markets as well as exports and imports to and from Russia.

Further, Uzbekistan is a major recipient of remittances from Russia, and the conflict has resulted in a significant devaluation of the Russian Rouble against major international currencies, which, in turn, led to the decline of the volume of remittances from Russia and negatively affected the growth of the Uzbekistan economy. Furthermore, the devaluation of the Russian Rouble throughout 2023 adversely affected Uzbek exporters trading with Russia, notably reducing their customers' purchasing power, prompting a shift in export destination and heightening foreign exchange risk for those holding assets or liabilities in Russian Roubles. The partial recovery of the Russian Rouble in 2025 has supported a rebound in remittance inflows and renewed demand for Uzbek exports, although continued Rouble volatility and broader geopolitical uncertainty pose ongoing risks.

While Uzbekistan maintains independent diplomatic relationships with both Russia and Ukraine and has confirmed its neutral position with respect to the hostilities between Russia and Ukraine, Uzbekistan has significant economic and political relations with Russia. Russia is the main trade and economic partner of

Uzbekistan. Sanctions imposed on certain Russian persons and entities by the United States, the United Kingdom, the EU and other countries in connection with the conflict in Ukraine and any other action by Russia which may result in further sanctions, could prevent Uzbekistan from trading with certain Russian counterparties, which could have a material adverse impact on Uzbekistan's trade and consequently the country's economy. In addition, given Uzbekistan's close economic relationship with Russia, there can be no assurances that individuals or businesses located in Uzbekistan, including the Bank's customers, will not themselves become subject to sanctions imposed by the United States, the United Kingdom and the EU, among other countries. Should the existing sanctions regime be widened or should new and/or secondary sanctions be introduced in respect of the individuals or businesses located in Uzbekistan, including the Bank's customers and/or counterparties, the Bank and/or the banking sector in Uzbekistan in general, the Bank's business could be adversely affected.

The Bank is not subject to any sanctions prohibitions and restrictions and does not currently have contracts or transactions with persons or entities in violation of the applicable sanctions, including with any parties included in the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control (OFAC), or similar sanctions-related lists of designated persons maintained by EU, UK and other relevant sanctions authorities. In response to the expansion of sanctions since February 2022, the Bank has wound down its activities with Russian banks and financial institutions. As at the date of this Offering Memorandum, the Bank has limited relationships with MFT XXI LLC, a Russian lender, in the form of a borrowing in the amount of UZ\$660,187 million, or 1.6 per cent. of the Bank's other borrowed funds or 0.8 per cent. of the Bank's total funding as at 30 June 2025, which the Bank intends to prepay by the end of 2025. The Bank's activities with Russian banks and entities is conducted in accordance with applicable sanctions. For the information on the geographical concentration of the Bank's financial assets and liabilities with respect to Russia, please refer to Note 28 to the Interim Financial Statements, Note 36 to the 2024 Financial Statements and Note 35 to the 2023-2021 Financial Statements. For information on the Bank's sources of funding, see *"Operating and Financial Review —Funding"*.

In 2023, the CBU reviewed the Bank's sanctions compliance system and ranked measures taken by the Bank's sanctions compliance as "effective". With the assistance of an external consultant, the Bank has adopted the Sanctions Policy which integrated industry-leading procedures for sanctions compliance, including with respect to continuous screening of customers and transactions. In addition, the Sanctions Policy mandates regular updates of the Bank's internal policies and procedures in response to the introduction of new sanctions by the relevant organisations (United Nations Security Council (UNSC), OFAC (USA), European Commission and HM Treasury (UK)). While the Bank makes all efforts to maintain and update on an ongoing basis, its policies and procedures aimed at ensuring the Bank's counterparties are not designated under U.S., UK or EU sanctions, there can be no assurance that through these procedures and policies the Bank will be able to timely and effectively detect all sanctioned business partners or contractual counterparties, including as a result of new sanctions designations, nor achieve full compliance by all of its employees or representatives for which the Bank may be held responsible, and any such failure or violation could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The continuation, escalation or expansion of hostilities between Russia and Ukraine, may lead to further restrictions, sanctions or countersanctions, increased economic instability worldwide, heightened operating risks and cyber disruptions or attacks. Uzbekistan's close economic links with Russia, the Russia-Ukraine conflict and the related sanctions, counter-sanctions and restrictions have had, and may continue to have, adverse impacts on the global economy, capital markets, supply chains, energy prices, suppliers and consumer demand as a result of increased inflationary pressures directly associated with the conflict, all of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Uzbekistan's banking sector remains vulnerable to external shocks

As at 30 June 2025, the banking sector of the Republic of Uzbekistan consisted of 36 active banks, of which nine were commercial banks with state ownership and seven foreign-owned banks. The level of credit concentration in the banking sector has traditionally been high, with the wholly and partly state-owned banks holding 65.2 per cent. of all of the banking sector's total assets, 68.5 per cent. of the banking sector's total loans, 61.6 per cent. of the banking sector's total share capital and 51.7 per cent. of the banking sector's total deposits. A large share of the banking sector's loans consists of state-guaranteed loans to state-owned companies however this trend has been decreasing since 2019. The share of assets of state-owned banks decreased from 79.7 per cent. as at 30

June 2022 down to 69.0 per cent. as at 30 June 2023 due to the completion of the privatisation of the fourth largest state-owned bank "Ipoteka-Bank" by the Hungarian OTP Group and the privatisation of "Uzagroexportbank" (currently known as "AVO bank") to a local investor.

As at 30 June 2025, the NPLs to total gross loans ratio ("**NPL ratio**") of the banking sector in Uzbekistan (based on the CBU standards) amounted to 3.8 per cent. In addition, the banking sector of the Republic of Uzbekistan has a high level of loans denominated in U.S. dollars and other foreign currencies, giving rise to risks relating to currency fluctuations. According to the CBU, as at 30 June 2025, foreign currency denominated loans constituted 41.5 per cent. of the total loan portfolio across all banks in the sector and foreign currency denominated deposits amounted to 24.0 per cent. of the total deposit portfolio of all banks in the banking sector.

Therefore, the Uzbek banking sector remains concentrated, vulnerable and susceptible to foreign currency fluctuations and there can be no assurance that future turmoil in the global banking sector and the wider economy will not have a negative effect on Uzbekistan's banking sector and on its participants. A failure or default of any financial institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could prevent the Bank from raising new or additional funds in the capital markets and could also significantly reduce depositors' confidence in the banking industry in general and in the Bank in particular. All of these events could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Uzbekistan's economy and the banking market has been undergoing significant changes

Since early 2017, the Government has introduced a number of measures aimed at the liberalisation of Uzbekistan's economy and encouraging growth and foreign investment. These reforms include currency and trade liberalisation, reforms of the tax and state budget processes, the restructuring and privatisation of state-owned entities and the reform of the agriculture and financial sectors. To increase the efficiency of the banking sector, the Government is undertaking a number of reforms owing to the Decree on Reforming the Banking System which aims to increase the efficiency and ensure financial stability of the banking system and to reduce the Government's ownership of shares in the banking sector through the privatisation of a majority of the state-owned banks.

In line with the Decree on Reforming the Banking Sector and other related reform measures, the Government intends to, among other things, decrease its influence on majority of the state-owned banks, as well as reduce direct state financing and state guarantees for borrowers in the commercial banking sector. The privatisation reforms would require the state-owned banks to transition from capital injections and reduced degree of subsidisation from the Government to funding from other sources, such as foreign financial institutions, asset backed securities, customer deposits, the interbank lending market, the international capital markets and other similar instruments, which if not received on favourable terms could have a material adverse effect on the asset quality and profitability of the transitioning banks, resulting in direct impact on the economy of the Republic of Uzbekistan and the trading price of the Notes. According to the Decree on Reforming the Banking Sector the Bank is set to undergo such transformation and subsequently shall be privatised through the sale of the government's stake.

There can be no assurance that such reforms will be successful or sufficient or that the banks will succeed in implementing all of the necessary stages of transformation. It is difficult to forecast how the changes in banking and financial market regulation will affect the Uzbekistan banking system, and no assurance can be given that the regulatory system will not change in such a way that will increase the Bank's expenses or impair the Bank's ability to provide a full range of banking services or to compete effectively. There is a risk that financial assistance to state-owned banks may be needed from the government in the event of a macroeconomic shock, which it may not be willing and/or able to provide. Deficiencies in the Uzbek banking sector may result in the banking sector generally, and the Bank and the Bank's business, in particular, being more susceptible to future worldwide credit market downturns and economic slowdowns. All of these events can adversely affect the Bank's credit ratings, business, financial condition, results of operations and prospects.

Uzbekistan's economy is under inflationary pressure

The economy of Uzbekistan is significantly affected by inflationary pressure. Uzbekistan's inflation rate was 9.8 per cent. in 2024, 8.8 per cent. in 2023 and 12.3 per cent. in 2022. The CBU expects inflation to be around 7.0-8.0 per cent. by the end of 2025. From 1 January 2020, the CBU entered an active phase in its transition to an

inflation targeting regime, initially introducing the CBU's policy rate and interest rate corridor. In response to temporary external shocks (in particular the conflict between Russia and Ukraine) the CBU increased its policy rate from 14.0 per cent. to 17.0 per cent. in March 2022, but after the normalisation of economic conditions in Uzbekistan and with easing inflationary conditions, the CBU eventually cut its policy rate to 13.5 per cent. in July 2024. On 20 March 2025, the CBU increased the refinancing rate by 0.5 percentage points up to 14.0 per cent. citing sustained inflationary pressures and rising inflation expectations. As at the date of this Offering Memorandum, the CBU refinancing rate was 14.0 per cent. Sustained high inflation may have a negative effect on the financial standing of the Bank's customers, in particular the individuals. More challenging macroeconomic conditions may also lead to a decreased customer demand for the Bank's products and services. Some of the Bank's customers may also experience difficulties in performing their obligations under loans granted by the Bank which could cause an increase in the Bank's expected credit losses. Any of these events could lead to decreased demand for the Bank's products and services, which in turn, could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Uzbekistan economy is significantly affected by volatility in international commodity prices

Uzbekistan's economy is significantly affected by volatility in international commodity prices, particularly gold, natural gas and oil. Oil is also among the Bank's strategic focus areas. Prices of these commodities are subject to international supply and demand, and prices can be volatile. Political developments, increased use of renewable energy sources that alter fuel or power availability (such as the development of solar and wind power in the Republic of Uzbekistan), technological change and global economic conditions have an indirect impact on demand and, accordingly, prices for these commodities. In addition, exchange rate fluctuations can impact underlying costs and revenues.

Uzbekistan's economy is also indirectly affected by commodity price volatility, as it impacts key trading partners including Russia and Kazakhstan, leading to fluctuations in remittances and trade. Lower prices for gold, natural gas and oil can reduce export revenues for these countries, in turn weakening demand for Uzbek goods and services. Additionally, shifts in global commodity prices can influence energy costs and inflation within Uzbekistan, affecting economic stability.

The strategy "On transition of the Republic of Uzbekistan to a "green" economy in the period of 2019-2030" was approved by the Presidential Resolution of the Republic of Uzbekistan "On the programme measures for further development of renewable power generation, enhancement of energy efficiency in sectors of the economy and social sphere for 2017-2021" dated 4 October 2019 in order to ensure fulfilment of obligations under the Paris Agreement on climate change signed by Uzbekistan on 19 April 2017. The adoption of such policies related to renewable energy and climate change could lead to constraints on production and supply, access to new reserves and a decline in demand for certain products. Commodity price volatility could, therefore, have a material adverse effect on, among other things, Uzbekistan's GDP growth, Government revenues, balance of payments and foreign trade, which in turn could adversely affect the Bank's credit ratings, business, financial condition, and results of operations.

Enforcement of judgments or arbitral awards against the Bank can be difficult

The Bank has not submitted to the jurisdiction of any foreign courts in connection with the Notes. The Conditions provide that arbitration will be the exclusive remedy in relation to any dispute relating to the Notes. If a Noteholder is granted a monetary award in any arbitration proceedings in relation to the Notes, it may attempt to enforce that award or bring proceedings on the award as a debt owing to it in Uzbekistan and attempt to obtain a judgment thereon. In addition, Uzbekistan, the United Kingdom and the United States are parties to the New York Convention and, accordingly, an arbitral award should generally be recognised and enforceable in Uzbekistan provided the conditions for enforcement set out in the New York Convention are met and subject to compliance with Uzbek law.

Uzbekistan's courts will not enforce a judgment obtained in a court outside Uzbekistan unless there is a treaty in effect between the relevant country and the Republic of Uzbekistan providing for reciprocal enforcement of judgments. There is no such treaty in effect between Uzbekistan and the United Kingdom or the United States. Even if an applicable international treaty is in effect or a foreign judgment might otherwise be recognised and enforced on the basis of reciprocity, the recognition and enforcement of a foreign judgment will in all events be subject to exceptions and limitations provided for under Uzbek law.

For example, an Uzbekistan court may refuse to recognise or enforce a foreign judgment or arbitral award if its recognition or enforcement would be contrary to Uzbekistan public policy. The concept of public policy is not well developed in Uzbekistan; it is possible, however, that such considerations could apply in specific circumstances where, for example, the interests of creditors, employees, the national or local economy, public health and safety or national security are involved. As a result, it may be difficult to obtain recognition or enforcement of a foreign judgment in respect of the Notes.

It may also be difficult to enforce a foreign judgment in Uzbekistan due to a number of factors, including the lack of experience of Uzbek courts in international commercial transactions and certain procedural irregularities, all of which could introduce delay and unpredictability into the process of enforcing any foreign judgment in Uzbekistan. In addition, the judicial system and judicial officials in the Republic of Uzbekistan may not be fully independent of external social, economic and political forces. Therefore, judicial decisions could be unduly influenced.

Corporate governance standards in Uzbekistan differ from those in Western jurisdictions

The Bank is subject to the general corporate governance and disclosure obligations applicable to the joint-stock companies under Uzbek law, including those in the capital markets area. Corporate governance, disclosure and transparency standards applicable to Uzbekistan companies are not of the same standard as those in the United Kingdom, the United States or the European Union. Accordingly, there are fewer protections for investors than would otherwise be the case if the Bank was required to comply with corporate governance principles or standards applicable to public companies in the United Kingdom. Furthermore, should the Bank fail to comply with existing corporate governance standards applicable under Uzbek law or provided for by the Listing Rules of the Tashkent Stock Exchange where the Bank's shares are listed, it could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Risks Related to the Notes

Insolvency and administrative laws in the Republic of Uzbekistan could negatively affect the ability of Noteholders to enforce their rights

Uzbekistan bankruptcy law provides that transactions or payments entered into or made within specified time periods before a bankruptcy petition is filed or at or after the time when a bankruptcy petition is filed may be declared void by an Uzbek court. After a bankruptcy petition is filed, the subject company is prohibited from paying any debt outstanding prior to the conclusion of bankruptcy proceedings, subject to specified exceptions. After the subject company becomes insolvent, creditors of that company may not effectively pursue any legal action to obtain an order for payment of indebtedness, to set aside a contract for non-payment or to enforce the creditor's rights against any asset of the debtor outside the framework of the bankruptcy proceedings. Contractual provisions, which would accelerate the payment of the debtor's obligations upon the occurrence of certain bankruptcy events, are not enforceable under Uzbek law. In addition, an administrator may renounce or set aside executory contracts.

Additionally, if a court orders bankruptcy proceeding, it can prohibit the sale of an asset that it deems to be essential to the continued business of the debtor, and it can postpone the payment of debts owed by the debtor. Uzbekistan bankruptcy law assigns priority to the payment of certain creditors, including creditors on personal injury obligations, employees, secured creditors, the government, tort plaintiffs and certain post-petition creditors.

The Notes are unsecured, subordinated and pari passu securities and Noteholders assume an enhanced risk of loss in the event of an insolvency of the Issuer

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves.

The Issuer's obligations under the Notes will constitute unsecured obligations of the Issuer. Accordingly, any claims against the Issuer under the Notes would be unsecured claims, which would be satisfied only after any secured creditors, if at all. The ability of the Issuer to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows.

The Notes are not secured and are not covered by any guarantee, including any guarantee issued by the Issuer, any member of the Group or by any related entity to the Issuer. There are no other economic or legal conditions that provide preference to the Noteholders' claims under the Notes in relation to any other obligations owed by the Issuer to its creditors.

Pursuant to the Law "On Sanation and Liquidation of Banks" No LRU-1070 (the "**Sanation and Liquidation Law**") and the Conditions, upon the insolvency and/or liquidation of the Issuer (as determined in accordance with Applicable Banking Regulations), all claims in respect of the Notes (including claims for damages in respect of any breach of the Issuer's obligations thereunder, if applicable) will rank:

(a) junior to any claims:

- (i) in respect of Tier 2 Instruments,
- (ii) in respect of subordinated debt obligations that do not qualify as capital instruments,
- (iii) of persons or entities affiliated with the Issuer,
- (iv) that are unsecured and do not fall within the categories specified in sub-paragraphs (i) through (iii) and (v) through (viii), including claims that could not be satisfied due to insufficient proceeds from the sale of property pledged to secure the Issuer's obligations,
- (v) in respect of guaranteed deposits exceeding the amount of the guaranteed deposit established under the Law "On Guarantees for the Protection of Deposits in Banks",
- (vi) transferred to the Deposit Guarantee Agency in accordance with the Law "On Guarantees for the Protection of Deposits in Banks",
- (vii) specified in Part 2 of Article 150 of the Law "On Insolvency",
- (viii) of the CBU, the Ministry of Economy and Finance, and the Deposit Guarantee Agency relating to funds provided for the purpose of implementing measures for the Issuer's sanation and liquidation;

(b) pari passu and without any preference among themselves and with:

- (i) any claims for the liquidation amount of the Preferred Shares qualifying as Additional Tier 1 Instruments,
- (ii) any claims for principal in respect of other contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 Instruments, and
- (iii) any other subordinated obligations of the Issuer which by law and/or by their terms, to the extent permitted by the laws of the Republic of Uzbekistan, rank *pari passu* with the Issuer's obligations under the Notes;

(c) senior to (A) any claims for the liquidation amount of the Ordinary Shares and Preferred Shares that do not qualify as Additional Tier 1 Instruments and (B) any other subordinated obligations of the Issuer which by law and/or by their terms, to the extent permitted by the laws of the Republic of Uzbekistan, rank junior to the Issuer's obligations under the Notes. Finally, expenses related to the compulsory liquidation of the Issuer shall be satisfied with priority, outside the ordinary order of claims.

Uzbek bankruptcy law often differs from the bankruptcy laws of England and the United States and is subject to varying interpretations. There is little precedent to predict how claims on behalf of the Noteholders against the Issuer would be resolved in case of its insolvency, especially given that the Sanation and Liquidation Law is newly enacted and has not yet been applied in practice or interpreted by the courts. Uncertainties relating to the Uzbek legal system and legislation could lead to Noteholders losing some (or substantially all) of their investment in the Notes.

If, upon the insolvency and/or liquidation of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Noteholders will lose their entire investment in the Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking

creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Notes and all other claims that rank *pari passu* with the Notes, Noteholders will lose some (or substantially all) of their investment in the Notes.

Although the Notes may (subject always to the Issuer's right to cancel interest payments and to circumstances where the cancellation of interest payment is mandatory in accordance with the Conditions) pay a higher rate of interest than securities which are not, or not as deeply, subordinated, there is a substantial risk that investors in the Notes will lose all or some of the value of their investment should the Issuer become insolvent.

The Issuer is not prohibited from issuing additional debt, which may rank senior to, or pari passu with, the Notes

Subject to the restrictions on levels of indebtedness in other agreements and under prudential norms, there is no restriction on the amount of additional debt the Issuer may issue and which may rank senior to, or equally, in right of payment with the Notes. The issue of any such additional debt may reduce the amount investors may recover in respect of the Notes in certain scenarios as the incurrence of additional debt could affect the Issuer's ability to repay principal of, and make payments of Interest on, the Notes. This could have a material adverse effect on the trading price of the Notes.

Unsubordinated liabilities of the Issuer may also arise from events that are not reflected on the balance sheet of the Issuer, including, without limitation, insurance or reinsurance contracts, derivative contracts, the issuance of guarantees or the incurrence of other contingent liabilities on an unsubordinated basis. Claims made under such guarantees or such other contingent liabilities will become unsubordinated liabilities of the Issuer that upon the insolvency of the Issuer, which is at all times determined in accordance with Applicable Banking Regulations (as defined in the Conditions), will need to be paid in full before the obligations under the Notes may be satisfied.

As a result, the Notes are subordinated to any secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness that the Issuer may incur in the future. Upon the insolvency of the Issuer, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Notes and Noteholders may therefore recover ratably less (if anything) than the lenders of the Issuer's secured or unsecured unsubordinated debt and/or prior-ranking subordinated debt. Even if the claims of senior ranking creditors would be satisfied in full, Noteholders may still not be able to recover the full amount due because the proceeds of the remaining assets must be shared *pro rata* among all other creditors holding claims ranking *pari passu* with the claims of the Noteholders in respect of the Notes.

If the Issuer's financial condition were to deteriorate, investors could suffer direct and materially adverse consequences, including suspension of Interest and reduction of Interest and principal and even loss of their entire investment.

The Issuer, in its full discretion, may at any time elect, and in certain circumstances may be required, not to make payments of Interest on the Notes. In addition, payments of principal and Interest on the Notes are subject to the Issuer being solvent at the time of payment and may become subject to future restrictions in the Applicable Banking Regulations

The Issuer may elect, at any time, in its sole and absolute discretion, to cancel (in whole or in part) the payment of any Interest, or part thereof, otherwise scheduled to be paid on an Interest Payment Date as further provided in Condition 5 (*Interest*).

The Issuer will cancel any Interest, or part thereof, otherwise scheduled to be paid on an Interest Payment Date if a resolution of the general meeting of the Issuer's shareholders requires the relevant payment of Interest, or the relevant part thereof, to be cancelled. The Issuer's supervisory board may convene a general meeting of the Issuer's shareholders to vote on the cancellation of Interest at any time.

Payments of Interest on the Notes are non-cumulative. Accordingly, if any payment of Interest (or any part thereof) is not made in respect of the Notes as a result of any election of the Issuer to cancel such payment of Interest pursuant to Condition 5 (*Interest*), then the right of the Noteholders to receive the relevant payment of Interest (or such part thereof) in respect of the relevant Interest Period will be extinguished and the Issuer will

have no obligation to pay such Interest (or such part thereof) accrued for such Interest Period or to pay any Interest thereon, whether or not Interest on the Notes is paid in respect of any future Interest Period.

In addition to the discretionary and, in certain circumstances, mandatory cancellation of Interest payable under the Notes, payments of principal and Interest on the Notes are at all times subject to the Issuer being Solvent at the time of payment. For these purposes, the Issuer is deemed to be "Solvent" if its assets exceed its liabilities as determined at all times in accordance with the Applicable Banking Regulations (the "**Solvency Condition**").

In August 2025, a draft of new CBU regulations on bank capital requirements was made available for public consultation. The draft regulations set out eligibility requirements for additional tier 1 instruments, including a requirement that payments under these instruments must be made only from a bank's net profit and/or retained earnings from previous years ("**available distributable items provision**"). Although the final version of the new CBU regulations has not been published as of the date of this Offering Memorandum, the Issuer expects that publication before the end of 2025 and anticipates that it will be required to comply with the available distributable items provision when making payments of Interest under the Notes in the future. As a result, the Issuer's ability to make such payments could be negatively affected by, among other things, the servicing of more senior or parity ranking instruments, including other discretionary interest payments on other capital instruments, as well as the Issuer's overall business performance, factors affecting its financial position (such as capital and leverage), the economic environment in which it operates and other factors beyond its control. In addition, earnings may fluctuate significantly and could materially adversely affect the level of distributable items.

Any actual or anticipated cancellation of Interest on the Notes or failure to satisfy the Solvency Condition described above will likely have an adverse effect on the market price of the Notes. In addition, as a result of the Solvency Condition and the Interest cancellation provisions of the Notes, in particular Condition 5 (*Interest*), the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication or perceived indication that the Issuer will cancel Interest on the Notes, or fail to meet the Solvency Condition, may have an adverse effect on the market price of the Notes.

The Notes may be traded with accrued Interest, but (i) under certain circumstances described above, such Interest will be cancelled and not paid on the relevant Interest Payment Date and (ii) the Issuer retains full discretion to cancel Interest otherwise scheduled to be paid on the relevant Interest Payment Date

The Notes may trade, and/or the prices for the Notes may appear, in any trading systems and/or on any stock exchange on which the Notes are for the time being listed, with accrued Interest. If this occurs, purchasers of Notes in the secondary market will pay a price that reflects such accrued Interest upon purchase of the Notes. However, if a payment of Interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and is thus not due and payable, purchasers of such Notes will not be entitled to that Interest payment (or, if the Issuer elects to make a payment of a portion, but not all, of such Interest payment, the portion of such Interest payment not paid) on the relevant Interest Payment Date.

The Interest rate on the Notes will be reset on each Reset Date, which may affect the market value of the Notes

The Interest rate on the Notes will be reset on the First Reset Date and each subsequent Reset Date, which could affect Interest payments on an investment in the Notes and the market price of any such investment. The Notes will initially bear Interest at the rate of Interest equal to 9.450 per cent. per annum to (but excluding) the First Reset Date, at which time the rate of Interest will be reset as specified in the Conditions. Such reset rate of Interest will then be reset at each subsequent Reset Date to the reset rate of Interest to be determined by the Calculation Agent, based on the Reset Reference Rate on the relevant Reset Determination Date plus the Margin, in accordance with Condition 5 (*Interest*). Each reset rate of Interest could be less than the initial rate of Interest and/or the Interest rate that applies immediately prior to such Reset Date, which could affect the amount of any Interest payments under the Notes and so the market value of an investment in the Notes.

The Notes do not contain events of default and the enforcement rights available to Noteholders under the Notes are limited

The terms of the Notes do not provide for any events of default or any other provisions allowing Noteholders to accelerate the Notes. Noteholders may not at any time demand repayment or redemption of their Notes, and enforcement rights for any payment are limited to the claim of Noteholders in a winding-up of the Issuer. In a winding-up of the Issuer, the Noteholder of any Note may prove or claim in such proceedings in respect of such Note, such claim being for payment of the outstanding principal amount of such Note at the time of commencement of such winding-up together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the Conditions) from (and including) the Interest Payment Date immediately preceding commencement of such winding-up and any other amounts payable on such Note under the Conditions. In accordance with the Conditions, a Noteholder may not itself file for the winding-up or bankruptcy of the Issuer.

There is no scheduled redemption date for the Notes and Noteholders have no right to require redemption, but the Issuer may redeem the Notes in certain circumstances

The Notes are perpetual and have no fixed maturity. The Issuer has no obligation at any time to redeem the Notes, and the Noteholders have no right to require redemption or purchase of the Notes by the Issuer at any time.

The Issuer may redeem the Notes (in whole but not in part) in its sole discretion, subject to the satisfaction of the Redemption Conditions (including, *inter alia*, the Competent Authority providing its consent or, as the case may be, confirming that it does not object, to the redemption of the Notes by the Issuer, and such consent or confirmation have not been revoked by the relevant date of such redemption), on (i) any calendar day falling in the period commencing on (and including) 23 October 2030 and ending on (and including) the First Reset Date or (ii) on any Interest Payment Date falling after the First Reset Date, at the Redemption Price.

Further, on or after the Issue Date, following the occurrence of a Tax Event that is continuing, the Issuer may redeem the Notes (in whole but not in part) in its sole discretion (subject to the prior consent of the Competent Authority, and otherwise in accordance with Applicable Banking Regulations then in force), at any time at the Redemption Price.

In addition, following the occurrence of a Capital Disqualification Event that is continuing, the Issuer may redeem the Notes (in whole but not in part) in its sole discretion (subject to the prior consent of the Competent Authority, and otherwise in accordance with Applicable Banking Regulations then in force), at any time at the Redemption Price.

A Tax Event will occur if any Law Change (as defined in the Conditions) occurs, and in any such case, whereby the Issuer determines that it (i) would not be entitled to claim a deduction in computing taxation liabilities in a Tax Jurisdiction (as defined in the Conditions) in respect of any Interest payment to be made on the next Interest Payment Date or the value of such deduction to the Issuer would be reduced; and/or (ii) would be required to pay Additional Amounts (as defined in the Conditions) on the next Interest Payment Date pursuant to Condition 10 (*Taxation*) and, in each case, this cannot be avoided by the Issuer taking reasonable measures available to it and the Issuer demonstrates to the written satisfaction of the Competent Authority that any such change in the applicable tax treatment was material and not reasonably foreseeable as at the Issue Date.

A Capital Disqualification Event will occur if, at any time after the Issue Date, a change in the regulatory classification of the Notes under the laws of the Republic of Uzbekistan or Applicable Banking Regulations occurs, or the Competent Authority makes a decision, that results (or would result) in any or all of the outstanding Notes that were included in, or counted towards, the Issuer's Additional Tier 1 Capital (on a standalone basis) on the Issue Date ceasing to be included in, or counting towards the Issuer's Additional Tier 1 Capital (on a standalone basis) and in any such case (a) the Competent Authority considers such a change to be sufficiently certain, and (b) the Issuer demonstrates to the satisfaction of the Competent Authority that the regulatory reclassification of the Notes was not reasonably foreseeable as at the Issue Date.

This means that Noteholders have no ability to cash in their investment in any Notes, except:

- a) if the Issuer exercises its right to redeem the Notes, in which circumstances such Notes will be redeemed, or purchases such Notes;
- b) if permitted following an Enforcement Event by proving for such debt, and claim, in respect of such Notes in any liquidation of the Issuer; or
- c) by selling such Notes.

There can be no assurance that Noteholders will be able to reinvest the amount received upon any redemption of the Notes at a rate that will provide the same rate of return as their investment in the Notes.

At any time when the Notes may be redeemed by the Issuer or the market anticipates that the redemption right will become available, the market price of the Notes is unlikely to substantially exceed the price at which the Issuer may elect to redeem the Notes. If the Issuer redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case Noteholders may only be able to reinvest the redemption proceeds in Notes with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether the events referred to above will occur and lead to circumstances in which the Issuer may elect to redeem the Notes, and if so whether or not the Issuer will satisfy the conditions, or elect, to redeem the Notes. In particular, banking legislation in Uzbekistan continues to evolve at a rapid pace and the Applicable Banking Regulations will continue to be developed and amended (see discussion above regarding new CUB regulations on bank capital requirements and the discussion below regarding the Sanation and Liquidation Law). The Issuer may be more likely to exercise its option to redeem the Notes at a time when its funding costs would be lower than the prevailing interest rate payable in respect of the Notes. If the Notes are so redeemed, there can be no assurance that Noteholders will be able to reinvest the amounts received upon any redemption at a rate that will provide as favourable a rate of return as their investment in the Notes.

The trading price of the Notes may be volatile

The trading price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Bank's operating results and those of the Bank's competitors, adverse business developments, changes to the regulatory environment in which the Bank operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the credit rating of the Bank. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that cause substantial volatility in the prices of such securities. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the trading price of the Notes without regard to the Bank's operating results, financial conditions or prospects or credit rating.

The Notes are subject to modification, substitution and variation

The Trust Deed contains provisions for calling meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Conditions) of a modification or abrogation of any of the Conditions or any provisions of the Trust Deed, other than any modification or abrogation which could reasonably be expected to result in a Capital Disqualification Event or a Tax Event. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting, including Noteholders who voted in a manner contrary to the majority.

In addition, the Trustee and the Issuer may agree, without the consent of the Noteholders, to (i) any modification of any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement, that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or may determine, without any such consent, that any default shall not be treated as such, if it is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation, waiver or determination will be binding on the Noteholders.

Furthermore, the Trust Deed also contains provisions permitting the Trustee to agree with the Issuer, subject to

the conditions provided for in the Trust Deed, but without the consent of the Noteholders, to the substitution of any Subsidiary (as defined in the Conditions) of the Issuer or its successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution, the Trustee may agree with the Issuer, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed, if such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders.

If a Capital Disqualification Event or a Tax Event has occurred and is continuing as at the date of the relevant variation notice to Noteholders, then the Issuer may, in its sole discretion but subject as provided in Condition 7 (*Substitution and Variation*), and without any requirement for the consent or approval of the Noteholders, but subject to the prior consent of the Competent Authority (and otherwise in accordance with Applicable Banking Regulations then in force), either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that the Notes remain or, as the case may be, become Qualifying Additional Tier 1 Notes (as defined in the Conditions).

Notwithstanding any provision of the Conditions, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder and it is possible that any substituted or varied Notes will contain conditions that are contrary to the investment criteria of certain investors. In addition, the tax consequences of holding such substituted or varied Notes could be different for some categories of Noteholders from the tax consequences for them of holding the Notes prior to such substitution or variation. There can also be no assurance that the terms of any substituted or varied Notes will be viewed by the market as equally favourable to Noteholders, or that such Notes will trade at prices that are equal to the prices at which the Notes would have traded on the basis of their original terms.

The Notes may be subject to statutory write-down or bail-in

Pursuant to the new Sanation and Liquidation Law, the Competent Authority has power to put the Issuer into a sanation regime in certain circumstances. These include situations where the Issuer becomes insolvent or is likely to become insolvent, where remedial measures taken by the Issuer or imposed by the CBU have failed, or where action is required due to the Issuer's systemic importance. See also *"The Banking Sector and Banking Regulation in the Republic of Uzbekistan – Sanation and Liquidation Framework"*.

The sanation regime involves restructuring of a failing bank through a set of sanation tools (the "**Sanation Tools**"), including power to sell shares, assets and/or liabilities (either in full or in part) of a bank (the so-called "sale of business" tool), power to transfer shares, assets and/or liabilities (either in full or in part) to a temporary bank (the so-called "bridge bank" tool), and power to write down or cancel shares, capital instruments (such as the Notes) and other liabilities of a bank and/or convert capital instruments and liabilities into shares or other equity instruments (the "**Bail-in Power**"), which instruments may also be subject to further exercise of Bail-in Power. Moreover, any equity or other instruments that may be issued to Noteholders upon statutory conversion of the Notes may not meet the listing requirements of any securities exchange. Furthermore, the Conditions may be subject to modifications or disapplication of provisions, including changes to the principal amount or any interest payable under the Notes, the maturity date or any other dates on which payments may be due, and the suspension of payments for a certain period.

The Competent Authority is required to be guided by the objectives of the sanation regime when exercising the Sanation Tools, which include preventing of the emergence of a systemic financial crisis and minimisation of its negative consequences, ensuring the continuity of the critical functions of a commercial bank, protecting the rights and interests of depositors, and public funds, insured deposits and client funds, and minimising the allocation of funds from the State budget required for the bank's sanation.

Accordingly, potential investors in the Notes are subject to the risk that such powers may be applied in such a manner as to result in the Noteholders losing the whole or a part of their investment in the Notes or receiving different securities which may have less value or afford less protection than the Notes.

Although in accordance with the Sanation and Liquidation Law, the Competent Authority is required to ensure equal treatment of creditors of the same priority, the Competent Authority has discretion to exclude liabilities from the application of the Bail-In Power under certain circumstances, including when it is not possible to bail-in an instrument within reasonable time due to, for example, the absence of contractual recognition of the Bail-in Power or other factors. Deviations from the loss absorption ranking priority and/or equal treatment principles

may occur which could exacerbate losses suffered by the Noteholders. Due to the discretion the Competent Authority is allowed, claims of certain creditors whose claims rank *pari passu* with the holders of the Notes may be excluded from being subjected to the Bail-in Power. It is also possible that based on treaties or similar national agreements such bail-in provisions will not apply to specific sovereign or multilateral creditors.

The exact allocation of losses among creditors may be influenced by factors beyond the Issuer's control and will depend on, among other factors, the number of creditors excluded from the application of the Bail-in Power.

Pursuant to the "no creditor worse off" ("NCWO") protection mechanism of the Sanation and Liquidation Law, Noteholders whose claims under the Notes have been written down or converted may have the right to a compensation from the sanation fund only if after the exercise of the Bail-in Power and completion of the sanation process, it is determined that such Noteholders have suffered losses compared to a hypothetical status they would have in the Issuer's insolvency or liquidation proceedings, determined based on a valuation made by an independent evaluator appointed by the Issuer. Such loss would be represented as a difference between the amount the Noteholders received (if any) and the amount the Noteholders would receive in a hypothetical insolvency/liquidation proceeding relating to the Issuer. However, the Sanation and Liquidation Law is new and the NCWO protection mechanism has not been tested before. No assurances can be given as to whether this protection mechanism will operate as contemplated and that Noteholders will be able to claim compensation or, if such compensation is granted, it is possible that payment will be delayed. Furthermore, even if such compensation is granted, it is likely that it would not compensate all losses the Noteholders have suffered due to a write-down or conversion of their claims under the Notes, as the amount of compensation may not exceed the amount of losses an investor would have suffered in hypothetical insolvency or liquidation proceedings.

The Competent Authority may exercise its sanation powers without the consent of, and without providing any advance notice to, the Noteholders.

Further, even though the Sanation and Liquidation Law provides for a NCWO protection mechanism, there can be no assurance that the NCWO protection mechanism will not be breached in the process of the exercise of the sanation powers in respect of the Issuer. See also *"The Banking Sector and Banking Regulation in the Republic of Uzbekistan – Banking Supervision"*.

In addition, Condition 23 (*Acknowledgement of Statutory Write-Down or Conversion*) contains provisions giving effect to the Bail-in Power in the context of sanation and write-down or conversion of capital instruments at the point of non-viability. By acquiring the Notes, each Noteholder acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of the Bail-in Power by the Competent Authority as provided in Condition 23(b).

The determination that the regulatory capital write-down powers or the Bail-in Power and/or any Sanation Tool will be applied in respect of all or part of the principal amount of the Notes may be unpredictable and may be outside of the Issuer's control. Any final determination, or actual or perceived increase in the likelihood, that such powers will be exercised in respect of the Notes or that the Issuer may become subject to any Sanation Tools could have an adverse effect on the market price of the Notes.

The Notes are complex and novel financial instruments that involve a high degree of risk and may not be a suitable investment for all investors

The Notes are complex financial instruments that involve a high degree of risk. As a result, an investment in the Notes involves certain increased risks. Each potential investor of the Notes must determine the suitability (either alone or with the help of a financial, legal or other professional adviser) of that investment in light of its own circumstances. In particular, each investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes and, in particular, the information contained or incorporated by reference in this Offering Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, the merit and risks of an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes including where the currency for principal and Interest payments (the U.S. dollar) is different from the potential investor's currency and the possibility that interest may not be paid on the Notes and/or that the entire principal amount of the Notes could be lost, including following the exercise of the Competent Authority's statutory Bail-in Powers;
- understand thoroughly the terms of the Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic considerations, interest rate volatility and other factors that may affect its investment and its ability to bear the applicable risks.

Sophisticated investors generally do not purchase complex financial instruments that bear a high degree of risk as stand-alone investments. They purchase such financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless they have the knowledge and expertise (either alone or with a financial, legal and/or other professional adviser) to evaluate how the Notes will perform under changing conditions and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this document or incorporated by reference herein.

The Notes may not be a suitable investment for all investors seeking exposure to sustainable assets

Pursuant to the recommendation in ICMA's Green Bond Principles that issuers use external review to confirm their alignment with key features of the Green Bond Principles, at the Issuer's request, Sustainable Fitch has issued the Opinion in relation to the Bank's Framework.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as 'green', 'social' or 'sustainable', and therefore no assurance can be provided to investors that the projects set out in the Framework will meet all investor expectations regarding sustainability performance or continue to meet the eligibility criteria set out in the Framework. Although the underlying Eligible Green Projects and Eligible Social Projects (each as defined in the Framework) have been selected based on their general alignment with the green project categories recognised by the Green Bond Principles and the Social Bond Principles, respectively, and will be developed in accordance with relevant guidelines and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operating of the projects. In addition, where any negative impacts are insufficiently mitigated, the Eligible Green Projects and/or the Eligible Social Projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

None of the Bank, the Joint Bookrunners or the Sole Sustainability Structuring Bank makes any representation as to the suitability of the Opinion or the Notes to fulfil such environmental and sustainability criteria. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in the Framework and its purchase of the Notes should be based upon such investigation as it deems necessary.

No request has been made for the Notes to be listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any trading venue or securities market (whether or not regulated). In the event that the Notes were to be listed or admitted to trading on such a segment of a trading venue or securities market, this listing or admission to trading may not satisfy, in whole or in part, any present or future investor expectations or requirements with respect to "green" or other criteria. Furthermore, the criteria for any such listing or admission to trading may vary from one trading venue or securities market to another. No representation or assurance is given or made by the Bank, the Joint Bookrunners, the Sole Sustainability Structuring Bank, or any other person that any such listing or admission to trading will be obtained in respect of the Notes or, if obtained, that any such listing or admission will be maintained during the life of the Notes.

Furthermore, the Opinion may not reflect the potential impact of all risks related to the structure, the market for sustainable bonds, the additional risks discussed above or any other factors that may affect the value of the Notes. The Opinion is not a recommendation to buy, sell or hold the Notes and is only current as of the date that

the Opinion was initially issued. Prospective investors must determine for themselves the relevance of the Opinion and/or the information contained therein and/or the provider of such Opinion for the purpose of any investment in the Notes. In addition, although the Group has agreed to certain reporting requirements and to allocate an amount equivalent to the net proceeds from the issue of the Notes to finance or refinance certain Eligible Social Projects and Eligible Green Projects as described in "Use of Proceeds", it will not be an event of default under the Conditions if the Group fails to comply with such obligations. A withdrawal of the Opinion or any failure by the Bank to allocate an amount equivalent to the net proceeds from the Notes to fund Eligible Social Projects or Eligible Green Projects or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to the Notes may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

There is no current market consensus on what constitutes a 'green' or 'sustainable' project

There is no current market consensus on what precise attributes are required for a particular project to be defined as 'green' or 'sustainable' and therefore the Opinion, or any third-party opinion, certification or rating (whether or not solicited by the Bank) regarding the Framework, the Notes or any Eligible Social Project or Eligible Green Project may not meet the criteria and expectations of investors regarding environmental impact and sustainability performance. The Bank may not meet the investment requirements of certain environmentally focused investors with respect to the Notes, which may also have consequences for certain investors with portfolio mandates to invest in green assets. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Memorandum regarding the use of proceeds of the Notes.

While it is the intention of the Bank to apply an amount equivalent to the net proceeds of the Notes so specified for Eligible Social Projects and Eligible Green Projects in, or substantially in, the manner described in the Framework, there can be no assurance that the relevant projects the subject of, or related to, any Eligible Social Projects or Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Social Projects or Eligible Green Projects. There also cannot be any assurance that such projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Bank.

Any such event or failure by the Bank will not: (i) give rise to any claim of a Noteholder against the Bank (or the Joint Bookrunners or the Sole Sustainability Structuring Bank); (ii) constitute an event of default under the Conditions or a breach or violation of the Issuer of any term thereof, or constitute a default of the Bank for any purpose; or (iii) lead to a right or obligation of the Issuer to redeem the Notes or be a relevant factor for the Bank in determining whether or not to exercise any optional redemption rights in respect of the Notes or give any Noteholder the right to require redemption of its Notes. Any such event or failure to allocate an amount equivalent to the net proceeds of the Notes for any Eligible Social Projects or Eligible Green Projects as aforesaid and/or withdrawal of the Opinion or any such other opinion or certification or any such opinion or certification attesting that the Bank is not complying in whole or in part with any matters for which such opinion or certification is sought may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risks Related to Securities in General

Change of law

The Conditions (other than Condition 2 (*Status*) and Condition 3 (*Subordination*)) are based on English law and, in the case of Condition 2 (*Status*) and Condition 3 (*Subordination*) only, the laws of the Republic of Uzbekistan in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English law or, as the case may be, the laws of the Republic of Uzbekistan or, in either case, administrative practice after the date of this Offering Memorandum.

Investors who hold less than the minimum specified denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

The Notes have denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Accordingly, it is possible that they may be traded in amounts that are not integral multiples of U.S.\$200,000. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than U.S.\$200,000 in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes at or in excess of U.S.\$200,000 such that its holding amounts to at least equal to U.S.\$200,000. Further, a holder who, as a result of trading such amounts, holds an amount which is less than U.S.\$200,000 in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should such Notes be printed) and would need to purchase a principal amount of Notes at or in excess of U.S.\$200,000 such that its holding amounts to at least equal to U.S.\$200,000.

Risks Related to the Market Generally

The secondary market generally

There is no existing market for the Notes, and there can be no assurance regarding the future development of a market for the Notes. Application has been made for admission to trading of the Notes on the ISM. However, an active trading market in the Notes may not develop or be maintained after listing. No assurance can be made as to the liquidity of any market that may develop for the Notes, the ability of Noteholders to sell the Notes or the price at which Noteholders may be able to sell the Notes. The liquidity of any market for the Notes will depend on the number of Noteholders, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the Bank's financial condition, performance and prospects, as well as recommendations of securities analysts. Disruptions in the global capital markets may lead to reduced liquidity, increased credit risk premiums and a reduction in investment in securities. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and the trading price of the Notes.

The issue price of the Notes might not be indicative of prices that will prevail in the trading market (if any), and there can be no assurance that an investor would be able to sell its Notes at or near the price which it paid for them, or at a price that would provide it with a yield comparable to more conventional investments that have a developed secondary market.

Moreover, although the Issuer and any subsidiary of the Issuer will be entitled (subject to regulatory approval and compliance with prevailing prudential requirements) to purchase Notes at any time, they will have no obligation to do so. Purchases made by the Issuer or any member of the Group could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors could negotiate their Notes on the secondary market.

In addition, holders should be aware of the prevailing and widely reported global credit market conditions (which continue, to some extent, at the date of this document), whereby there has been a general lack of liquidity in the secondary market which, if it were to continue or worsen in future, could result in investors suffering losses on the Notes in secondary resales even if there were no decline in the performance of the Notes or the assets of the Group. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there would be a more liquid market for the Notes and instruments similar to the Notes at that time.

Exchange rate risks and exchange controls

The Issuer will pay principal and Interest on the Notes in U.S. dollar. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollar. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or U.S. dollar may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollar

would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less Interest or principal than expected, or no Interest or principal as measured in the Investor's Currency.

The U.S. federal income tax consequences of investing in the Notes are not certain

No authority directly addresses the U.S. federal income tax characterization of securities like the Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. The Issuer intends to treat the Notes as equity interests in the Issuer for U.S. federal income tax purposes. The Issuer's characterization of the Notes is not binding on the Internal Revenue Service (the "IRS"), and no assurance can be given that the IRS will not assert, or a court would not sustain, a contrary position regarding the characterization of the Notes. U.S. Holders (as defined under "*Taxation – Certain U.S. Federal Income Tax Considerations*") should consult their own independent tax advisors regarding the characterization of the Notes for U.S. federal income tax purposes. See "*Taxation – Certain U.S. Federal Income Tax Considerations – U.S. Federal Income Tax Characterization of the Notes.*"

The Issuer may be a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. investors

The Issuer will be classified as a passive foreign investment company ("PFIC") in any taxable year if either: (i) at least 75 per cent of its gross income is "passive income" or (ii) at least 50 per cent of the average value of its assets (generally determined on the basis of a quarterly average and generally measured at fair market value) is attributable to assets which produce passive income or are held for the production of passive income. The application of the PFIC rules is subject to uncertainty in several respects. Although banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules, the IRS has issued guidance in certain proposed regulations (that taxpayers may rely on pending finalization) that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank. Based on such proposed regulations, and upon the Issuer's regulatory status under Uzbek law, its banking activities performed in the ordinary course of business (including lending, accepting deposits and depositing money in other banks), and the proportion of its income derived from activities that are "bona fide" banking activities for U.S. federal income tax purposes, the Issuer does not believe that it was a PFIC for its most recently ended taxable year, and does not expect to be a PFIC for the current taxable year or for any foreseeable future taxable year. However, because a PFIC determination is a factual determination that must be made following the close of each taxable year and is based on, among other things, the composition of a foreign bank's assets and income, and the proposed regulations may not be finalized in their current form, there can be no assurance that the Issuer will not be considered a PFIC for its most recently ended taxable year, the current taxable year or any subsequent taxable year. If the Issuer is a PFIC for any taxable year during which a U.S. investor held the Notes, the U.S. investor might be subject to increased U.S. federal income tax liability on disposition gains and certain distributions and to additional reporting obligations. U.S. investors should consult their own independent tax advisors regarding the application of the PFIC rules to an investment in the Notes. See "*Taxation – Certain U.S. Federal Income Tax Considerations – U.S. Federal Income Tax Characterization of the Notes.*"

USE OF PROCEEDS

The gross proceeds received by the Issuer from the issuance of the Notes is expected to be included in the Issuer's Additional Tier 1 Capital and may be used by the Issuer for its general corporate purposes, including to refinance/replace existing debt, at all times at the Bank's discretion and in accordance with their terms and Applicable Banking Regulations.

The Issuer intends to allocate an amount equivalent to the net proceeds of the Notes to finance or re-finance, in whole or in part, Eligible Social Projects and/or Eligible Green Projects in accordance with the use of proceeds criteria and selection process described in the Issuer's Framework (available to view on the Issuer's website at <https://www.sqb.uz/en/green-banking/>, as updated from time to time).

The Issuer may amend or update its Framework in the future. Any changes to the Issuer's Framework will be published and available on the Issuer's website. The Issuer has obtained an Opinion from Sustainable Fitch. This Opinion can be found on the Issuer's website at <https://sqb.uz/en>.

For the avoidance of doubt, information (including the Issuer's Framework and the Opinion) contained on the Issuer's website does not form part of, or be deemed to be incorporated in, this Offering Memorandum.

See *"Risk Factors —Risks Related to the Notes — The Notes may not be a suitable investment for all investors seeking exposure to sustainable assets"* and *"Risk Factors —Risks Related to the Notes —There is no current market consensus on what constitutes a 'green' or 'sustainable' project"*.

The Issuer will not directly or indirectly use the proceeds of the offering of the Notes, or lend, contribute or otherwise make available such proceeds to any subsidiary, affiliate, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of sanctions administered or enforced by the U.S., the United Nations, the E.U., the U.K. or any governmental or regulatory authority, institution or agency of any of the foregoing including, without limitation, the U.S. Department of Treasury's Office of Foreign Assets Control or the United States Department of State (including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, His Majesty's Treasury, or other relevant sanctions authority having jurisdiction over the Issuer (collectively, "**Sanctions**"), (ii) to fund or facilitate any activities of or business in any country, region or territory that is the subject or target of Sanctions including, without limitation, Cuba, Crimea, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, Iran, North Korea and Syria, (iii) in any other manner that will result in a violation by any E.U., U.S., U.K. or any other person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions, (iv) in any manner that would breach any applicable anti-money laundering laws, anti-bribery or anti-corruption laws, or (v) to fund or facilitate any activities or business in the Russian Federation or with a Russian person.

CAPITALISATION

The following table sets forth the Group's capitalisation as at 30 June 2025. This information should be read in conjunction with the Financial Statements and the notes thereto included elsewhere in this Offering Memorandum and "Operating and Financial Review" and "Use of Proceeds".

	As at 30 June 2025 <i>millions soums</i> (unaudited)
Indebtedness	
Debt securities in issue	9,591,679
Other borrowed funds	25,751,169
Subordinated debt	1,446,251
Total indebtedness	36,789,099
Equity	
Share capital	4,634,438
Retained earnings	5,345,799
Revaluation reserve of financial assets at fair value through other comprehensive income	39,454
Net assets attributable to the Bank's owners	10,019,691
Non-controlling interest	2,841
Total equity	10,022,532
Total capitalisation⁽¹⁾	46,811,631

⁽¹⁾ Total capitalisation represents the sum of total equity and total indebtedness.

Other than as described above, since 30 June 2025, there have been no material changes in the consolidated capitalisation and indebtedness of the Group.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The financial information set forth below as at and for the six-month periods ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022 has been extracted without material adjustment from the Financial Statements. The additional financial data includes APMs and non-IFRS measures and was derived from data extracted from the Financial Statements and unaudited consolidated management accounts. The financial data set forth below should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and related notes included elsewhere in this Offering Memorandum and "Operating and Financial Review".

Selected Consolidated Statement of Profit and Loss and Other Comprehensive Income

	Six-month period ended 30 June		Year ended 31 December		
	2025	2024	2024	2023	2022 (restated)
	(unaudited)		million soums	(audited)	
Interest income calculated using the effective interest method.....	5,486,151	4,220,054	8,993,763	7,185,285	5,025,358
Other similar income.....	24,505	23,583	47,655	36,176	29,198
Interest expense.....	(3,511,792)	(2,477,653)	(5,498,913)	(4,080,099)	(2,626,371)
Net margin on interest and similar income.....	1,998,864	1,765,984	3,542,505	3,141,362	2,428,185
Provision for credit losses on loans and advances to customers including finance lease receivables.....	(933,811)	(1,011,002)	(1,481,544)	(1,133,383)	(925,158)
Net margin on interest and similar income after credit loss allowance on loans and advances to customers including finance lease receivables.....	1,065,053	754,982	2,060,961	2,007,979	1,503,027
Fee and commission income.....	294,543	255,810	567,788	515,905	443,690
Fee and commission expense.....	(111,270)	(71,367)	(157,198)	(132,060)	(126,413)
Loss on initial recognition on interest bearing assets.....	(62,181)	(2,888)	(4,855)	(8,063)	(12,182)
Net gain / (loss) on foreign exchange translation.....	54,900	(99,428)	(19,958)	98,311	185,776
Net gain from trading in foreign currencies.....	713,459	319,882	1,054,505	462,964	337,768
Gains less losses from financial derivatives.....	(52,647)	53,068	(62,275)	(233,476)	(100,848)
Insurance revenue (excluding reinsurance business).....	97,293	50,902	129,464	90,867	68,459
Insurance service expenses (excluding reinsurance business).....	(54,322)	(48,896)	(82,963)	(79,049)	(52,208)
Reinsurance business.....	(33,489)	(5,328)	(17,427)	(12,959)	1,150
Financial expenses from insurance contracts (net).....	(13,472)	(11,334)	(20,136)	(16,044)	(10,570)
Dividend income.....	1,653	332	3,160	11,251	4,741
Other operating income.....	61,067	13,159	28,275	27,371	11,180
(Provision for)/ recovery of credit losses on other assets.....	(9,510)	(24,869)	(68,287)	14,879	8,521
Impairment of assets held for sale.....	(18,575)	(24,002)	(79,200)	(6,402)	(46,267)
Administrative and other operating expenses.....	(1,104,957)	(858,849)	(1,948,386)	(1,670,778)	(1,369,498)
Share of results from associates.....	(424)	234	(115)	381	703
Profit before tax.....	827,121	301,408	1,383,353	1,071,077	847,029
Income tax expense.....	(165,438)	(54,140)	(268,328)	(214,923)	(213,374)
Profit for the period.....	661,683	247,268	1,115,025	856,154	633,655
Other comprehensive income:					
<i>Items that will not be subsequently reclassified to profit or loss:</i>					
Fair value gain on equity securities at fair value through other comprehensive income.....	6,528	8,389	13,180	11,497	448
Tax effect.....	(1,306)	(1,678)	(2,636)	(2,299)	(90)
Other comprehensive income.....	5,222	6,711	10,544	9,198	358
Total comprehensive income for the period.....	666,905	253,979	1,125,569	865,352	634,013

Selected Consolidated Statement of Financial Position

	As at 30 June	As at 31 December		
	2025	2024	2023	2022 (restated)
	(unaudited)	<i>million soums</i>		
			(audited)	
Cash and cash equivalents	9,178,575	6,525,860	6,965,894	7,119,489
Due from other banks	1,710,357	1,707,029	1,778,707	1,843,415
Investment securities measured at amortised cost.....	7,536,841	4,364,719	2,093,415	2,678,571
Financial assets at fair value through other comprehensive income	151,244	146,012	119,217	42,007
Loans and advances to customers including finance lease receivables	70,060,671	66,475,832	58,008,238	48,420,489
Investment in associates	168,768	122,008	77,814	35,834
Derivative financial assets	16,788	33,149	51,499	—
Reinsurance contract assets	49,861	75,715	20,334	17,671
Current income tax prepayment.....	37,711	—	238,871	251,647
Other assets	828,410	407,461	147,845	279,366
Deferred tax asset	280,806	305,078	203,571	194,962
Premises and equipment	3,891,483	3,874,808	3,340,418	2,007,056
Intangible assets	99,478	96,172	67,945	75,448
Non-current assets held for sale	756,528	666,325	179,555	223,345
Total assets	94,767,521	84,800,168	73,293,323	63,189,300
Due to other banks.....	4,565,316	2,819,710	5,818,951	3,895,719
Customer accounts.....	27,433,503	21,103,701	14,328,682	15,328,819
Debt securities in issue	9,591,679	9,055,263	4,970,366	3,361,256
Other borrowed funds.....	40,619,911	39,833,147	37,633,735	32,241,760
Derivative financial liabilities.....	8,346	122,982	—	115,533
Insurance contract liabilities	259,870	269,909	157,745	94,171
Other liabilities	298,305	258,488	247,059	240,326
Subordinated debt.....	1,968,059	1,984,144	1,696,854	330,560
Total liabilities	84,744,989	75,447,344	64,853,392	55,608,144
Total equity	10,022,532	9,352,824	8,439,931	7,581,156
Total liabilities and equity.....	94,767,521	84,800,168	73,293,323	63,189,300

Selected Key Performance Indicators

	As at or for the six-month period ended 30 June		As at or for the year ended 31 December		
	2025	2024	2024	2023	2022
				%	
Financial Performance					
Return on average assets ⁽¹⁾	1.5	0.6	1.4	1.3	1.1
Return on average equity ⁽²⁾	13.6	5.7	12.6	10.8	8.6
Cost-to-income ratio ⁽³⁾	37.4	37.6	38.7	41.6	44.3
Net Interest Margin ⁽⁴⁾	4.8	5.1	4.9	5.0	4.4
Allowance for loan losses / Gross loans ⁽⁵⁾	5.6	4.5	4.7	4.0	5.6
Liquidity					
Total liquid assets ⁽⁶⁾ / total assets.....	9.7	10.2	7.7	9.5	11.3
Capital Adequacy					
Total Regulatory Capital Adequacy Ratio ⁽⁷⁾	15.2	15.2	15.6	16.1	15.3
Tier 1 Capital Adequacy Ratio ⁽⁷⁾	11.3	10.8	10.6	11.0	12.1
Core Tier 1 Capital Adequacy Ratio ⁽⁷⁾	11.3	10.8	10.6	11.0	12.1
Credit Quality					
Non-performing loans as a proportion of the loans and advances to customers including finance lease receivables, gross (NPL ratio) ⁽⁸⁾ ..	4.3	4.0	3.4	2.3	5.2
Non-performing loans coverage ⁽⁹⁾	128.2	111.2	138.7	173.0	107.5
Problem loans / gross loans ⁽¹⁰⁾	5.9	5.5	5.9	4.8	7.4

Notes:

- (1) Return on average assets is calculated as profit for the period divided by the average balance of total assets. The average balance of total assets is based on the average of opening balance and the closing balance at the end of each calendar quarter within each applicable period. For the six-month periods ended 30 June 2025 and 2024, the value of the profit is multiplied by 2.
- (2) Return on average equity is calculated as profit for the period divided by the average of total equity. The average total equity is based on the average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period. For the six-month periods ended 30 June 2025 and 2024, the value of the profit is multiplied by 2.
- (3) Cost-to-income ratio is calculated as administrative and other operating expenses divided by the sum of operating income. The operating income includes net margin on interest and similar income, net fee and commission income (calculated as commission income minus commission expense), net gain from trading in foreign currencies and other operating income.
- (4) Net interest margin is calculated as net margin on interest and similar income divided by average interest-earning assets. The average interest-earning assets are based on the average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period. Interest-earning assets include loans and advances to customers including finance lease receivables, investment securities measured at amortised cost, cash and cash equivalents (excluding cash on hand) and due from other banks. For the six-month periods ended 30 June 2025 and 2024, net interest margin is multiplied by 2.
- (5) Allowance for loan losses / Gross loans is calculated as allowance for expected credit losses as at the period end divided by total loans and advances to customers including finance lease receivables, gross as at the period end.
- (6) Total liquid assets represent cash and cash equivalents divided by the total assets.
- (7) Total Regulatory Capital Adequacy Ratio (ratio of regulatory capital to risk weighted assets), Tier 1 Capital Adequacy Ratio (ratio of tier 1 capital to risk weighted assets) and Core Tier 1 Capital Adequacy Ratio (ratio of core tier 1 capital to risk-weighted assets (CET 1)) are calculated based on UAL and CBU standards.
- (8) Non-performing loans are defined as loans and advances to customers including finance lease receivables, gross, with overdue payments of principal loan amount and/or interest by more than 90 days as at the period end. NPL ratio is calculated as non-performing loans divided by total loans and advances to customers including finance lease receivables, gross as at the period end.
- (9) Non-performing loans coverage is calculated as the amount of allowance for expected credit losses as at period end divided by the total amount of the Non-performing loans (as defined in Note 8 above) as at the period end.
- (10) Problem loans / gross loans is calculated as Stage 3 (credit-impaired) loans and advances to customers including finance lease receivables, gross as at the period end divided by loans and advances to customers including finance lease receivables, gross as at the period end.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of the Group's financial condition and results of operations covers the six months ended 30 June 2025 and 2024 and the years ended 31 December 2024, 2023 and 2022. Unless otherwise indicated, all of the financial data and discussions thereof are based on the Financial Statements and the unaudited consolidated management accounts. This section should be read together with the Financial Statements and the notes thereto, as well as the other financial information included elsewhere in this Offering Memorandum.

The following discussion contains forward-looking statements. The Group has based these forward-looking statements on its current projections and expectations about future events. The actual results of the Group may differ materially from those anticipated in these forward-looking statements as a result of many important factors, including those set for under "Risk Factors" and elsewhere in this Offering Memorandum.

Overview

Established in 1922, the Bank is one of the leading universal banks in the Republic of Uzbekistan. According to the CBU, as at 30 June 2025, the Bank ranked as the second largest commercial bank in Uzbekistan by total assets (11.0 per cent. market share) and the third largest by loan portfolio size (12.0 per cent. market share). The Bank offers a comprehensive range of banking services, including corporate lending, state and municipal organisations lending and retail lending, deposit-taking, cash handling, international money transfers, letters of credit, guarantees, foreign exchange operations and other products, including insurance products and consulting services. The Bank conducts its banking operations from its head office in Tashkent and, as at 30 June 2025, had 79 branches within Uzbekistan.

The Bank has historically operated as a state financing vehicle on the basis of funding provided by state agencies, such as the UFRD and the Ministry of Economy and Finance, for subsidised financing of investment projects in a number of strategic industries, mainly oil and gas & chemicals and energy, and has otherwise in its day-to-day operations relied on funding provided by the Uzbekistan Government in the form of predominantly subsidised loans, deposits, capital injections and state guarantees, as well as funding received as borrowings from the IFIs. Since 2018, as part of the on-going economic reforms in Uzbekistan, the Bank has been undergoing a transitional reform of its banking organisation from being dependent on state control, support and funding to more of a market-orientated commercial structure. Under this transition strategy, the Uzbekistan Government has been gradually decreasing its influence on the business and loan portfolio of the Bank, as well as reducing the state support financing available to the Bank as well as the state guarantees that borrowers of the Bank have benefitted from and which the Bank has received as credit support. Furthermore, as part of the transition the Bank has taken steps to diversify its loan portfolio and client base to increase the share of higher-margin loans attributable to developing sectors of the Uzbekistan's economy, such as manufacturing, agriculture and retail, to give attention to development of small and medium enterprises in the loan and deposit portfolios, as well as to develop further its long-standing relationships with large corporate customers in oil and gas, chemicals and energy sectors on more commercial and market orientated terms. Additionally, the Bank began providing green financing by establishing the "green banking" department and further developing this strategic line of business, providing funding for green projects, introducing green products for corporate and retail customers.

In accordance with the Decree on the Strategy for Reforming the Banking System, the Bank is expected to be privatised through a sale of the Government's stake. Pursuant to Presidential Decree No. PP-253 dated 31 July 2023, the Government was mandated to reduce its ownership in the Bank's charter capital to below 50.0 per cent. by the end of 2024 through a sale to a strategic investor meeting specified criteria. As at the date of this Offering Memorandum, the Privatisation remains ongoing and has been formally extended until the end of 2025. However, no material progress has been achieved to date, and it is likely that the deadline will be further extended beyond 2025. Although the Bank has received expressions of interest and non-binding offers from several international strategic investors, the proposals submitted thus far have not fully met the Government's expectations as shareholder.

As at 30 June 2025, the Group's total assets comprised UZS94,767,521 million. As at 30 June 2025, total loans and advances to customers including finance lease receivables, gross amounted to UZS74,183,903 million, with gross loans to corporate customers, gross loans to state and municipal organisations and gross loans to

individuals accounting for 67.0 per cent., 18.6 per cent. and 14.4 per cent. of total loans and advances to customers including finance lease receivables, gross, respectively. For the six months ended 30 June 2025 and 2024, the Group generated profit of UZS661,683 million and UZS247,268 million, respectively, and UZS1,115,025 million, UZS856,154 million and UZS633,655 million for the years ended 31 December 2024, 2023 and 2022, respectively.

Segment Reporting

The Bank has two operating segments, corporate banking and retail (individual) banking, which are used by management for operational decision-making and resource allocation and for which discrete financial information is available.

Corporate banking segment represents direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products. Retail banking segment represents private banking services, individual customer accounts, savings, deposits and debit cards, consumer loans. For further information about reportable segments please refer to Note 6 to the Interim Financial Statements, Note 7 to the 2024 Financial Statements and Note 6 to the 2023-2021 Financial Statement.

Changes in Presentation and Restatement of Prior Year Figures

Please refer to "*Presentation of Financial Information — Changes in Presentation*" and "*Presentation of Financial Information — Restatement of Prior Year Figures*" for information on certain changes in presentation of the financial information and restatement of certain financial information as at and for the year ended 31 December 2022 and 2021.

Factors Affecting the Results of Operations

Key factors affecting the Bank's financial results during the period under review and expected to continue to affect the Bank's financial results in the future are discussed below.

Macroeconomic Conditions

The Bank's results of operations and financial condition are substantially affected by the overall macroeconomic conditions globally and in Uzbekistan. Changes in both the global and domestic environment have in the past resulted in lower liquidity levels across the banking sector, tighter credit conditions for Uzbekistan companies generally and fluctuating global demand for and instability in the price of gold, natural gas, cotton and other commodities and downward pressure on the soum. Global and emerging market uncertainties have continued for the past several years, driven by the impact of COVID-19 pandemic, global monetary policies, high inflation and concerns about the slowdown of global growth rates, global trade tensions and geopolitical risks such as the Russia-Ukraine conflict.

Global and regional economic conditions remain volatile, and there is significant economic uncertainty. Real GDP growth in Uzbekistan was 6.5 per cent. in 2024 and 6.3 per cent. in 2023, according to the Statistics Agency under the President of the Republic of Uzbekistan. Whilst Uzbekistan's economy was one of the three economies in the Europe and Central Asia region to maintain positive economic growth in 2020 despite the impact of COVID-19, Uzbekistan's economy is nonetheless vulnerable to external shocks and the economic performance of its trading partners. Due to the conflict between the Russian Federation and Ukraine and growing geopolitical tensions, since February 2022, there has been a significant increase in volatility in the currency markets, as well as a volatility of soum against the US dollar and euro. The outlook for the global economy (and particularly emerging markets) over the near to medium term remains challenging, which in turn might impact prospects for improving economic and financial conditions in Uzbekistan. A lack of improvement, or deterioration in these conditions, might have a material adverse effect on the Bank's business, financial condition and/or results of operations.

A significant decline in economic growth in any of Uzbekistan's other major trading partners, particularly Russia (whether or not due to the ongoing war in Ukraine or resulting from sanctions imposed by, among others, the United States, the United Kingdom and the EU), China and Kazakhstan, could have a material adverse effect on Uzbekistan's balance of trade and economic growth. Uzbekistan also depends on neighbouring states to access world markets for a number of its major exports. Should access to these export routes be materially impaired, this could adversely impact Uzbekistan's economy. Events occurring in one geographic or financial

market sometimes have so-called "contagion effects", whereby they result in an entire region or lass of investments being disfavoured by international investors. See "*Risk Factors – Risks Related to the Republic of Uzbekistan.*"

In June 2025, Moody's affirmed the Republic of Uzbekistan's long-term sovereign credit rating at the Ba3 level and upgraded the outlook to Positive. In May 2025, S&P affirmed the Republic of Uzbekistan's long-term and short-term sovereign credit rating for foreign and local currency liabilities at the BB- level and upgraded the outlook to Positive. In June 2024, Fitch affirmed the Republic of Uzbekistan's long-term foreign-currency issuer default rating at BB- level, outlook Stable. According to Fitch, Uzbekistan's economy is continuing to provide its resilience to spillovers from the Ukraine war and Russian sanctions, with the economy recording growth rates among the highest in the CIS region.

According to the IMF's World Economic Outlook published in April 2025, the IMF projects 5.9 per cent. and 5.8 per cent. GDP growth rate in real terms in Uzbekistan in 2025 and 2026, respectively.

The table below sets forth certain macroeconomic data relating to Uzbekistan for the six months ended 30 June 2025 and the years ended 31 December 2024, 2023 and 2022.

	Six-month period ended 30 June	Year ended 31 December		
	2025	2024	2023	2022
Nominal GDP at current prices, <i>soums billion</i>	807,937.1	1,454,391.7	1,204,485.4	896,617.9
Real GDP growth yoy, total (%).....	7.2	6.5	6.3	5.7
GDP per capita at current prices, <i>soums thousand</i>	21,429.9	39,131.4	33,079.0	25,151.9
Period-end inflation (%).....	8.7	9.8	8.8	12.3
External debt as a % of GDP.....	56.4%	55.7%	51.9%	48.3%

Source: The State Committee of the Republic of Uzbekistan on Statistics. Actual numbers measured on a yearly basis.

The economy of Uzbekistan is also significantly affected by inflationary pressure. Uzbekistan's inflation was 9.8 per cent. in 2024, 8.8 per cent. in 2023 and 12.3 per cent. in 2022. In response to temporary external shocks (in particular the conflict between Russia and Ukraine) the CBU increased its policy rate from 14.0 per cent. to 17.0 per cent. in March 2022, but after the economic instability caused by the external shocks had subsided, it cut the policy rate back to 15.0 per cent. during June-July, and with easing inflationary conditions, the CBU further cut its policy rate to 14.0 per cent. in March 2023 and to 13.5 per cent. in July 2024. In March 2025, the policy rate was raised by 50 basis points to 14.0 per cent. due to rising inflation and elevated inflation forecast. As at the date of this Offering Memorandum, the CBU policy rate is 14.0 per cent. See "*Risk Factors – Risks Related to Republic of Uzbekistan — Uzbekistan's economy is under inflationary pressure.*" The expenses of the Bank are mostly denominated in soums and, accordingly, are potentially affected by inflation. For example, employee wages have been, and are likely to continue to be, particularly sensitive to monetary inflation in Uzbekistan.

Uzbekistan's banking system's low exposure to global financial markets largely shielded the sector from the effects of the global financial crisis due to limited financial liberalisation, a partly integrated economic structure into the world trading system and large financial subsidies for key sectors. However, Uzbekistan's banking sector is still concentrated, underdeveloped and vulnerable to macroeconomic shocks, such as the devaluation of the soum. As at 1 July 2025, the banking sector of Uzbekistan consisted of 36 active banks, including nine wholly or partly state-owned banks. As at 1 July 2025, the level of credit concentration in the banking sector has traditionally been high, with wholly and partly state-owned banks holding 65.2 per cent. of all of the banking sector's total assets, 68.5 per cent. of the banking sector's total loans, 61.6 per cent. of the banking sector's liabilities and 51.7 per cent. of the banking sector's total deposits. A large share of the banking sector's loans consist of state-guaranteed loans to state-owned companies, however this trend has been decreasing since 2019.

In 2025, the U.S. president announced sweeping tariffs, non-tariff barriers and other protectionist trade measures aimed at countering perceived unfair trade practices by other nations. Key actions included the imposition of broad based tariffs (averaging up to 27.0 per cent. and reaching 145.0 per cent. for China) on imports and targeted maritime trade fees specifically levied against Chinese-built or owned vessels docking at U.S. ports. With respect to Uzbekistan, U.S. measures introduced a standard 10.0 per cent. reciprocal tariff on goods. These trade policies have prompted retaliatory actions from a number of countries, heightened global economic uncertainty, disrupted supply chains and led to warnings from the International Monetary Fund about slower global growth. Although the direct impact of these protectionist measures on Uzbekistan is limited, it remains vulnerable to the secondary consequences of global trade disruptions such as slower economic growth in key

trading partners, which could reduce demand for Uzbek exports and reduce commodity prices, as they can result in slower growth or recession in the economies of Uzbekistan's principal export and import markets. The Bank's management believes that these developments are not expected to have a material adverse effect on the Bank's business.

Stronger economic conditions tend to result in increased demand for the Bank's banking products and services, including loans, deposits and other products. On the other hand, any deterioration of the economy affects the Uzbekistan banking sector by the reduction of profits, accumulation of losses and growth in the percentage of non-performing loans on the balance sheets of banks. Customers' and investors' lack of confidence in the banking industry may cause volatility in the funding markets, leading to higher borrowing costs and restricting access to liquidity for banks.

Ongoing Reform of the Banking System in Uzbekistan

The banking system in Uzbekistan is undergoing a reform pursuant to the Decree on Reforming the Banking System. See "*The Banking Sector and Banking Regulation in the Republic of Uzbekistan — Recent and Expected Banking Reforms*".

During the period under review, further to the objectives set out in the Decree, the Bank, in cooperation with the international financial institutions, implemented certain measures, including upgrading its information systems, establishing a new digital business unit, updating restrictions on lending to large debtors, and developing a roadmap to optimise the growth of the Bank's loan portfolio and mitigate concentration risk. In order to enhance the availability and quality of financial services, the Bank implemented specific strategies. These include the large-scale introduction of remote services for individuals and small businesses, the development of additional loan, deposit and cash settlement products and the modernisation of credit scoring systems to more precisely assess credit risk. The ongoing banking reform and the corresponding measures implemented by the Bank have continued, and are expected to continue, to impact margins and the results of operations of the Bank. See also "*Changes in the Size and Composition of the Loan Portfolio*".

Currency Fluctuations

The functional currency of the Bank, which is the currency of the primary economic environment in which the Bank operates, and the Bank's presentation currency, is the Uzbek soum. Monetary assets and liabilities are translated into the Bank's functional currency at the official exchange rate of the CBU at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into the Bank's functional currency at the period-end official exchange rates of the CBU are recognised in profit or loss.

In 2017, the CBU liberalised the foreign currency market allowing the exchange rate to be determined by market forces. As a result, the foreign exchange market stabilised at the end of 2017. Ever since, the soum has been demonstrating a depreciation trend against the U.S. dollar and euro. The soum devalued, by 0.8 per cent. as at 30 June 2025, 4.7 per cent. in 2024, 9.8 per cent. in 2023 and 3.6 per cent. in 2022.

In addition, the Bank is exposed to volatility in foreign currency rates. Assets and liabilities of the Bank are denominated in several foreign currencies. Foreign currency risk arises when the actual or forecasted assets in a foreign currency are either greater or less than the liabilities in that currency. The Bank plans to maintain its involvement in global capital markets, which subjects it to risks inherent in currency fluctuations and the uncertainty of these markets as a reliable funding source. Despite the Bank's strategy to balance its foreign currency position, any depreciation of the Uzbek soum against the U.S. dollar could negatively affect the Bank in a number of ways, including, among other things, by increasing the actual cost to the Bank of financing its U.S. dollar based liabilities and by making it more difficult for Uzbekistan borrowers to service their U.S. dollar loans. The Bank also hedges its currency risk by entering into currency swaps. See "*Risk Factors – Risks Related to the Group's Business and Industry – The Bank's loan portfolio is heavily U.S. dollar denominated, and the quality of the Bank's loan portfolio may deteriorate as a result of slower economic growth and depreciations and devaluations of the soum*" and "*The Bank's operations are subject to various market risks*".

As at 30 June 2025, 36.7 per cent. of the Group's loans and advances to customers including finance lease receivables were denominated in soums, 34.4 per cent. in U.S. dollars and the remaining 28.9 per cent. in Euro and other currencies.

Changes in the Size and Composition of the Loan Portfolio

Increases or decreases in the overall size of the Bank's loan portfolio and in the mix of its portfolio significantly impact the Bank's total interest income and net interest margin. As at 30 June 2025, the Group's total loans and advances to customers including finance lease receivables, gross amounted to UZS74,183,903 million, representing a 6.3 per cent. increase as compared to total loans and advances to customers including finance lease receivables, gross as at 31 December 2024. As at 31 December 2024, total loans and advances to customers including finance lease receivables, gross increased by UZS9,364,246 million, or 15.5 per cent., as compared to 31 December 2023, which in turn was an increase of UZS9,109,387 million, or 17.8 per cent., as compared to 31 December 2022. The size of the Bank's loan portfolio in soums has continued to increase as a result of growth in lending activity, in particular in corporate loans for clients in manufacturing sector and loans to individuals, overall depreciation of Uzbek soum against the U.S. dollar, the higher proportion of the Bank's loan portfolio denominated in U.S. dollars as compared to soums and general development of the banking sector in Uzbekistan. In addition, the focus of the composition of the Bank's loan portfolio has further shifted to higher-margin products in line with the general transition in the Bank's strategy and business mix. Historically, the Bank's loan book and lending strategy were predominantly focused on low-risk loans to state and municipal organisations and state-owned companies, which were funded through deposits and loans from the UFRD, the Ministry of Economy and Finance and other state agencies. However, as such loans were typically provided on subsidised low margin terms, the profitability of these loans to the Bank is significantly lower as compared to loans and advances to customers including finance lease receivables issued at commercial interest rates, which are based on market conditions. As part of the Bank's strategy to decrease the subsidised loans in its portfolio and increase profitability and the share of higher-margin products, the Bank has continued to increase the share of loans issued to private corporate customers and individual customers. For example, the share of loans to individuals in the gross loan portfolio of the Group has increased to UZS10,699,797 million, or 14.4 per cent., as at 30 June 2025 from UZS5,566,991 million, or 10.9 per cent. of total loans and advances to customers including finance lease receivables, gross, as at 31 December 2022, while share of loans to state and municipal organisations has decreased to UZS13,801,053 million, or 18.6 per cent., as at 30 June 2025 from UZS14,368,999 million, or 28.0 per cent. of total loans and advances to customers including finance lease receivables, gross as at 31 December 2022. Due to this shift from low margin directed lending to commercial business, the Group's net interest margin has improved to 4.8 per cent. for the year ended 31 December 2024 from 4.4 per cent. for the year ended 31 December 2022.

In line with the strategy of diversification of the loan portfolio, during the period under review the Bank has increased the share of actively developing sectors of the economy in its loan book, such as trade and services (the share in the Group's loan portfolio (total loans and advances to customers including finance lease receivables, gross) increased to 13.7 per cent. as at 30 June 2025 from 10.8 per cent. as at 31 December 2022) and loans to individuals (the share in the Group's loan portfolio (total loans and advances to customers including finance lease receivables, gross) increased to 14.4 per cent. as at 30 June 2025 from 10.9 per cent. as at 31 December 2022), while maintaining its long-standing relationships with the companies in the Bank's sectors of expertise, including oil and gas & chemicals and energy.

The customer concentration has remained relatively significant. As at 30 June 2025, the Group granted loans to 11 borrowers in the amount of UZS15,502,304 million (20.9 per cent. of total loans and advances to customers including finance lease receivables, gross), which individually exceeded 10.0 per cent. of the Group's equity. As at 31 December 2024, loans to 17 borrowers which individually exceeded 10.0 per cent. of the Group's equity accounted for UZS22,381,944 million (32.1 per cent. of total loans and advances to customers including finance lease receivables, gross), as compared to 16 borrowers in the amount of UZS20,498,189 million (33.9 per cent. of total loans and advances to customers including finance lease receivables, gross) as at 31 December 2022 and to 14 borrowers in the amount of UZS17,320,728 million (33.8 per cent. of total loans and advances to customers including finance lease receivables, gross) as at 31 December 2022.

Quality of Loan Portfolio, Allowance for Expected Credit Losses and Provision for Credit Losses on Loans and Advances to Customers Including Finance Lease Receivables

The Group's NPL ratio was 4.3 per cent., 3.4 per cent., 2.3 per cent. and 5.2 per cent. as at 30 June 2025, 31 December 2024, 2023 and 2022, respectively. The Group did not record any NPLs in its state and municipal organisations loan portfolio as at 30 June 2025, while NPLs in the Group's corporate and retail loan portfolios accounted for 5.6 per cent. and 3.9 per cent., respectively, of gross corporate and retail loan portfolios as at 30

June 2025. The recent increase in NPLs primarily reflects delays in projects financed during 2018-2020, as the COVID-19 pandemic disrupted planned timelines and grace periods expired before operations commenced. Subsequent geopolitical disruptions, supply chain adjustments and rising interest rates further constrained repayment capacity.

As at 30 June 2025, the Group's allowance for expected credit losses was UZS4,123,232 million, a 25.1 per cent. increase as compared to UZS3,296,189 million as at 31 December 2024, reflecting the increase in the total loans and advances to customers including finance lease receivables, gross.

The Group's allowance for expected credit losses as at 31 December 2024 increased by 37.4 per cent. as compared to 31 December 2023 due to an increase in both Stage 2 (loans for which there has been an increase in credit risk) and Stage 3 (credit-impaired) loans and advances to customers including finance lease receivables, reflecting the adverse impact of volatility in global cotton prices on borrowers in the textile and agriculture sectors, as well as disruptions in supply and distribution routes caused by geopolitical developments, which collectively weakened the repayment capacity of certain counterparties. The Group's allowance for expected credit losses as at 31 December 2023 decreased by 16.6 per cent. as compared to 31 December 2022 due to a decrease in Stage 3 (credit-impaired) loans and advances to customers including finance lease receivables. The Bank's management believes that the level of allowance for expected credit loss as at 30 June 2025 covers all significant overdue loans. The Group's allowance for expected credit loss is classified by three stages. See Note 10 to the 2024 Financial Statements, Note 9 to the 2023-2021 Financial Statements and Note 9 to the Interim Financial Statements.

Provision for credit losses on loans and advances to customers including finance lease receivables increased by UZS827,043 million for the six-month period ended 30 June 2025 as compared to 31 December 2024 as a result of an increase in the Group's loan portfolio to individuals and legal entities with higher degree of credit risk in line with the Group's strategy to issue higher-margin loans. See "*Financial Position – Loan Portfolio*". The Group recorded provision for credit losses on loans and advances to customers including finance lease receivables of UZS1,481,544 million as at 31 December 2024, a 30.7 per cent. increase as compared to provision of UZS1,133,383 million as at 31 December 2023, which in turn represented a 22.5 per cent. increase as compared to a provision of UZS925,158 million as at 31 December 2022. The changes in the Group's provision in 2024 and 2023 were mainly due to an expansion in the loan portfolio and a revised methodology for calculating the credit loss allowance, including, among others, with respect to the segmentation (baskets granularity), probability of default (analysis was changed from loan amounts to loan number) and loss given default (segments used as per probability of default calculation).

Changes in Funding Base

The Bank seeks to maintain a stable funding base, comprising primarily amounts due to other banks, borrowings from local and international financial institutions, corporate and retail customer deposits and invest the funds in inter-bank placements of liquid assets, with the aim of being able to respond efficiently and promptly to unforeseen liquidity requirements. During the periods under review, the Bank has continued the implementation of its strategy to diversify its funding base and to reduce reliance on Government-supported funds. The share of Group liabilities due to other banks (comprising primarily short and long-term placements of other banks) in total liabilities amounted to 5.4 per cent. as at 30 June 2025 as compared to 3.7 per cent. as at 31 December 2024, 9.0 per cent. as at 31 December 2023 and 7.0 per cent. as at 31 December 2022. The decrease in 2024 reflected the Bank's increased reliance on customer accounts and other borrowed funds to sustain liquidity, while amounts due to other banks remained low and did not include any additional state-sourced funding. Share of customer accounts within the total liabilities of the Group amounted to 32.4 per cent. as at 30 June 2025, as compared to 28.0 per cent., 22.1 per cent. and 27.6 per cent. as at 31 December 2024, 2023 and 2022, respectively. The customer concentration has remained relatively significant. As at 30 June 2025 and 31 December 2024, the Group had four customers with a total balance that individually exceeded 10.0 per cent. of the Group's equity. As at 31 December 2023 and 2022, the Group had two customers with a total balance that individually exceeded 10.0 per cent. of the Group's equity. The decrease in the share of customer accounts within the total liabilities of the Group was primarily due to the decrease in the customer accounts of state and public organisations as a result of the repayment of loans by one of the Group's major customers using funds from its account with the Group. See "*Funding*".

Negative Liquidity Gap

The Bank had a net negative liquidity gap (difference between total financial assets and total financial liabilities) of UZS2,337,947 million from six to 12 months as at 30 June 2025 and a net negative liquidity gap of UZS2,027,309 million from six to 12 months as at 31 December 2024. These liquidity gaps mainly relate to other borrowed funds. The Bank's management believes that in spite of a substantial portion of customer accounts being on demand, the fact that significant portion of these customer accounts are of large state controlled entities which are either the Bank's shareholders or its entities under common control and the past experience of the Bank, indicate that these customer accounts provide a long-term and stable source of funding for the Bank. As an unmatched liquidity position may increase the risk of losses, as part of its risk management, the Bank maintains a contingency plan, which is regularly reviewed and adjusted, to be able to withstand any unexpected outflow of customer funds and respond to financial stress. The contingency plan is primarily based on the Bank's ability to access state resources due to its state ownership and strategic importance to the national banking system. See *"Risk Factors — Risks Related to the Bank's Business and Industry — Future privatisation of the Bank may adversely affect its business, financial condition and prospects"* and *"Risk Factors — Risks Related to the Bank's Business and Industry — Failure to privatise the Bank may require the Bank to obtain additional refinancing and may adversely affect its business, financial condition and prospects"*. The management of the Bank believes that through its contingency plan it will be able to attract resources sufficient to cover any potential negative liquidity gap as at 30 June 2025 and 31 December 2024. For detailed information on the Bank's contingency plan, please see Note 36 to the 2024 Financial Statements, Note 35 to the 2023-2021 Financial Statements and Note 28 to the Interim Financial Statements.

Results of Operations for the Six Months Ended 30 June 2025 and 2024

For the six-month period ended 30 June 2025, the Bank generated profit of UZS661,683 million, an increase of UZS414,415 million, or 167.6 per cent., from UZS247,268 million for the six-month period ended 30 June 2024.

The following table sets forth the components of the Bank's profit for the periods indicated.

	Six months ended 30 June	
	2025	2024
	million soums (unaudited)	
Interest income calculated using the effective interest method	5,486,151	4,220,054
Other similar income	24,505	23,583
Interest expense	(3,511,792)	(2,477,653)
Net margin on interest and similar income.....	1,998,864	1,765,984
Provision for credit losses on loans and advances to customers including finance lease receivables	(933,811)	(1,011,002)
Net margin on interest and similar income after credit loss allowance on loans and advances to customers including finance lease receivables.....	1,065,053	754,982
Fee and commission income.....	294,543	255,810
Fee and commission expense.....	(111,270)	(71,367)
Loss on initial recognition on interest bearing assets	(62,181)	(2,888)
Net gain / (loss) on foreign exchange translation	54,900	(99,428)
Net gain from trading in foreign currencies	713,459	319,882
Gains less losses from financial derivatives.....	(52,647)	53,068
Insurance revenue (excluding reinsurance business)	97,293	50,902
Insurance service expenses (excluding reinsurance business).....	(54,322)	(48,896)
Reinsurance business.....	(33,489)	(5,328)
Finance income (expenses) from insurance contracts (net).....	(13,472)	(11,334)
Dividend income	1,653	332
Other operating income	61,067	13,159
(Provision for) / recovery of credit losses on other assets	(9,510)	(24,869)
Impairment of assets held for sale	(18,575)	(24,002)
Administrative and other operating expenses	(1,104,957)	(858,849)
Share of result from associates	(424)	234
Profit before tax.....	827,121	301,408
Income tax expense	(165,438)	(54,140)
Profit for the period.....	661,683	247,268

Net Margin on Interest and Similar Income After Credit Loss Allowance on Loans and Advances to Customers Including Finance Lease Receivables

Net margin on interest and similar income after credit loss allowance on loans and advances to customers including finance lease receivables has historically been the largest component of the Bank's operating income.

For the six-month period ended 30 June 2025, net margin on interest and similar income before provision for credit losses on loans and advances to customers including finance lease receivables was UZS1,998,864 million, an increase of UZS232,880 million, or 13.2 per cent., from UZS1,765,984 million for the six-month period ended 30 June 2024 as a result of an increase in interest income.

Provision for credit losses on loans and advances to customers including finance lease receivables increased by UZS827,043 million for the six-month period ended 30 June 2025 as compared to 31 December 2024 as a result of an increase in the Bank's loans portfolio to individuals and legal entities with higher degree of credit risk in line with the Bank's strategy to issue higher-margin loans. See "*Financial Position – Loan Portfolio*".

Interest Income Calculated Using the Effective Interest Method

The Bank's interest income calculated using the effective interest method for the six-month period ended 30 June 2025 amounted to UZS5,486,151 million, an increase of UZS1,266,097 million, or 30.0 per cent., from UZS4,220,054 million for the six-month period ended 30 June 2024.

The following table sets forth the principal components of the Bank's interest income calculated using the effective interest method for the periods indicated.

	Six months ended 30 June			
	2025		2024	
	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>
Interest income calculated using the effective interest method	(unaudited)			
Interest on loans and advances to customers including finance lease receivables	4,843,740	88.3	3,825,532	90.7
Interest on investment securities measured at amortised cost.....	447,600	8.2	204,923	4.9
Interest on balances due from other banks.....	181,931	3.3	178,061	4.2
Interest on balances cash and cash equivalents...	12,880	0.2	11,538	0.3
Total interest income calculated using the effective interest method	5,486,151	100.0%	4,220,054	100.0%

The increase in the Bank's interest income during the period under review mainly resulted from a 26.6 per cent. growth in interest on loans and advances to customers including finance lease receivables on the back of increased interest rates and an increase in net loan portfolio.

Interest Expense

The Bank's total interest expense increased by UZS1,034,139 million, or 41.7 per cent., to UZS3,511,792 million for the six-month period ended 30 June 2025 from UZS2,477,653 million for the six-month period ended 30 June 2024. The following table sets forth the principal components of the Bank's interest expense for the periods indicated.

	Six-month periods ended 30 June			
	2025		2024	
	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>
Interest expense	(unaudited)			
Interest on other borrowed funds.....	1,336,212	38.0	1,379,447	55.7
Interest on customer accounts	1,372,755	39.1	621,255	25.1
Interest on debt securities in issue	557,523	15.9	175,228	7.1
Interest on balances due to other banks	161,468	4.6	261,114	10.5
Interest on subordinated debt.....	83,834	2.4	40,609	1.6
Total interest expense.....	3,511,792	100.0%	2,477,653	100.0%

The overall increase in the Bank's interest expense for the six-month period ended 30 June 2025 mainly resulted from an increase in interest expense on all components, mainly interest expense on other borrowed funds and interest expense on balances due to other banks.

Interest expense on other borrowed funds slightly decreased by UZS43,235 million, or 3.1 per cent., to UZS1,336,212 million for the six-month period ended 30 June 2025 as compared to the expense of UZS1,379,447 million for the six-month period ended 30 June 2024. This decrease mainly resulted from an

overall reduction in the Bank's average cost of funding, supported by improvements in the Bank's credit rating and the implementation of funding strategies aimed at attracting lower-cost borrowings. See "– *Financial Position – Total Liabilities*".

Interest expense on customer accounts increased by UZS751,500 million, or 121.0 per cent., to UZS1,372,755 million for the six-month period ended 30 June 2025 as compared to UZS621,255 million for the six-month period ended 30 June 2024. Expense on interest on customer accounts increased for the six-month period ended 30 June 2025 on the back of the general increase in interest rates paid on customer accounts, as well as an increase in customer accounts. See "– *Financial Position – Total Liabilities*".

Segment Results

The following table sets forth segment information for the Bank's reportable segments for the periods indicated.

	For the six months ended 30 June					
	2025			2024		
	Corporate	Individuals	Total	Corporate	Individuals	Total
	<i>million soums</i> (unaudited)					
Interest income						
Interest on loans and advances to customers including finance lease receivables.....	3,760,899	1,107,346	4,868,245	3,039,939	809,176	3,849,115
Interest on balances due from other banks.....	181,931	—	181,931	178,061	—	178,061
Interest on balances cash and cash equivalents.....	12,880	—	12,880	11,538	—	11,538
Interest on investment securities measured at amortised cost.....	447,600	—	447,600	204,923	—	204,923
Interest expense						
Interest on balances due to other banks.....	(161,468)	—	(161,468)	(261,114)	—	(261,114)
Interest on customer accounts.....	(784,071)	(588,684)	(1,372,755)	(331,534)	(289,721)	(621,255)
Interest on other borrowed funds.....	(1,335,396)	(816)	(1,336,212)	(1,378,495)	(952)	(1,379,447)
Interest on debt securities in issue.....	(557,523)	—	(557,523)	(175,228)	—	(175,228)
Interest on subordinated debt.....	(83,834)	—	(83,834)	(40,609)	—	(40,609)
Segment results	1,481,018	517,846	1,998,864	1,247,481	518,503	1,765,984

For the reconciliation of reportable segment results to profit for the period please refer to the Note 6 to the Interim Financial Statements.

Net Fee and Commission Income

One of the largest sources of the Bank's non-interest income is its fee and commission income. The Bank's fee and commission income primarily comprises commissions generated by settlement transactions (debit turnover on customer accounts), international money transfers, guarantees issued and other operations, while the fee and commission expenses primarily comprise expenses related to settlement transactions, transactions with plastic cards, foreign currency exchange and cash collection, and other expenses. For the six-month period ended 30 June 2025, the Bank had net fee and commission income of UZS183,273 million, a slight decrease of UZS1,170 million, or 0.6 per cent., as compared to net fee and commission income of UZS184,443 million for the six-month period ended 30 June 2024.

Net (Loss)/Gain on Foreign Exchange Translation

For the six-month period ended 30 June 2025, the Bank recorded net gain on foreign exchange translation of UZS54,900 million as compared to net loss on foreign exchange translation of UZS99,428 million for the six-

month period ended 30 June 2024. The fluctuations in the Bank's foreign exchange gain for the six-month period ended 30 June 2025 are mainly attributable to fluctuations in foreign currency exchange rates, which affected the revaluation of the Bank's foreign currency assets and liabilities and customer foreign exchange transactions. See "*Factors Affecting the Financial Statements – Currency Fluctuations*".

Net Gain from Trading in Foreign Currencies

Net gain from trading in foreign currencies increased by UZS393,577 million to UZS713,459 million, or 123.0 per cent., for the six-month period ended 30 June 2025 as compared to UZS319,882 million for the six-month period ended 30 June 2024, as a result of the increase in the volume of conversion operations with foreign currencies.

Gains less Losses from Financial Derivatives

Losses from financial derivatives (understood as negative position of gains less losses from financial derivatives) increased by UZS105,715 million, or 199.2 per cent., to UZS52,647 million for the six-month period ended 30 June 2025 as compared to UZS53,068 million for the six-month period ended 30 June 2024, due to changes in market interest rates.

Insurance Revenue (excluding reinsurance business) and Insurance Service Expense (excluding reinsurance business)

Insurance revenue (excluding reinsurance business) increased by UZS46,391 million, or 91.1 per cent., to UZS97,293 million for the six-month period ended 30 June 2025 from UZS50,902 million for the six-month period ended 30 June 2024, primarily as a result of the increase in the number of customers and premium rates. Insurance service expense (excluding reinsurance business) increased by UZS5,426 million, or 11.1 per cent., to UZS54,322 million for the six-month period ended 30 June 2025 from UZS48,896 million for the six-month period ended 30 June 2024, primarily as a result of increase in insurance payments primarily for compulsory civil liability insurance for vehicle owners.

Other Operating Income

Other operating income increased by UZS47,908 million, or 364.1 per cent., to UZS61,067 million for the six-month period ended 30 June 2025 as compared to UZS13,159 million for the six-month period ended 30 June 2024. The increase in other operating income during the period under review were primarily due to gains from other non-core banking activities.

Administrative and Other Operating Expenses

The main components of the Bank's administrative and other operating expenses are staff costs, taxes other than income tax, depreciation and amortisation, security services, membership fees, charity expenses, stationery and other low value items and other operating expenses. Administrative and other operating expenses increased by UZS246,108 million, or 28.7 per cent., to UZS1,104,957 million for the six-month period ended 30 June 2025 as compared to UZS858,849 million for the six-month period ended 30 June 2024, driven mainly by a significant increase in depreciation and amortisation of the new building (Tashkent head office of the Bank).

Income Tax Expense

For the six-month period ended 30 June 2025, the Bank recorded income tax expense of UZS165,438 million as compared to UZS54,140 million for the six-month period ended 30 June 2024. The increase in income tax expense for the six-month period ended 30 June 2025 resulted mainly due to higher taxable profit generated in the period, reflecting stronger operating performance and improved earnings compared to the same period in 2024.

Profit for the Period

As a result of the factors described above, the Bank generated net profit for the period in the amount of UZS661,683 million and UZS247,268 million for the six-month periods ended 30 June 2025 and 2024, respectively, representing growth of 167.6 per cent.

Results of Operations for the Years Ended 31 December 2024, 2023 and 2022

For the year ended 31 December 2024, the Bank's profit for the period increased by UZS258,871 million to UZS1,115,025 million from UZS856,154 million for the year ended 31 December 2023, which in turn was an increase by UZS222,499 million from UZS633,655 million for the year ended 31 December 2022.

The following table sets forth the components of the Bank's consolidated statement of profit or loss for the periods indicated.

	Year ended 31 December		
	2024	2023	2022 (restated)
		(audited)	
Interest income calculated using the effective interest method	8,993,763	7,185,285	5,025,358
Other similar income	47,655	36,176	29,198
Interest expense	(5,498,913)	(4,080,099)	(2,626,371)
Net margin on interest and similar income.....	3,542,505	3,141,362	2,428,185
Provision for credit losses on loans and advances to customers including finance lease receivables	(1,481,544)	(1,133,383)	(925,158)
Net margin on interest and similar income after credit loss allowance on loans and advances to customers including finance lease receivables	2,060,961	2,007,979	1,503,027
Fee and commission income.....	567,788	515,905	443,690
Fee and commission expense.....	(157,198)	(132,060)	(126,413)
(Loss)/ gain on initial recognition on interest bearing assets	(4,855)	(8,063)	(12,182)
Net gain(loss) on foreign exchange translation.....	(19,958)	98,311	185,776
Net gain from trading in foreign currencies.....	1,054,505	462,964	337,768
Gains less losses from financial derivatives.....	(62,275)	(233,476)	(100,848)
Insurance revenue (excluding reinsurance business)	129,464	90,867	68,459
Insurance service expenses (excluding reinsurance business).....	(82,963)	(79,049)	(52,208)
Reinsurance business.....	(17,427)	(12,959)	1,150
Finance income (expenses) from insurance contracts (net).....	(20,136)	(16,044)	(10,570)
Dividend income	3,160	11,251	4,741
Other operating income	28,275	27,371	11,180
Recovery of / (provision for) credit losses on other assets.....	(68,287)	14,879	8,521
Impairment of assets held for sale	(79,200)	(6,402)	(46,267)
Administrative and other operating expenses	(1,948,386)	(1,670,778)	(1,369,498)
Share of result from associates	(115)	381	703
Profit before tax.....	1,383,353	1,071,077	847,029
Income tax expense	(268,328)	(214,923)	(213,374)
Profit for the period.....	1,115,025	856,154	633,655

Net Margin on Interest and Similar Income After Credit Loss Allowance on Loans and Advances to Customers Including Finance Lease Receivables

Net margin on interest and similar income after credit loss allowance on loans and advances to customers including finance lease receivables is one of the largest components of the Group's operating income. For the year ended 31 December 2024, net margin on interest and similar income after credit loss allowance on loans and advances to customers including finance lease receivables slightly increased by UZS52,982 million, or 2.6 per cent., to UZS2,060,961 million from UZS2,007,979 million for the year ended 31 December 2023, which in turn was an increase of UZS504,952 million, or 33.6 per cent., from UZS1,503,027 million for the year ended 31 December 2022. The more modest increase in 2024 was primarily attributable to an increase in interest income calculated using the effective interest method, partially offset by an increase in interest expense on other borrowed funds resulting from additional borrowings from local and international financial institutions. The increase in net interest income in 2023 was primarily due to the increase in the Bank's loan portfolio, which was slightly offset by an increase in interest expense on other borrowed funds due to additional borrowings from local and international financial institutions.

The Group recorded provision for credit losses on loans and advances to customers including finance lease receivables of UZS1,481,544 million in 2024, a 30.7 per cent. increase as compared to provision of UZS1,133,383 million in 2023, which in turn represented an increase of 22.5 per cent. as compared to a provision of UZS925,158 million in 2022. The increases in the Bank's provision in 2024 and 2023 were mainly due to an expansion in the loan portfolio. See *"Factors Affecting the Financial Statements— Quality of Loan Portfolio, Allowance for Expected Credit Losses and Provision for Credit Losses on Loans and Advances to Customers Including Finance Lease Receivables"*.

The Bank's net interest margin was relatively stable in the periods under review and amounted to 4.8 per cent., 4.9 per cent. and 4.4 per cent. for the years ended 31 December 2024, 2023 and 2022, respectively.

Interest Income Calculated Using the Effective Interest Method

For the year ended 31 December 2024, the Bank's interest income calculated using the effective interest method increased by UZS1,808,478 million, or 25.2 per cent., to UZS8,993,763 million from UZS7,185,285 million for the year ended 31 December 2023, which in turn was an increase of UZS2,159,927 million, or 43.0 per cent., from UZS5,025,358 million for the year ended 31 December 2022.

The following table sets forth the principal components of the Bank's interest income calculated using the effective interest method for the periods indicated.

	Year ended 31 December					
	2024		2023		2022 (restated)	
	million soums	% of total	million soums (audited)	% of total	million soums	% of total
Interest income calculated using the effective interest method						
Interest on loans and advances to customers including finance lease receivables	8,074,078	89.8	6,406,387	89.2	4,471,651	89.0
Interest on investment securities measured at amortised cost	501,245	5.6	392,462	5.4	274,786	5.4
Interest on balances due from other banks	399,825	4.4	375,019	5.2	274,806	5.5
Interest on balances cash and cash equivalents	18,615	0.2	11,417	0.2	4,115	0.1
Total interest income calculated using the effective interest method	8,993,763	100.0	7,185,285	100.0	5,025,358	100.0

The increases in the Bank's interest income calculated using the effective interest method during the periods under review resulted primarily from a 26.0 per cent. increase in interest income on loans and advances to customers including finance lease receivables for the year ended 31 December 2024 as compared to the year ended 31 December 2023, which in turn represented a 43.3 per cent. increase as compared to the year ended 31 December 2022. This increase was mainly driven by the growth in the Bank's loan portfolio. See "– *Financial Position – Loan Portfolio*".

Interest income on investment securities measured at amortised cost increased by 27.7 per cent. to UZS501,245 million for the year ended 31 December 2024 as compared to UZS392,462 million for the year ended 31 December 2023, which in turn represented a 42.8 per cent. increase from UZS274,786 million for the year ended 31 December 2022. The increases were due to significant investments made by the Bank in 2024 and 2023 in bonds issued by the Ministry of Economy and Finance.

In addition, interest income on balances due from other banks increased by 6.6 per cent. to UZS399,825 million for the year ended 31 December 2024 as compared to UZS375,019 million for the year ended 31 December 2023, which in turn represented a 36.5 per cent. increase as compared to UZS274,806 million for the year ended 31 December 2022. The increases were due to the new accounts opened by the Bank with other banks.

Interest Expense

For the year ended 31 December 2024, the Bank's interest expense increased by UZS1,418,814 million, or 34.8 per cent., to UZS5,498,913 million from UZS4,080,099 million for the year ended 31 December 2023, which in turn was an increase of UZS1,453,728 million, or 55.4 per cent., from UZS2,626,371 million for the year ended 31 December 2022.

The following table sets forth the principal components of the Bank's interest expense for the years indicated.

	Year ended 31 December					
	2024		2023		2022	
	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>
			(audited)			
Interest expense						
Interest on other borrowed funds	2,730,238	49.6	2,232,828	54.7	1,532,566	58.4
Interest on customer accounts	1,471,213	26.8	1,142,451	28.0	787,850	30.0
Interest on debt securities in issue ...	688,396	12.5	259,206	6.4	218,324	8.3
Interest on balances due to other banks	510,246	9.3	396,344	9.7	71,274	2.7
Interest on subordinated debt	98,820	1.8	49,270	1.2	16,357	0.6
Total interest expense	5,498,913	100.0	4,080,099	100.0	2,626,371	100.0

The overall increase in the Bank's interest expense during the periods under review mainly resulted from increases in interest expense on other borrowed funds, interest on customer accounts, interest on debt securities in issue and interest expenses on balances due to other banks.

Interest expense on other borrowed funds increased by UZS497,410 million, or 22.3 per cent., to UZS2,730,238 million for the year ended 31 December 2024 as compared to UZS2,232,828 million for the year ended 31 December 2023, which in turn represented an increase of UZS700,262 million, or 45.7 per cent., as compared to UZS1,532,566 million for the year ended 31 December 2022. The increases were due to additional borrowings in 2024 and 2023 from local and international financial institutions to support in expanding its loan portfolio and diversifying its funding sources.

Interest expense on customer accounts increased by UZS328,762 million, or 28.8 per cent., to UZS1,471,213 million for the year ended 31 December 2024 as compared to UZS1,142,451 million for the year ended 31 December 2023, which in turn was an increase by UZS354,601 million, or 45.0 per cent., as compared to UZS787,850 million for the year ended 31 December 2022. Expense on interest on customer accounts increased in the periods under review due to higher interest rates on customer deposits as part of the Bank's strategy to attract more deposits and increase the Bank's liquidity, as well as an overall growth in the volume of the deposits as a result of the expansion of the Bank's customer base.

Interest expense on debt securities in issue significantly increased by UZS429,190 million, 165.6 per cent., to UZS688,396 million for the year ended 31 December 2024 as compared to UZS259,206 million for the year ended 31 December 2023, which in turn represented an increase of UZS40,882 million, or 18.7 per cent., as compared to UZS218,324 million for the year ended 31 December 2022. The increases primarily reflect the issuance of new Eurobonds in the aggregate amounts of U.S.\$400 million and UZS2.25 trillion in July 2024, as well as the recognition of a full year's interest expense on the U.S.\$100 million private placement completed in August 2023.

Interest expense on balances due to other banks increased by UZS113,902 million, or 28.7 per cent., to UZS510,246 million for the year ended 31 December 2024 as compared to UZS396,344 million for the year ended 31 December 2023, which represented a significant increase of UZS325,070 million, or 456.1 per cent., as compared to UZS71,274 million for the year ended 31 December 2022, due to the Bank's increased reliance on interbank borrowings to maintain liquidity following substantial principal repayments on previously attracted loans in December 2023. See "– *Financial Position – Total Liabilities*".

Segment Results

The following table sets forth segment information for the Bank's reportable segments for the periods indicated.

	For the year ended 31 December								
	2024			2023			2022		
	Corporate	Individuals	Total	Corporate	Individuals	Total	Corporate	Individuals	Total
					<i>million soums</i> (audited)				
Interest income									
Interest on loans and advances to customers including finance lease receivables.....	6,300,632	1,821,101	8,121,733	5,192,646	1,249,917	6,442,563	3,830,323	670,526	4,500,849
Interest on balances due from other banks	399,825	—	399,825	375,019	—	375,019	274,806	—	274,806
Interest on balances cash and cash equivalents.....	18,615	—	18,615	11,417	—	11,417	4,115	—	4,115
Interest on investment securities measured at amortised cost.....	501,245	—	501,245	392,462	—	392,462	274,786	—	274,786
Interest expense									
Interest on balances due to other banks ...	(510,246)	—	(510,246)	(396,344)	—	(396,344)	(71,274)	—	(71,274)
Interest on customer accounts	(753,929)	(717,284)	(1,471,213)	(501,170)	(641,281)	(1,142,451)	(373,743)	(414,107)	(787,850)
Interest on other borrowed funds.....	(2,730,238)	—	(2,730,238)	(2,232,828)	—	(2,232,828)	(1,532,566)	—	(1,532,566)
Interest on debt securities in issue	(688,396)	—	(688,396)	(259,206)	—	(259,206)	(218,324)	—	(218,324)
Interest on subordinated debt.....	(98,820)	—	(98,820)	(49,270)	—	(49,270)	(16,357)	—	(16,357)
Segment results	2,438,688	1,103,817	3,542,505	2,532,726	608,636	3,141,362	2,171,766	256,419	2,428,185

For the reconciliation of reportable segment results to profit for the period please refer to the Note 7 to the 2024 Financial Statements and Note 6 to the 2023-2021 Financial Statements.

Net Fee and Commission Income

One of the largest sources of the Bank's non-interest income is its fee and commission income. The Bank's fee and commission income primarily comprises commissions generated by settlement transactions, foreign currency exchange, guarantees and letters of credit and other operations. For the year ended 31 December 2024, the Bank had net fee and commission income of UZS410,590 million as compared to net fee and commission income of UZS383,845 million for the year ended 31 December 2023 and UZS317,277 million for the year ended 31 December 2022.

The following table sets forth the components of the Bank's net fee and commission income for the years indicated.

	Year ended 31 December					
	2024		2023		2022	
	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>
			(audited)			
Fee and commission income						
Settlement transactions.....	361,921	63.8	337,118	65.3	286,724	64.6
International money transfers	92,566	16.3	88,626	17.2	118,598	26.7
Guarantees issued	69,626	12.3	50,187	9.7	30,371	6.9
Consulting services	26,331	4.6	28,213	5.5	42	0.0
Foreign currency exchange.....	10,304	1.8	7,002	1.4	2,730	0.6
Letters of credit	7,040	1.2	4,759	0.9	5,225	1.2
Total fee and commission income	567,788	100.0	515,905	100.0	443,690	100.0
Fee and commission expense						
Settlement transactions.....	(35,692)	22.7	(58,698)	44.5	(52,737)	41.7
Transactions with plastic cards.....	(92,034)	58.5	(52,086)	39.4	(29,260)	23.1
Foreign currency exchange.....	(14,431)	9.2	(14,420)	10.9	(36,117)	28.6
Cash collection	(8,112)	5.2	(5,922)	4.5	(4,985)	4.0
Other.....	(6,929)	4.4	(934)	0.7	(3,314)	2.6
Total fee and commission expense	(157,198)	100.0	(132,060)	100.0	(126,413)	100.0
Net fee and commission income.....	410,590		383,845		317,277	

The fee and commission income for the year ended 31 December 2024 increased by UZS51,883 million, or 10.1 per cent., to UZS567,788 million from UZS515,905 million for the year ended 31 December 2023, primarily due to an increase of UZS24,803 million, or 7.4 per cent., in the fee and commission income from settlement transactions as a result of the increase in the volume in the Bank's operations during the period, as well as an increase of UZS19,439 million in the fee and commission income from guarantees issued due to the Bank's focused efforts to enhance its guarantee services, which led to increased client demand and higher revenue from these services. The increase in fee and commission income was partially offset by a decrease of UZS1,882 million, or 6.7 per cent., in the fee and commission income from consulting services (including debt capital markets advisory, structuring of direct facilities for clients and other investment banking services), which reflects the increased competition in the consulting services market.

The fee and commission income for the year ended 31 December 2023 increased by UZS72,215 million, or 16.3 per cent., to UZS515,905 million from UZS443,690 million for the year ended 31 December 2022, primarily due to an increase of UZS50,394 million, or 17.6 per cent., in the fee and commission income from settlement transactions as a result of the increase in the volume in the Bank's operations during the period, as well as a significant increase of UZS28,171 million in the fee and commission income from consulting services due to the Bank's focused efforts to enhance its advisory offerings, which attracted more client engagements and higher revenue from these services. The increase in fee and commission income was partially offset by a decrease of UZS29,972 million, or 25.3 per cent., in the fee and commission income from international money transfers, which reflects the increased competition and the emergence of cost-effective digital transfer money transfer solutions and which led to the decreased use of traditional money transfer services.

The fee and commission expense for the year ended 31 December 2024 increased by UZS25,138 million, or 19.0 per cent., to UZS157,198 million from UZS132,060 million for the year ended 31 December 2023, primarily as a result of a significant (76.7 per cent. or UZS39,948 million) increase in fee and commission

expenses in connection with the transactions with plastic cards as a result of the increased usage of cards by customers, leading to higher transaction volumes and higher associated costs. This increase was partially offset by a 39.2 per cent. (or UZS23,006 million) decrease in fee and commission expense associated with settlement transactions, primarily due to the Bank's successful renegotiation of tariffs with correspondent banks and the expansion of partnerships with institutions offering more favourable rates, and the Bank's strategic decision to lower rates on plastic card transactions and to introduce monthly free settlement transfers of up to UZS10 million per customer. While these initiatives stimulated greater customer activity and significantly expanded the Bank's customer base and account activity, they also resulted in higher transaction volumes and, consequently, higher related costs.

The fee and commission expense for the year ended 31 December 2023 increased by UZS5,647 million, or 4.5 per cent., to UZS132,060 million from UZS126,413 million for the year ended 31 December 2022, primarily as a result of a significant (78.0 per cent. or UZS22,826 million) increase in fee and commission expenses in connection with the transactions with plastic cards as a result of the increased usage of cards by customers, leading to higher transaction volumes and higher associated costs. This increase was partially offset by a 60.1 per cent. (or UZS21,697 million) decrease in fee and commission expense associated with foreign currency exchange due to reduced demand for foreign currency exchange services, which reflects the relative market stability during the period and the gradual shift towards digital services for foreign currency exchange.

Net Gain/(Loss) on Foreign Exchange Translation

The functional currency of the Bank, which is the currency of the primary economic environment in which the Bank operates, and the Bank's presentation currency is Uzbek soum. Monetary assets and liabilities are translated into the Bank's functional currency at the official exchange rate of the CBU at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into the Bank's functional currency at the period-end official exchange rates of the CBU are recognised in profit or loss.

For the year ended 31 December 2024, the Bank recorded net loss on foreign exchange translation of UZS19,958 million as compared to net gain of UZS98,311 million for the year ended 31 December 2023 and net gain on foreign exchange translation of UZS185,776 million for the year ended 31 December 2022. The changes during the periods under review were due to exchange rate fluctuations with respect to foreign currency denominated assets and liabilities. See "– *Factors Affecting the Financial Statements – Currency Fluctuations*".

Net Gain from Trading in Foreign Currencies

Net gain from trading in foreign currencies increased significantly by UZS591,541 million, or 127.8 per cent., to UZS1,054,505 million for the year ended 31 December 2024 as compared to UZS462,964 million for the year ended 31 December 2023, which in turn represented an increase of UZS125,196 million, or 37.1 per cent., as compared to net gain of UZS337,768 million for the year ended 31 December 2022. The increase in net gain from trading in foreign currencies for the years ended 31 December 2024 and 2023 was primarily driven by the increase in the volume of conversion operations with foreign currencies.

Gains less Losses from Financial Derivatives

Losses from financial derivatives (understood as negative position of gains less losses from financial derivatives) decreased by UZS171,201 million, or 73.3 per cent., to UZS62,275 million for the year ended 31 December 2024 as compared to UZS233,476 million for the year ended 31 December 2023, which, in turn, represented an increase of UZS132,628 million, or 131.5 per cent., as compared to UZS100,848 million for the year ended 31 December 2022.

The decrease in 2024 was due to more favourable market conditions and improved alignment of the Bank's derivative positions with underlying exposures, while the increase in 2023 was due to unfavourable market conditions.

Insurance Revenue (excluding reinsurance business)

Insurance revenue (excluding reinsurance business) increased by UZS38,597 million, or 42.5 per cent., to UZS129,464 million for the year ended 31 December 2024 from UZS90,867 million for the year ended 31

December 2023, primarily as a result of the expansion of the insurance coverage offerings and an increased uptake of property insurance policies by customers.

Insurance revenue (excluding reinsurance business) increased by UZS22,408 million, or 32.7 per cent., to UZS90,867 million for the year ended 31 December 2023 from UZS68,459 million for the year ended 31 December 2022, primarily as a result of the expansion of the insurance coverage offerings and an increased uptake of property insurance policies by customers.

Insurance Service Expense (excluding reinsurance business)

Insurance service expense (excluding reinsurance business) increased by UZS3,914 million, or 5.0 per cent., to UZS82,963 million for the year ended 31 December 2024 from UZS79,049 million for the year ended 31 December 2023, primarily as a result of the increase in insurance coverage and claims associated with the expanded insurance operations.

Insurance service expense (excluding reinsurance business) increased by UZS26,841 million, or 51.4 per cent., to UZS79,049 million for the year ended 31 December 2023 from UZS52,208 million for the year ended 31 December 2022, primarily as a result of the increase in insurance coverage and claims associated with the expanded insurance operations.

Other Operating Income

Other operating income increased by UZS904 million, or 3.3 per cent., to UZS28,275 million for the year ended 31 December 2024 as compared to UZS27,371 million for the year ended 31 December 2023, which in turn represented an increase of UZS16,191 million, or 144.8 per cent., as compared to UZS11,180 million for the year ended 31 December 2022. The changes in other operating income during the period under review were primarily due to recorded gains on sale of repossessed collateral.

Administrative and Other Operating Expenses

The main components of the Bank's administrative and other operating expenses are staff costs, social security costs, depreciation and amortisation, taxes other than income tax, communication and software maintenance, security services, membership fees, charity expenses, stationary and other low value items, repair and maintenance of buildings and other operating expenses. Administrative and other operating expenses increased by UZS277,608 million, or 16.6 per cent., to UZS1,948,386 million for the year ended 31 December 2024 as compared to UZS1,670,778 million for the year ended 31 December 2023, which in turn represented an increase of UZS301,280 million, or 22.0 per cent., as compared to UZS1,369,498 million for the year ended 31 December 2022.

The increase in administrative and other operating expenses for the year ended 31 December 2024 as compared to the year ended 31 December 2023 principally resulted from a significant increase of UZS100,059 million, or 89.7 per cent., in depreciation and amortisation reflecting the revaluation and commissioning of new premises, equipment and intangible assets, as well as an increase of UZS55,505 million, or 53.6 per cent. in taxes other than income tax due to higher property and other local taxes following changes in the tax base and expansion of the Bank's asset portfolio.

The increase in administrative and other operating expenses for the year ended 31 December 2023 as compared to the year ended 31 December 2022 principally resulted from a significant increase of UZS199,252 million, or 28.0 per cent., in staff costs as a result of a change in the employees reward system calculation approach, where individual employee contributions are now taken into account rather than previously assessed branch performance. In addition, the Bank increased base salaries by 10.0-15.0 per cent. to account for inflation. The increase of UZS45,763 million, or 177.4 per cent., in communication and software maintenance for the year ended 31 December 2023 as compared to the year ended 31 December 2022 was due to the expenses in relation to the ongoing IT system transformation, attracting additional vendors for the implementation of SAP budgeting programmes, as well as maintenance costs of servers and SAP budgeting programmes.

Income Tax Expense

For the year ended 31 December 2024, the Bank recorded income tax expense of UZS268,328 million as compared to UZS214,923 million for the year ended 31 December 2023 and UZS213,374 million for the year ended 31 December 2022, reflecting changes in profit before tax during the periods under review.

Profit for the Period

As a result of the factors described above, the Bank generated net profit for the year in the amount of UZS1,115,025 million, UZS856,154 million and UZS633,655 million for the years ended 31 December 2024, 2023 and 2022, respectively.

Financial Position

The following discussion of the Bank's assets and liabilities should be read in conjunction with "Risk Management" and, in particular, with the data provided under "Risk Management – Credit Risk", "Risk Management – Market Risk" and "Risk Management – Liquidity Risk".

Total Assets

The following table sets forth the principal components of the Bank's total assets as at the dates set forth below.

	As at 30 June	As at 31 December		
	2025	2024	2023	2022 (restated)
	(unaudited)	million soums		
	(audited)		(audited)	
Cash and cash equivalents.....	9,178,575	6,525,860	6,965,894	7,119,489
Due from other banks.....	1,710,357	1,707,029	1,778,707	1,843,415
Investment in debt securities.....	7,536,841	4,364,719	2,093,415	2,678,571
Financial assets at fair value through other comprehensive income.....	151,244	146,012	119,217	42,007
Loans and advances to customers including finance lease receivables.....	70,060,671	66,475,832	58,008,238	48,420,489
Investment in associates.....	168,768	122,008	77,814	35,834
Derivative financial assets.....	16,788	33,149	51,499	—
Reinsurance contract assets.....	49,861	75,715	20,334	17,671
Current income tax prepayment.....	37,711	—	238,871	251,647
Other assets.....	828,410	407,461	147,845	279,366
Deferred tax asset.....	280,806	305,078	203,571	194,962
Premises and equipment.....	3,891,483	3,874,808	3,340,418	2,007,056
Intangible assets.....	99,478	96,172	67,945	75,448
Non-current assets held for sale.....	756,528	666,325	179,555	223,345
Total assets.....	94,767,521	84,800,168	73,293,323	63,189,300

As at 30 June, the Bank had total assets of UZS94,767,521 million as compared to UZS84,800,168 million as at 31 December 2024, UZS73,293,323 million as at 31 December 2023 and UZS63,189,300 million as at 31 December 2022.

The increase in total assets by UZS9,967,353 million, or 11.8 per cent., as at 30 June 2025 as compared to 31 December 2024, was mainly driven by an increase in loans and advances to customers, including finance lease receivables and investments in debt securities and cash and cash equivalents, which was partially offset by a decrease in reinsurance contract assets. Loans and advances to customers including finance lease receivables increased by UZS3,584,839 million, or 5.4 per cent., as at 30 June 2025 as compared to 31 December 2024, which reflected the growth in corporate and individual loans. See "—Loan Portfolio" below. The increase of UZS3,172,122 million, or 72.7 per cent. in investment securities measured at amortised cost as at 30 June 2025 as compared to 31 December 2024 mainly resulted from an increase in the Bank's portfolio of government bonds. The increase of UZS2,652,715 million, or 40.6 per cent. in cash and cash equivalents as at 30 June 2025 as compared to 31 December 2024 mainly resulted from an increase in correspondent accounts and placements with other banks with original maturities of less than three months, which was in turn due to higher overnight deposit balances. The decrease in reinsurance contract assets by UZS25,854 million, or 34.1 per cent., as at 30 June 2025 compared to 31 December 2024, was primarily due to the settlement of ceded claims from prior

periods, together with a lower volume of new cessions, including higher retentions on renewed treaties, which reduced the expected recoverables from reinsurers.

The increase in total assets by UZS11,506,845 million, or 15.7 per cent., as at 31 December 2024 as compared to 31 December 2023 is primarily attributable to the increases in loans and advances to customers including finance lease receivables and investment securities measured at amortised cost, which was partially offset by a decrease in cash and cash equivalents. The increase of UZS8,467,594 million, or 14.6 per cent., in loans and advances to customers including finance lease receivables as at 31 December 2024 as compared to 31 December 2023 reflected the growth of corporate loans. See "*—Loan Portfolio*" below. The increase of UZS2,271,304 million, or 108.5 per cent., in investment securities measured at amortised cost as at 31 December 2024 as compared to 31 December 2023 mainly resulted from the increase in the Bank's portfolio of government bonds. The decrease of UZS440,034 million, or 6.3 per cent., in cash and cash equivalents as at 31 December 2024 as compared to 31 December 2023 reflected the utilisation of liquidity to fund loan growth and investment activities during the period.

The increase in total assets by UZS10,104,023 million, or 16.0 per cent., as at 31 December 2023 as compared to 2022 was in line with the growth of the Bank's business and is primarily attributable to the increases in loans and advances to customers including finance lease receivables and premises and equipment, which was partially offset by the decrease in investment securities measured at amortised cost, cash and cash equivalents and other assets. Loans and advances to customers including finance lease receivables increased by UZS9,587,749 million, or 19.8 per cent., as at 31 December 2023 as compared to 31 December 2022, which reflected the growth in corporate and individual loans. See "*—Loan Portfolio*" below. The increase of UZS1,333,362 million, or 66.4 per cent., in premises and equipment as at 31 December 2023 as compared to 31 December 2022 was mainly driven by increase in construction in progress in connection with the design and construction of the Bank's headquarters. Investment securities measured at amortised cost decreased by UZS585,156 million, or 21.8 per cent., as at 31 December 2023 as compared to 31 December 2022 reflecting the repayment of the CBU bonds upon their maturity in 2023.

Reportable Segment Assets

The following table sets forth the Bank's reportable segment assets as at the dates set forth below.

	As at 30 June			As at 31 December								
	2025			2024			2023			2022		
	Corporate	Individuals	Total	Corporate	Individuals	Total	Corporate	Individuals	Total	Corporate	Individuals	Total
	(unaudited)			<i>million soums</i>								
Cash and cash equivalents	9,013,128	165,447	9,178,575	6,351,068	174,792	6,525,860	6,811,546	154,348	6,965,894	7,004,220	115,269	7,119,489
Loans and advances to customers including finance lease receivables	60,134,528	9,926,143	70,060,671	56,886,321	9,589,511	66,475,832	50,094,273	7,913,965	58,008,238	42,913,084	5,507,405	48,420,489
Due from other banks	1,710,357	—	1,710,357	1,707,029	—	1,707,029	1,778,707	—	1,778,707	1,843,415	—	1,843,415
Investment securities measured at amortised cost	7,536,841	—	7,536,841	4,364,719	—	4,364,719	2,093,415	—	2,093,415	2,678,571	—	2,678,571
Total reportable segment assets	78,394,854	10,091,590	88,486,444	69,309,137	9,764,303	79,073,440	60,777,941	8,068,313	68,846,254	54,439,290	5,622,674	60,061,964

For the reconciliation of reportable segment assets to total assets please refer to the Note 6 to the Interim Financial Statements, Note 7 to the 2024 Financial Statements and Note 6 to the 2023-2021 Financial Statements.

Loan Portfolio

Loans and advances to customers including finance lease receivables (net of allowance for expected credit losses) are the largest components of the Group's total assets, accounting for 73.9 per cent., 78.4 per cent., 79.1 per cent. and 76.6 per cent. of total assets as at 30 June 2025, 31 December 2024, 2023 and 2022, respectively.

General

As at 30 June 2025, the Bank's loans and advances to customers including finance lease receivables, gross amounted to UZS74,183,903 million, representing a 6.3 per cent. increase as compared to loans and advances to customers including finance lease receivables as at 31 December 2024. As at 31 December 2024, total loans and advances to customers including finance lease receivables, gross increased by UZS9,364,246 million, or 15.5 per cent., as compared to 31 December 2023, which in turn was an increase of UZS9,109,387 million, or 17.8 per cent., as compared to 31 December 2022. The size of the Bank's loan portfolio in soums increased as a result of the increases in corporate loans and loans to individuals driven by the growth in lending activity, depreciation of Uzbek soums against the U.S. dollar on the back of the higher proportion of the Bank's loan portfolio being denominated in U.S. dollars as compared to soums and general development of the banking sector in Uzbekistan.

The following table sets forth the Bank's total loans and advances to customers including finance lease receivables, gross as at the dates set forth below.

	As at 30 June	As at 31 December		
	2025	2024	2023	2022
	<i>million soums</i>			
	(unaudited)		(audited)	
Corporate loans	49,683,053	45,351,774	37,814,200	31,362,398
State and municipal organisations	13,801,053	14,274,010	14,572,496	14,368,999
Loans to individuals	10,699,797	10,146,237	8,021,079	5,566,991
Total loans and advances to customers including finance lease receivables, gross	74,183,903	69,772,021	60,407,775	51,298,388

Corporate loans accounted for 67.0 per cent., 65.0 per cent., 62.6 per cent. and 61.1 per cent. of the gross total loan portfolio as at 30 June 2025 and 31 December 2024, 2023 and 2022, respectively. As at 30 June 2025, the Bank's corporate loans increased by UZS4,331,279 million, or 9.6 per cent., as compared to 31 December 2024. The Bank's corporate loans increased by 19.9 per cent. as at 31 December 2024 as compared to 31 December 2023 reaching UZS45,351,774 million. As at 31 December 2023, the Bank's corporate loans increased by UZS6,451,802 million, or 20.6 per cent., as compared to 31 December 2022. The growth of the corporate loan portfolio was mainly attributable to the issuance of several large loans to large enterprises.

Loans to state and municipal organisations accounted for 18.6 per cent., 20.5 per cent., 24.1 per cent. and 28.0 per cent. of the gross total loan portfolio as at 30 June 2025 and 31 December 2024, 2023 and 2022, respectively. Loans to state and municipal organisations decreased by 3.3 per cent. as at 30 June 2025 as compared to 31 December 2024 reaching UZS13,801,053 million, which in turn decreased by 2.0 per cent. as compared to 31 December 2023 reaching UZS14,274,010 million. Loans to state and municipal organisations slightly increased by 1.4 per cent. as at 31 December 2023 as compared to 31 December 2022. Loans to state and municipal organisations remained relatively stable during the period under review due to the Group's strategy to continue providing subsidised loans to selected sectors.

The share of loans to individuals accounted for 14.4 per cent., 14.5 per cent., 13.3 per cent. and 10.9 per cent. of the gross total loan portfolio as at 30 June 2025 and 31 December 2024, 2023 and 2022, respectively. As at 30 June 2025, the Bank's total gross loans to individuals increased by UZS553,560 million, or 5.5 per cent., as compared to 31 December 2024. The Bank's total gross loans to individuals increased by 26.5 per cent. as at 31 December 2024 as compared to 31 December 2023 reaching UZS10,146,237 million. As at 31 December 2023, the Bank's total gross loans to individuals increased by UZS2,454,088 million, or 44.1 per cent., as compared to 31 December 2022. The increases in loans to individuals were driven by higher demand for consumer and mortgage lending, supported by a favourable legal framework for consumer loans and mortgages, and the Bank's strategy to expand its retail portfolio.

Distribution of Loans to Individuals by Loan Type

The following table sets forth distribution the Group's loans and advances to individuals by loan type as at the dates set forth below.

	As at 30 June	As at 31 December		
	2025	2024	2023	2022
	<i>million soums</i>			
	(unaudited)		(audited)	
Mortgage	6,692,320	5,993,097	5,260,581	3,685,578
Microloan	3,175,654	3,223,773	1,819,198	744,719
Car Loan	340,191	472,053	661,671	982,316
Consumer Loans	491,632	457,314	279,497	73,449
Other	—	—	132	80,929
Total loans and advances to individuals, gross	10,699,797	10,146,237	8,021,079	5,566,991
Less: Allowance for expected credit losses	(773,654)	(556,726)	(107,114)	(59,586)
Total loans and advances to individuals	9,926,143	9,589,511	7,913,965	5,507,405

The increase in loans to individuals in the first six months of 2025 was mainly driven by strong growth in mortgages, which has maintained its steady upward trajectory, supported by both market-rate loans and state-subsidised programmes, with demand underpinned by active residential construction across Uzbekistan.

The increase in loans to individuals in 2024 was mainly driven by strong growth in microloans, which more than doubled following regulatory changes that raised individual borrowing limits from UZS50 million in 2023 to UZS100 million in 2024. The Bank's rollout of mobile banking channels in 2024 also contributed significantly by enabling customers to obtain microloans remotely within 5-10 minutes, without visiting a branch, thereby enhancing accessibility and driving uptake.

In contrast, car loans declined, reflecting market saturation as a substantial portion of the population has already purchased vehicles, while certain retailers introduced instalment and partial-payment schemes, reducing reliance on bank financing.

Consumer loans also recorded robust growth, driven by rising demand for personal finance products and the Bank's continued focus on expanding its retail lending portfolio.

Distribution of Loans by Economic Sectors

The Bank has historically been financing specific strategic industries in the Republic of Uzbekistan, mainly the oil and gas, chemicals and energy sectors, and it has recently focused on developing commercial SME and retail lending to diversify its portfolio. The following table sets forth distribution the Bank's loans and advances to customers including finance lease receivables by economic sector as at the dates set forth below.

	As at 30 June		As at 31 December					
	2025		2024		2023		2022	
	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>	<i>million soums</i>	<i>% of total</i>
	(unaudited)				(audited)			
Manufacturing	32,673,228	44.1	29,923,003	43.0	22,529,199	37.3	18,207,559	35.5
Oil and gas & chemicals	8,056,816	10.9	9,449,166	13.5	11,052,861	18.3	10,885,326	21.2
Individuals	10,699,797	14.4	10,146,237	14.5	8,021,079	13.3	5,566,991	10.9
Trade and Services	10,182,843	13.7	9,501,824	13.6	7,342,466	12.2	5,554,150	10.8
Agriculture	3,483,005	4.7	3,246,744	4.7	3,572,134	5.9	3,460,679	6.7
Transport and communication	3,723,627	5.0	2,455,932	3.5	3,269,401	5.4	2,883,334	5.6
Energy	2,666,986	3.6	2,855,836	4.1	2,982,969	4.9	3,114,928	6.1
Construction	2,697,601	3.6	2,193,279	3.1	1,637,666	2.7	1,625,421	3.2
Total loans and advances to customers including finance lease receivables, gross	74,183,903	100.0	69,772,021	100.0	60,407,775	100.0	51,298,388	100.0
Less: Allowance for expected credit losses	(4,123,232)		(3,296,189)		(2,399,537)		(2,877,899)	
Total loans and advances to customers including finance lease receivables	70,060,671		66,475,832		58,008,238		48,420,489	

During 2024, the Group issued a below market loan with amount of UZS627,000 million, which resulted in an initial recognition loss of UZS267,663 million. Since the loan was issued under government instructions, the loss has been recognised through equity directly.

Strategic sectors of the Uzbekistan's economy, including manufacturing and oil and gas & chemicals, have historically accounted for the most prominent share of the Bank's loan portfolio, accounting for 55.0 per cent. of the total loans and advances to customers including finance lease receivables, gross as at 30 June 2025, 56.4 per cent. as at 31 December 2024, 55.6 per cent. as at 31 December 2023 and 56.7 per cent. as at 31 December 2022. In line with the strategy of diversification of the loan portfolio, over the period under review the Bank has increased the share of actively developing sectors of the economy in its loan book, such as trade and services (the share in the Bank's loan portfolio increased from 10.8 per cent. as at 31 December 2022 to 13.6 per cent. as at 31 December 2024 and then to 13.7 per cent. as at 30 June 2025) and loans to individuals (the share in the Bank's loan portfolio increased from 10.9 per cent. as at 31 December 2022 to 14.5 per cent. as at 31 December 2024 and 14.4 per cent. as at 30 June 2025), while maintaining its long-standing relationships with the companies in the Bank's sectors of expertise, including oil and gas & chemicals and energy.

As at 30 June 2025, the Bank granted loans to 11 borrowers in the amount of UZS15,502,304 million (20.9 per cent. of total loans and advances to customers including finance lease receivables, gross), which individually exceeded 10.0 per cent. of the Bank's equity. As at 31 December 2024, loans to 17 borrowers which individually exceeded 10.0 per cent. of the Bank's equity accounted for UZS22,381,944 million (32.1 per cent. of total loans and advances to customers including finance lease receivables, gross), as compared to 16 borrowers in the amount of UZS20,498,189 million (33.9 per cent. of total loans and advances to customers including finance lease receivables, gross) as at 31 December 2023 and 14 borrowers in the amount of UZS17,320,728 million (33.8 per cent. of total loans and advances to customers including finance lease receivables, gross) as at 31 December 2022.

Distribution of Loans by Collateral

The following tables set forth distribution the Group's loans and advances to customers including finance lease receivables by collateral as at the dates set forth below.

As at 30 June 2025				
	State and municipal organisations	Corporate loans	Loans to individuals	Total
Loans with other credit enhancement:				
Letters of surety	3,180,309	15,932,379	1,481,913	20,594,601
State guarantee	5,371,631	—	—	5,371,631
Loans collateralised by:				
Real estate	1,090,358	17,953,634	6,363,701	25,407,693
Insurance policy	1,009,431	8,726,084	2,489,822	12,225,337
Equipment	95,641	5,957,632	—	6,053,273
Inventory and other receivables..	2,944,586	488,907	127,132	3,560,625
Cash deposits	978	47,729	4,725	53,432
Vehicles	8,982	264,055	212,267	485,304
Equity securities	99,137	—	—	99,137
Not collateralised	—	312,633	20,237	332,870
Total loans and advances to customers including finance lease receivables, gross	13,801,053	49,683,053	10,699,797	74,183,903
Less: Allowance for expected credit losses	(200,620)	(3,148,958)	(773,654)	(4,123,232)
Total loans and advances to customers including finance lease receivables	13,600,433	46,534,095	9,926,143	70,060,671

As at 31 December 2024				
	State and municipal organisations	Corporate loans	Loans to individuals	Total
Loans with other credit enhancement:				
Letters of surety	3,990,905	14,714,777	1,717,987	20,423,669
State guarantee	6,009,436	—	—	6,009,436
Loans collateralised by:				
Real estate	525,793	15,304,909	5,631,949	21,462,651
Insurance policy	7,518	8,455,069	2,387,070	10,849,657
Equipment	122,947	5,806,929	—	5,929,876
Inventory and other receivables..	3,488,117	608,482	143,020	4,239,619
Cash deposits	—	14,243	1,500	15,743
Vehicles	16,802	337,915	264,711	619,428
Equity securities	112,492	—	—	112,492
Not collateralised	—	109,450	—	109,450
Total loans and advances to customers including finance lease receivables, gross	14,274,010	45,351,774	10,146,237	69,772,021
Less: Allowance for expected credit losses	(272,721)	(2,466,742)	(556,726)	(3,296,189)
Total loans and advances to customers including finance lease receivables.....	14,001,289	42,885,032	9,589,511	66,475,832

As at 31 December 2023				
	State and municipal organisations	Corporate loans	Loans to individuals	Total
Loans with other credit enhancement:				
Letters of surety	2,206,185	11,975,511	1,781,668	15,963,364
State guarantee	6,565,131	—	—	6,565,131
Loans collateralised by:				
Real estate	588,838	11,360,294	4,806,715	16,755,847
Insurance policy	8,273	5,906,771	1,111,379	7,026,423
Equipment	586,425	5,795,847	—	6,382,272
Inventory and other receivables..	3,426,705	2,360,679	1,062	5,788,446
Cash deposits	1,031,961	53,748	2,161	1,087,870
Vehicles	30,066	360,361	313,527	703,954
Equity securities	128,912	—	—	128,912
Not collateralised	—	989	4,567	5,556
Total loans and advances to customers including finance lease receivables, gross	14,572,496	37,814,200	8,021,079	60,407,775
Less: Allowance for expected credit losses	(116,111)	(2,176,312)	(107,114)	(2,399,537)
Total loans and advances to customers including finance lease receivables.....	14,456,385	35,637,888	7,913,965	58,008,238

As at 31 December 2022				
	State and municipal organisations	Corporate loans	Loans to individuals	Total
Loans with other credit enhancement:				
Letters of surety	2,458,999	12,094,239	1,351,316	15,904,554
State guarantee	6,840,288	—	—	6,840,288
Loans collateralised by:				
Real estate	134,311	8,750,980	3,227,074	12,112,365
Insurance policy	9,271	3,254,185	632,134	3,895,590
Equipment	700,259	5,169,125	1,049	5,870,433
Inventory and other receivables..	2,662,393	1,558,028	—	4,220,421
Cash deposits	1,092,147	454	—	1,092,601
Vehicles	49,579	387,457	173,130	610,166
Equity securities	136,818	147,925	—	284,743
Not collateralised	284,934	5	182,288	467,227
Total loans and advances to customers including finance lease receivables, gross	14,368,999	31,362,398	5,566,991	51,298,388
Less: Allowance for expected credit losses	(392,033)	(2,426,280)	(59,586)	(2,877,899)
Total loans and advances to customers including finance lease receivables	13,976,966	28,936,118	5,507,405	48,420,489

The Group's loan portfolio has continued to be well-secured by a range of collateral and other credit enhancements. Real estate (UZS25,407,693 million as at 30 June 2025 and UZS21,462,651 million as at 31 December 2024) and insurance policies (UZS12,225,337 million as at 30 June 2025 and UZS10,849,657 million as at 31 December 2024) remained the two largest forms of collateral, together accounting for 50.7 per cent. and 46.3 per cent. of the total gross loan portfolio as at 30 June 2025 and 31 December 2024, respectively. The proportion of loans backed by letters of surety also remained significant at UZS20,594,601 million as at 30 June 2025 and UZS20,423,669 million as at 31 December 2024, reflecting the continuing role of guarantees and credit enhancements in the Group's risk mitigation framework.

Distribution of Loans by Maturity

Of the Bank's net loan portfolio as at 30 June 2025, UZS41,099,823 million, or 58.7 per cent., had a maturity of more than one year, UZS8,948,725 million, or 12.8 per cent., had a maturity profile of between six months and one year, UZS13,977,061 million, or 19.9 per cent., had a maturity of between one month and six months and UZS6,035,062 million, or 8.6 per cent., had a maturity of between one day and one month.

Of the Bank's net loan portfolio as at 31 December 2024, UZS37,595,464 million, or 56.6 per cent., had a maturity of more than one year, UZS8,817,491 million, or 13.3 per cent., had a maturity profile of between six months and one year, UZS14,463,101 million, or 21.8 per cent., had a maturity of between one month and six months and UZS5,599,776 million, or 8.4 per cent., had a maturity of between one day and one month.

Of the Bank's net loan portfolio as at 31 December 2023, UZS33,949,728 million, or 58.5 per cent., had a maturity of more than one year, UZS8,070,527 million, or 13.9 per cent., had a maturity profile of between six months and one year, UZS11,584,658 million, or 20.0 per cent., had a maturity of between one month and six months and UZS4,403,325 million, or 7.6 per cent., had a maturity of between one day and one month.

Of the Bank's net loan portfolio as at 31 December 2022, UZS28,741,357 million, or 59.4 per cent., had a maturity of more than one year, UZS6,856,191 million, or 14.2 per cent., had a maturity profile of between six months and one year, UZS9,559,364 million, or 19.7 per cent., had a maturity of between one month and six months and UZS3,263,577 million, or 6.7 per cent., had a maturity of between one day and one month.

See "Risk Management – Liquidity Risk".

NPLs

Non-performing loans, or NPLs, represent loans with payments of principal and/or interest overdue by more than 90 days. The level of the Bank's NPLs as a percentage of total loans and advances to customers including finance lease receivables, gross was 4.3 per cent., 3.4 per cent., 2.3 per cent. and 5.2 per cent. as at 30 June 2025, 31 December 2024, 2023 and 2022, respectively. The increase in the share of NPLs in 2024 and the first six months of 2025 was due to delays in projects financed during 2018-2020, as the COVID-19 pandemic

disrupted planned timelines and grace periods expired before operations commenced. Subsequent geopolitical disruptions, supply chain adjustments and rising interest rates further constrained repayment capacity.

Stage 3 loans in the Bank's corporate, state and municipal and retail loan portfolios accounted for 7.6 per cent., 0.1 per cent. and 5.7 per cent., respectively, of gross corporate and retail loan portfolios as at 30 June 2025.

Allowance for expected credit losses

As at 30 June 2025, the Bank's allowance for expected credit losses was UZS4,123,232 million, a 25.1 per cent. increase as compared to UZS3,296,189 million as at 31 December 2024, primarily due to increase in total loans and advances to customers including finance lease receivables, gross. The Bank's allowance for expected credit losses as at 31 December 2023 was UZS2,399,537 million, representing a decrease of 16.6 per cent. as compared to 31 December 2022. The Bank's management believes that the level of allowance for expected credit loss as at 30 June 2025 covers all significant overdue loans. The Bank's allowance for expected credit loss is classified by three stages. See Note 9 to the Interim Financial Statements, Note 10 to the 2024 Financial Statements and Note 9 to the 2023-2021 Financial Statements.

Total Liabilities

General

The following table sets forth the principal components of the Bank's total liabilities as at the dates set forth below.

	As at 30 June	As at 31 December		
	2025	2024	2023	2022 (restated)
	<i>million soums</i>			
	(unaudited)		(audited)	
Due to other banks.....	4,565,316	2,819,710	5,818,951	3,895,719
Customer accounts.....	27,433,503	21,103,701	14,328,682	15,328,819
Debt securities in issue.....	9,591,679	9,055,263	4,970,366	3,361,256
Other borrowed funds.....	40,619,911	39,833,147	37,633,735	32,241,760
Derivative financial liabilities.....	8,346	122,982	—	115,533
Insurance contract liabilities.....	259,870	269,909	157,745	94,171
Other liabilities.....	298,305	258,488	247,059	240,326
Subordinated debt.....	1,968,059	1,984,144	1,696,854	330,560
Total liabilities.....	84,744,989	75,447,344	64,853,392	55,608,144

As at 30 June 2025, the Bank had total liabilities of UZS84,744,989 million as compared to UZS75,447,344 million as at 31 December 2024, UZS64,853,392 million as at 31 December 2023 and UZS55,608,144 million as at 31 December 2022.

The increase in total liabilities by UZS9,297,645 million, or 12.3 per cent., as at 30 June 2025 as compared to 31 December 2024, was mainly due to higher amounts owed to other banks and an increase in customer accounts.

As at 31 December 2024, the Bank had total liabilities of UZS75,447,344 million, an increase of UZS10,593,952 million, or 16.3 per cent., from UZS64,853,392 million as at 31 December 2023. This increase was primarily due to the increase in customer accounts, other borrowed funds and debt securities in issue, which was partly offset by a decrease in due to other banks. Customer accounts increased by UZS6,775,019 million, or 47.3 per cent., mainly as a result of growth in customer accounts of state and public organisations, which increased by UZS3,509,387 million, or 59.4 per cent. as at 31 December 2024 as compared to 31 December 2023. Other borrowed funds increased by UZS2,199,412 million, or 5.8 per cent., as at 31 December 2024 as compared to 31 December 2023 as a result of new originations from international and local financial institutions. Debt securities in issue as at 31 December 2024 increased by UZS4,084,897 million, or 82.2 per cent., as compared to 31 December 2023 due to the issuance of sustainability bond by the Bank. Due to other banks decreased by UZS2,999,241 million, or 51.5 per cent., as at 31 December 2024 as compared to 31 December 2023, driven by a decrease in long-term placements of other banks.

As at 31 December 2023, the Bank had total liabilities of UZS64,853,392 million, an increase of UZS9,245,248 million, or 16.6 per cent., from UZS55,608,144 million as at 31 December 2022. This increase was primarily due to the increase in other borrowed funds and liabilities due to other banks, as well as increase

in debt securities in issue and subordinated debt. Other borrowed funds as at 31 December 2023 increased by UZS5,391,975 million, or 16.7 per cent., as compared to 31 December 2022 as a result of new originations from international financial institutions, in particular Cargill Financial Services International Inc. and JPMorgan Chase. Liabilities due to other banks as at 31 December 2023 increased by UZS1,923,232 million, or 49.4 per cent., as compared to 31 December 2022 due to a 42.9 per cent. increase in short-term placements of other banks and execution of the CBU repo agreement in 2023. Debt securities in issue as at 31 December 2023 increased by UZS1,609,110 million, or 47.9 per cent., as compared to 31 December 2022 due to the issuance in August 2023 of the U.S.\$100 million Eurobond (LSE private) with a five-year maturity. Subordinated debt liabilities as at 31 December 2023 significantly increased by UZS1,366,294 million, or 413.3 per cent., as compared to 31 December 2022 due to the new subordinated loans from the Ministry of Economy and Finance and from the IFC. See "*Funding*" for further information on the Bank's subordinated debt. The overall increase in the total liabilities was slightly offset by a decrease in customer accounts as at 31 December 2023 by UZS1,000,137 million, or 6.5 per cent., as compared to 31 December 2022 due to a 20.8 per cent. decrease in customer accounts of state and public organisations as a result of the repayment of a loan by one of the major customers of the Bank using funds from the customer account.

Reportable Segment Liabilities

The following table sets forth the Bank's reportable segment liabilities as at the dates set forth below.

	As at 30 June			As at 31 December								
	2025			2024			2023			2022		
	Corporate	Individuals	Total	Corporate	Individuals	Total	Corporate	Individuals	Total	Corporate	Individuals	Total
	(unaudited)			million soums			(audited)					
Due to other banks.....	4,565,316	—	4,565,316	2,819,710	—	2,819,710	5,818,951	—	5,818,951	3,895,719	—	3,895,719
Customer accounts.....	19,404,257	8,029,246	27,433,503	13,837,273	7,266,428	21,103,701	9,825,132	4,503,550	14,328,682	11,097,447	4,231,372	15,328,819
Other borrowed funds...	40,609,407	10,504	40,619,911	39,832,456	691	39,833,147	37,628,622	5,113	37,633,735	32,232,397	9,363	32,241,760
Debt securities in issue .	9,591,679	—	9,591,679	9,055,263	—	9,055,263	4,970,366	—	4,970,366	3,361,256	—	3,361,256
Total reportable segment liabilities.....	74,170,659	8,039,750	82,210,409	65,544,702	7,267,119	72,811,821	58,243,071	4,508,663	62,751,734	50,586,819	4,240,735	54,827,554

Total Equity

As at 30 June 2025, the Bank had total equity of UZS10,022,532 million, an increase of UZS669,708 million, or 7.2 per cent., from UZS9,352,824 million as at 31 December 2024. This increase was mainly attributable to an increase in retained earnings reflecting the recorded profit for the period.

As at 31 December 2024, the Bank had a total equity of UZS9,352,824 million, an increase of UZS912,893 million, or 10.8 per cent., from UZS8,439,931 million as at 31 December 2023. This increase was mainly attributable to increases in retained earnings reflecting the recorded profit for the period.

As at 31 December 2023, the Bank had a total equity of UZS8,439,931 million, an increase of UZS858,775 million, or 11.3 per cent., from UZS7,581,156 million as at 31 December 2022. This increase was mainly attributable to an increase in retained earnings reflecting the recorded profit for the period.

Liquidity and Capital Resources

The Bank's principal sources of liquidity are customer accounts, other borrowed funds (which include borrowings from international and domestic financial organisations), inter-bank deposit agreements, outstanding debt securities, proceeds from sale of securities, principal repayments on loans, interest income and fees and commissions income.

Funding

The Bank's funding base relies primarily on other borrowed funds (funds raised from the IFIs, funds received from the state funds (including Agriculture Support Fund and UFRD), funds raised on the interbank market in Uzbekistan), followed by the customer accounts. See "*Financial Position – Total Liabilities*". As at 30 June 2025, funding from international financial organisations comprised UZS35,452,120 million and 42.1 per cent. of the Bank's funding mix, as compared to UZS34,342,149 million as at 31 December 2024. Other sources of funding include amounts due to other banks (long-term and short-term placements and correspondence accounts), the Bank's issues of Eurobonds and subordinated debt under subordinated loan agreements with the UFRD, Ministry of Economy and Finance and the IFC. The Bank's funding strategy is to continue developing a diversified funding base in order to achieve an optimum balance between its own capital, domestic and international borrowings to cover the growing needs of the Bank's business, both in terms of currency and maturity.

The following table sets out the Bank's sources of funding as at the dates indicated:

	As at 30 June				As at 31 December			
	2025		2024		2023		2022	
	million soums	% of total	million soums	% of total	million soums	% of total	million soums	% of total
	(unaudited)				(audited)			
Due to other banks								
Short term placements of other banks	1,764,929	2.1	902,459	1.2	2,500,576	3.9	1,750,362	3.2
Long term placements of other banks	1,451,388	1.7	585,143	0.8	1,778,393	2.8	1,617,476	2.9
Payable to the other banks under repo agreement.....	—	—	505,758	0.7	—	—	—	—
Payable to the CBU under repo agreement	—	—	—	—	816,807	1.3	—	—
Correspondent accounts and overnight placements of other banks	1,348,999	1.6	826,350	1.1	723,175	1.1	527,881	1.0
Total.....	4,565,316	5.4	2,819,710	3.8	5,818,951	9.1	3,895,719	7.1
Customer accounts								
Total.....	27,433,503	32.6	21,103,701	28.2	14,328,682	22.2	15,328,819	27.8
Other borrowed funds								
Total.....	40,619,911	48.3	39,833,147	53.3	37,633,735	58.4	32,241,760	58.4
Debt securities in issue								
Eurobonds (LSE public).....	—	—	—	—	3,706,295	5.7	3,361,256	6.1
Eurobonds (LSE private).....	1,297,549	1.5	1,323,889	1.7	1,264,071	2.0	—	—
Eurobonds (Public, USD).....	5,180,601	6.2	5,285,720	7.1	—	—	—	—
Eurobonds (Public, UZS).....	2,443,687	2.9	2,445,654	3.3	—	—	—	—
Eurobonds (Private, UZS).....	669,842	0.8	—	—	—	—	—	—
Total.....	9,591,679	11.4	9,055,263	12.1	4,970,366	7.7	3,361,256	6.1
Subordinated debt.....	1,968,059	2.3	1,984,144	2.6	1,696,854	2.6	330,560	0.6
Total funding.....	84,178,468	100.0%	74,795,965	100.0%	64,448,588	100.0%	55,158,114	100.0%

Other borrowed funds

The Group's other borrowed funds primary consist of bank loans from international and Uzbek financial institutions.

The following table sets forth the Bank's outstanding balances and maturity under existing material credit facilities attracted from IFIs as at 30 June 2025:

	Outstanding amount (million soums)	Maturity
China EXIMBANK	4,183,006	2037
Cargill Financial Services International Inc	3,776,697	2027
Landesbank Baden-Wuerttemberg	2,601,448	2032
DEUTSCHE BANK AG	2,432,413	2027
International Bank of Reconstruction and Development	2,093,135	2043
Commerzbank AG	1,470,515	2042
Citibank N.A. ADGM	1,333,662	2025
Helaba (Landesbank Hessen-Thurigen)	1,329,338	2030
ICBC (London) plc	1,328,141	2027
J.P Morgan Chase	1,247,903	2025
Asian Development Bank	1,217,473	2037
ODDO BHF	1,035,905	2029
International Finance Corporation	974,223	2029
European Bank for reconstruction and Development	926,002	2027
OPEC Fund for International Development	795,480	2027
Banca Popolare di Sondrio	689,594	2025
MFT XXI LLC	660,187	2025
FIRST ABU DHABI BANK PJSC	657,427	2026
AL AHLI BANK OF KUWAIT	570,818	2026
CREDIT SUISSE	533,040	2033
International Development Association World Bank	531,580	2028
Korea EXIMBANK	505,502	2025
DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK	444,993	2025
Japan International Cooperation Agency(JICA)	405,998	2044
European Investment Bank	385,948	2038
Uni credit	370,628	2025
Fimbank	341,958	2028
Emirates NBD BANK	319,598	2027
AJMAN BANK PJSC	315,432	2025
Raiffeisen Bank International AG	309,568	2027
Mashreqbank PJSC	296,361	2027
DZ BANK HONG KONG BRANCH	276,322	2028
China Development Bank	238,081	2027
Agency Francaise De Development	167,271	2032
Korea Development Bank	132,507	2026
ABU DHABI COMMERCIAL BANK	129,888	2026
SAMURAI ASSER FINANCE CO „LTD	123,164	2029

ATLANTIC FORFAITIERUNGS AG	66,697	2029
AKA Ausfuhrkredit-Gesellschaft mbH	66,120	2029
BANQUE DE COMMERCE ET DE PLACEMENTS	66,025	2029
Türk EXIMBANK	39,732	2025
FORTEBANK	38,124	2026
KfW IPEX-BANK	13,046	2025
The Export-Import Bank of the Republic of China	9,676	2030
International Fund for Agricultural Development	1,494	2025

As at 30 June 2025, the Bank was in breach of the Total Overdue Loans to Loan Portfolio Ratio covenant under a borrowing agreement with MFT XXI LLC. This breach is covered by the formal waiver obtained on 17 April 2025, which applies until 31 December 2025 and which removed any legal event of default. For reporting purposes, the Bank's management classified the corresponding amount of UZS660 billion as repayable on 31 December 2025.

As at 31 December 2024, the Group was in compliance with all financial covenants under its borrowing arrangements except for (i) the Total Overdue Loans to Loan Portfolio Ratio set by MFT XXI, a Russian lender that is not affiliated with any sanctioned entity; and (ii) the Single Currency Foreign Exchange Risk Ratio set by IFC and ADB. The Group communicated the breaches to the relevant lenders and obtained a waiver from MFT XXI on 28 June 2024 covering the remainder of 2024, and a subsequent waiver on 17 April 2025, which released the Group from compliance with the covenant until 31 December 2025. In addition, IFC and ADB granted waivers in May 2025, after the reporting date. As at 31 December 2024, the breach of the financial covenant relating to the Single Currency Foreign Exchange Risk Ratio had triggered cross-default clauses in several related contracts, entitling the lenders to request early repayment. However, none of the lenders exercised this right, and all such lenders granted waivers after the reporting date. Further details are provided in Note 36 to the 2024 Financial Statements.

Convertible Loan Agreements

In September 2021, the Bank signed a U.S.\$75 million loan agreement with IFC to fund the Bank's lending operations with a focus on SMEs and climate impact projects. The agreement contains certain financial covenants with respect to the Bank's exposure to certain clients/groups of clients and compliance with financial ratios, as well as restrictions with respect to additional secured indebtedness and prepayment of long-term debt. The agreement also requires the Privatisation to occur by 31 December 2025, failing which a mandatory prepayment event will be triggered. See "*Risk Factors — Risks Related to the Bank's Business and Industry — Future privatisation of the Bank may adversely affect its business, financial condition and prospects*" and "*Risk Factors — Risks Related to the Bank's Business and Industry — Failure to privatise the Bank may require the Bank to obtain additional refinancing and may adversely affect its business, financial condition and prospects.*" In addition, IFC has the right to set-off all or part of the principal amount of the loan in exchange for the newly issued ordinary shares in the Bank at the agreed conversion price per share (the "**Conversion Option**"). The Conversion Option is exercisable at any time in lender's sole discretion during the period from the date of the first disbursement until the full repayment of the loan.

In July 2022, the Bank signed a U.S.\$50 million loan agreement with EBRD to fund the Bank's lending operations with a focus on SMEs and green investments, including energy efficiency or renewable energy projects. The agreement contains certain financial covenants and restrictions on the prepayment of the Bank's subordinated debt. The agreement also requires the Privatisation to occur by 31 December 2025, failing which mandatory prepayment event will be triggered. In addition, the EBRD has the Conversion Option on terms similar to the Conversion Option described with respect to the IFC loan agreement above.

In November 2023, the Bank signed a U.S.\$50 million facility agreement with ADB to fund the Bank's lending operations with a focus on SMEs, including those owned or led by women. The agreement contains certain financial covenants and restrictions with respect to additional indebtedness and early repayment of the Bank's long-term debt. The agreement also requires the Privatisation to occur by 31 December 2025, failing which a mandatory prepayment event will be triggered. In addition, the ADB has the Conversion Option on terms similar to the Conversion Option described with respect to the IFC and EBRD loan agreements above.

Based on the Bank's estimates, if each of the IFC, EBRD and ADB exercises their Conversion Option in full, the Bank will be required to issue additional ordinary shares, representing approximately 25.0-30.0 per cent. of the Bank's increased share capital.

Debt securities in issue

The following table sets forth the Bank's debt securities in issue as at the dates indicated:

	As at 30 June	As at 31 December		
	2025	2024	2023	2022
	<i>million soums</i>			
	(unaudited)		(audited)	
Eurobonds (LSE public – maturity 2019-2024) ⁽¹⁾	—	—	3,706,295	3,361,256
Eurobonds (LSE private – maturity 2023-2028) ⁽²⁾	1,297,549	1,323,889	1,264,071	—
Eurobonds (Public, USD – maturity 2024-2029) ⁽³⁾	5,180,601	5,285,720	—	—
Eurobonds (Public, UZS – maturity 2024-2027) ⁽³⁾	2,443,687	2,445,654	—	—
Eurobonds (Private, UZS – maturity 2025-2028) ⁽⁴⁾	669,842	—	—	—
Total debt securities issued	9,591,679	9,055,263	4,970,366	3,361,256

Notes

- (1) In 2024, the Bank repaid Eurobonds listed on the London Stock Exchange with nominal value of U.S.\$300 million with a nominal interest of 5.75 per cent. per annum.
- (2) In August 2023, the Bank issued Eurobonds with nominal value of U.S.\$100 million and a nominal interest of 9.43 per cent. per annum with a five-year maturity.
- (3) On 22 July 2024, the Bank issued Sustainability Bond with total value of the issuance of U.S.\$400 million (with a discount of U.S.\$4.72 million applied to the issuance) and UZS2,250,000 million.
- (4) On 25 April 2025, the Bank issued a private bond with nominal value of UZS649.7 billion with a nominal interest of 19.95 per cent. per annum.

As at 31 December 2024, the Bank breached a single currency foreign exchange risk ratio contained in privately placed notes issued by the Bank to IFC and other holders. The Bank has taken steps to rectify the breach by obtaining a waiver from IFC and other lenders in May 2025 which covered the period of the breach.

Subordinated debt

The following table sets forth the Bank's subordinated debt as at the dates indicated:

	As at 30 June	As at 31 December		
	2025	2024	2023	2022
	<i>million soums</i>			
	(unaudited)		(audited)	
UFRD (UZS).....	100,924	99,525	100,626	101,989
UFRD (U.S.\$).....	260,759	265,670	252,439	228,571
Ministry of Economy and Finance.....	1,094,970	1,095,212	1,094,894	—
IFC.....	511,406	523,737	248,895	—
Total subordinated debt	1,968,059	1,984,144	1,696,854	330,560

The Bank's subordinated loans from the UFRD includes a UZS100,000 million loan received on 9 April 2021, carrying an interest rate of 10.3 per cent. and maturing on 15 April 2041, and a U.S.\$20,381 million loan received on 18 August 2021, carrying an interest rate of 5.7 per cent. and maturing on 16 July 2027. Subordinated loan from the Ministry of Economy and Finance comprises a UZS1,094,894 million loan received on 20 September 2023, carrying an interest rate of 5.0 per cent. and maturing on 29 September 2042. Subordinated loans from IFC amount to U.S.\$40 million received on 18 October 2023, carrying an interest rate of 6M SOFR+6.4 per cent. and maturing on 15 September 2029.

The increase in subordinated loans from IFC as at 31 December 2024 as compared to 31 December 2023 was due to the drawdown by the Bank of U.S.\$20 million under the existing subordinated loan agreement with IFC dated 23 July 2023.

Contingencies and Commitments

The Bank enters into certain financial instruments with off-balance sheet risk in the ordinary course of business to meet its clients' needs. These instruments, which include guarantees and letters of credit and other contingent liabilities, involve varying degrees of credit risk and are not reflected in the consolidated statement of financial position. The Bank uses similar credit approval policies in undertaking off-balance sheet credit related commitments as it does for its on-balance sheet operations. See "Risk Management – Credit Risk".

The following table sets forth the Bank's credit-related commitments as at the dates indicated:

	As at 30 June	As at 31 December		
	2025	2024	2023	2022
	<i>million soums</i>			
	(unaudited)		(audited)	
Guarantees issued	2,503,637	2,151,989	1,457,703	1,933,385
Letters of credit, non post-financing.....	1,373,424	1,673,453	2,065,635	682,811
Letters of credit, post-financing with commencement after reporting period end.....	125,060	693,466	863,518	1,050,576
Undrawn credit lines	1,409,900	2,222,715	834,515	392,791
Total gross credit related commitments	5,412,021	6,741,623	5,221,371	4,059,563

As at 30 June 2025, 31 December 2024, 2023 and 2022, the Group had contractual capital commitments for the total amount of UZS205,594 million, UZS230,262 million, UZS160,258 million and UZS315,253 million, respectively, in respect of premises and equipment.

For additional information on the Bank's commitments and contingencies, such as legal proceedings and tax legislation, see Note 32 to the 2024 Financial Statements, Note 31 to the 2023-2021 Financial Statements and Note 24 to the Interim Financial Statements.

Capital Management

The Bank manages its regulatory capital in order to comply with the capital requirements set by the CBU and to safeguard its ability to continue operations. Compliance with capital adequacy ratios is monitored on a monthly basis.

Regulatory capital requirements in Uzbekistan are set by the CBU and are applied to the Bank on a stand-alone basis. Under the CBU Regulation "On requirements to the capital adequacy of commercial banks" No. 2693 dated 6 July 2015 (as amended) (the "**Capital Adequacy Regulation**") the Bank is required to maintain a minimum Total Regulatory Capital Adequacy Ratio of 13.0 per cent. and a minimum Tier 1 Capital Adequacy Ratio of 10.0 per cent., both computed based on the Bank's stand-alone financial statements prepared under UAL and in accordance with CBU regulations and pronouncements. In 2021, the CBU introduced a new capital adequacy requirement – the Core Tier 1 Capital Adequacy Ratio (a ratio of core tier 1 capital to risk-weighted assets (CET 1)), with a minimum requirement of 8.0 per cent. The Capital Adequacy Regulation is largely based on and follows Basel III methodology; however, capital estimates may differ due to the difference in the underlying accounting standards. Such differences mainly arise out of estimation and classification methodology applied to risk-weighted assets. Basel III standards for risk-weighted assets calculation require total assets under IFRS to be weighted by their risk profile using either external rating agency rating utilisation or an internal rating model. On the other hand, CBU standards for risk-weighted assets calculation as set out in the Capital Adequacy Regulation require total assets to be calculated under UAL and weighted in accordance with CBU-developed assets type criteria, taking into account credit, market and operational risk coefficients. The Bank only uses CBU standards for calculation of risk-weighted assets as at the date of this Offering Memorandum as many of its clients have not been assigned a rating by external rating agencies, and the Bank's internal comprehensive rating model is in development and has not yet been implemented.

The following table sets forth the capital components information prepared under UAL and related instructions:

	As at 30 June	As at 31 December		
	2025	2024	2023	2022
		<i>million soums</i>		
Share capital	4,621,912	4,621,912	4,621,912	4,627,484
Share premium	0	0	0	0
Preference shares	0	0	0	0
Retained earnings	5,356,284	4,079,440	3,173,130	2,588,641
Disclosed bank reserves	7,726	7,726	7,726	7,726
Intangible assets ⁽¹⁾	(19,117)	(21,378)	(4,347)	(10,829)
Investments in subsidiaries ⁽¹⁾	0	(101,020)	(68,512)	(238,896)
Tier 1 capital (adjusted)	9,966,805	8,586,680	7,729,909	6,974,126
Subordinated debt	1,918,739	2,053,007	2,003,122	732,370
Current year profit/(loss)	808,560	1,303,172	911,684	588,937
Undisclosed bank reserves	678,534	640,100	630,122	546,366
Revaluation reserves	4,856	5,938	6,259	6,900
Tier 2 capital	3,410,689	4,002,217	3,551,187	1,874,573
Total regulatory capital	13,377,494	12,588,897	11,281,096	8,848,699
Total balance sheet and off balance sheet risk-weighted assets	80,657,420	75,115,179	65,527,817	53,917,632
Operational risk	6,895,542	5,114,329	4,368,147	3,508,651
Market risk	436,775	556,748	138,466	225,136
Risk-Weighted Assets⁽²⁾	87,989,737	80,786,256	70,034,430	57,651,419
Tier 1 Capital Adequacy Ratio⁽³⁾	11.3%	10.6%	11.0%	12.1%
Total Regulatory Capital Adequacy Ratio⁽⁴⁾	15.2%	15.6%	16.1%	15.3%
Core Tier 1 Capital Adequacy Ratio⁽⁵⁾	11.3%	10.6%	11.0%	12.1%

Notes:

- (1) Under CBU standards, intangible assets and investments in subsidiaries are excluded from the Tier 1 capital of the banks.
- (2) Risk-Weighted Assets are calculated as the assets weighted with credit risk, market risk and operational risk coefficients.
- (3) Tier 1 Capital Adequacy Ratio is calculated as a ratio of a bank's Tier 1 capital to Risk Weighted Assets. As at 30 June 2025 and as at 31 December 2024, 2023 and 2022, Tier 1 Capital Adequacy Ratio were set at a minimum level of 10.0 per cent. by the CBU and as a minimum level of 6.0 per cent. under Basel III.
- (4) Total Regulatory Capital Adequacy Ratio is calculated as a ratio of sum of a bank's Tier 1 capital and Tier 2 capital to Risk Weighted Assets. As at 30 June 2025 and as at 31 December 2024, 2023 and 2022, Total Regulatory Capital Adequacy Ratio was set at a minimum level of 13.0 per cent. by the CBU and as a minimum level of 10.5 per cent. under Basel III.
- (5) Core Tier 1 Capital Adequacy Ratio is calculated as a ratio of Core Tier 1 capital (CET1) to risk-weighted assets. CET1 represents the most loss-absorbing form of capital. As at 30 June 2025 and as at 31 December 2024, Core Tier 1 Capital Adequacy Ratio was set at a minimum level of 8.0 per cent. by the CBU.

Furthermore, the Bank reports Leverage Ratio, which is the ratio of a bank's Tier 1 capital to total assets less intangible assets and should exceed 6.0 per cent. The Bank's Leverage Ratio was 9.1 per cent. as at 31 December 2024 and 9.8 per cent. as at 30 June 2025.

For a detailed description of the capital and regulatory ratios which apply to the Bank, see "*Banking Sector and Banking Regulation in the Republic of Uzbekistan – Mandatory Ratios*".

Significant Accounting Policies and New Accounting Standards

A detailed description of the Bank's significant accounting policies is set forth in Note 3 to the 2024 Financial Statements and Note 3 to the 2023-2021 Financial Statements.

A list of new and revised accounting standards that became effective is set forth in Note 4 to the Interim Financial Statements, Note 5 to the 2024 Financial Statements and Note 5 to the 2023-2021 Financial Statements. The application of the new and revised accounting standards had no significant impact on the Bank's consolidated financial statements except for IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023), including amendments (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023). The Bank has adopted IFRS 17 by applying the modified retrospective approach to all its portfolio of insurance contracts. See "*Presentation of Financial Information — Restatement of Prior Year Figures*". In addition, the Bank has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective. For the list of such standards, please see Note 4 to the Interim Financial Statements, Note 5 to the 2024 Financial Statements and Note 5 to the 2023-2021 Financial Statements.

Critical Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of consolidated financial statements under IFRS requires the Bank's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgments made regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on the management's best knowledge of current events and actions, actual results ultimately may differ from these estimates. For the list of such estimates and judgments, please see Note 4 to the 2024 Financial Statements, Note 4 to the 2023-2021 Financial Statements and Note 5 to the Interim Financial Statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

SELECTED STATISTICAL AND OTHER INFORMATION

The following tables present certain of the Bank's selected statistical information for the periods indicated. The statistical information and discussion and analysis presented below is presented solely for the convenience of the reader for analytical purposes and should be read in conjunction with the Financial Statements contained elsewhere in this Offering Memorandum, as well as "*Presentation of Financial Information*" and "*Financial Review*". The statistical information presented below is derived from data extracted from the Financial Statements and the Group's financial reporting and management information systems.

In this section, the average is calculated on the basis of an arithmetical average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period. The presentation of historical averages in this section on a daily or monthly basis involve unreasonable effort and expense. The Bank does not believe that quarterly averages present trends materially different from those that would be presented by daily or monthly averages.

Distribution of Assets, Liabilities and Equity

The return (or yield) was calculated by the amount of interest income or expense in the period divided by the average balance. The following tables show average balances, interest amounts and yields for the Bank's interest-earning assets, non-interest-earning assets, interest-bearing liabilities, non-interest-bearing liabilities and equity for the six months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

	Six months ended 30 June					
	2025			2024		
	Average balance ⁽¹⁾	Interest income/ (expense)	Average yield (assets) / rate paid (liabilities) ⁽²⁾	Average balance ⁽¹⁾	Interest income/ (expense)	Average yield (assets) / rate paid (liabilities) ⁽²⁾
<i>million soums, except percentages</i>						
ASSETS						
Interest-earning assets:						
Loans and advances to customers including finance lease receivables..	68,872,610	4,868,245	14.1%	59,645,401	3,849,115	12.9%
Investment securities measured at amortised cost.....	6,000,636	447,600	14.9%	2,281,016	204,923	18.0%
Cash and cash equivalents ⁽³⁾	5,821,257	12,880	0.4%	5,744,098	11,538	0.4%
Due from other banks	1,746,531	181,931	20.8%	1,888,282	178,061	18.9%
Total interest-earning assets	82,441,034	5,510,656	13.4%	69,558,796	4,243,637	12.2%
Total non-interest-earning assets⁽⁴⁾	7,557,841			5,918,968		
Total assets	89,998,875			75,477,764		
LIABILITIES						
Interest-bearing liabilities:						
Due to other banks.....	3,643,054	(161,468)	8.9%	5,821,165	(261,114)	9.0%
Customer accounts ⁽⁵⁾	15,978,460	(1,372,755)	17.2%	9,119,545	(621,255)	13.6%
Debt securities in issue.....	9,148,067	(557,523)	12.2%	5,046,927	(175,228)	6.9%
Other borrowed funds.....	40,730,129	(1,336,212)	6.6%	38,436,844	(1,379,447)	7.2%
Subordinated debt.....	1,974,597	(83,834)	8.5%	1,789,637	(40,609)	4.5%
Total interest-bearing liabilities....	71,474,307	(3,511,792)	9.8%	60,214,118	(2,477,653)	8.2%
Total non-interest-bearing liabilities⁽⁶⁾	8,813,670			6,665,582		
EQUITY	9,710,898			8,598,064		
Equity and non-interest-bearing liabilities	18,524,568			15,263,646		
EQUITY AND LIABILITIES	89,998,875			75,477,764		

Notes:

- (1) Average amounts are based on the average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period.
- (2) Average yield (assets) / rate paid (liabilities) is annualised.
- (3) Excludes cash on hand.
- (4) Includes all assets except interest-earning assets.
- (5) Excludes current/settlement accounts.
- (6) Includes all liabilities except interest-bearing liabilities.

	Year ended 31 December								
	2024			2023			2022		
	Average balance ⁽¹⁾	Interest income/ (expense)	Average yield (assets)/ rate paid (liabilities)	Average balance ⁽¹⁾	Interest income/ (expense)	Average yield (assets)/ rate paid (liabilities)	Average balance ⁽¹⁾	Interest income/ (expense)	Average yield (assets)/ rate paid (liabilities)
	<i>million soums, except percentages</i>								
ASSETS									
Interest-earning assets:									
Loans and advances to customers including finance lease receivables.....	61,961,990	8,121,733	13.1%	53,436,295	6,442,563	1.1%	44,490,398	4,500,849	10.1%
Investment securities measured at amortised cost.....	3,133,764	501,245	16.0%	2,443,419	392,462	16.1%	1,641,943	274,786	16.7%
Cash and cash equivalents ⁽²⁾	5,366,395	18,615	0.3%	4,717,271	11,417	0.2%	6,190,915	4,115	0.1%
Due from other banks.....	1,984,788	399,825	20.1%	1,950,908	375,019	19.2%	2,434,365	274,806	11.3%
Total interest-earning assets.....	72,446,937	9,041,418	12.5%	62,547,893	7,221,461	11.5%	54,757,620	5,054,556	9.2%
Total non-interest-earning assets⁽³⁾.....	6,297,325			5,095,597			3,583,344		
Total assets.....	78,744,262			67,643,489			58,340,965		
LIABILITIES									
Interest-bearing liabilities:									
Other borrowed funds.....	38,769,920	(2,730,238)	7.0%	34,532,474	(2,232,828)	6.5%	30,152,946	(1,532,566)	5.1%
Customer accounts ⁽⁴⁾	10,468,509	(1,471,213)	14.1%	8,337,056	(1,142,451)	13.7%	6,589,828	(787,850)	12.0%
Debt securities in issue.....	6,793,561	(688,396)	10.1%	4,038,360	(259,206)	6.4%	3,385,746	(218,324)	6.4%
Due to other banks.....	4,836,081	(510,246)	10.6%	5,284,055	(396,344)	7.5%	2,996,592	(71,274)	2.4%
Subordinated debt.....	1,864,662	(98,820)	5.3%	827,137	(49,270)	6.0%	285,466	(16,357)	5.7%
Total interest-bearing liabilities.....	62,732,733	(5,498,913)	8.8%	53,019,081	(4,080,099)	7.7%	43,410,578	(2,626,371)	6.1%
Total non-interest-bearing liabilities⁽⁵⁾.....	7,168,656			6,711,675			7,597,532		
EQUITY.....	8,842,873			7,912,733			7,332,855		
Equity and non-interest-bearing liabilities.....	16,011,529			14,624,408			14,930,386		
EQUITY AND LIABILITIES.....	78,744,262			67,643,489			58,340,965		

Notes:

- (1) Average amounts are based on the average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period.
- (2) Excludes cash on hand.
- (3) Includes all assets except interest-earning assets.
- (4) Excludes current/settlement accounts
- (5) Includes all liabilities except interest-bearing liabilities.

Changes in Interest Income and Interest Expenses; Volume and Rate Analysis

The following tables present the variations in the Bank's interest income and expense as a result of the variations in the average volume of interest-earning assets and interest-bearing liabilities and changes in average interest rates occurred for the six months ended 30 June 2025 compared to the six months ended 30 June 2024, for the year ended 31 December 2024 compared to the year ended 31 December 2023, and for the year ended 31 December 2023 compared to the year ended 31 December 2022.

	Six months ended 30 June			Year ended 31 December					
	2024/2025			2023/2024			2022/2023		
	Volume ⁽²⁾	Rate ⁽³⁾	Net change	Volume ⁽²⁾	Rate ⁽³⁾	Net change	Volume ⁽²⁾	Rate ⁽³⁾	Net change
	<i>million soums, except percentages</i>								
ASSETS									
Interest-earning assets: ⁽¹⁾									
Loans and advances to customers including finance lease receivables.....	595,462	423,666	1,019,130	1,027,903	651,268	1,679,170	905,007	1,036,707	1,941,714
Investment securities measured at amortised cost.....	334,166	(91,489)	242,677	110,883	(2,100)	108,783	134,130	(16,454)	117,676
Cash and cash equivalents.....	155	1,188	1,342	1,571	5,627	7,198	(980)	8,282	7,302
Due from other banks.....	(13,367)	17,237	3,870	6,513	18,293	24,806	(54,576)	154,789	100,213
Total interest-earning assets.....	916,416	350,603	1,267,019	1,146,870	673,088	1,819,957	983,583	1,183,322	2,166,905
LIABILITIES									
Interest-bearing liabilities:⁽¹⁾									
Other borrowed funds.....	(82,303)	125,538	43,235	(273,988)	(223,422)	(497,410)	(222,596)	(477,666)	(700,262)
Customer accounts.....	(467,253)	(284,247)	(751,500)	(292,079)	(36,683)	(328,762)	(208,891)	(145,710)	(354,601)
Debt securities in issue.....	(142,390)	(239,905)	(382,295)	(176,845)	(252,344)	(429,190)	(42,083)	1,201	(40,882)
Due to other banks.....	97,701	1,944	99,646	33,601	(147,504)	(113,902)	(54,407)	(270,663)	(325,070)
Subordinated debt.....	(4,197)	(39,027)	(43,225)	(61,802)	12,252	(49,550)	(31,037)	(1,876)	(32,913)
Total interest-bearing liabilities.....	(598,442)	(435,696)	(1,034,139)	(771,113)	(647,701)	(1,418,814)	(559,014)	(894,714)	(1,453,728)

Note:

- (1) Average amounts are based on the average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period.
- (2) Volume for the period is the difference between average balance for the relevant period and average balance for the previous period multiplied by average yield (assets)/ rate paid (liabilities) for the relevant period.
- (3) Rate for the period is the difference between average yield (assets)/ rate paid (liabilities) for the relevant period and average yield (assets)/ rate paid (liabilities) for the previous period multiplied by average balance for the relevant period.

Interest-earning Assets—Margin

The following table presents the levels of average interest-earning assets and illustrates the comparative gross and net yields obtained for the indicated periods.

	As at or for the six months ended 30 June	As at or for the year ended 31 December		
	2025	2024	2023	2022
	<i>million soums, except percentages</i>			
Average interest-earning assets ⁽¹⁾	82,441,034	72,446,937	62,547,893	54,757,620
Average yield on interest-earning assets ⁽²⁾⁽³⁾	13%	12%	12%	9%
Net interest income ⁽⁴⁾	1,998,864	3,542,505	3,141,362	2,428,185
Net interest margin ^{(3) (5)}	4.8%	4.9%	5.0%	4.4%

Notes:

- (1) The average interest-earning assets is based on the average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period.
- (2) Average yield on interest-earning assets is interest income divided by average interest-earning assets.
- (3) Average yield on interest-earning assets and net interest margin are annualised for the six months ended 30 June 2025.
- (4) Net interest income is net margin on interest and similar income.
- (5) Net interest margin is calculated as net margin on interest and similar income divided by average interest-earning assets. For the six months ended 30 June 2025, net interest margin formula is annualised (multiplied by 2).

Maturity Composition of Investment in Securities Not Carried at Fair Value through Earnings

The following table presents the Bank's weighted average yield of each category of debt securities not carried at fair value through earnings as at 30 June 2025.

Investment securities measured at amortised cost ⁽¹⁾	Maturing					No specific maturity
	As at 30 June 2025	In one year or less	After one year through five years	After five years through 10 years	After 10 years	
	<i>million soums</i>					
Government Bonds	7,040,845	1,525,256	4,852,159	663,430	-	-
Corporate bonds	496,150	20,895	475,255	-	-	-
Government Bonds (Total weighted average yield).....		17%	16%	8%	-	-
Government Bonds (Total weighted average yield).....		11%	10%	0%	-	-

Note:

- (1) Yields have been calculated using the internal rate of return (IRR) as at 30 June 2025.

Maturity and Composition of Loan Portfolio

The following table presents the Bank's loans and advances to customers including finance lease receivables portfolio by the time remaining to maturity. Loans are stated after deduction of allowance for losses.

	As at 30 June 2025	In one year or less	Maturing		
			After one year through five years	After five years through 15 years	After 15 years
			<i>million soums</i>		
Corporate loans	46,534,095	19,630,457	21,321,858	5,581,780	-
State and municipal organisations	13,600,433	7,421,417	3,598,396	2,580,620	-
Loans to individuals	9,926,143	1,908,973	3,547,877	4,469,293	-
Total loans and advances to customers including finance lease receivables.....	70,060,671	28,960,847	28,468,131	12,631,693	-

The following table presents loans and advances to customers by category as at 30 June 2025 that are due after one year.

	Maturing		
	From 1 to 3 years	From 3 to 5 years	Over 5 years
	<i>million soums</i>		
Corporate loans	13,240,995	8,080,863	5,581,780
<i>Floating rate.....</i>	5,667,743	3,445,143	2,192,951
<i>Fixed rate.....</i>	7,573,252	4,635,720	3,388,829
State and municipal organisations	2,068,717	1,479,159	2,580,620
<i>Floating rate.....</i>	22,356	18,096	5,806
<i>Fixed rate.....</i>	2,046,361	1,461,063	2,574,814
Loans to individuals	2,119,236	1,479,159	2,580,620
<i>Floating rate.....</i>	205	214	490
<i>Fixed rate.....</i>	2,119,031	1,478,946	2,580,130
Total loans and advances to customers, gross	17,428,949	11,039,181	10,743,019

Summary of Loan Loss Experience

Allocation of Provision for Impairment Losses

The following table presents impairment losses and sets forth the percentage distribution of the total provisions as at 30 June 2025 and as at 31 December 2024, 2023 and 2022. For a discussion of accounting standards related to loss allowances on financial assets, see Note 3 to the Annual Financial Statements included elsewhere in this Offering Memorandum.

	As at 30 June		As at 31 December					
	2025		2024		2023		2022	
	Amount	% of total loss allowance	Amount	% of total loss allowance	Amount	% of total loss allowance	Amount	% of total loss allowance
					<i>million soums, except percentages</i>			
Total loan portfolio	74,183,903		69,772,021		60,407,775		51,298,388	
Total loss allowance	(4,123,232)	5.6%	(3,296,189)	4.7%	(2,399,537)	4.0%	(2,877,899)	5.6%
Total loan portfolio, net of loss allowance	70,060,671		66,475,832		58,008,238		48,420,489	

The change in the Bank's ratio of allowance for credit losses to total loan portfolio as at 30 June 2025 compared to as at 31 December 2024 was due to a significant increase in corporate loans over 90 days past due, which rose by 68 per cent., reflecting a deterioration in the credit quality of certain borrowers.

The change in the Bank's ratio of allowance for credit losses to total loan portfolio as at 31 December 2024 compared to as at 31 December 2023 was due to more than doubled in total overdue loans, reflecting a broad-based deterioration in loan portfolio quality.

The change in the Bank's ratio of allowance for credit losses to total loan portfolio as at 31 December 2023 compared to as at 31 December 2022 was due to a 36.0 per cent. increase in the total credit-impaired loans

(Stage 3 based on the Group's three-stage model for impairment) as at 31 December 2022 as a result of a deterioration of the financial position of one of the Bank's significant corporate borrowers.

Allocation of Net Charge-offs

The following table presents net charge-offs as at 30 June 2025 and as at 31 December 2024, 2023 and 2022.

	As at 30 June				As at 31 December			
	2025		2024		2023		2022	
	Average amount ⁽¹⁾	% of total average loans	Average amount ⁽¹⁾	% of total average loans	Average amount ⁽¹⁾	% of total average loans	Average amount ⁽¹⁾	% of total average loans
<i>million soums, except percentages</i>								
Corporate loans.....	47,790,563	65.9%	41,756,326	64.5%	34,235,279	61.3%	28,474,176	60.9%
State and municipal organisations	14,298,123	19.7%	13,938,480	21.5%	14,622,341	26.2%	13,618,439	29.1%
Loans to individuals	10,478,339	14.4%	9,081,913	14.0%	6,991,575	12.5%	4,683,797	10.0%
Total average loans outstanding ..	72,567,025	100.0%	64,776,720	100.0%	55,849,195	100.0%	46,776,412	100.0%
Net charge-offs:								
Corporate loans.....	(2,793,644)	5.8%	(2,232,492)	5.3%	(2,073,978)	6.1%	(2,002,840)	7.0%
State and municipal organisations	(224,033)	1.6%	(262,939)	1.9%	(202,856)	1.4%	(203,252)	1.5%
Loans to individuals.....	(676,737)	6.5%	(319,299)	3.5%	(136,066)	1.9%	(79,922)	1.7%
Total net charge-offs.....	(3,694,414)	5.1%	(2,814,729)	4.3%	(2,412,900)	4.3%	(2,286,014)	4.9%

Note:

- (1) Average amounts are based on the average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period.

The ratio of net charge-offs to total loans and advances to customers was 5.1 per cent., 4.3 per cent., 4.3 per cent. and 4.9 per cent. for the six months ended 30 June 2025 and for the years ended 31 December 2024, 2023 and 2022, respectively, mainly due to a 32.0 per cent. and 98.0 per cent. increase in expected credit losses (ECL) on corporate and individual loans, respectively.

Deposits

Composition of Deposits per Type and Yield

The following table presents, with average balances, the breakdown of deposits by category as at 30 June 2025 and as at 31 December 2024, 2023 and 2022.

	As at 30 June				As at 31 December			
	2025		2024		2023		2022	
	Average balance ⁽¹⁾	Average rate paid	Average balance ⁽¹⁾	Average rate paid	Average balance ⁽¹⁾	Average rate paid	Average balance ⁽¹⁾	Average rate paid
<i>million soums, except percentages</i>								
Term deposits.....	15,978,460	17.2%	10,468,509	14.1%	8,337,056	13.7%	6,589,828	12.0%
Current/settlement accounts								
Interest-bearing.....	-		-		-		-	
Non-interest-bearing	8,210,440		6,635,666		6,239,648		7,214,051	
Total.....	24,188,900		17,104,176		14,576,704		13,803,879	

Note:

- (1) Average amounts are based on the average of the opening balance and the closing balance at the end of each calendar quarter within each applicable period.

The Bank participates in the state deposit insurance scheme, which guarantees repayment of 100.0 per cent. of deposits regardless of the deposit amount in case of the withdrawal of a license of a bank.

BUSINESS

Overview

Established in 1922, the Bank is one of the leading universal banks in the Republic of Uzbekistan. According to the CBU, as at 30 June 2025, the Bank ranked as the second largest commercial bank in Uzbekistan by total assets (11.0 per cent. market share) and the third largest by loan portfolio size (12.0 per cent. market share). The Bank offers a comprehensive range of banking services, including corporate lending, state and municipal organisations lending and retail lending, deposit-taking, cash handling, international money transfers, letters of credit, guarantees, foreign exchange operations and other products, including insurance products and consulting services. The Bank conducts its banking operations from its head office in Tashkent and, as at 30 June 2025, had 79 branches within Uzbekistan.

The Bank has historically operated as a state financing vehicle on the basis of funding provided by state agencies, such as the UFRD and the Ministry of Economy and Finance, for subsidised financing of investment projects in a number of strategic industries, mainly oil and gas & chemicals and energy, and has otherwise in its day-to-day operations relied on funding provided by the Uzbekistan Government in the form of predominantly subsidised loans, deposits, capital injections and state guarantees, as well as funding received as borrowings from the IFIs. Since 2018, as part of the on-going economic reforms in Uzbekistan, the Bank has been undergoing a transitional reform of its banking organisation from being dependent on state control, support and funding to more of a market-orientated commercial structure. Under this transition strategy, the Uzbekistan Government has been gradually decreasing its influence on the business and loan portfolio of the Bank, as well as reducing the state support financing available to the Bank as well as the state guarantees that borrowers of the Bank have benefitted from and which the Bank has received as credit support. Furthermore, as part of the transition the Bank has taken steps to diversify its loan portfolio and client base to increase the share of higher-margin loans attributable to developing sectors of the Uzbekistan's economy, such as manufacturing, agriculture and retail, to give attention to development of small and medium enterprises in the loan and deposit portfolios, as well as to develop further its long-standing relationships with large corporate customers in oil and gas, chemicals and energy sectors on more commercial and market orientated terms. Additionally, the Bank began providing green financing by establishing the "green banking" department and further developing this strategic line of business, providing funding for green projects, introducing green products for corporate and retail customers.

In accordance with the Decree on the Strategy for Reforming the Banking System, the Bank is expected to be privatised through a sale of the Government's stake. Pursuant to Presidential Decree No. PP-253 dated 31 July 2023, the Government was mandated to reduce its ownership in the Bank's charter capital to below 50.0 per cent. by the end of 2024 through a sale to a strategic investor meeting specified criteria. As at the date of this Offering Memorandum, the Privatisation remains ongoing and has been formally extended until the end of 2025. However, no material progress has been achieved to date, and it is likely that the deadline will be further extended beyond 2025. Although the Bank has received expressions of interest and non-binding offers from several international strategic investors, the proposals submitted thus far have not fully met the Government's expectations as shareholder.

As at 30 June 2025, the Group's total assets comprised UZS94,767,521 million. As at 30 June 2025, total loans and advances to customers including finance lease receivables, gross amounted to UZS74,183,903 million, with gross loans to corporate customers, gross loans to state and municipal organisations and gross loans to individuals accounting for 67.0 per cent., 18.6 per cent. and 14.4 per cent. of total loans and advances to customers including finance lease receivables, gross, respectively. For the six months ended 30 June 2025 and 2024, the Group generated profit of UZS661,683 million and UZS247,268 million, respectively, and UZS1,115,025 million, UZS856,154 million and UZS633,655 million for the years ended 31 December 2024, 2023 and 2022, respectively.

The Bank was incorporated as a joint-stock commercial bank in 1991 and is domiciled in the Republic of Uzbekistan. It is registered in Uzbekistan to carry out banking and foreign exchange activities and has operated under the banking licence No. 17 issued by the CBU on 25 December 2021. Its registered and head office is located at Shaxrisabskaya str. 3, 100000 Tashkent city, Republic of Uzbekistan. The telephone number of the

registered office and the head office of the Bank is +998 (71) 200-43-43. As at the date of this Offering Memorandum, the Bank has the following long-term ratings: BB from Fitch and BB- from S&P.

History

The Bank is one of the oldest financial institutions in the Republic of Uzbekistan. The history of the Bank began in 1922 with the opening of the Central Asian office of Promabank (Industrial Bank) in Tashkent. Ten years later, the Bank was transformed into a specialised bank for long-term investment, responsible for financing capital construction, local industry and foreign trade. The Bank was incorporated in 1991 as a joint-stock commercial bank.

In 2004, the Bank developed its payment system and introduced payroll systems services for corporate customers. The Bank was the first in Uzbekistan to issue and service international payment chip cards VISA Electron and VISA Classic with its own design.

In 2006, the Bank merged with the International Bank of Uzbekistan "Uzprivatbank".

In 2008, according to the decision of the general meeting of shareholders, the legal name of the Bank was changed to Joint-Stock Commercial Bank "Uzbek Industrial and Construction Bank".

The ordinary shares of the Bank have been listed on the Tashkent Stock Exchange since 2003 under the symbol SQBN. As at 1 October 2025, the Bank's free float amounted to 3.2 per cent. of share capital.

In 2019, the Bank became the first Uzbekistan company to issue corporate Eurobonds in the amount of U.S.\$300,000,000 on the London Stock Exchange. The Bank began implementing green financing and ESG principles by establishing the "green banking" department in 2019, and has continued to develop this strategic line of business since then.

In 2020, 2021 and 2022, the Bank was named Uzbekistan's best domestic bank at the Asiamoney Best Bank Awards. In 2022 the Bank was named the Best Bank in Uzbekistan at the Euromoney Awards for Excellence. The Bank's ESG efforts were also recognised by EBRD, which in 2021 and 2022 awarded the Bank with the "Deal of the Year – Green Trade" award for improving the energy efficiency of the retail sector in Uzbekistan. In 2023, the Bank was named Uzbekistan's best bank for ESG at the Asiamoney Best Bank Awards 2022.

At the Euromoney Awards for Excellence, the Bank was named Uzbekistan's Best Bank, Best Bank for Corporates and Best Bank for ESG in 2024, and Uzbekistan's Best Bank, Best Investment Bank for DCM and Best Bank for Corporates in 2025.

In 2023, the Bank issued U.S.\$100 million Eurobond by way of private placement, with the proceeds to be used to finance green projects, including those supporting increased energy efficiency, the reduction of GHG emissions, sustainable construction, water security and financing for small and medium-sized enterprises and women-led initiatives. In 2024, the Bank issued Eurobonds in the aggregate amounts of U.S.\$400 million and UZS2.25 trillion. In 2025, the Bank issued UZS669,842 million Eurobond by way of private placement, with the proceeds to be used for general banking purposes.

Planned Privatisation

In accordance with the Decree on the Strategy for Reforming the Banking System, the Bank is expected to be privatised through a sale of the Government's stake. Pursuant to Presidential Decree No. PP-253 dated 31 July 2023, the Government was mandated to reduce its ownership in the Bank's charter capital to below 50.0 per cent. by the end of 2024 through a sale to a strategic investor meeting specified criteria. As at the date of this Offering Memorandum, the Privatisation remains ongoing and has been formally extended until the end of 2025. However, no material progress has been achieved to date, and it is likely that the deadline will be further extended beyond 2025. Although the Bank has received expressions of interest and non-binding offers from several international strategic investors, the proposals submitted thus far have not fully met the Government's expectations as shareholder.

For further information, see *"Risk Factors — Risks Related to the Bank's Business and Industry — Future privatisation of the Bank may adversely affect its business, financial condition and prospects"* and *"Risk Factors*

— Risks Related to the Bank's Business and Industry — Failure to privatise the Bank may require the Bank to obtain additional refinancing and may adversely affect its business, financial condition and prospects."

Competitive Strengths

In line with its strategy, the Bank is consistently developing and is currently undergoing a transition into a competitive modern financial institution implementing best international standards and practices. The Bank values its customers and provides them with a wide range of financial products and services, and a high level of service. In addition, the Bank actively promotes and assists local industries with financing technical and technological modernisation.

The Bank's management believes that the Bank benefits from the following competitive strengths:

Leading position in the Uzbekistan banking market and growing client base

The Bank holds a well-established position within the top five banks in Uzbekistan by assets and loan portfolio, according to the CBU. According to the CBU, as at 30 June 2025, the Bank ranked as the second largest commercial bank in Uzbekistan by total assets (11.0 per cent. market share) and the third largest by loan portfolio size (12.0 market share).

The Bank maintains a balanced loan portfolio structure focusing on state-owned companies, private corporate businesses and state and municipal organisations, operating mainly in strategic sectors of the economy, such as oil and gas & chemicals, energy and manufacturing. The Group's gross corporate loans and gross loans gross to state and municipal organisations accounted for 67.0 per cent. and 14.4 per cent. of its total loans and advances to customers including finance lease receivables, gross as at 30 June 2025. The Group has increased its net loan portfolio by UZS3,584,839 million, or 5.4 per cent., as at 30 June 2025 as compared to 31 December 2024, while maintaining the quality and diversification of its loan portfolio by focusing on sectors with an established presence, positive economic growth dynamics and long-term customer relations, such as oil and gas & chemicals and energy. The Bank enjoys long-standing relationships with large corporate customers in these sectors and has a deep understanding of their business, industry and needs. The Bank plans to further strengthen its relationship with these customers by providing them with tailored higher-margin products. In addition, the Bank has been taking steps to diversify its loan portfolio and client base to increase the share of higher-margin loans attributable to developing sectors of Uzbekistan's economy such as manufacturing, agriculture and retail, as well as to SME clients. Furthermore, the Bank has been focused on attracting new retail clients by utilising its strong relationships with corporate clients to access their employees. The Group increased its gross individuals loan portfolio by UZS553,560 million, or 5.5 per cent., as at 30 June 2025 as compared to 31 December 2024, which allowed the Group to significantly increase the share of loans to individuals in its gross loan portfolio from 10.9 per cent. as at 31 December 2022 to 14.5 per cent. as at 31 December 2024 and 14.4 per cent. as at 30 June 2025.

Streamlining business with advanced IT solutions

The Bank has been actively working on the implementation of key initiatives to advance its strategic goal of transforming into a bank that is competitive, customer-oriented, market-driven and attractive to investors and customers. The Bank has established a unified omnichannel front to facilitate seamless customer interactions across various platforms, supported by the implementation of comprehensive Customer Relationship Management ("CRM") systems, and the deployment of advanced data storage and analytics infrastructure, including Data Warehousing ("DWH") and Business Intelligence ("BI") tools. In January 2023, the Bank received an international PCI DSS certification (Payment Card Industry Data Security Standard 3.2.1) for its cybersecurity systems.

In May 2020, the Bank introduced the mobile application JOYDA, a banking and marketplace application that allows retail customers of the Bank to access traditional banking services and purchase various goods on JOYDA marketplace.

At the end of 2023, the Bank began working on implementation of SuperApp, an integrated retail-only application, and is currently in the first stage of development which focuses on integrating SWIFT payment systems, enabling QR payments, and expanding online lending products. This SuperApp, distinct from SQB

Business, builds upon the foundation of JOYDA and exclusively targets retail customers, ensuring no overlap with the business-oriented services provided by the Bank. The SuperApp was officially launched in November 2024 under the name "SQB Mobile," succeeding JOYDA and offering an expanded range of retail-focused digital services. As at 30 June 2025, the number of SQB Mobile users reached approximately 1.2 million users.

Active contribution to the development of efficient economy through "Green banking" projects

At the outset of the transformation period in 2019, the Bank established a "Green Banking" department, initiated the process of implementing green financing and engaged 16 experts from the IFC and EBRD to advise on the implementation of this strategic goal. Since then, the "Green Banking" department has been developing this strategic line of business by adopting the necessary corporate documentation, creating green products for corporate, SME and retail customers and building a green loan portfolio. A separate ESG division was established in 2023, which began integrating ESG factors into the banking system, including an ESG and sustainability policy along with various ESG regulatory documents. Starting in 2022, the Bank has also been receiving corporate climate governance technical assistance from EBRD with the aim of developing an action plan to manage climate risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures.

Furthermore, the Bank has developed several green products for corporate customers, such as "Green Technology" (financing sustainable projects including energy efficiency upgrades, renewable power generation, green transport production and purchase, waste processing and other green projects) and "Ekosfera" (financing the purchase of solar panels). For SME customers, the Bank has introduced products such as the "Green Loan" (financing sustainable business projects, including those relating to energy efficiency, renewable energy sources, green transport and climate change adaptation) and the "Energy Microloan" (financing the purchase of solar panels). With its "Green Banking" products launched in 2021, the Bank has positioned itself as a leading financial institution supporting socially and environmentally oriented projects in Uzbekistan.

At the end of 2024, the Bank's green loan portfolio accounted for 10 per cent. (U.S.\$559 million) of the total loan portfolio. As at 1 August 2025, the Bank's green loan portfolio stood at U.S.\$650 million, representing 11.4 per cent. of the total portfolio.

In 2023, the Bank was recognised as Uzbekistan's best bank for ESG at the Asiamoney Best Bank Awards 2022. In the same year, the Bank issued a U.S.\$100 million Eurobond through a private placement. The proceeds were used for financing green projects, including those that support increased energy efficiency, the reduction of GHG emissions, sustainable construction, water security and financing for small and medium-sized enterprises and women-led initiatives. Euromoney named the Bank as Uzbekistan's Best Bank for ESG in 2024.

Comprehensive banking network

As at 30 June 2025, according to CBU, the Bank had the fourth widest distribution network in Uzbekistan comprising 79 branches and 33 thousand payment terminals. Furthermore, the Bank serves its customers through 79 savings banks, 79 payment offices, 28 field box offices, 98 offices for international money transfers, 98 foreign exchange offices and 152 24-hour banking service points. See "*Distribution Network*" below. With its client-centric product range, extensive network and 24/7 service, the Bank reaches a broad spectrum of customers. In line with its IT development strategy, the Bank continues to invest in advanced multichannel banking technology to better serve its customers.

Strong balance sheet with prudential capital ratios and robust asset quality

The Bank adheres to stringent risk management policies and procedures and has conservative credit approval processes and underwriting criteria, all of which are intended to maintain the quality of its assets as its loan portfolio grows. It also has an integrated control framework encompassing operational risk management and control, anti-money laundering compliance and corporate and information security.

As at 30 June 2025, the Bank's Total Regulatory Capital Adequacy Ratio amounted to 15.2 per cent., which represented a sizeable buffer against the minimum level of 13.0 per cent. set by the CBU. The Bank's NPL ratio was 4.3 per cent., 3.4 per cent., 2.3 per cent. and 5.2 per cent. as at 30 June 2025, 31 December 2024, 2023 and 2022, respectively. The Bank's NPL coverage ratio was 128.2 per cent. during the first half of 2025, and 138.7

per cent., 173.0 per cent. and 107.5 per cent. during the years ended 31 December 2024, 2023 and 2022, respectively. See "*Presentation of Financial Information – Key Performance Indicators*" and "*Risk Factors - Risks Related to the Group's Business and Industry - The Bank may not be able to accurately assess the credit risk of potential and current borrowers or maintain the quality of its loan portfolio*". The Bank also employs a contemporary tracking and collection system, that helps maintain the quality of its loan portfolio. See "*Risk Management - Dealing with Problem Assets Department*". Furthermore, the Bank has developed a modern and extensive risk management system tailored to cover its transition strategy and planned operational and internal control network. See "*Risk Factors - Risks Related to the Group's Business and Industry - The Bank's risk management strategies and procedures are developing and may not be completely effective*".

Strong corporate governance and experienced management with a deep understanding of the local and global markets

The Bank's senior management team consists of experienced and trained professionals who have a proven track record of achieving growth and meeting financial performance targets. The Bank's management team has extensive experience in Uzbekistan's banking market (with approximately 20 years of the relevant professional experience on average) and a strong understanding of the local financial services sector.

The Bank's Supervisory Council currently consists of nine members, six of whom are independent directors. See "*Management – Supervisory Council*". The Bank's long-term goal is to maintain and further develop a strong corporate governance model. On 28 May 2021, the Bank's General Shareholders' Meeting approved the Corporate Governance Code which provides for main corporate conduct principles, promoting better performance of the Bank's management bodies. See "*Management – Corporate Governance*". In 2022, the Bank took additional steps to improve its corporate governance by implementing a KPI system for the members of its Management Board.

Strategy

The Bank's strategic objective is to further strengthen its position as one of the leading commercial banks in Uzbekistan and to become the bank of choice for its customers. It aims to continue to provide high-quality corporate and retail banking products and services based on the best international and domestic practices while achieving strong and sustainable performance.

In addition, as part of the ongoing economic reforms in Uzbekistan, the Bank is transitioning from a model reliant on state control, support and funding to a more market-oriented and commercial structure. As part of this strategy, the Bank actively cooperates with IFC and EBRD to develop and implement the transformational business model, which provides for, *inter alia*, key development goals for the Bank's corporate, retail, SME and investment businesses, as well as improvement in operational efficiency, management and corporate governance.

Continued diversification of the loan portfolio and funding base

One of the main strategic goals of the Bank is to further diversify its loan portfolio and funding base by lending more outside of Government supported strategic projects. As at 30 June 2025, the Bank's total gross loan portfolio amounted to UZS74,183,903 million, representing an increase of 44.6 per cent. as compared to 31 December 2022. In line with the Bank's transition strategy to increase the share of higher-margin loans in developing sectors of Uzbekistan's economy, such as manufacturing, trade and services and retail, the structure of the portfolio has shifted: the share of retail loans in the gross portfolio increased to 14.4 per cent. as at 30 June 2025 as compared to 10.9 per cent. as at 31 December 2022; the manufacturing sector's share has increased to 44.0 per cent. as at 30 June 2025 as compared to 35.5 per cent. as at 31 December 2022 and the trade and services share increased to 13.7 per cent. as at 30 June 2025 as compared to 10.8 per cent. as at 31 December 2022.

To further diversify its portfolio on both the assets and liabilities sides, the Bank is actively developing its retail banking sector. As at 30 June 2025, the balance of customer accounts was UZS27,433,503 million, representing an increase of 79.0 per cent. as compared to 31 December 2022. Moreover, the share of accounts by individuals in the total customer accounts amounted to 29.3 per cent. as at 30 June 2025, compared to 27.6 per cent. as at 31 December 2022. The Bank aims to strengthen its position in the retail market by improving service quality

and offering new products, including specialised banking products tailored to individuals and high-income customers.

As part of its transformation strategy, the Bank intends to further decrease the share of state financing in its funding base and rely more on other sources, such as customer accounts, interbank lending markets and international capital markets. However, the Bank will continue to finance certain investment projects in strategic industries of Uzbekistan's economy, such as the oil and gas, chemicals and energy sectors, which are already underway or contracted for, with funds provided by the Government. See *"Risk Factors - Risks Related to the Group's Business and Industry – The Bank and some of its customers would be adversely affected if it and they did not continue to receive capital support from the Uzbekistan Government"* and *"Risk Factors - Risks Related to the Group's Business and Industry - The Bank faces liquidity and funding risk"*.

Diversified product range and IT development

The Bank is working to position itself at the forefront of digital development in Uzbekistan through investment in IT modernisation, software and hardware upgrades, and the introduction of cutting-edge multichannel banking technology.

In addition, improving its IT platform is a key factor in achieving the Bank's strategic goals, particularly in transforming its business and operational structure into a more commercial and market-based system. This transformation aims to improve work efficiency to reduce the time to complete operations and develop state-of-the-art digital risk management solutions, including an automatic credit scoring system. One of the Bank's strategic plans is to implement a SuperApp platform, a retail-only application that offers customers an integrated solution which would bundle the Bank's payment system, insurance products, brokerage and investment services. The Bank will also strive for the gradual unification of software and information storage systems, creating a unified information space that ensures all systems and applications are reliable, stable and uninterrupted. See *"Risk Factors - Risks Related to the Group's Business and Industry - The Bank's IT systems may malfunction, fail to secure the Bank against hacking, or be insufficient to support future business expansion"*.

Further development of risk-management and credit policies

The Bank maintains independent and streamlined risk governance that curbs aggressive risk-taking by business lines and ensures the internal control and compliance functions place adequate controls in all business areas, internal functions and operations. Currency risk management is carried out by setting limits on correspondent accounts for currency positions and by hedging. This comprehensive risk management approach ensures a proactive stance against potential losses and supports sustainable growth in a dynamic financial landscape.

Moreover, the risk management, internal control, and internal audit departments operate autonomously in both their tasks and organisational structure. This autonomy helps the Bank to mitigate the risk of significant losses. The Bank's second and third lines of defence, in addition to setting limits on banking operations for control purposes, also actively monitor their execution. Furthermore, the Bank strategically diversifies its assets by setting limits on active operations with foreign partners including holding foreign currency assets in various currencies to mitigate losses from exchange rate fluctuations.

In alignment with its risk management objectives, the Bank pursues a clear risk policy that facilitates the early identification of potential risks. The Bank leverages centralised automated credit risk analysis for its corporate, SME and retail business lines, strengthening its control over credit risks. Additionally, the Bank has implemented its own internal credit rating system for corporate and retail lending, further enhancing its risk management capabilities.

In line with the Bank's transition strategy and further diversification of its client base, including retail and SME customers, which traditionally hold a higher degree of credit risk, the Bank has completed the integration of a new system of Asset Liability Management ("**ALM**") and Funds Transfer Pricing ("**FTP**") to better manage the credit, market and liquidity risks. The Bank is also using macroeconomic quantitative risk models to enable the risk management department to predict and create contingency plans.

Further development of high-quality corporate governance and qualified personnel

The Bank's strategic goal is to maintain and further develop a strong corporate governance and management model. The Bank continues to improve its corporate governance system by implementing the best domestic and global practices. Furthermore, as part of its efforts to maintain leading positions in the market, an important strategic goal of the Bank is to enhance the professional skillset of its employees.

Promoting ESG and green financing

The Bank actively integrates environmental, social and governance ("ESG") considerations into its business model and promotes green financing in Uzbekistan. In 2024, the Bank became the first financial institution in the country to issue a "Sustainability Bond", raising U.S.\$400 million and UZS2.25 trillion in the international capital markets to finance renewable energy, sustainable construction and clean transportation projects in line with the Bank's Sustainability Finance Framework, which is aligned with the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. Proceeds have been allocated to solar and wind energy, water efficiency programmes and low-carbon public transport. In 2024, the Bank adopted a comprehensive Sustainability Framework, setting out eligibility criteria for green and social projects, procedures for project evaluation and selection, and reporting standards consistent with international best practices. The Framework received a Second Party Opinion from Sustainable Fitch confirming its alignment with leading market principles.

The Bank also develops specialised retail products, including the "Green Renovation" loan for energy-efficient housing and the "Green Micro Loan" for small-scale renewable installations. It cooperates with international financial institutions such as EBRD, IFC, ADB and DEG in implementing climate-related credit lines and sustainability-linked programmes, including support for SMEs under the EBRD's "Youth in Business" framework. The Bank is strengthening its ESG governance by adopting environmental and social risk management procedures in line with international standards and reporting annually on green financing allocations and impact.

To expand access to climate finance, the Bank is seeking accreditation from the Green Climate Fund, which, if achieved, will enable it to mobilise concessional funding for large-scale sustainable projects in Uzbekistan. Through these initiatives, the Bank supports the United Nations Sustainable Development Goals (the "UN SDGs"), contributes to the implementation of the Paris Agreement and positions itself as a regional leader in financing the transition to a low-carbon economy.

Competition

The banking market in Uzbekistan is competitive. According to the CBU, as at 30 June 2025, 36 commercial banks were registered in Uzbekistan and the five largest banks held 52.5 per cent. of total banking assets.

The Bank faces competition from the leading domestic banks in each of the business areas in which it operates, as well as from several banks with foreign participation in retail sector. The Bank considers its major competitors to be the NBU, Asaka Bank, Agrobank, Kapital Bank, Ipoteka Bank and TBC Uzbekistan. Furthermore, the ongoing banking reforms and the general transition to a more market-orientated and commercial model will likely result in increased competition for the Bank from other state-owned banks, as well as from foreign and private banks targeting the same client base. Moreover, the expansion of the Bank's client base to new industries and sectors creates an additional degree of operational and credit risk, as the Bank may not have sufficient knowledge, procedures and resources to adequately evaluate and measure creditworthiness of new types of customers, including retail clients. See *"Risk Factors – The Bank operates in a competitive industry"*, *"Risk Factors - The Bank may not be able to implement its strategy to grow its business, and may be subject to risks relating to its expansion"* and *"- The Bank may not be able to accurately assess the credit risk of potential and current borrowers"*.

Subsidiaries

Below is the description of the Bank's consolidated key subsidiaries as at 30 June 2025:

(i) the Bank's direct interest in subsidiaries:

- *SQB Capital LLC*, a 100.0 per cent. owned subsidiary of the Bank incorporated in the form of a limited liability company, which is active on the investment and capital management market;
- *SQB Insurance JSC*, a 100.0 per cent. owned subsidiary of the Bank incorporated in the form of a limited liability company and then reorganised into joint stock company, which provides insurance services; and
- *SQB Tower LLC*, a 100.0 per cent. owned subsidiary of the Bank incorporated in the form of a limited liability company, which provides asset management services.

(ii) the Bank's indirect interest in subsidiaries:

- *SQB Factoring LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which provides factoring services;
- *SQB Construction LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which provides construction services;
- *SQB Futzal Club LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which operates a sports club;
- *New Zomin Plaza LLC*, a 99.9 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which provides hoteling services;
- *Miraki Town Plaza LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which was established to develop hotels in the territory of a tourist centre in Kashkadarva region;
- *Miraki Hostel LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which was established to develop hotels in the territory of a tourist centre in Kashkadarva region;
- *Arton Vodiy Invest LLC*, a 97.98 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which is active in the construction materials industry;
- *Khiva Plaza LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank, which provides hoteling services;
- *Khiva Trade Center LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank, which operates a trade centre in Uzbekistan;
- *Chimgan Residence LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which provides hoteling services;
- *SQB Mikromoliya Tashkiloti LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which provides microfinancing;
- *SQB Testing and RnD center LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which provides quality inspection;
- *SQB Ventures LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which provides asset management services;
- *Buxoro Beton Zavodi LLC*, a 100.0 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which specialises in concrete production; and
- *Capital Bino Qurilish LLC*, a 67.94 per cent. owned indirect subsidiary of the Bank incorporated in the form of a limited liability company, which provides construction services.

Business Operations

The Bank's core business is commercial bank, comprising the following four main operating segments:

- *Corporate banking* which represents direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products the Bank offers to corporate customers and state and municipal organisations;

- *Medium business banking* which represents tailored lending, deposit, settlement and cash management services, trade finance, guarantees, and foreign exchange operations the Bank offers to medium-sized enterprises;
- *Small micro business banking* which represents simplified lending products, microloans, payment and settlement services, merchant acquiring, and advisory support the Bank offers to entrepreneurs, sole proprietors and small businesses; and
- *Retail banking* which represents private banking services, private customer current accounts, savings, deposits and debit cards, consumer loans the Bank offers to retail customers.

Medium Business Banking and Small and Micro Business Banking are presented under "Corporate" in both the Financial Statements and this Offering Memorandum.

Client Base

Operationally, the Bank diversifies its client base across the following segments: corporate banking, medium banking, small & micro banking and retail banking. The Bank defines these segments as follows:

- *corporate banking* – organisations that are directly or indirectly 100.0 per cent. owned by the state, as well as the Bank's top 30 borrowers and top 30 taxpayers;
- *medium banking* – organisations that do not qualify for the corporate banking or small & micro banking segments;
- *small and micro banking* – companies with annual turnover of less than U.S.\$2 million, total exposure of less than U.S.\$2 million and fewer than 300 employees; and
- *retail banking* – individuals receiving the Bank's products and services.

For the purposes of IFRS reporting, loan portfolio is divided into: loans to corporate customers (which include SMEs, loans to state and municipal organisations and retail loans, while customer accounts are divided into corporate (including all legal entities) and retail accounts.

Corporate Banking

Corporate banking includes banking services to corporate customers and to state and municipal organisations. The Bank offers customers of its corporate banking department a range of banking products and services, including investment and corporate loans; deposits; fee- and commission-based products and services such as cash handling, settlements, guarantees and letters of credit; and other products and services. The main customers of the Bank's corporate banking department are large-scale industrial companies, construction companies, trading and service sectors entities, as well as state and municipal organisations and commercial structures of small business and private entrepreneurs. The Bank has been improving its offering in cash management, as well as ensuring the availability of a comprehensive range of services for Uzbek firms operating internationally. The Bank participates actively in the interbank lending market and constantly raises and places short-term loans with banks in Uzbekistan, Europe and CIS. Interest rates and the amount of raised and allocated interbank loans are set through supply and demand on the national and international financial markets. On the credit side, the Bank's offering for state and municipal organisations and corporate customers includes project financing for new investment projects, as well as the expansion and renewal of existing operations. These loans cover purchasing of equipment, materials, new product samples, other assets and technologies.

As at the date of this Offering Memorandum, the Bank served customers of its corporate banking department through its single Corporate Centre located in Tashkent, where the main decision-making functions are concentrated. The Bank's 79 branches operate as points of contact, facilitating the receipt of documents and providing ancillary services that do not require decision-making or underwriting functions.

The Bank's strategic goal in the corporate business sector is to create a Banking Service Ecosystem for corporate customers, as well as to enhance efficiency of corporate business. The system will be sustained through a focus on comprehensive, high-level servicing and long-term partnerships. The Bank plans to utilise its resource base and client reach to build a high-quality sales team and tailored corporate customer service.

Corporate Products and Services

The Bank provides customers of its corporate banking department with a wide range of banking products.

Corporate Loans

Corporate loans are loans the Bank offers to its corporate customers. The Bank's corporate loans represent the largest component of the Bank's gross loan portfolio, with the share of 67.0 per cent., 65.0 per cent., 62.6 per cent. and 61.1 per cent. as at 30 June 2025, 31 December 2024, 2023 and 2022, respectively. As at 30 June 2025, Stage 3 loans in the corporate loan portfolio accounted for 5.9 per cent. of the Bank's gross corporate loan portfolio. In line with the Bank's risk management policy, the Bank takes collateral, either in the form of letters of surety, pledge of real estate, equipment, inventory and other receivables, cash deposits, vehicles, while overdrafts are mostly unsecured. See "*Operating and Financial Review – Financial Position – Loan Portfolio*" and "*Risk Management – Collateral*".

In the corporate lending sector, the Bank's most significant competitors are the NBU and Asaka Bank.

State and Municipal Organisations Loans

State and municipal organisations loans are loans the Bank offers to state and municipal organisations. The Bank's state and municipal organisations loan portfolio decreased by UZS472,957 million, or 3.3 per cent., as at 30 June 2025 as compared to 31 December 2024. Historically loans to state and municipal organisations constituted the largest portion of the Bank's loan portfolio, however in the period under review their share in the total amount of the Bank's portfolio was declining as a result of the correspondingly growth of the amount of corporate loans and their share in the total loan portfolio in line with the Bank's policy (see "*Strategy – Continued diversification of the loan portfolio and funding base*"). As at 30 June 2025, the balance of state and municipal loans in the gross total loan portfolio represented 18.6 per cent. of the gross loan portfolio, as compared to 20.5 per cent., 24.1 per cent. and 28.0 per cent. as at 31 December 2024, 2023 and 2022, respectively. Loans to state and municipal organisations are comprised to a large extent of investment projects loans. In 2024, the Bank financed investment projects of strategic industries, as well as small business projects and private entrepreneurship, through credit lines of the IFIs and foreign banks. Credit investments in 2024 were mainly directed to the real sectors of the economy, including industry, transport and communications, trade, agriculture, logistics and marketing and utility services.

In the state and municipal organisations lending, the Bank's most significant competitor is the NBU.

Deposits

The Bank provides a range of current and term accounts to both corporate customers and state and municipal organisations of its corporate banking department, and seeks to develop and offer new products to meet customer needs. The Bank offers competitive interest rates on its corporate deposits and seeks to support margins through operational efficiencies and through its mobile and online platforms. As at 30 June 2025, the total amount of customer accounts attributable to its corporate banking department (i.e., customer accounts of all legal entities) amounted to UZS5,743,914 million, representing 20.9 per cent. of the Bank's total customer accounts.

Trade Finance

The Bank provides gratuitous consulting services to customers on entering their foreign trade contractual data into the E-Contract system. The Bank also helps its customers to choose the optimal scheme of interaction with foreign counterparties and the optimal forms of settlement, ensuring the economic interests of the client, as well as compliance with the norms of the currency legislation of the Republic of Uzbekistan. In addition, the Bank provides its customers with trade finance services, such as master loan agreements, document collection, letters of credit, factoring and post-import facilities. Furthermore, since 2019, the Bank has been eligible to issue Islamic finance products to corporate customers through its cooperation with ITFC (Islamic Trade Finance Corporation). In addition, since March 2019 the Bank is participating in EBRD's Trade Facilitation Programme and since September 2019 the Bank is participating in ADB's Trade Finance Programme as an issuing bank. Since 2023, the Bank has been participating in IFC's Global Trade Finance Programme as an issuing bank.

Documentary Operations

Documentary transactions represent obligations undertaken by the executing bank on behalf of a corporate customer or a state and municipal organisation under a letter of credit or guarantee, granting a third party the right to present documents for payment, provided that the bank's obligations are fulfilled within the agreed amount and subject to specified conditions. The Bank has over 51 of international correspondent banking relationships and, as a result, its letters of credit and collection are accepted by the majority of the leading banks globally and all the major banks in Europe, the USA and Asia. The Bank has agreed limits with different international banks and credit lines exceeding U.S.\$400 million. The Bank provides documentary operations for its customers in U.S. dollars, Euros, British pounds sterling, Japanese yen and Chinese yuan.

The Bank has a wide network of correspondent banks, including first-class European, American and Japanese banks, such as Citibank NA, Commerzbank AG, JP Morgan Chase Bank NA, Raiffeisen Bank International AG, Landesbank Baden- Württemberg, Banque de Commerce et de Placements S.A.

The main customers of the Bank's documentary operations services are companies in the oil and gas & chemicals industry, as well as energy, engineering and construction enterprises. For its letters of credit, the Bank utilises funding from foreign bank credit lines, the UFRD loans and the Bank's own funds. As at 30 June 2025, the Bank has opened 48 import and five export letters of credit for the total amount of U.S.\$56.7 million and U.S.\$5.5 million, respectively.

Currency Operations and Money Transfers

As at the date of this Offering Memorandum, the Bank provides the following currency products to corporate customers and state and municipal organisations: (i) attraction and subsequent placement of funds of partner banks and corporate customers in major freely convertible currencies (USD, EUR, JPY, GBP, RUB) for various periods at current rates of the interbank money market; and (ii) carrying out conversion operations in the international foreign exchange market (FX Market) in major world currencies such as USD, EUR, JPY, GBP, RUB on the terms of a SPOT transaction. Foreign exchange derivative financial instruments entered into by the Bank are generally traded in an over-the-counter (OTC) market with professional market counterparties on standardised contractual terms and conditions.

Using international money transfer systems, a client can receive and send a transfer in cash or non-cash foreign and national currencies. In 2002, the Bank began operations in the money transfer market of Uzbekistan.

SQB Business Programme

In 2022, the Bank developed and implemented gratuitous SQB Business programme – a seamless online banking solution primarily for its SME corporate customers. SQB Business allows corporate customers to perform operations with all their accounts in all the Bank's branches and manage these accounts on a single platform in a 24/7 mode. The customers can perform currency exchange operations, SWIFT GPI transfers, maintain online accounting, open deposit account, etc. The Bank launched a mobile version of SQB Business, with future plans to establish a marketplace. As at 30 June 2025, the number of SQB Business users reached 13,242.

Green Banking

In 2018, the Bank initiated the process of implementing green financing and engaged 16 experts from the IFC and EBRD to advise on the implementation of this strategic goal. In 2019, the Bank established a "Green banking" department and has been developing this strategic line of business since then by adopting necessary corporate documentation, developing green products for corporate, SME and retail customers and building green loan portfolio.

The Bank has developed several green products for corporate customers and state and municipal organisations such as "Green Technology Loan" (financing of sustainable projects, such as energy efficiency upgrade, renewable power generation, production and purchase of green transport, waste processing and other green projects) and "Ekosfera Microloan" (financing of purchase of solar panels) and several products to SME customers such as "SME Green Microloans" (financing of sustainable business projects, such as projects in relation to, *inter alia*, energy efficiency, renewable energy sources, green transport, climate change adaptation)

(financing of purchase of new solar panels). Based on the Bank's management accounts, the Bank's corporate green loans portfolio, which includes green products to SME customers, amounted to 10.0 per cent. of loan portfolio in 2024 as compared to 9.4 per cent. of loan portfolio in 2023 and 6.0 per cent. of loan portfolio in 2022.

Processing centre services

The Bank provides sponsorship and processing services to four banks in the Republic of Uzbekistan and two more banks are at the stage of onboarding to the Bank's processing centre. Also, the Bank serves as a settlement bank for national net settlement service of Visa and UnionPay payment systems, and a settlement bank acquirer of the Humo payment system for UnionPay card transactions. The Bank's plans to implement projects on Host2Host integration with the UzCard processing centre, tokenisation of cards of international payment systems and attracting new banks for servicing in its processing centre.

Retail Banking

The Bank's retail banking services include retail lending products, such as consumer loans, mortgage loans, car loans, credit cards, overdrafts and "buy now pay later" products ("**BNPL**"), offered via SQB Mobile; as well as personal services, including deposits, debit cards, payments and transfers, foreign exchange and safe deposit boxes. As at 30 June 2025, the Bank had 1.3 million retail customers.

The Bank has particularly focused on growing its retail business in line with its strategy. As a result, the Bank's retail loan portfolio increased by UZS5,132,806 million, or 92.2 per cent., as at 30 June 2025 as compared to 31 December 2022, which allowed the Bank to increase the share of retail loans in its gross loan portfolio in the period under review. As at 30 June 2025, Stage 3 loans in retail loan portfolio accounted for 5.7 per cent. of the Bank's gross retail loan portfolio. Retail customer accounts increased by UZS3,797,874 million, or 89.8 per cent., from UZS4,231,372 million as at 31 December 2022 to UZS8,029,246 million as at 30 June 2025. In May 2020, the Bank introduced mobile banking application and marketplace SQB Mobile which allows retail customers to receive loans online based on the Bank's own scoring system. The Bank sees a significant growth potential in expansion of digital platforms, credit card and overdraft services. In this regard, the Bank aims to improve the quality of services and offer new products to serve individuals.

In the retail lending sector, the Bank's most significant competitors are Ipoteka Bank and Asaka Bank.

Retail Products and Services

The Bank provides its retail customers with a wide range of banking products through its branch network and online banking services:

Retail Loans

The Bank has a number of retail lending programmes, including mortgage, consumer, BNPL, microloans, car loans and other types of consumer loans. The retail loan portfolio is fully denominated in soums. In total, in 2024, the Bank's retail loan portfolio amounted to UZS10,146,237 million, and was mostly presented by mortgage loans, which amounted to UZS5,993,097 million, microloans – UZS3,223,773 million, car loans – UZS472,053 million, as well as consumer loans – UZS457,314 million. Following the implementation of "green" banking in 2019 the Bank offered such products as "Green Mortgage" (the purchase of a house with green elements in primary and secondary markets), "Green Consumer Loan" (the purchase of solar panels with the power up to 1MW), "Green comfort" (for solar photovoltaics), "Green reconstruction" (the purchase of green building materials for house reconstruction) to its retail customers in 2022-2025.

Mortgage loans

The Bank offers several mortgage products to its retail customers. The Bank's mortgage loans represented 62.5 per cent., 59.1 per cent., 65.6 per cent. and 66.2 per cent. of the Bank's gross retail loan portfolio as at 30 June 2025, 31 December 2024, 2023 and 2022, respectively. The Bank offers mortgage loans for purchase of any types of real estate on primary and secondary market, mortgage loans for property in new housing estates (for purchase of new apartment in a newly built estate), mortgage loans for construction and reconstruction (loans for construction and reconstruction of private houses) and mortgage loan on preferential terms (for extension of

living space in private houses). As at 30 June 2025, the average term for mortgage loans was 53 months with weighted average interest rate of 22.1 per cent.

Microloans

Retail customers can get microloans for any purpose either at the offices of the Bank or using SQB Mobile platform for up to UZS100 million up to three years. In order to receive a microloan from the Bank, the retail customer must hold the Bank's debit card. The Bank's microloans represented 29.7 per cent., 31.8 per cent., 22.7 per cent. and 13.4 per cent. of the Bank's gross retail loan portfolio as at 30 June 2025, 31 December 2024, 2023 and 2022, respectively. As at 30 June 2025, the average term for microloan was 13 months with weighted average interest rate of 27.7 per cent.

Car loans

The Bank offers car loans to its retail customers for the purchase of new automobiles directly from a manufacturer or from authorised dealers, or for the financing costs of insurance. The Bank's car loans represented 3.2 per cent., 4.7 per cent., 8.2 per cent. and 17.6 per cent. of the Bank's gross retail loan portfolio as at 30 June 2025, 31 December 2024, 2023 and 2022, respectively. As at 30 June 2024, the average term for car loans was 38 months with weighted average interest rate of 26.3 per cent.

Customer Accounts

As at 30 June 2025, current/demand accounts and term deposits amounted to UZS8,029,246 million. As at 31 December 2024, the amount of current/demand accounts and term deposits amounted to UZS7,266,428 million, an increase of UZS2,762,878 million as compared to 31 December 2023.

The Bank offers a range of deposit products in local and foreign currencies with fixed interest rates and maturities tailored to different customer preferences. In local currency, the Bank offers the "Green Deposit" with a fixed interest rate of 21 per cent. per annum and a maturity of 13 months, the "Daromadli" and "Foyda" deposits each with a fixed interest rate of 21 per cent. per annum and a maturity of 24 months and the "Jozibali" deposit with a fixed interest rate of 20 per cent. per annum and a maturity of 24 months. In euro, the Bank offers the "Yevro" deposit with a fixed interest rate of 6 per cent. per annum and a maturity of 24 months. In U.S. dollars, the Bank offers the "Sarmoya" deposit with a fixed interest rate of 7 per cent. per annum and a maturity of 18 months, the "Ideal" deposit with a fixed interest rate of 5 per cent. per annum and a maturity of 24 months and the "Kapital" deposit with a fixed interest rate of 4 per cent. per annum and a maturity of 6 months.

Bank Cards

As at 30 June 2025, the number of issued bank cards to date was 4,895 thousand, of which 2,883 thousand were bank cards of the interbank payment system "UzCard", 1,321 thousand were bank cards of the interbank payment system "HUMO", 445 thousand, 19 thousand and 211 thousand were bank cards of the international payment systems Visa, Mastercard and UnionPay, respectively.

Taking into account the increasing requirements for the quality of the services provided, the Bank has upgraded its own IT infrastructure for the issuance and servicing of international bank cards such as Mastercard, Visa and UnionPay International. Belgium's OpenWay Group, one of the leading international companies for building automated systems in the area of cashless payments, was chosen as the Bank's partner. Cooperation with the OpenWay Group allowed the Bank to improve its banking platform, increasing its reliability, safety, speed and productivity, allowing the Bank's customers to enjoy modern banking services anywhere and anytime. Currently OpenWay Group provides maintenance services to the Bank.

Credit Cards

As at 30 June 2025, the number of credit cards issued by the Bank was 5,340 credit cards. Customers order a credit card via SQB Mobile and, following Bank's approval, receive their card in the offices of the Bank. As at the date of this Offering Memorandum, the Bank issues VISA credit cards with a credit limit of up to UZS100 million, an interest rate of 26.9 per cent. and a 40-day grace period. The Bank's credit cards are primarily intended for payments for offline and online purchases, however customers can also withdraw cash

using ATMs, make transfers to bank accounts, digital wallets and cards in the amount of up to 70.0 per cent. of the credit limit subject to a commission applied by the Bank.

Currency Operations and Money Transfers

Retail customers of the Bank can purchase currency in the branches of the Bank, via ATMs or using online SQB Mobile platform. As at 30 June 2025, the number of online applications for currency exchange amounted to approximately U.S.\$7.5 million. Furthermore, to attract additional client base for money transfer operations, the Bank's does not charge a fee on transactions with the purchase of foreign currency.

The Bank's retail customers have access to several money transfer systems, such as Moneygram, Ria, Western Union, UPT, Korona and Asia Express. Thus, the Bank has diversified geographic coverage for its customers. Expanding the geography of money transfers allows the Bank to maintain the dynamic development of this business segment. As at 30 June 2025, the Bank had 98 offices for international money transfers. At the same time, integration processes are being carried out for all international money transfers to be carried out via SQB Mobile application.

Other Business of the Bank – SQB Insurance, SQB Capital and SQB Construction

In 2019, the Bank established the insurance company PSB Insurance LLC which in 2022 was converted into SQB Insurance JSC ("**SQB Insurance**"). SQB Insurance provides insurance coverage for certain loans issued by the Bank. It offers insurance products to individuals and corporate customers, including, *inter alia*, insurance against accidents and disease, insurance of ground transportation vehicles, railway rolling stock, aviation and marine insurance, property insurance in transit, insurance of property against fire, natural disasters and harm, third-party motor liability insurance, insurance of loans and collateral and other financial risks. In 2022, SQB Insurance implemented SQB Insurance Online platform to digitalise business processes and expediently offer modern and high-quality insurance services to its customers. "Insurance" module was also added to SQB Mobile to allow retail customers to receive compulsory third-party car insurance online. SQB Insurance also offers reinsurance services both on domestic market and overseas. As at 30 June 2025, SQB Insurance had 15 branches and offered more than eight insurance products to its customers.

In 2018, the Bank established limited liability company PSB Capital which, following the Bank's rebranding, changed its name to SQB Capital LLC ("**SQB Capital**"). SQB Capital is engaged in investment and capital management and serves as the financial investment arm of the Group. Its operations include financing and managing various investment projects such as SQB Factoring, which provides factoring solutions; SQB Venture, a venture capital platform for start-ups; SQB Microfinance, offering microfinance services to SMEs and retail clients; as well as hospitality initiatives in the regions through projects such as New Zomin Plaza, Miraki Hostel, and others. Since its establishment SQB Capital LLC has implemented 30 projects for a total amount of about UZS1.3 trillion.

In 2019, the Bank established SQB Construction LLC which offers control measurement services, engineering supervision as well as project design services. Since its establishment it has provided services to some prominent customers, such as Coca Cola, XalkBanki, Uzbekistan Airports and Uztelecom. Major projects with participation of SQB Construction LLC in Uzbekistan include construction of Tarakurgan Thermal Power Station, International Islamic Academy of Uzbekistan, International Central Asia Institute, Victory Park in Tashkent, Tarakurgan UzAuto factory in Asaka city, passenger terminal lines in Nukus Airport etc.

Treasury

The Treasury department of the Bank is responsible for liquidity management, in particular, through securities trading. The Bank has a diversified investment portfolio consisting of government and CBU bonds, corporate bonds and equity securities of corporate entities. For the six months ended 30 June 2025, the Bank received a profit (interest income on investment securities measured at amortised cost) of UZS447,600 million from its investment portfolio. Furthermore, as at 30 June 2025, the total amount of Eurobonds issued and placed by the Bank was UZS9,591,679 million.

Investment Banking

In June 2024, the Bank established an independent Investment Banking Department ("**IBD**"). Prior to its establishment, investment banking services were carried out within the Corporate Banking Department, including the arrangement of a U.S.\$250 million direct loan to Hududgazta'minot in 2019 and the underwriting of Uztelecom's UZ\$33.25 million bond placement on the Tashkent Stock Exchange. Since June 2024, the IBD has acted as Co-Manager on the Ministry of Economy and Finance's international and domestic issuances (U.S.\$500 million 6.95 per cent. notes due 2032, EUR500 million notes due 2029 and UZ\$6 trillion notes due 2028), as well as JSC Uzbekneftegaz's U.S.\$850 million notes due 2032. The IBD currently offers a broad range of investment banking products and services, including the arrangement of direct and syndicated loans, as well as the advisory and underwriting of bond issuances.

Distribution Network

The Bank's distribution network comprises branches, points of sale, ATMs, payment terminals and digital channels.

Branches

As at 30 June 2025, the Bank had 79 branches. The Bank's branches are divided into three categories based on the number of employees, size of premises and services offered:

- Business Class category branches offer all types of services and are therefore located in large cities and industrial territories. As at 30 June 2025, the Bank had 44 Business Class category branches.
- Standard Class category branches are mobile bank services' centres, which offer limited range of services to individuals and corporate customers. As at 30 June 2025, the Bank had 35 Standard Class category branches.

In 2022, the Bank's interbranch operations were transferred to a single bank code (MFO), a unique identifier assigned to each bank or branch.

Points of sale

As at 30 June 2025, the Bank served its customers through 79 savings banks, 79 payment offices, 28 box offices, 98 offices for international money transfer, 98 foreign exchange offices, 152 self-services 24/7 offices.

Savings banks

Savings banks are financial organisations with limited services, the main function of which is to attract cash savings and temporarily free funds of the population.

Payment offices

The payment office offers utility payment services, often located in markets and in locations remote from the city for the convenience of the rural population.

Field box offices

Field box offices are decentralised banking points located in shopping centres in rural, remote areas. They offer essential banking services such as cash deposits, withdrawals, and utility bill payments.

Offices for International Money Transfer

The offices for international money transfer offer services covering both inbound and outbound money transfers – from Uzbekistan to other countries and vice versa. The Bank cooperates with reputable international money transfer operators such as Western Union, Zolotaya Korona, Ria and many others.

Foreign Exchange Offices

The Bank operates foreign exchange offices in all branches. The foreign exchange offices provide services to customers for currency exchange from local currency to foreign currencies such as USD, EUR and RUB.

Self-service 24/7 offices

Self-services 24/7 offices are automated banking centres offering round-the-clock services. They provide convenient access to a wide range of banking transactions, including account inquiries, fund transfers, and bill payments.

ATMs and Payment Terminals

For the convenience of its customers, the Bank has installed approximately 33 thousand ATMs and payment terminals, of which 29 thousand are in retail outlets and four are in bank service outlets. The transaction turnover in the terminal network of the Bank for the year ended 31 December 2024 amounted to UZS12.6 trillion.

Digital Channels

The Bank continues to believe that scaling its digital platform will enable it to provide improved convenience to its customers by meeting their financial needs more efficiently. As at 30 June 2025, the total number of users of the Bank's mobile and online banking services amounted to approximately 1.3 million users.

The Bank provides its corporate customers with 24/7 access through its Mobile Banking, SMS Banking and Internet Banking platforms.

In May 2020, the Bank introduced the mobile application SQB Mobile, a mobile bank and marketplace that allows retail customers of the Bank to use traditional banking services such as online deposit accounts, cash management, money transfers and currency exchange operations and to receive loans online based on the Bank's own scoring system. As at 30 June 2025, the number of SQB Mobile users reached approximately 1.2 million users.

In 2022, the Bank developed and implemented gratuitous SQB Business programme – a seamless online banking solution for its SME corporate customers. See "*Corporate Banking – Corporate Products and Services – SQB Business*".

Between 2023 and 2025, SQB enhanced its digital service channels with the rollout of new functionalities in SQB Mobile, including automated recurring payments, and expanded online lending, payments and currency operations. The Bank also initiated the development of digital onboarding for legal entities, a CRM-based client operations platform, and an automated credit conveyor for SME and microbusiness lending, further strengthening its remote service capabilities.

In addition, the Bank is a principal member of leading international payment systems, such as Mastercard Worldwide, UnionPay International and JCB International.

Sustainability

The Bank is committed to integrating sustainability into all aspects of its operations and ensuring that its approach to sustainability aligns with its long-term business objectives. In 2024, the Bank adopted the Framework to align its strategy with the Bank's sustainability commitments, to communicate its commitments to investors and other market participants and to diversify the investor base and engage in a sustainable dialogue with socially responsible investors.

The Framework is aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines administered by ICMA and the Green Loan Principles and Social Loan Principles administered by the Loan Market Association. Under the Framework, the Bank can issue green, social or sustainable bonds or financial instruments, and under such bond or financial instrument issued the Bank commits to adhere to certain principles with respect to the use of proceeds, project evaluation and selection, management of proceeds and reporting, as set out in the Framework.

The Eligible Green and/or Social Projects under the Framework may include projects, loans, investments and expenditures to individuals, legal entities, municipalities and public sector, as well as equity investment into pure play companies (that derive 90.0 per cent. or more of its revenues from activities that align with the eligibility criteria set out in the Framework) that meet the eligibility criteria set out in the Framework. The Bank

believes that the implementation of the Eligible Green and Social projects will contribute to the UN SDGs 5 (Gender Equality), 7 (Affordable and Clean Energy), 9 (Industry Innovation and Infrastructure), 12 (Responsible Consumption and Production), 13 (Climate Action), 14 (Life Below Water) and 15 (Life on Land).

The Bank's sustainable development efforts are guided by its sustainable development strategy and ESG and sustainable development policy, which provide for the Bank's objectives and relevant initiatives, including the participation in the UN Global Compact and cooperation with relevant ministries of Uzbekistan, sustainability governance, and environmental and social impact management.

The Bank's green banking and risk management departments are primarily responsible for the development of the environmental risk management system. Additionally, they also conduct screening and monitoring of customer activities in accordance with the Bank's internal policies.

For information on the Bank's green banking products please refer to "*—Corporate Banking — Corporate Products and Services — Green Banking*".

In 2023, the Bank was recognised as Uzbekistan's best bank for ESG at the Asiamoney Best Bank Awards 2022. In the same year, the Bank issued a U.S.\$100 million Eurobond through a private placement. The proceeds were used for financing green projects, including those that support increased energy efficiency, the reduction of GHG emissions, sustainable construction, water security and financing for small and medium-sized enterprises and women-led initiatives. In May 2024, the Bank received "Green Trade Deal of the Year" award from EBRD. Euromoney named the Bank as Uzbekistan's Best Bank for ESG in 2024.

The Bank believes that its operations can significantly contribute to meeting the UN SDGs 2 (Zero Hunger), 3 (Good Health and Well-Being), 4 (Quality Education), 6 (Clean Water and Sanitation), 8 (Decent Work and Economic Growth) and 11 (Sustainable Cities and Communities).

Information Technology

The Bank's information technology systems are critical to its business operations and are essential for supporting the expansion of its business operations, increasing its operational efficiencies, coordinating and enhancing its risk management and control systems and meeting the needs of its growing client base.

The Bank has a primary data centre located in Tashkent as well as back-up systems in the city's Sergeli district designed to ensure that operations are not disrupted during critical or disastrous events. The Bank also has hardware and software to facilitate parallel operations and protect permanent data. The Bank currently utilises a number of high-grade software systems. The Bank develops its core systems software (core banking software, Internet, Mobile banking, and human resources software) with the assistance of Fido Business LLP. IBM hardware is used for the database servers of the Bank's core banking system and all other applications.

The Bank was one of the first banks in Central Asia to begin using the information and analytical system Thomson Reuters EIKON 4.0, which allows it to quickly respond to changes in market conditions to maximise the efficiency of transactions for the Bank's customers.

In the period under review, the Bank has actively engaged in developing and enhancing its IT systems as part of its strategic focus on reliability, efficiency, and digitalisation. Key initiatives have included the creation of a unified omnichannel front to facilitate seamless customer interactions across various platforms, the implementation of comprehensive Customer Relationship Management ("**CRM**") systems, and the deployment of advanced data storage and analytics infrastructure, including DWH and BI tools. Looking ahead, the bank plans to continue investing in its IT infrastructure to support the expansion of its digital offerings and improve customer experience. Future investments are expected to focus on further digitalizing traditional bank products through the "Digital Bank 2.0" initiative, enhancing automated decision-making processes for compliance and customer service, and integrating products and services offered by external partners.

In January 2023, the Bank received an international PCI DSS certification (Payment Card Industry Data Security Standard 3.2.1) with respect to its cybersecurity systems.

In 2023, the Bank started working on implementation of SuperApp, an integrated retail-only application, and is currently at the first stage of its development which focuses on integrating SWIFT payment systems, enabling

QR payments, and expanding online lending products. The Bank allocated U.S.\$325,000 for the first stage of SuperApp development. The subsequent stage will introduce investment functions, including access to the local stock exchange and financial planning technologies. The final stage of the development is set to implement Islamic finance and insurance products. The project is implemented by the Bank's own internal IT team in co-operation with Fido Business LLP. The Bank launched the first phase of its SuperApp, which offers insurance products, gold accounts, flexible deposits and loans, as well as QR payment solutions. As part of the second phase, SQB is developing a broader range of investment solutions and additional banking services, with the launch of this phase expected in 2026.

See also "Risk Factors - Risks Related to the Group's Business and Industry - The Bank's IT systems may malfunction, fail to secure the Bank against hacking, or be insufficient to support future business expansion".

Real Estate

The Bank owns or leases premises for its head office and branches. As at 30 June 2025, the Bank's premises and equipment (comprising buildings and premises, office and computer equipment, and construction in progress) amounted to UZS3,891,483 million, or 4.1 per cent. of the Bank's total assets. As at 30 June 2025, none of the Bank's premises or equipment were pledged.

Insurance

The Bank has a comprehensive insurance policy with "Kapital Sug'urta" insurance provider, covering against the Bank's losses from intentional fraudulent actions of third parties and employees, as well as losses of third parties as a result of accidental or intentional illegal actions of the Bank's employees in the course of its banking activities. The cost of the policy varies with the changing level of insurable assets, and the Bank monitors the coverage to ensure that it maintains an appropriate level of coverage.

In addition to the above, the Bank holds third-party liability insurance policies and real estate and property insurance policies covering the buildings and premises owned by the Bank. The Bank insures valuables on its premises, including cash in the operational offices, payment terminals and ATMs.

The Bank's insurance products are reinsured with Uzbekinvest Insurance, Apex Insurance and Lloyd's Insurance, which reduces the Bank's exposure to underwriting risk and enhances its ability to meet claims obligations.

Employees

The following table sets forth the total number of full-time employees of the Bank as at the dates indicated below:

	As at 30 June 2025	2024	As at 31 December 2023	2022
Total.....	4,164	4,054	4,057	3,759

There are collective bargaining agreements with all of the Bank's employees. These agreements provide for corporate etiquette, salary payment procedures, confidentiality and other basic provisions.

The Bank's management considers the development of human capital to be an integral part of the Bank's potential and a priority. The personnel management system is aimed at improving its effectiveness to achieve strategic goals. Therefore, the main strategic goal in the field of personnel management is the preservation, strengthening and development of the personnel potential of the Bank and the continuation of the formation of a uniform corporate culture.

In 2022, the Bank introduced a new incentive programme that rewards employees with the payment of bonuses based on achieving KPIs instead of a previous bonus system that assessed branch performance rather than individual employee contributions based on assigned tasks. In its Development Strategy for 2024 – 2026 the Bank expressly indicated the implementation of a result-oriented corporate culture as one of its strategic goals with emphasis on transparency and objectivity of the payroll system, a focus on end results and teamwork, improvement of intercommunication within the Bank, employee incentive schemes and talent nurturing, focus

on the development of employees' potential. As part of the implementation of a new corporate culture the Bank aims to develop systems of internal and external communication and HR branding and recruitment, develop systems of employees' adaptation, implement system of career management and development, and expand methods of evaluation based on skills and performance.

The Bank does not have pension arrangements aside from the state pension of the Republic of Uzbekistan. The pension system of Uzbekistan requires contributions from the Bank in respect of its employees, calculated as a percentage of current gross salary payments made to 0.1 per cent. monthly on behalf of the employee.

Legal Proceedings

From time to time, the Bank is subject of legal proceedings and other investigations in the ordinary course of its business. As at the date of this Offering Memorandum, there are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), which may have, or have had during the 12 months prior to the date of this Offering Memorandum, a significant effect on the Bank's financial position or profitability.

RISK MANAGEMENT

Overview

The risk management function within the Bank is carried out in respect of financial, operational and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks. The following is a description of the Bank's risk management policies and procedures in respect of the aforementioned risks. For a more detailed description of the Group's risk management policies and procedures, see Note 36 to the 2024 Financial Statements and Note 35 to the 2023-2021 Financial Statements.

The Bank's risk management system is based on the principle of continually assessing risk throughout the life of any operation and includes:

- risk identification;
- qualitative and quantitative assessment of a particular risk;
- determination of an acceptable risk level;
- placement of authority limits and creation of reserves;
- use of collateral;
- ongoing monitoring and control allowing efficient adjustments in case of any negative changes in the conditions on which the preliminary risk assessment was made;
- conducting stress tests to identify potential risks that may arise in the future and developing recommendations to mitigate them;
- maintaining a list of high-risk clients; and
- analysis of efficiency of the risk management system.

Risk Management Structure

Risk Management Bodies

The principal risk management bodies of the Bank are the Supervisory Council, the Audit Committee, the Management Board, the Risk and Compliance Committee, the Risk Management Department, the Underwriting Department, the Monitoring Department, Operation Department, the Internal Audit Department, the Treasury Department, the Credit Committee, the Dealing with Problem Assets Department, the Asset and Liability Management Committee, the AML Compliance and Internal Control Department and the Legal Department.

Supervisory Council. The Supervisory Council is responsible for the Bank's overall risk management approach and for approving the Bank's risk strategies and principals and is ultimately responsible for identifying and controlling risks. It approves the Bank's Credit Policies, which outline credit risk control and monitoring procedures, as well as the Bank's credit risk management systems, and approves certain decisions which fall outside the scope of the respective authorities of the Credit Committee, including approvals of single borrower lending exposure exceeding 15.0 per cent. of total equity. The Management Board presents a comprehensive credit risk report and market risk report to the Supervisory Council for their review on a quarterly basis. See also "*Management—Supervisory Council*".

Audit Committee. The Audit Committee has overall responsibility for implementing principles, frameworks, policies and limits in accordance with the Bank's internal regulations. The Audit Committee facilitates the activities of the Internal Audit Department and the external auditors of the Bank. The Internal Audit Department also reviews anti-money laundering ("**AML**") policies and procedures and presents audit reports on AML to the

Audit Committee on a quarterly basis. The Audit Committee is elected by the Supervisory Council. See also "*Management—Internal Audit Committee*".

Management Board. The Management Board has overall responsibility for asset, liability and risk management activities, policies and procedures. In order to effectively implement the risk management system, the Management Board delegates individual risk management functions to each of the various decision-making and executive bodies within the Bank. See also "*Management—Management Board*".

Risk and Compliance Committee. The Risk and Compliance Committee has general responsibility for advising the Supervisory Council on the Bank's overall risk profile, tolerance and strategy, taking into account the current and prospective macroeconomic and financial environment. The Risk and Compliance Committee oversees the risk exposures of the Bank and advises the Supervisory Council on risk strategy. The Risk and Compliance Committee regularly reviews and approves the parameters and methodology used by the Bank to assess risk and reviews the Bank's capability to identify and manage new risk types. The Risk and Compliance Committee also sets standards for accurate and timely monitoring of large exposures and certain risk types of critical importance, including, but not limited to, credit risk, financial risk, market risk and operational risk. The Risk and Compliance Committee also exercises control to ensure that lending activities are conducted within the Bank's risk appetite and in line with its risk management strategy and business plan. It monitors the maintenance of a loan portfolio database by type of loan to confirm alignment with the Bank's risk appetite and oversees the availability of periodic reporting. In addition, the Risk and Compliance Committee ensures that the Bank provides sufficient information to enable the assessment of risk levels by loan type.

Internal Audit Department. The Internal Audit Department is responsible for the regular audit of the Bank's risk management, internal control and corporate governance processes, with the aim of reducing the levels of operational and other risks, auditing the Bank's internal control systems and detecting infringements or errors on the part of the Bank's departments and divisions. It examines both the adequacy of, and the Bank's compliance with, those procedures. The Bank's Internal Audit Department discusses the results of all assessments with Management and reports its findings and recommendations to the Bank's Audit Committee. The objective of the Internal Audit Department is to provide direct assistance to the Bank executive bodies to ensure performance and efficiency of financial and economic activity of the Bank by monitoring the internal control system and audit, and providing independent professional advice on improvement of both financial and economic activities and control procedures. The Internal Audit Department is directly accountable to the Supervisory Council. The Supervisory Council approves the Internal Audit Department's action plans and supervises implementation thereof.

The Bank's Internal Audit Department is independent of the Management Board. The Head of the Bank's Internal Audit Department is appointed by the Supervisory Council and reports directly to the Bank's Audit Committee. The Bank's Internal Audit Department audits all of the Bank's subsidiaries.

As part of its auditing procedures, the Bank's Internal Audit Department is responsible for overseeing the following:

- policies and procedures related to identifying and assessing potential risks regarding the Bank's operations;
- reviewing the adequacy of the existing controls established in order to ensure compliance with the Bank's policies, plans, procedures and business objectives, as well as to current legislation and regulation and professional norms and ethics;
- developing internal auditing standards and methodologies;
- carrying out planned and random inspections of the Bank's branches and subdivisions and auditing its subsidiaries;
- policies and procedures to control the quality of the Bank's products;
- reviewing the reliability of the Bank's information technology systems in accordance with a predetermined schedule;

- assessment of the controls on the reliability and security of financial information;
- monitoring the Bank's internal controls and reporting procedures;
- making recommendations to Management, the Supervisory Council and the Audit Committee on the basis of internal audits to improve internal controls;
- monitoring the compliance of the Bank with CBU regulations; and
- monitoring the implementation of auditors' recommendations.

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

Credit Committee. The Bank's Credit Committee is responsible for supervising and managing the Bank's credit risk in respect of retail loans, corporate loans and counterparty loans. The Credit Committee is organised into two sub-committees: Small Credit Committee and Large Credit Committee. The two sub-committees operate on the basis of credit limits applied to each based on the exposure amount.

Participation of the Bank Management is required for exposures exceeding 10.0-15.0 per cent. of total equity. All exposures to a single group of borrowers exceeding 15.0 per cent. of total equity capital must be approved by the Supervisory Council. Subcommittees meet on a daily basis, whereas higher ones typically meet two to three times a week. Each of the subcommittees of the Credit Committee makes its decisions by a majority vote of its respective members.

Asset and Liability Management Committee ("ALCO"). The ALCO is one of the main risk management bodies that establishes policies and guidelines with respect to capital adequacy, market risks and limits, funding liquidity risk and limits, interest rate and prepayment risks and limits, money market general terms and credit exposure limits, designs and implements respective risk management and stress testing models in practice and regularly monitors compliance with the pre-set risk limits, and approves treasury deals with non-standard terms. In particular, the ALCO:

- sets money-market credit exposure/lending limits;
- sets open currency position limits with respect to overnight and intraday positions;
- establishes stop-loss limits for foreign currency operations and securities;
- monitors compliance with the established risk management models for foreign exchange risk, interest rate risk and funding liquidity risk;
- sets ranges of interest rates for different maturities at which the Bank may place its liquid assets and attracts funding; and
- reviews different stress tests and capital adequacy models prepared by the Risk Management Department.

The ALCO is chaired by the Chairperson of the Management Board and meets at any time deemed necessary. Decisions are made by a majority vote of the ALCO's members. ALCO members include the Chairperson of the Management Board, the Chief Funding Officer, the Head of the Risk Management Department, the Head of the Treasury Department, the Director of Financial Institutions and Investor Relations Department, the Chief Accountant and the Head of the Strategic Development Department. The ALCO reviews financial reports and indices including the Bank's limits and ratios, balance sheet, statement of operations, maturity gap, interest rate gap, currency gap, foreign exchange risk, interest rate risk and funding liquidity risk reports, total cash flow analysis, customer cash flow analysis and concentration risk analysis, for the past periods as well as future projections and forecasts, other financial analysis and further growth projections on a weekly basis.

Regulatory capital requirements in Uzbekistan are set by the CBU and are applied to the Bank on a stand-alone basis. As at 30 June 2025, the CBU requires the Bank to maintain a minimum Total Regulatory Capital Adequacy Ratio of 13.0 per cent., a minimum Tier 1 Capital Adequacy Ratio of 10.0 per cent. and a minimum Core Tier 1 Capital Adequacy Ratio of 8.0 per cent., each computed based on the Bank's stand-alone financial statements prepared under the UAL. As at 31 December 2024, the Bank's actual Total Regulatory Capital Adequacy Ratio, Tier 1 Capital Adequacy Ratio and Core Tier 1 Capital Adequacy Ratio were 15.6 per cent., 10.6 per cent. and 10.6 per cent., respectively.

The ALCO is the key governing body for the capital adequacy management as well as for the respective risks identification and management. The ALCO establishes limits and reviews actual performance over those limits for CBU capital adequacy regulations. The Treasury Department is in charge of regular weekly and monitoring and reporting over CBU capital adequacy compliance as well as with ALCO policies. Capital adequacy management is an integral part of the Bank's actual monthly reporting as well as the Bank's annual and semi-annual budget approval and budget review processes. The Treasury Department prepares capital adequacy actual reports, forecasts and budgets, and different stress scenarios for the CBU, while the ALCO and the Management Board regularly review these, identify risks, issues recommendations and, if applicable, propose action plans.

Compliance Control Department. The Compliance Control Department is organised into the following divisions/functions:

- Regulatory Affairs and Special Inspections Department is responsible for liaising with regulators, coordinating with internal departments, conducting inspections as requested or assigned, recording and monitoring reporting, overseeing the implementation of corrective measures to prevent fines, processing requests and transferring materials, and preparing proposals and recommendations based on inspection results.
- AML Compliance, which monitors the compliance with international standards and national legislation in the field of AML and countering the financing of terrorism ("CFT"). This division performs the function of assessing AML and CFT risks, overseeing the implementation and compliance with the regulatory requirements and performing typical AML/CFT functions such as identifying suspicious transactions, liaising with other departments of the Bank in connection with KYC/customer due diligence checks and other areas of AML and CFT.
- Anti-Fraud Compliance, which monitors all types of fraud and performs the assessment of fraud risks and minimising them.
- Sanctions Compliance, which performs screening of the Bank's clients and their transactions, develops recommendations as to potential improvements in terms of compliance with sanctions requirements, identifies and assesses the risks of non-compliance and interacts with the Bank's departments to minimise such risks.

As part of the Bank's ongoing transformation, the Bank's Compliance Control Department has also been actively involved in the development of technical solutions aimed at automation of some of the compliance processes and procedures in the Bank.

Legal Department. The Legal Department's principal purposes are to ensure that the Bank's activities conform to applicable legislation and to minimise losses from the materialisation of legal risks. The Legal Department is responsible for the application and development of mechanisms for identifying legal risks in the Bank's activities in a timely manner, the investigation of the Bank's activities in order to identify any legal risks, the planning and implementation of all necessary actions for the elimination of identified legal risks, participation in legal proceedings on behalf of the Bank where necessary and the investigation of possibilities for increasing the effectiveness of the Bank's legal documentation and its implementation in the Bank's daily activities. The Legal Department is also responsible for providing legal support to structural units of the Bank and/or its subsidiaries.

Risk Management Department. Risk Management Department executes the Group-wide risk management function, including developing risk management strategy, risk appetite framework and their alignment with the Bank's overall strategy, establishes risk limits on key indicators and parameters, and continuously monitors

risks, conducts stress-tests and reports risks to the Management Board and Risk Committee. It develops liquidity management policies taking into account the impact of internal and external factors on the Bank. It also makes recommendations on minimising risks by analysing the expected credit, liquidity, market, interest and operational risks in banking activities.

Dealing with Problem Assets Department. Dealing with Problem Assets Department is responsible for mitigating credit risks by investigating intended use of loan funds, monitoring loans on a quarterly basis and conducting inventory of all loan documentation on an annual basis. The Dealing with Problem Assets Department deals with recovery of problem loans by enforcing collateral, seeking recourse against the guarantors and initiating court proceedings. Dealing with Problem Assets Department holds auctions to sell the property received as collateral in order to maximise recovery of problem loans. It also prepares daily reports for the Management Board related to overdue loans, NPLs and off balance sheet assets.

Bodies implementing the risk management system

The Bank's risk management system is implemented by the Risk Management Department, Internal Control Department, Treasury Department, and Legal Department.

The Risk Management Department consists of four divisions aimed at managing particular types of risk: Credit Risk Management Division, Financial Risk Management Division, Operational Risk Management Division, and Risk Reporting and Analytics Division.

The Credit Risk Management Division of the Risk Management Department manages credit risks with respect to particular borrowers and assesses overall loan portfolio risks. It is responsible for ensuring compliance with the Bank's Credit Policies and management of the quality of the Bank's loan portfolio.

Financial Risk Management Division of the Risk Management Department manages risks related to liquidity risks, market risks, interest rate risks, and foreign exchange rate risks. It develops and manages stress testing models and prepares contingency capital plans and liquidity risk mitigation measures.

The Operational Risk Management Division of the Risk Management Department is responsible for identifying operational risk, formulating operational risk management policies, evaluating results and recommending changes when appropriate. The Division identifies and assesses operational risk categories within the Bank's processes and operations. It also detects critical risk areas or groups of operations with an increased risk level and develops internal control procedures to address these risks, through business-process optimisation schemes, including document circulation, information streams, distribution of functions, permissions and responsibility. All new product initiatives are also evaluated from a risk perspective.

The Treasury Department manages foreign currency exchange, money market, securities portfolio and derivatives operations and monitors compliance with the limits set by the ALCO for these operations. The Treasury Department is also responsible for management of short-term liquidity.

The Legal Department monitors all changes in relevant laws and regulations, and, together with other relevant departments, ensures that those changes are properly reflected in the Bank's procedures, instructions, manuals, templates and other relevant documentation. It also disseminates information on legislative changes to all relevant departments within the Bank. The Legal Department also participates in drafting laws and regulatory documents upon request of legislators and regulators, certain associations and other professional bodies.

Each of the foregoing departments is provided with policies and/or manuals that are approved by the Management Board or the Supervisory Council (as required). The manuals and policies include comprehensive guidance for each stage of a transaction, including, but not limited to, manuals outlining asset and liability management policies, foreign exchange operations procedures, fixed income investment guidelines, retail banking operations procedures, the deposit policy and the Credit Policies.

Risk measurement and reporting

The Bank measures risk 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 different forecasting models. These models use probabilities derived from historical experience and expertise, adjusted

from time to time to reflect the economic environment. The Bank also runs worst-case scenarios that could arise in cases of extreme events.

Monitoring and controlling risks are primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that it is willing to accept, with additional emphasis on selected industries. The Bank also conducts ongoing monitoring and control, allowing efficient adjustments in case of any unexpected changes in the conditions on which the preliminary risk assessment was made. In addition, the Bank monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

The Bank maintains a management reporting system which requires the Risk Management Department, Treasury Department and Accountant Department to prepare certain reports on a daily and monthly basis. On a daily basis, a statement of operations, balance sheet and treasury report (which includes the Bank's open foreign exchange positions, cash flows, limits and balances on NOSTRO (i.e. an account held by a customer bank on the books of another bank acting as a service provider) and LORO (i.e. an account held by one bank on behalf of the customer bank) correspondent accounts) and confirmation that there has been compliance with mandatory economic ratios must be provided by each department. On a monthly basis, a report on the structural liquidity gap, a report on interest rate risk, monthly financial statements, and a quarterly report of the Supervisory Council containing analysis of the Bank's performance against its budget are provided.

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, and the head of each business division. The report includes aggregate credit exposure, market, interest, liquidity, operational, ratios, the results of stress-test and risk profile changes. Senior management assesses the appropriateness of the allowance for credit losses on a monthly basis. The Management and the Supervisory Council receive a comprehensive risk report monthly and once a quarter, respectively, which is designed to provide all the necessary information to assess and draw conclusions on the Bank's risk exposure.

Risk mitigation and excessive risk concentration

In order to avoid excessive concentrations of risks, the Bank focuses on maintaining a diversified portfolio. Concentrations arise when a number of counterparties, or related shareholders, 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 also involve combined, aggregate exposures of large and significant credits compared to total outstanding balance of the respective financial instrument.

Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk

Credit risk is the risk that a borrower or counterparty will be unable to pay amounts in full or in part when due. Credit risk arises mainly in the context of the Bank's lending activities and other transactions with counterparties giving rise to financial assets.

The general principles of the Bank's credit policy are outlined in the Credit Policy. The Credit Policy also outlines credit risk control and monitoring procedures and the Bank's credit risk management systems. The Credit Policy is reviewed annually or more frequently if necessary.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Limits on the level of credit risk by product, industry sector and by country are approved on an annual basis by the Management Board.

The Bank's credit quality review process provides early identification of possible changes in the creditworthiness of counterparties, including regular collateral revaluations. Counterparty limits are established on the basis of a credit risk classification system, which assigns a risk rating to each counterparty. Risk ratings

are subject to regular revision. The credit quality review process allows the Bank to assess the potential loss resulting from the risks to which it is exposed and take corrective action. The Bank makes available to its customers guarantees or letters of credit which may require that the Bank make payments on their behalf. Such payments are collected from customers based on the terms of the guarantee or letter of credit. They expose the Bank to similar risks to loan risks and, accordingly, these instruments are tested by the same control processes and policies as applied to lending.

Loan approval procedures: The procedure of credit approval, revision of initial loan conditions, changes to loan payment schedules are considered based on the requirements of the Bank's Credit Policy approved by the Supervisory Council, as well as other internal regulatory documents related to credit products and lending.

The Credit Committee approves individual transactions, and the Risk Management Department evaluates the correct creation and maintenance of reserves according to the CBU regulations on a monthly basis. See "*Risk Management Structure—Risk Management Bodies—Credit Committee*".

The Bank evaluates corporate clients on the basis of their financial condition, credit history, business operations, market position, management, level of shareholder support, proposed business and financing plan and on the quality of the collateral offered. The relevant subcommittee of the Credit Committee is responsible for making the decision for loan approval based on credit memorandum, and where appropriate, Credit Risk Manager's report. The loan approval procedures for retail loans depend on the type of retail lending product.

Applications for consumer loans, including credit cards and car loans, are treated under the "scoring" approval procedure. The Bank's Credit Committee determines the amount, terms and conditions of all loans. Applications for mortgage loans by retail clients are completed by the mortgage loan officer and submitted to the Credit Risk Management division of the Risk Management Department, who evaluates the credit risks. In the case of micro financing loans, loan officers evaluate loan applications, prepare a project analysis and submit proposals to the relevant Branch Credit Committee, which makes the final decision. Members of each subcommittee of the Credit Committee have equal voting authority and decisions are approved by a simple majority of votes. Branch Credit Committees approve exposures from UZS1 billion to UZS10 billion; Regional Branch Credit Committees approve exposures from UZS10 billion to UZS20 billion; and the Head Office Credit Committee approves exposures exceeding UZS20 billion.

Collateral

The Bank typically requires credit support or collateral as security for the loans and credit facilities that it grants. The main forms of credit support are guarantees and rights to claim amounts on the borrower's current account with the Bank or other assets. The main forms of collateral for corporate lending are charges over real estate properties, equipment, inventory and trade receivables, and the main form of collateral for retail lending is mortgage over residential property. In the case of corporate loans, the Bank usually requires a personal guarantee (surety) from the borrower's shareholders. Under the Bank's internal guidelines, collateral should be provided (where it is required) to cover outstanding liabilities during the entire duration of a transaction. As at 30 June 2025, the Bank held collateral (including letters of surety and state guarantees) against gross loans fully covering the value of total loans and advances to customers including finance lease receivables, gross. Retail loans in the amount of up to UZS20,237 million were not collateralised as at 30 June 2025.

Prior to being accepted by the Group, collateral is thoroughly analysed and physically verified, where applicable. Debt securities, treasury and other eligible bills are generally unsecured. The Bank is eligible to lend to customers via unsecured loans for a period not exceeding one year.

Measurement

Exposure and limits are subject to an annual or more frequent review. The Bank's compliance with credit risk exposure limits is monitored by the Credit Risk Management Division on a continuous basis. The Bank establishes provisions for impairment losses of financial assets on a collective basis and on an individual basis when there is objective evidence that a financial asset or group of financial assets is impaired. The Bank creates provisions by reference to the particular borrower's financial condition and the number of days the relevant loan is overdue. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment

loss is reversed by an adjusted provision account. The determination of provisions for impairment losses is based on an analysis of the assets at risk and reflects the amount which, in the judgement of the Management, is adequate to provide for the losses incurred.

Provisions are made against gross loan amounts and accrued interest. Under the Bank's internal loan loss allowance methodology, which is based upon IFRS requirements for IFRS financial statements and based on CBU regulations for UAL financial statements, the Bank categorises its loan portfolio into significant and non-significant loans. The Credit Risk Management Division makes an individual assessment of all defaulted significant loans. Non-defaulted significant loans are given a collective assessment rate. For the purposes of provisioning all loans are divided into different groups (for example mortgage, consumer, microfinancing loans).

Credit Bureau "Credit Information Analytical Centre" ("CIAC") serves as Uzbekistan's centralised credit bureau. Since 2011, all of Uzbekistan's commercial banks hold equal stakes in CIAC's charter capital. The automated information exchange system established by CIAC encompasses all of Uzbekistan's commercial banks, microfinance institutions and lombards.

Under the Bank's policies, the Bank's maximum risk to a single borrower or a group of affiliated borrowers shall not exceed 25.0 per cent. of the Bank's Tier 1 regulatory capital, whereas the total amount of unsecured loans shall not exceed 5.0 per cent. of the Bank's Tier 1 regulatory capital. The Bank also provides that the total amount of all large exposures shall not exceed the Bank's Tier 1 capital by more than five times, and the total amount of loans extended to related parties shall not exceed 50.0 per cent. of the Bank's Tier 1 capital.

In order to monitor credit risk exposures, the Dealing with Problem Assets Department produces weekly reports based on a structured analysis focusing on the customer's business and financial performance, which includes overdue balances, disbursements and repayments, outstanding balances and maturity of loans, as well as the grade of the loan and collateral. Any significant exposures against customers with deteriorating creditworthiness are reported to and reviewed by the Bank's management daily. The Bank's management oversees the monitoring and recovery procedures of the loans past due.

The internal and external rating systems focus on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognised for financial reporting purposes only for losses incurred at the balance sheet date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and banking regulation purposes.

The Bank's policy requires the review of individual financial assets that are above certain materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including reconfirmation of its enforceability) and the anticipated receipts for the respective individual account.

Collectively assessed impairment allowances are provided for: (i) portfolios of homogenous assets that are individually below materiality thresholds; and (ii) losses that have been incurred but have not yet been identified, by using the available empirical data, experienced judgment and statistical techniques.

The Bank monitors the term to maturity of off balance sheet contingencies because longer term commitments generally have a greater degree of credit risk than short-term commitments. Commitments to extend credit represent unused portions of credit in the form of loans, guarantees or letters of credit.

The credit risk on off-balance sheet financial instruments is defined as a probability of losses due to the inability of counterparty to comply with the contractual terms and conditions. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to a loss in an amount equal to the total unused commitments.

However, the likely amount of the loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank applies the same

credit policy to the contingent liabilities as it does to the balance sheet financial instruments, i.e. the one based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring.

Off-balance sheet risk

The Bank applies fundamentally the same risk management policies to off-balance sheet risks as it does to its on-balance sheet risks. In respect of commitments to lend, customers and counterparties are subject to the same credit management policies as for loans and advances. Collateral may be sought depending on the position of the counterparty and the nature of the transaction.

Market risk

The Bank is exposed to market risk (including currency exchange rate risk, interest rate risk and other price risk), which is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables. Market risk exposure arises from mismatches of maturity and currencies between the assets and liabilities, all of which are exposed to market fluctuations.

The Bank manages its market risk through risk-based limits established by the Bank's Supervisory Council on the value of risk that may be accepted. The risk-based limits are subject to review by the Bank's Supervisory Council on an annual basis. The Bank's overall position is split between corporate (including state and municipal organisations) and retail banking positions. The exposure of corporate and retail banking operations to market risk is managed through the system of limits monitored on a daily basis by the Treasury Department. However, the use of this approach does not prevent losses occurring outside of these limits in the event of more significant market movements.

Currency exchange rate risk: Currency exchange rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Bank is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. In respect of currency risk, the Bank Council sets limits (according to CBU regulations) on the level of exposure exceeding 15.0 per cent. of total equity by currency and in total both for overnight and intra-day positions, which are monitored daily. The Group's Treasury Department measures its currency risk by matching financial assets and liabilities denominated in the same currency and analyses the effect of actual annual appreciation (or depreciation, as the case may be) of that currency to the sum to the profit or loss of the Group. The Group measures its currency risk by establishing a 10.0 per cent. of the Group's total regulatory limit on the Bank's net position in each currency, and limiting the Bank's total net position in all currencies to 15.0 per cent. of the Bank's total regulatory capital.

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

Other price risk: The Bank is also subject to prepayment risk through providing loans, including mortgages, which give the borrower the right of early repayment of the loans. The Bank's current year profit or loss and equity at the current reporting date would not have been significantly impacted by changes in prepayment rates because such loans are carried at amortised cost and the prepayment right is at or close to the amortised cost of the loans and advances to customers including finance lease receivables. The Bank does not have significant exposure to equity price risk.

Country risk: the risk is the probability of incurring losses and/or failing to receive the planned profit as a result of political, economic, social conditions, or other changes occurring in a foreign country.

Geographical concentration risk: The Bank is also subject to geographical concentration risk as substantial portion of the Group's assets and liabilities are located in Uzbekistan.

The below tables set out the geographical breakdown of its assets and liabilities as at the dates indicated.

As at 31 December 2024

	Uzbekistan	OECD	Non-OECD	Russia	Total
	<i>million soums</i>				
Assets					
Cash and cash equivalents	3,640,506	2,109,998	37	775,319	6,525,860
Due from other banks	1,572,353	134,676	—	—	1,707,029
Loans and advances to customers including finance lease receivables	66,475,832	—	—	—	66,475,832
Investment in debt securities	4,338,681	26,038	—	—	4,364,719
Financial assets at fair value through other comprehensive income ..	122,272	23,740	—	—	146,012
Derivative financial assets	—	33,149	—	—	33,149
Other financial assets	112,590	13	—	—	112,603
Total financial assets.....	76,262,234	2,327,614	37	775,319	79,365,204
Liabilities					
Due to other banks	2,552,729	11,965	121,752	133,264	2,819,710
Customer accounts	21,103,701	—	—	—	21,103,701
Debt securities in issue	—	9,055,263	—	—	9,055,263
Other borrowed funds.....	5,490,998	24,608,410	9,047,397	686,342	39,833,147
Derivative financial liabilities	—	122,982	—	—	122,982
Other financial liabilities	50,264	84	133,800	—	184,148
Subordinated debt	1,460,407	523,737	—	—	1,984,144
Total financial liabilities.....	30,658,099	34,322,441	9,302,949	819,606	75,103,095
Net balance sheet position	45,604,135	(31,994,827)	(9,302,912)	(44,287)	4,262,109
Credit related commitments.....	6,741,623	—	—	—	6,741,623

As at 31 December 2023*

	Uzbekistan	OECD	Non-OECD	Russia	Total
	<i>million soums</i>				
Assets					
Cash and cash equivalents	4,237,428	2,568,635	57	159,774	6,965,894
Due from other banks	1,695,281	82,565	—	861	1,778,707
Loans and advances to customers including finance lease receivables	58,008,238	—	—	—	58,008,238
Investment in debt securities	2,093,415	—	—	—	2,093,415
Financial assets at fair value through other comprehensive income ..	100,539	18,678	—	—	119,217
Derivative financial assets	—	51,499	—	—	51,499
Other financial assets	21,392	62	5,939	—	27,393
Total financial assets.....	66,156,293	2,721,439	5,996	160,635	69,044,363
Liabilities					
Due to other banks	2,690,933	22,705	259,640	2,845,673	5,818,951
Customer accounts	14,328,682	—	—	—	14,328,682
Debt securities in issue	—	4,970,366	—	—	4,970,366
Other borrowed funds.....	5,577,817	23,166,246	7,129,869	1,759,803	37,633,735
Other financial liabilities	55,009	2,584	125,027	—	182,620
Subordinated debt	1,447,959	248,895	—	—	1,696,854
Total financial liabilities.....	24,100,400	28,410,796	7,514,536	4,605,476	64,631,208
Net balance sheet position	42,055,893	(25,689,357)	(7,508,540)	(4,444,841)	4,413,155
Credit related commitments.....	5,221,371	—	—	—	5,221,371

* The table was revised to align with 31 December 2024 presentation.

As at 31 December 2022

	Uzbekistan	OECD	Non-OECD	Russia	Total
	<i>million soums</i>				
Assets					
Cash and cash equivalents	2,910,840	4,126,893	—	81,756	7,119,489
Due from other banks	1,816,272	27,143	—	—	1,843,415
Loans and advances to customers including finance lease receivables	48,420,489	—	—	—	48,420,489
Investment in debt securities	2,678,571	—	—	—	2,678,571
Financial assets at fair value through other comprehensive income ..	28,545	13,462	—	—	42,007
Derivative financial assets	—	—	—	—	—
Other financial assets	18,814	5,934	—	—	24,748
Total financial assets.....	55,873,531	4,173,432	—	81,756	60,128,719
Liabilities					
Due to other banks	847,982	27,245	153,461	2,867,031	3,895,719
Customer accounts	15,265,614	46,040	17,165	—	15,328,819
Debt securities in issue	—	3,361,256	—	—	3,361,256
Other borrowed funds.....	5,617,819	17,818,782	6,597,414	2,207,745	32,241,760
Derivative financial liabilities	—	115,533	—	—	115,533
Other financial liabilities	49,005	2,253	118,277	—	169,535
Subordinated debt	330,560	—	—	—	330,560
Total financial liabilities.....	22,110,980	21,371,109	6,886,317	5,074,776	55,443,182
Net balance sheet position	33,762,551	(17,197,677)	(6,886,317)	(4,993,020)	4,685,537
Credit related commitments.....	3,363,374	—	—	—	3,363,374

The Group maintains a correspondent account with Asia Invest Bank, which is located in the Russia and is a subsidiary of NBU. Asia Invest Bank is not subject to international sanctions, and there are no restrictions or limitations on transactions or operations conducted with this bank. The Group monitors geopolitical developments and assesses related risks. As at the date of this Offering Memorandum, exposure to Asia Invest Bank is considered to have no material impact on the Group's operations.

The Group ensures full compliance with applicable sanctions regimes imposed by the EU, the UK and the United States. In its operations, the Group does not engage in transactions with entities or financial institutions subject to international sanctions and limits its operations in Russia exclusively to non-sanctioned entities.

Liquidity risk

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

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

The liquidity management of the Bank requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans and monitoring balance sheet liquidity ratios against regulatory requirements. The Group calculates liquidity ratios on a monthly basis in accordance with the requirements of the CBU. Such ratios are calculated based on UAL.

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

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

Mitigation: The Bank's capability to discharge its liabilities is dependent on its ability to realise an equivalent amount of assets within the same period of time. The Bank maintains a portfolio of highly marketable and diverse assets that it believes can be easily liquidated in the event of an unforeseen interruption of cash flow. It also has committed lines of credit that it can access to meet its liquidity needs. Such lines of credit are available through the CBU's refinancing facility. In addition, the Bank maintains a cash deposit (obligatory reserve) with the CBU, the amount of which depends on the level of customer funds attracted. As at 30 June 2025, in line with the CBU's requirements, up to 14.0 per cent. of customer deposits in foreign currencies were set aside as minimum reserves depending on the deposit tenure. In addition, the Bank maintains a minimum average balance of up to 4.0 per cent. of its customers' deposits in soums at its correspondent account at the CBU.

Funding: In the Uzbek marketplace, the majority of working capital loans are short term and granted with the expectation of renewal at maturity. As such, the ultimate maturity of assets may be different from the analysis presented elsewhere. In addition, the maturity gap analysis does not reflect the historical stability of current accounts.

The Bank's principal sources of liquidity are as follows:

- borrowings from international financial institutions and Uzbekistan state financial establishments;
- customer accounts;
- borrowings from other banks and financial organisations;
- debt issuances; and
- interest income.

See "*Operating and Financial Review*".

The Management Board believes that the Group's liquidity is sufficient to meet each of its present requirements. For information on the Group's liquid assets, liabilities and maturity profile of the Group's financial liabilities as well as further information on the liquidity risk of the Group see Note 28 to the Interim Financial Statements, Note 36 to the 2024 Financial Statements and Note 35 to the 2023-2021 Financial Statements.

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 Bank cannot expect to eliminate all operational risks, but the Bank aims to manage such potential risks through a control framework and by monitoring and responding to the respective risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and training and assessment processes, including the use of internal audit.

Mitigation: The Bank manages its operational risks by establishing incident database, monitoring and continuously improving its policies and procedures relating to various aspects of the Bank's cash, payments, accounting, trading and core processing operations and data back-up and disaster recovery arrangements.

The Bank has an integrated control framework encompassing operational risk management and control, AML compliance, corporate and information security and physical security, each of which is managed by a separate department.

The Internal Control Department is responsible for the identification and assessment of operational risk categories within the Bank's processes and operations, detecting critical risk areas or groups of operations with an increased risk level, developing response actions and the imposition of restrictions in critical risk areas to mitigate identified risk and developing business-process optimisation schemes, including document circulation, information streams, distribution of functions, permissions and responsibilities. The Internal Control

Department is also responsible for developing and updating policies and procedures and ensuring that these policies and procedures meet legal and regulatory requirements and help to ensure that material operating risks are within acceptable levels. It also monitors and periodically reviews the Bank's internal control systems to detect errors or infringements by the Bank's departments and divisions. The Head of the Internal Control Department, who reports to the Chairperson of the Management Board, is responsible for the oversight of the Bank's operational risks.

ESG and climate-related risks

Accounting for green loans involves the classification and measurement of loans where contractual cash flows may change in response to certain ESG metrics, such as compliance with emissions standards, energy efficiency metrics, or a combination of various green measures. Climate change might affect a lender's exposure to credit losses for its financial assets and it could also influence the assumptions made by lenders to estimate expected credit losses ("ECL"). Additionally, climate change might impact the risk ratings of individual borrowers or groups of borrowers, as well as their probability of default ("PD"). In some cases, it could result in loans being moved between stages.

Borrowers could face a range of physical, regulatory and reputational risks that ultimately impact their credit risk and increase the likelihood of their inability to meet debt obligations. Moreover, the value of assets securing loans could decline or become inaccessible or uninsurable, affecting the value of collateral. When considering the impacts on ECL, the Bank's management approach includes the following:

- Segregating physical risk (for example, destruction or temporary disruption of physical assets due to severe weather events) from transition risk (for example, advancement or displacement resulting from the transition to a 'greener' and more sustainable economy).
- Being mindful of duration: while change is happening rapidly, longer-term exposures are likely to be more affected than short-term ones.
- Recognising that 'one size' doesn't fit all: different portfolios have different risk exposures depending on duration, industry, geography etc. In many cases, only top-down assessments of vulnerable geographies and industries will be possible.
- Avoiding double counting risks by considering the extent to which they might already be captured directly or indirectly through model inputs such as market credit spreads, expected default frequency and other factors.
- Considering other arrangements such as insurance, guarantees, government subsidies (or other payments and policies) and other sources of recoveries, including how they are structured and how their providers are addressing evolving ESG risks.

The Bank believes there is no ESG impact on the ECL measurement of its financial assets as at 30 June 2025.

Assessment of ESG-related risks and opportunities

During 2024 and the six-month period ended 30 June 2025, the Bank assessed ESG-related risks and opportunities in the context of sustainable development. The plans for environmental and governance factors are detailed below:

Environmental protection and safety ("E&S"):		
	Description of the current situation	Description of the target situation
	E&S policy was updated in January 2023 to include an exclusion list, a categorised risk list and Environmental and Social assessment reports. The exclusion list is aligned with the International Financial Institutions' ("IFI") requirements.	<ul style="list-style-type: none"> • <i>Increase lending to environmentally-friendly production</i> Primarily supporting entrepreneurs engaged in sustainable and renewable energy production. • <i>Finance water-efficient agriculture projects</i> Water-efficient agriculture projects aim to reduce

		water usage in farming while maintaining or even increasing productivity.
Governance		
	The Code of Conduct was revised in May 2023 to reflect evolving best practices and ensure alignment with the Bank's corporate values.	<ul style="list-style-type: none"> • An individual responsible for ESG is to be appointed within the underwriting department of the Bank, bolstering the department's commitment to sustainable practices • The establishment of an ESG reporting system, facilitating structured documentation and communication of ESG metrics • The development of an ESG risk management policy, ensuring systematic identification, assessment, and mitigation of ESG-related risks

Climate-related risk

The Bank and its customers may face significant climate-related risks in the future. These risks include the threat of financial losses and adverse non-financial impacts from political, economic and environmental responses to climate change. Key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from adjustments to a net-zero economy, including changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both domestically and internationally. While some physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. Similarly, uncertainties persist for transition risks as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

Currently, the Bank does not explicitly incorporate climate risk factors into its risk framework, including ECL measurement. Existing scenarios, forecasts, and estimates focus on the long-term horizon beyond the maturity of existing portfolios. Such scenarios are also high-level, and attribution to specific borrowers without additional data would be highly arbitrary. To address the information gap for detailed, borrower-specific data, the Bank is collecting information to perform a robust assessment of the risks specific of its borrowers. The Bank plans to enhance its credit risk scoring models in the future to incorporate such information in the PD and loss given default measurement.

MANAGEMENT

Overview

The governance of the Bank consists of various levels and sub-levels, each responsible for different aspects of the Bank's overall activities. The following section sets out the management structure of the Bank and its corporate governance reporting lines.

The highest level of governance is conducted through the General Shareholders' Meeting, the ultimate decision-making body. At the General Shareholders' Meeting, the shareholders elect the Supervisory Council, which is responsible for the general governance of the Bank, including the determination of strategy, coordination and general supervision thereof. The Supervisory Council elects the Management Board, which is the collegial executive body of the Bank, and appoints the Chairperson of the Management Board, which is the sole executive body of the Bank. The Chairperson of the Management Board and the Management Board as a whole are responsible for the day-to-day operations of the Bank.

General Shareholders' Meeting

The General Shareholders' Meeting is held in the form of an annual General Shareholders' Meeting and extraordinary General Shareholders' Meeting. The annual General Shareholders' Meeting is convened no later than six months after the end of the Bank's reporting year and usually on the second Friday of May.

The powers of the General Shareholders' Meeting are set forth in the Bank's Regulations on Shareholders' Meetings and the Bank's Charter. The procedure for convening, preparing for and conducting the General Shareholders' Meeting is stipulated in the Bank's Regulation on the General Shareholders' Meeting.

Shareholders have the power to decide on the following matters, among others:

- amendments to the Bank's charter (with certain exceptions provided for by Uzbek law) and approval of the restated charter;
- reorganisation and liquidation of the Bank, appointment of a liquidation committee and approval of interim and final liquidation balance sheets;
- determination of the composition of the Supervisory Council, election of its members and early termination of their powers;
- adoption of Regulation on the Supervisory Council and Regulation on the General Shareholders' Meeting;
- determination of the amount, par value and type of authorised shares, as well as the rights attached to those shares;
- increases and reductions of the Bank's charter capital in the instances provided by the Bank's charter;
- election of the Statutory Audit Panel and appointment of the Bank's external auditor;
- declaration (payment) of dividends;
- approval of annual report and annual accounting (financial) statement;
- approval of the Bank's major transactions in the instances provided by law; and
- certain other matters provided for by the Bank's charter and law.

Decisions of the General Shareholders' Meeting are generally adopted by a simple majority of voting shareholders who are present at the meeting, unless the Regulations on the General Shareholders' Meeting of the Bank and Bank's Charter require a qualified majority or set additional rules. Pursuant to the Regulations on the General Shareholders' Meeting of the Bank and the Bank's Charter, motions such as amendment of the Charter, increase of the share capital in most cases, placement of securities convertible into shares,

reorganisation and liquidation must be approved by a three quarters majority vote of the voting shares participating in the General Shareholders' Meeting of the Bank. All decisions of the General Shareholders' Meeting are adopted subject to satisfaction of a quorum of at least 50.0 per cent. of voting shareholders.

Supervisory Council

The Supervisory Council is responsible for general governance matters, with the exception of those matters that are designated by law and by the Bank's Charter as belonging to the exclusive competence of the General Shareholders' Meeting. The Supervisory Council makes its decisions by simple majority, so long as a quorum of at least 75.0 per cent. of the elected members of the Supervisory Council is present, unless otherwise required by law or the Bank's Charter. The Supervisory Council meets on a regular basis – in-person meetings are typically held quarterly, whereas meetings in absentia are held at least once a month. The Bank's shareholders elect members of the Supervisory Council for a three-year term, and such members may be re-elected an unlimited number of times. At least five independent persons must be elected as the members of the Supervisory Council. The Supervisory Council currently has nine members.

The name, position and certain other information for each member of the Supervisory Council are set forth below.

<i>Name</i>	<i>Date of Appointment to Supervisory Council</i>	<i>Position</i>
Odilbek Rustamovich Isakov	26 January 2024	Chairperson of the Supervisory Council
Ulugbek Khakimovich Mukhtarov	24 June 2022	Deputy Chairperson of the Supervisory Council
Murodbek Bekberganovich Atadjanov	26 January 2024	Member of the Supervisory Council
Yulia Alexandrovna Ayzup	24 June 2022	Independent Member of the Supervisory Council
Ferdinand Willem Tuinstra	24 June 2022	Independent Member of the Supervisory Council
Georgy Badrievich Chiladze	26 January 2024	Independent Member of the Supervisory Council
Olga Gennadyevna Ulyanova	25 June 2025	Independent Member of the Supervisory Council
Saida Sherizatovna Jarbolova	25 June 2025	Independent Member of the Supervisory Council
Umid Mashrapovich Ahmedov	25 June 2025	Independent Member of the Supervisory Council

Odilbek Rustamovich Isakov (born 1981) - Cofounder and General Director of Infrasia Capital (London, UK). Mr Isakov graduated from the University of World Economy and Diplomacy (Tashkent, Uzbekistan) in 2000 with a bachelor's degree in International Economics and from Manchester Metropolitan University (UK) where he received a bachelor's degree in Business Economics in 2005. In addition, Mr Isakov holds an MSc in Finance from Strathclyde University (UK). Mr Isakov started his career as a manager in the Projects Office of the National Bank for Foreign Economic Activity of the Republic of Uzbekistan in 2002. Having completed his master's degree at Strathclyde University in 2006, he joined HSBC (London, UK) as an Analytical Director in the Debt Capital Markets Department and worked there until 2018. He then took up the position of Head of the Debt Management Department at the Ministry of Economy and Finance in 2018, eventually being promoted to the position of Deputy Minister in 2019. Mr Isakov moved to the private sector and co-founded Infrasia Capital in London (UK) in 2023. Since then, he has been acting as the CEO of Infrasia Capital.

Ulugbek Khakimovich Mukhtarov (born 1982) - Deputy Executive Director of the UFRD. Mr Mukhtarov received bachelor's and master's degrees from the Tashkent Financial Institute in 2003 and 2005, respectively. In 2004, he began his career as a specialist in the Main Department of Small Business of NBU. At the NBU, Mr Mukhtarov reached the position of Head of the Office of Expertise and Monitoring of Projects. Mr Mukhtarov moved to the UFRD as a Chief Specialist in 2012. Since 2018, he has been acting as Deputy Executive Director of the UFRD.

Murodbek Bekberganovich Atadjanov (born 1982) - Chair of the Treasury Service Committee of the Ministry of Economy and Finance. Mr Atadjanov has bachelor's and master's degrees in banking and credit, which he received at the Tashkent Institute of Finance in 2003 and 2005, respectively. Mr Atadjanov began his career as a cashier-accountant at "Print X" LLC in 2004. After working as an economist at the Departments of Finance and Treasury of Khorezm Region, Mr Atadjanov joined the Ministry of Economy and Finance as a Leading Economist at the Department of Financing of Law Enforcement Agencies in 2009. Mr Atadjanov held various

managerial positions, reaching the position of the Chair of the Committee of Treasury Service at the Ministry of Economy and Finance in 2023.

Yulia Alexandrovna Ayzup (born 1974). Ms Ayzup graduated from the Moscow Banking School of the Central Bank of the Russian Federation in 1994 and the All-Russian Distance Institute of Finance and Economics in 2000 with a degree in finance and credit. In 2010, Ms Ayzup completed an MBA programme at the Siberian State Aerospace University. Ms Ayzup began her career in financial services as an economist at the Department of Accounting and Reporting at the Bank "National Credit" in 1994 and as Head of the Operations Department at the "FondServicebank" in 1995. In 1996, Ms Ayzup joined KPMG and worked as an assistant auditor until 2000. Afterwards, Ms Ayzup held multiple leadership positions at the Sberbank PJSC, reaching the position of Advisor to the Chairman of the Sberbank PJSC in 2013.

Ferdinand Willem Tuinstra (born 1966). Mr Tuinstra is Managing Director at NpM, a platform for inclusive financing, Netherlands. In 1989 Mr Tuinstra completed an MBA at the Catholic University of Louvain in Belgium and in 2010 Mr Tuinstra graduated from the New York University Leonard Stern School of Business with an MSc in Risk Management. Mr Tuinstra started his career as a loan analyst at the ABN AMRO Bank in 1990. Thereafter, he held multiple leadership positions at Rabobank, ABN AMRO, AKBANK, KMB Intesa Bank and Delta Lloyd Bank. In 2010, Mr Tuinstra became a Chief Banking Consultant at the IFC. Since 2018, Mr Tuinstra has been a member of the Experts Council of Almacena BV (Netherlands) and the Supervisory Board of the UAB Travel Union (Lithuania).

Georgy Badrievich Chiladze (born 1971). Mr Chiladze is chair of the supervisory board of Digital Area (Georgia), co-founder and CEO of Alpha Plus Assets Management (Georgia). Mr Chiladze received a bachelor's degree in physics from the Tbilisi State University (Georgia) and a master's degree from Johns Hopkins University (Maryland, USA) in 1993 and 1996, respectively. In 2000, Mr Chiladze earned a Doctor of Science degree in Physics in Johns Hopkins University. Mr Chiladze started his career as an assistant teacher at Johns Hopkins University in 1995. Mr Chiladze worked as CEO of BTA Bank (Georgia), as a Financial Director and Director of Risk Management Department at the Bank of Georgia. Since 2023, he has been acting as the CEO of Alpha Plus Assets Management (Georgia).

Olga Gennadyevna Ulyanova (born 1973). Ms Ulyanova has over 30 years of experience in Russia's financial and banking sector. She graduated with honours in 1995 from the Moscow State Academy of Management named after S. Ordzhonikidze with a degree in Economics, specialising in IT in Management. She has been an active member of the UK Chartered Association of Certified Accountants (ACCA) since 2001 and holds additional qualifications in credit risk assessment, financial risk management and ESG investing. She began her career as an economist at the Mytishchi branch of Unicombank (1993–1998), then served as Chief Accountant at the Agency for Economic Development (1998–1999). From 1999 to 2007, she held various positions at KPMG CJSC, including Audit Assistant, Consultant and Manager. Between 2007 and 2022, she worked at Moody's Investors Service in Moscow, advancing to the role of Vice President – Senior Credit Specialist.

Saida Sherizatovna Jarbolova (born 1969). Ms Jarbolova has over 30 years of experience in financial and banking institutions. She graduated from Kazakhstan Polytechnic Institute in 1991, the Kazakhstan Institute of Management and Economic Forecasting (KIMEP) in 1994 and the University of Amsterdam in 2021. She began her career as a researcher in data analysis and AI in medicine at the Institute of Informatics of the Academy of Sciences of the Republic of Kazakhstan (1991–1992). From 1994 to 1997, she worked as a senior analyst at the Central Asian-American Enterprise Fund, followed by a role as private equity analyst at the Kazakhstan Investment Fund (1997–2000), focusing on financial institutions, hospitality, aviation and construction materials. She then served as Vice President for Structured Finance in natural resources and project finance at ING Barings in Amsterdam (2001–2006). Between 2006 and 2018, she was Regional Manager of ING's Representative Office in Almaty. From 2018 to 2022, she served as CEO and Chairperson of the Management Board at ING Bank Ukraine, and from 2022 to 2024, as Managing Director leading the Wholesale Banking division for EMEA at ING NV in Amsterdam. Since 2024, she has been serving as an Independent Director at Alatau City Bank (formerly known as Jusan Bank).

Umid Mashrapovich Ahmedov (born 1982). Mr Ahmedov has over 20 years of experience in IT and finance, with a specialisation in IT and operational risk management. He holds an MSc in Finance and International Business from Aarhus University, an MBA from the University of Montana and a Certificate in Multimedia

Design and Communication from AARHUS TECH. He also studied at Tashkent State University of Economics and the National Statistics Committee, and holds a PhD in Economics through an industrial programme. He is the Founder and CEO of R&U Group and has held senior roles at Saxo Bank, Ørsted, FLSmidth and Microsoft in Denmark. In Uzbekistan, he served as a Non-executive Director of JSCB Agrobank, taught as an Adjunct Professor at Tashkent State University of Economics and co-founded the digital platform Tezbor.uz. He is also the Founder and CEO of Aresum Holding ApS (Denmark). Since 2023, he has been serving as Director of Data Processing and Analytics at Danske Commodities.

The business address of each member of the Supervisory Council is the Bank's registered office. No actual or potential conflicts of interest exist between the duties that any member of the Supervisory Council owes to the Bank and such member's private interests or other duties.

Management Board

The Management Board is the Bank's collegial executive body, which is elected by the Supervisory Council. The Management Board meets as often as is considered necessary, typically twice a week, and makes its decisions by simple majority, *provided that* a quorum of at least two-thirds of the elected members of the Management Board is present. The Chairperson of the Management Board has a casting vote. The Management Board is responsible for the Bank's day-to-day management and administration. The Chairperson of the Management Board represents the Bank and acts as its Chief Executive Officer. The Management Board has several committees that help it carry out its management functions.

As at the date of this Offering Memorandum, the Management Board consists of nine members. The name, position and certain other information for each member of the Management Board are set out below. Unless otherwise indicated, members of the Management Board do not perform any external functions. There are no fixed terms of office for Management Board members.

<i>Name</i>	<i>Date of Appointment to Management Board</i>	<i>Position</i>
Aziz Akbarjon ugli Akbarjonov	4 October 2023	Chairperson
Anvarjon Abdumajitovich Ergashev	27 December 2023	First Deputy Chairperson
Shukhrat Israilovich Yakubov	15 October 2020	Deputy Chairperson
Farrukh Talipjanovich Abdurakhmanov	9 October 2024	Deputy Chairperson
Davron Shavkatovich Umarov	9 October 2024	Deputy Chairperson
Sanzhar Abdurakhmonovich Abduvaliev	9 October 2024	Deputy Chairperson
Timur Olimovich Norov	20 April 2025	Acting Chief Business Officer
Orsolya Ekler	15 September 2024	Chief Financial Officer
Kumrinisa Ibragimovna Karabayeva	3 June 2025	Chief Operating Officer

Aziz Akbarjon ugli Akbarjonov (born 1985). In 2008, Mr Akbarjonov received bachelor's and master's degrees from the Tashkent State University of Economics in 2008 and 2010, respectively. Mr Akbarjonov started his career in 2004 as a 2nd-category specialist of Corporate Clients Department at the Tashkent Regional Branch of the National Bank for Foreign Economic Activity of the Republic of Uzbekistan. In 2018 Mr Akbarjonov joined the Bank as the Director of the Department of Project Management and Performance Control, then served as the Credit Director (CCO) and the Chief Credit Director, and was the First Deputy Chairperson of the Management Board of the Bank from 2020 to 2023.

Anvarjon Abdumajitovich Ergashev (born 1973). Mr Ergashev graduated from the Tashkent Financial Institute with a degree in Finance and Credit in 1995. Mr Ergashev began his career in 1993 as a chief specialist of the Uzbek Joint-Stock Innovation and Commercial Bank "Ipak Yuli" and worked there until 1998 as a Deputy Head of the Department for Credit and Commercial Investments. Between 1998 and 2006, he worked as the Head of the Department for Evaluation, Analysis and Crediting of Investment Projects of the Uzbek International Bank Uzprivatbank and Acting First Deputy Chair of the Management Board, Chair of the Management Board. Between 2006 and 2017, Mr Ergashev worked as the Head of the Central Operational Regional Branch of the Bank; and between 2017 and 2018, he worked as the Head of the Accounting Operations Control Department of the Bank and Director of the Department of Cash Circulation and Cash Operations.

Shukhrat Israilovich Yakubov (born 1967). Mr Yakubov graduated from the Tashkent Automobile and Road Construction Institute in 1992 and in 1998 he received a degree in International Economic Relations from the Tashkent State University of Economics. Mr Yakubov began his career in 1991 as a broker at the "Nigora" small enterprise. Mr Yakubov joined the Bank in 1993 as a 1st category specialist of the Expert and Technical Department. Between 1996 and 2001 he worked as the Head of the Department for Analysis of Investment Projects of the Investment Division, Head of Exchange Operations, Head of Conversion Operations and Head of Foreign Currency Lending Department of the Foreign Economic Activity Division of the Bank. From 2001 until 2006 Mr Yakubov was the Head of the Katartal Branch and from 2006 until 2018 served as a Deputy Chair of the Management Board of the Bank. From 2018 until 2020 Mr Yakubov worked as the Head of the Department at the Accounts Chamber under the Presidential Administration of the Republic of Uzbekistan.

Farrukh Talipjanovich Abdurakhmanov (born 1980). Mr Abdurakhmanov graduated from Tashkent State University of Economics in 2004 (full-time) and again in 2006 (correspondence course). He began his career in 2003 as a first-category specialist in the Department of Crediting and Inspection of Investment Projects at the NBU. From 2008 to 2018, he held a number of senior roles at the NBU, including Head of Lending and Investment Project Departments, Deputy Director for Corporate Client Relations, and Deputy Head of Problem Loan Monitoring. In 2018, he joined the Bank as Deputy Director of the Department for Financing Corporate Clients, later serving as Director of the Department for Monitoring Loans and Working with Problem Assets, and Director of the Department for Working with Problem Loans. Since 2020, he has served as Director of the Department for Work with State Projects.

Davron Shavkatovich Umarov (born 1987). Mr Umarov graduated from the Tashkent Institute of Irrigation and Melioration in 2008 with a degree in Regional Economics and Management and received a master's degree from Tashkent State University of Economics in 2010. He began his career at the Kokand branch of the National Bank in 2008 and, from 2011 to January 2024, worked at Asaka Bank, where he progressed from second-category specialist in the foreign exchange operations department to Director of Department at the head office.

Sanzhar Abdurakhmonovich Abduvaliev (born 1988). Mr Abduvaliev graduated from Tashkent State University of Economics in 2009 with a degree in World Economy and International Economic Relations and received a master's degree from the same university in 2011. He began his professional career in July 2011 and has held various positions at the NBU and the Bank. Over the years, he rose through the ranks from first-category specialist to Head of the Tashkent City Territorial Administration.

Timur Olimovich Norov (born 1989). Mr Norov graduated from Tashkent State University of Economics in 2011 with a degree in World Economy and International Economic Relations. He began his career at Hamkorbank in 2012 before joining the Bank in 2013, where he held various roles in corporate and retail lending, including mortgages and SME finance. Since 2017, he has served in senior positions, leading SME lending departments and heading specialised units of the bank. From 2021 to 2023, he was Deputy and later Director of the Information Technology Department, before being appointed Head of the Digital Business Department in 2023. In April 2025, he was promoted to Acting Chief Business Officer of the Bank.

Orsolya Ekler (born 1971). Ms Ekler graduated from Dresden Technical University (Germany) in 1996 with a degree in Economics, specialising in Econometrics. She also completed advanced training in Bank Controlling at the Controlling Academy in Baden (2000), Saldo accounting courses (2000–2002), IFRS courses at KPMG (2006) and advanced management training at Ashridge (UK) in 2012. She began her career in 1995 as an assistant manager at Balogh Import Export Handels-KG. From 1998 to 2005, she held senior positions at Erste Bank Hungary Rt., including Managing Director for Control and Market Risk Management. Between 2007 and 2013, she led the financial divisions of Nurbank and Alliance Bank in Kazakhstan. She then served as Financial Director of MOL-Russ from 2013 to 2016, overseeing all financial operations of the MOL Group in Russia and Ukraine. Since 2017, she has worked as a consultant and project manager, delivering IFRS and banking system implementation projects for major Hungarian banks.

Kumrinisa Ibragimovna Karabayeva (born 1985). Ms Karabayeva graduated from the Moscow State University of Instrument Engineering and Computer Science in 2009 with a degree in Economics. In 2015, she obtained the qualification of financial lawyer from the Russian Law Academy of the Ministry of Justice of the Russian Federation. She began her career in 2000 and since 2005 has held positions of increasing responsibility in major Russian financial institutions, including the Federal Tax Service, Ekstrobank, Santander Consumer Bank,

Rublyovskiy Bank, VTB and Alfa-Bank. Over the course of her career, she has progressed from economist to executive roles, with a focus on financial analysis, transaction monitoring and operational management. Since June 2025, she has served as Chief Operating Officer of the Bank.

The business address of each member of the Management Board is the Bank's registered office. No actual or potential conflicts of interest exist between the duties that any member of the Management Board owes to the Bank and such member's private interests or other duties.

Corporate Governance

The Bank complies with the Uzbekistan corporate governance regime. Corporate governance at the Bank has been carried out in accordance with the requirements of the Regulation on the Management of the Bank rules governing the operation of joint-stock companies and credit organisations in Uzbekistan, the Bank's Charter and other internal documents of the Bank.

As a legal entity, whose shares and debt securities are listed on the Tashkent Stock Exchange, the Bank is required to comply with a number of corporate governance requirements applicable to issuers of securities that are traded on the Tashkent Stock Exchange.

As part of its corporate governance regime, the Bank follows its own Corporate Governance Code. The current version of the Corporate Governance Code was adopted by the Bank's Supervisory Board on 10 November 2020 and approved by the General Shareholders' Meeting on 28 May 2021.

The Bank's Corporate Governance Code sets out the Bank's main corporate conduct principles, promoting better performance of the management bodies of the Bank. It was based on a balanced approach to the interests of the Bank's shareholders, management bodies and other interested parties, with a view to enhance reliability and client satisfaction, promote business culture, improve control over the Bank's performance and to ensure compliance with highest ethical standards. The Corporate Governance Code seeks to improve and systemise approaches to client satisfaction by providing high quality banking services and reliability in accordance with the Bank's plan to evolve as a modern financial institution. To keep client service in line with high financial, business and technological standards, the Bank voluntarily undertakes to follow the principles and rules of corporate governance set out in the Corporate Governance Code. These principles and rules correspond to international best practices of corporate conduct and represent a high level of governance and performance control, business culture and compliance with high ethical standards. As corporate governance practice evolves in Uzbekistan and abroad, the Bank will seek to further improve its corporate governance rules and principles and achieve a higher level of compliance with the principles set out in the Corporate Governance Code.

Among other things, the Bank has implemented the following corporate governance features:

Independent Members

According to the Regulation on the Supervisory Council of the Bank and the Corporate Governance Code, independent directors of the Bank are those Supervisory Council members who have no direct or indirect relationship with the Bank other than membership on the Supervisory Council, and who, among others:

- are not, and have not been in the past five years, employed by the Bank or its affiliates, where "affiliates" means, with respect to any person, any individuals or entities directly or indirectly controlling, controlled by or under common control with, that person and "control" means the power of an individual or entity, whether independently or jointly with other individuals or entities, directly or indirectly (through third parties), to influence activities of entities and/or individuals (including to determine the decision of the management or business policies of an entity through the direct or indirect (i.e. through third parties) ownership of more than 20.0 per cent. of its capital and/or by contract made between that individual or entity and the other individual(s) and/or entity(ies));
- are not affiliated with any non-profit organisation that receives significant funding from the Bank or its affiliates;
- do not receive and have not received in the past five years, any additional payments from the Bank or its affiliates other than their remuneration and reimbursement of expenses related to their service, as

Supervisory Council members (such remuneration and reimbursement may not constitute a significant portion (share) of any such independent director's total income for the calendar year in which such remuneration and reimbursement were paid);

- do not participate in any employee pension programme or share option programme of the Bank or any of its affiliates;
- are not employed as the sole executive body or a member of the collective executive body of another entity where any of the members of the Bank's collective executive body serve on that entity's board of directors;
- are not, and have not been at any time during the past five years, employed by or affiliated with an auditor of the Bank or any of its affiliates;
- do not hold a significant (more than 2.0 per cent.) portion of the outstanding shares in the Bank or shares/interests in the capital of any of its affiliates, and are not members of a management body of any entity, or general partners of any general partnership, or members of a business partnership, or partners (members) of an entity incorporated under foreign law in a legal form similar to that of general partnership or business partnership, and cannot give binding instructions to or otherwise direct the activities of an entity, which holds any significant (more than 2.0 per cent.) portion of the outstanding shares in the Bank or shares/interests in the capital of any of its affiliates;
- are not members of the immediate family, guardians or trustee of any individual who would not meet any of the tests set out above, or assistants to any such individual who is of age, legally capable and placed under guardianship, or executors of the estate of any such individual who has been declared missing, or administrators or trustees of the estate of any such individual who is or has been declared deceased; and
- have not served on the Supervisory Council for more than five years.

The foregoing independence criteria exceed the requirements of the Regulation on the Supervisory Council of the Bank and CBU guidance and are based on the requirements of EBRD. The Bank also complies with the independence criteria for directors envisaged by the Tashkent Stock Exchange Listing Rules. The Bank's Supervisory Council currently has six independent directors.

Internal Audit Committee

Pursuant to the charter and other internal regulations of the Bank, the Supervisory Council has established the Internal Audit Committee. Such committee is formed for pre-examination of the most important matters pertaining to the activities of the Bank.

The Internal Audit Committee's functions also include maintaining the Supervisory Council's control over activities of the Bank's executive bodies and ensuring co-operation with the Bank's executive bodies on matters within the committee's competence, supervision over the reliability and efficiency of the Bank's financial activity and internal control system, control over measures taken to ensure the Group's financial statements are complete, accurate and true, implementing and promoting a culture of risk management within the Bank, ensuring independence and fairness of internal and external audit functions, controlling performance of, and measures taken by the Bank's executive management under, the system alerting of potential malfeasance by the Bank's staff (including abuse of insider or confidential information) or by third parties, and of other irregularities in its operations.

The current members of the Internal Audit Committee are Ulugbek Mukhtarov (Chairman), Yuliya Aizup and Ferdinand Tuinstra.

Risk, Major and Affiliated Transactions and Compliance Oversight Committee

Pursuant to the charter and other internal regulations of the Bank, the Supervisory Council has established the Risk, Major and Affiliated Transactions and Compliance Oversight Committee. The committee supervises and ensures the effective functioning of the Bank's risk management system.

Its main responsibilities include overseeing that the Bank's risk management is conducted in accordance with the Risk Appetite Statement, the Risk Management Strategy, the Bank's Development Strategy, international practice and compliance control standards, as well as other parameters determined by the Supervisory Council.

The current members of the Risk, Major and Affiliated Transactions and Compliance Oversight Committee are Olga Ulyanova (Chairwoman), Georgiy Chiladze and Umid Ahmedov.

Digitalisation and Cybersecurity Committee

The Supervisory Council has also established the Digitalisation and Cybersecurity Committee to oversee the development of digital technologies and the safeguarding of information security within the Bank.

Its responsibilities include monitoring the implementation of the digital transformation strategy, the development of IT infrastructure, data protection and the management of cybersecurity risks. The committee also ensures compliance with cybersecurity standards and provides the Supervisory Council with recommendations regarding the development of digital services and the protection of the Bank's information assets.

The current members of the Digitalisation and Cybersecurity Committee are Umid Ahmedov (Chairman), Georgiy Chiladze and Ferdinand Tuinstra.

Strategy and Investments Committee

The Strategy and Investments Committee has been established by the Supervisory Council to assist in developing the Bank's long-term strategy and assessing its future effectiveness.

The committee prepares proposals and recommendations to the Supervisory Council by analysing the current strategy and selected areas of the Bank's activities. It also considers and provides recommendations on amendments to the Bank's charter, capital management, the issuance and acquisition of shares and other securities, as well as attracting investors into the Bank's capital.

The current members of the Strategy and Investments Committee are Yuliya Aizup (Chairwoman), Saida Jarbolova and Ulugbek Mukhtarov.

Nominations and Remuneration Committee

The Supervisory Council has also formed the Nominations and Remuneration Committee to enhance the efficiency and quality of its work.

The committee reviews matters relating to the Bank's remuneration practices, employee incentive and social support programmes, and professional development policies. It also oversees the development and implementation of personnel policies, succession planning for members of the Supervisory Council and the Management Board, and the assessment of the professional composition and performance of the Supervisory Council, and prepares recommendations to the Council within its competence.

The current members of the Nominations and Remuneration Committee are Saida Jarbolova (Chairwoman), Murod Atajanov and Olga Ulyanova.

Corporate Secretary

The Corporate Secretary's role is to enhance the efficiency of the Bank's development management in the interest of the shareholders, coordinate the Bank's actions aimed at the protection of shareholders' rights and interests, improve the Bank's corporate governance practices and standards, maintain the effective operation of the Bank's General Shareholders' Meeting and Supervisory Council, as well as ensure active ongoing interaction with the Bank's shareholders, Supervisory Council members and the Bank's executive bodies.

Code of Corporate Ethics

On 18 March 2016, the Bank also adopted its Code of Corporate Ethics and revised it on 5 December 2020. It sets out the standards of the Bank's activities and employees' conduct with the focus on maintaining ethical

standards, quality of service provided to customers, which has the effect of increasing the Bank's profitability, financial stability and efficiency. The objectives of the Code of Corporate Ethics include defining the Bank's mission and corporate values; ensuring the Bank's employees understand their personal responsibility to the Bank's customers, business partners, shareholders and their colleagues for executing their official duties and performing their functions; and setting forth the fundamental principles of the Bank's relationships with customers, business partners, state and municipal authorities, competitors and the Bank's employees, as well as protecting the interests of the Bank's shareholders, customers, business partners and employees. In addition, the Code of Corporate Ethics sets forth the key principles of handling the Bank's insider information and sets out the Bank's gifts policy. The Code of Corporate Ethics applies to all employees of the Bank. Employees are required to act in accordance with the Code of Corporate Ethics and avoid situations where their personal interests conflict with the Bank's interests, and the Bank's managers of various levels are required to supervise and ensure their subordinates' compliance with the provisions of the Code of Corporate Ethics. The Bank's Internal Control Service is responsible for controlling compliance with the Corporate Ethics Code in the course of adoption of internal organisational documents by the Bank's structural divisions, as well as for monitoring the employees' compliance with the Code of Corporate Ethics. The Bank views the adoption of the Code of Corporate Ethics as an important development in continuing to improve the corporate governance of the Bank. The Code of Corporate Ethics also aims to assist with the integration of new employees into the Bank's corporate culture.

Remuneration

In the six months ended 30 June 2025, aggregate remuneration paid by the Bank to the members of its Supervisory Council and Management Board was UZS10,711 million. In turn, in the years ended 31 December 2024, 2023 and 2022, the aggregate remuneration paid by the Bank to the members of its Supervisory Council and Management Board was UZS17,711 million, UZS15,444 million and UZS12,574 million, respectively.

Members of the Supervisory Council are remunerated according to the Regulation on remunerations and compensations payable to members of the Supervisory Council (approved by the annual General Shareholders' Meeting on 28 June 2019). The members of the Bank's Management Board enter into employment contracts with the Bank, which set forth their remuneration divided into non-performance related and performance-related components.

Litigation Statement Concerning Management

For the previous five years, none of the members of the Supervisory Council or the Management Board:

- has had any convictions in relation to fraudulent offences;
- has held an executive function in the form of a senior executive officer or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation; or
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Other Interests

No actual or potential conflicts of interest exist between the duties that any member of the Supervisory Council or the Management Board owes to the Bank and such member's private interests or other duties.

PRINCIPAL SHAREHOLDERS

As at the date of this Offering Memorandum, the Bank's charter capital consists of 243,258,522,516 ordinary shares and 370,000,000 preferred shares, all of which are fully paid, issued and outstanding and have a nominal value of UZS19 per one share. The Bank's ordinary shares are admitted to trading on the Tashkent Stock Exchange (under the symbol "SQBN"). As at 1 October 2025, the Bank's free float constituted 3.2 per cent. of its share capital.

The following table sets forth the shareholders of record of the Bank as at the date of this Offering Memorandum.

Shareholder	Number of shares	Percentage of the share capital
UFRD	200,240,766,051	82.2%
Ministry of Economy and Finance	32,829,129,399	13.5%
Uztransgaz JSC	2,950,101,575	1.2%
Other legal entities	5,505,848,724	2.3%
Individuals.....	2,107,676,767	0.9%
Total.....	243,628,522,516	100.0%

Pursuant to the Presidential Decree No. PP-289 "On Measures for the Further Improvement of the National Investment Fund of the Republic of Uzbekistan" dated 19 September 2025, the UFRD will transfer 30.0 per cent. of the shares in the Bank to the Ministry of Economy and Finance for subsequent transfer to the National Investment Fund of the Republic of Uzbekistan ("**NIF**"), a wholly owned subsidiary of the Ministry of Economy and Finance. The Decree also provides that NIF may conduct an initial public offering of its shares to further enhance its operations and increase its investment attractiveness.

Other than as disclosed with respect to the Privatisation in "*Risk Factors — Risks Related to the Bank's Business and Industry — Future privatisation of the Bank may adversely affect its business, financial condition and prospects*" and "*Risk Factors — Risks Related to the Bank's Business and Industry — Non-privatisation of the Bank may adversely affect its business, financial condition and prospects*", the Bank is not aware of any arrangements in existence as at the date of this Offering Memorandum that could reasonably be expected to result in a change of control of the Bank.

CERTAIN TRANSACTIONS WITH RELATED PARTIES

The following is an overview of the Bank's transactions with related parties as at the dates indicated below. The financial information set forth herein has, unless otherwise indicated, been extracted without material adjustment from the Financial Statements.

Under Uzbek law, certain related party transactions require prior approval by the Bank's general shareholders' meeting. Shareholders that are interested in a related party transaction must abstain from voting. Accordingly, if both of the Bank's principal shareholders are deemed interested and abstain, approval may depend on minority shareholders who may be unable to form a quorum or vote in favour of the transaction. See "*Risk Factors — Risks Related to the Bank's Business and Industry — The Bank may fail to receive corporate approval in respect of certain transactions with related parties*" and "*Principal Shareholders*".

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. The Bank has the following categories of related parties:

- Significant shareholders – legal entities-shareholders which have a significant influence on the Group through the Government. See "*Principal Shareholders*";
- Key management personnel – members of the Management Board and Supervisory Council of the Bank. See "*Management*"; and
- Entities under common control – entities that are controlled, jointly controlled or significantly influenced by the Government.

The table below sets out the outstanding balances as at 30 June 2025 and 31 December 2024, 2023 and 2022.

	As at 30 June	As at 31 December		
	2025	2024	2023*	2022
	(unaudited)	<i>million soums</i>		
			(audited)	
Cash and cash equivalents				
Entities under common control.....	1,085,515	707,548	285,995	35,908
Total.....	1,085,515	707,548	285,995	35,908
Due from other banks				
Entities under common control.....	830,879	1,079,451	1,334,385	1,235,199
Total.....	830,879	1,079,451	1,334,385	1,235,199
Loans and advances to customers including finance lease receivables				
Key management personnel.....	136	406	368	198
Entities under common control.....	13,801,053	14,274,010	14,572,496	14,368,999
Total.....	13,801,189	14,274,416	14,572,864	14,369,197
Credit loss allowance				
Key management personnel.....	(4)	(8)	(2)	—
Entities under common control.....	(200,620)	(170,376)	(116,111)	(392,033)
Total.....	(200,624)	(170,384)	(116,113)	(392,033)
Investments securities measured at amortised cost				
Significant shareholders	7,040,841	4,063,554	2,090,103	2,060,476
Total.....	7,041,841	4,063,554	2,090,103	2,060,476
Other Assets				
Key management personnel.....	125	64	12	—
Significant shareholders	8,397	5,968	2,089	—
Entities under common control.....	18,973	173	22,913	—
Total.....	27,495	6,205	25,014	—
Due to other banks				
Entities under common control.....	2,949,396	976,274	964,575	661,191
Total.....	2,949,396	976,274	964,575	661,191

	As at 30 June	As at 31 December		
	2025	2024	2023*	2022
	(unaudited)	million soums		
			(audited)	
Customer accounts				
Key management personnel.....	1,270	2,132	2,089	1,347
Significant shareholders	4,167,947	3,024,611	3,732,455	3,383,672
Entities under common control.....	9,492,396	6,393,138	2,175,907	4,075,447
Associate	69	170	14	—
Total.....	13,661,682	9,420,051	5,910,465	7,460,466
Other borrowed funds				
Significant shareholders	3,478,098	2,973,560	2,513,306	4,813,932
Entities under common control.....	417,667	937,791	1,583,855	—
Total.....	3,895,765	3,911,351	4,097,161	4,813,932
Other liabilities				
Significant shareholders	13	—	45	—
Entities under common control.....	24,825	381	529	—
Total.....	24,838	381	574	—
Subordinated debt				
Significant shareholders	1,456,454	1,460,406	1,447,959	—
Entities under common control.....	—	—	—	330,560
Total.....	1,456,454	1,460,406	1,447,959	330,560

Note:

* The table was revised to align with 31 December 2024 presentation.

The table below sets out the amounts included in profit or loss and other comprehensive income for the three-month period ended 30 June 2025 and 2024, and the years ended 31 December 2024, 2023 and 2022.

	For the three months ended 30		For the year ended 31 December		
	June		2024	2023	2022
	2025	2024	million soums		
	(unaudited)			(audited)	
Interest income					
Key management personnel.....	20	27	96	140	34
Significant shareholders	394,918	206,510	484,896	373,691	1,079
Entities under common control.....	1,382,437	686,863	2,667,213	2,021,088	350,369
Total.....	1,777,375	893,400	3,152,205	2,394,919	351,482
Interest expense					
Key management personnel.....	(3)	(1)	(3)	(265)	(216)
Significant shareholders	(746,966)	(623,809)	(1,349,409)	(551,690)	(547,782)
Entities under common control.....	(84,487)	(84,198)	(160,406)	(172,891)	(84,300)
Total.....	(831,456)	(708,008)	(1,509,818)	(724,846)	(632,298)
(Provision for)/ recovery of credit losses on loans and advances to customers including finance lease receivables					
Key management personnel.....	5	(3)	(7)	—	(6)
Entities under common control.....	72,140	(258,974)	(51,067)	19,355	(275,568)
Total.....	72,145	(258,977)	(51,074)	19,355	(275,574)
Fee and commission income					
Significant shareholders	—	9	11	18	29
Entities under common control.....	12,333	22,173	38,393	57,271	26
Associate	—	—	28	—	—
Total.....	12,333	22,182	38,432	57,289	55
Impact of below market loans issued under government instruction					
Significant shareholders	—	—	(267,663)	—	—
Total.....	—	—	(267,663)	—	—
Net gain from trading in foreign currencies					
Entities under common control	149,659	53,432	164,290	50,773	63,051

	For the three months ended 30		For the year ended 31 December		
	June				
	2025	2024	2024	2023	2022
	(unaudited)		<i>million soums</i>	(audited)	
Total.....	149,659	53,432	164,290	50,773	63,051
Other operating income					
Entities under common control.....	490	—	2,338	—	12
Total.....	490	—	2,338	—	12
Administrative and other operating expenses					
Key management personnel.....	(10,711)	(7,716)	(17,710)	(15,444)	(12,574)
Total.....	(10,711)	(7,716)	(17,710)	(15,444)	(12,574)

THE BANKING SECTOR AND BANKING REGULATION IN THE REPUBLIC OF UZBEKISTAN

Introduction

The Uzbekistan financial sector consists mainly of Uzbekistan banks, non-bank depository institutions, microfinance organisations, qualified credit institutions and insurance companies. Non-bank depository institutions and microfinance organisations provide a limited range of banking services, such as accepting deposits from, and issuing loans to, their members only (in the case of non-bank depository institutions), or issuing microloans (in the case of microfinance organisations), while banks provide a wide range of banking services. The CBU acts as the regulator of the financial sector supervising the banking sector. The CBU issues licences, establishes mandatory economic ratios and reserve requirements, regulates accounting and reporting rules and supervises compliance with laws and regulations. The CBU also controls inflation, issues money and ensures the effective functioning of payment systems. The main objective of the CBU is the stability of the national currency.

History of the Uzbekistan Banking Sector

The Uzbekistan banking sector was transformed following Uzbekistan's independence from the Soviet Union on 31 August 1991, as a two-tier banking system was introduced and the CBU was established with the adoption of the law "*On banks and banking activity*". Development of monetary policy and the payment system and formation of the commercial banking industry were among the main objectives of the newly established CBU.

The soum, introduced as the national currency on 1 July 1994, was a landmark in the formation of an independent banking system and the development of the economy of Uzbekistan as a whole. Afterwards, the CBU became an independent body and began to perform its function as a facilitator of the effective formation of the national monetary system. The law "*On the Central Bank of Republic Uzbekistan*", which was adopted in 1995, clearly defined new status, powers, goals and objectives of the CBU.

The Law of the Republic of Uzbekistan "*On Banks and Banking Activity*", adopted in 1996 (the "Banking Activity Law"), established the legal framework for the activity of commercial banks. The CBU Law and Banking Activity Law were both drafted based on best practices of developed financial systems. These laws, as well as the Law "*On Joint-Stock Companies and Protection of the Rights of Shareholders*", created favourable legal conditions to establish private banks. Due to the reforms implemented in 1996, the CBU became an independent authority for monetary regulation and banking supervision. The Banking Activity Law laid down principles for the formation of universal commercial banks based on the diversification of banking assets and the attraction of foreign capital.

In 1996, credit and financial institutions serving particular sectors of the economy, such as the automobile industry, aircraft building, agriculture and others, were created to finance these strategic sectors. More specialised banks were established to meet the needs of business environments and economic developments in a wider range of economy sectors.

In 1997, reforms were implemented to stimulate private capital inflows to the banking sector. This process was followed by the decree of the President of the Republic Uzbekistan "*On the arrangements on motivation to form private commercial banks*" in 1997 providing certain benefits to the banks which were 50.0 per cent. or more privately owned. From March 1997, after the introduction of new software and the conversion of all accounts to an electronic regime, banks were able to process payments within 15 minutes across the whole territory of the Republic and within three minutes across Tashkent.

The statutory acts regulating the activity of commercial banks were established on the basis of Basel recommendations on banking supervision and international practice, as well as by taking into consideration the framework of international standards on financial statements. Furthermore, the principle of prior detection of issues on commercial banks' balance sheets was introduced. In addition, new measures were introduced with the aim of supporting the financial stability of commercial banks, including capital and liquidity control.

From 1999 to 2000, Uzbekistan implemented a mechanism for foreign exchange sales. This mechanism allowed authorised banks to purchase currency from their clients on a contractual basis.

In 2002, the law of the Republic of Uzbekistan "*On the guarantee of security of funds of citizens in the banks*" established the Deposit Security Fund, which covered all commercial banks operating on the territory of Uzbekistan.

From 2003 to 2004, the regulation and systematic development of banking activity focused on further liberalisation and intensification of the reforms in Uzbekistan. Its main objective was to strengthen confidence in the banking sector. In October 2003, the Republic of Uzbekistan assumed obligations under Article 8 of the IMF Articles of Association. The policy of the CBU at that time was aimed at setting incentives for export and effective use of currency resources, together with prevention of inflation and sharp fluctuations in currency exchange rates.

Between 2003 and 2005, an emphasis was made on the realisation of management of monetary policies, and improvement of stability of the national currency and its exchange rate.

From 2006 to 2007, the banks expanded their mortgage loans portfolio. The law "*On mortgage*" and the law "*On consumer loans*" facilitated mortgage loans and consumer loans. As a result, such types of loans became very popular.

In 2006, the UFRD was established to finance and co-finance projects of the state investment programme. The UFRD is a financial institution under the authority of the Cabinet of Ministers of the Republic of Uzbekistan, designed to ensure the implementation of projects for the modernisation and technical re-equipment of leading sectors of the economy, dynamic, sustainable and balanced socio-economic development of the country, as well as the implementation of an effective structural and investment policy. The UFRD provides loans for state-owned entities through commercial banks on concessional terms. The UFRD's resources come from surplus tax revenues from the subsoil and export taxes, income from the sale of products under production sharing agreements with foreign partners and other revenue streams.

From 2008 to 2009, the main objective of the CBU was the development of retail banking. As a result, the range of services provided by the commercial banks of Uzbekistan expanded and new banking products were introduced.

From 2010 to 2014, the financial stability of the banking sector of Uzbekistan increased, radically changing approaches and systems for evaluating the performance of the entire financial and banking sector, and ensuring access to a higher level of organisation of activities in line with best international practices, standards and performance indicators. In the end of 2012, the Law "On Private Banking and Financial Institutions and Guarantees of Their Activities" was adopted, introducing regulation for private banking institutions. The main objectives of the law were to ensure the protection of the rights and legitimate interests of private banking and financial institutions, create conditions for attracting private capital to the banking and financial sector, increase competition and improve the quality of customer service in the banking and other financial services market. In addition, in October 2013, the Law "On the Collateral Register" was adopted, which introduced regulation in relation to maintaining of the collateral registry.

From 2014 to 2017, the Government introduced reforms covering the corporate governance principles' implementation, step-by step implementation of Basel III and the improvement of material resources of commercial banks by providing customs exemption for imports of software, ATMs and other bank equipment supporting settlement by plastic cards. Such measures were adopted to increase the financial stability of commercial banks and to improve their material base.

In 2015, the Government introduced a requirement for commercial banks in the form of joint-stock companies to have foreign investors holding at least 15.0 per cent. of their share capital which resulted in several banks commencing negotiations with foreign investors. However, this requirement was repealed on 18 March 2020.

In 2017, in an effort to bolster the commercial banks' liquidity, statutory provisions requiring the commercial banks in Uzbekistan to post funds with the CBU covering potential losses of state assets was revoked.

In 2017, the CBU (jointly with the General Prosecution Office) approved Rules on Internal Control in Commercial Banks to Counteract Money Laundering Generated by Crime Activities, Terrorism Financing and

Financing Proliferation of Weapons of Mass Destruction (registered with the Ministry of Justice No. 2886 dated 23 May 2017).

In the second half of 2017, the CBU began active reforms in the monetary sector. In order to reduce inflationary pressure, the CBU tightened monetary conditions by raising the refinancing rate from 9.0 per cent. as at June 2017 to 16.0 per cent. as at September 2018 subsequently reducing it to 14.0 per cent. as at 25 April 2024.

In 2018, the Government introduced a number of fundamental regulatory changes designed to improve the population's access to retail banking across Uzbekistan (including easier access to banks' premises; transparency of loan application consideration and approval processes; prohibition of certain lending application, servicing and repayment fees and expenses, etc.) and banks were encouraged to introduce new banking products for their retail clients. In July 2018, the CBU also approved a regulation introducing minimum requirements for commercial banks when interacting with consumers.

In 2019, the CBU Law and the Banking Activity Law were amended to improve the regulation of the banking and financial sector. Further, the new Law "On Payments and Payment System" was promulgated to ensure more effective regulation of payments' processing and payment systems in Uzbekistan and the Laws "On banks and banking activity" and "On Central Bank" were adopted in a revised version. Further, as set out in the Presidential Decree No. UP-5877 dated 18 November 2019, from 1 January 2020 Uzbekistan started transitioning to the inflation-targeting regime.

In May 2020, the Government adopted the Strategy on Banking Reforms for 2020-2025. The principal objective of the strategy is to reduce state presence in the banking sector, improve the access to, and quality of, the banking services and products for the population and improve the ranking of Uzbek banking system.

The CBU also created a platform for interbank monetary operations that connects all commercial banks into a single trading system and ensures transactional transparency. It also established a system of inflation forecasting using econometric models. The CBU has prioritised raising the efficiency of monetary policy in 2018 by minimising the impact of monetary factors on inflation, ensuring price stability and reducing inflationary pressure.

For information on recent reforms and developments in the Uzbekistan banking sector, see "*Recent and Expected Banking Reforms*" below.

In recent years, the CBU has taken measures to improve the financial stability of banks, one of which was an increase in the minimum charter capital requirement. Commencing from 1 April 2024, the minimum charter capital requirement has been raised from UZS200 billion to UZS350 billion. Starting from 1 January 2025, the minimum charter capital requirement will increase to UZS500 billion. The CBU has also taken action against the banks that did not comply with the mandatory ratios and requirements, and in certain cases revoked banking licences. Pursuant to the Law on Guarantees for the Protection of Deposits in Banks dated 18 February 2025, the amount of guaranteed coverage for newly opened bank deposits has been limited to UZS200 million per depositor per bank.

At the same time, the banking industry has been growing, and a several new banks have started operating in the market. There is a growing trend among banks to establish themselves as digital institutions and offer services remotely. Additionally, the Government is also focused on divesting its ownership stake in the banking sector. In 2023 one of the largest state-owned banks, Ipoteka Bank, was sold to Hungarian OTP Bank.

Overview of the Banking Sector

As at 1 June 2025, there were 36 active commercial banks in Uzbekistan. As at 1 April 2025, according to the CBU, there were 114 microfinance organisations and 376 banking services offices and centres of commercial banks. The aggregate assets of all banks in Uzbekistan amounted to approximately UZS829,813 billion as at 1 June 2025. The banking system of Uzbekistan remains closely controlled by the state through a complex set of regulatory actions, decrees, proclamations, and practices. Most banking assets remain in state-owned or controlled banks, and the majority of loans are directed or channelled by the Government to develop certain pre-selected industry sectors. The slow pace of reforms in the banking system limits the role that banks can play

as financial intermediaries, thus inhibiting the ability of individuals or private companies to obtain loans and other banking services.

As at 1 June 2025, there was a high level of concentration in the banking sector, with the wholly and partly state-owned banks holding 65.0 per cent. of all of the banking sector's total assets, 69.0 per cent. of the banking sector's total loans, 61.0 per cent. of the banking sector's total share capital and 51.0 per cent. of the banking sector's total deposits, whereas private banks held 35.0 per cent. of all of the banking sector's total assets, 31.0 per cent. of the banking sector's total loans, 39.0 per cent. of the banking sector's total share capital and 49.0 per cent. of the banking sector's total deposits.

Assets and Liabilities, Credit Quality and Interest Rates

The following table sets out certain data relating to the banking sector in Uzbekistan as at the dates indicated:

	As at 1 June					
	2025	2024	2023	2022	2021	2020
	(soums billion)					
Total number of banks.....	36	36	34	33	32	31
Total equity of banks.....	121 491	102 749	84 766	73 547	61 479	54 342
<i>of which:</i>						
in national currency	121 491	102,409	84,401	73,195	61,140	54,018
in foreign currency	0,0	340	365	352	339	324
Total assets of banks.....	829 813	686 191	572 343	493 734	395 034	309 727
<i>of which:</i>						
in national currency	501 852	386 518	317,424	250,187	199,444	157,868
in foreign currency	327 961	299 673	254 919	243 547	195 590	151 859
Total loans to customers	567 685	490 259	420 469	345 201	297 778	237 980
<i>of which:</i>						
in national currency	333,269	274,011	228,551	177,913	149,390	120,688
in foreign currency	234 416	216 248	191 918	167 288	148 388	117 292
Total deposits	345 642	257 233	204 790	173 894	126 239	94 674
<i>of which:</i>						
in national currency	263,600	182,538	138,085	105,629	72,686	51,955
in foreign currency	82 042	74 695	66 705	68 265	53 553	42 719
Tier 1 Capital adequacy ratio, %						
.....	17.1%	17.1%	16.8%	16.7%	17.4%	20.8%

Historically, the assets of Uzbekistan's banks have been weighted in favour of loans to the public sector as compared to loans to the private sector. However, as at 1 June 2025, the distribution of assets was more balanced.

According to the CBU, loans to individuals amounted to UZS193,733 billion as at 1 June 2025, compared to UZS158,616 billion as at 1 June 2024 and UZS120,084 billion as at 1 June 2023.

Due to increased lending by the banking sector to finance the economy, the loan portfolio growth of the banking sector amounted to 22 per cent., 17 per cent. and 16 per cent. in 2023, 2024, and 2025, respectively, based on figures as at 1 June of each year.

Banking system soundness in terms of asset quality is characterised by the weighted average of NPLs. NPLs accounted for 4.1 per cent. (according to the CBU standards) of total loans in the banking sector as at 1 June 2025, compared to 4.3 per cent. and 3.5 per cent. in 2024 and 2023, respectively. Loan portfolios of banks constituted UZS829,813 billion as at 1 June 2025, compared to UZS686,191 billion as at 1 June 2024 and UZS572,343 billion as at 1 June 2023.

As at 1 June 2025, none of the banks were designated as a 'problem bank' and, in general, the assets classified as problem loans (up to 90 days overdue, impaired and restructured loans) accounted for 4.1 per cent. of the total loan portfolio.

As at 1 June 2025, the majority of aggregate liabilities in the banking sector were attributable to loans. 48.8 per cent. of all liabilities were comprised of deposits and 34.4 per cent. were comprised of loans, while the remaining 16.8 per cent. was accounted for by other liabilities. A high concentration of loans is more prevalent in state-owned banks due to the fact that the UFRD resources were provided to these banks in order to assist in financing the key strategic sectors of the economy. The total liabilities in the banking system have steadily increased in recent years, with total liabilities being UZS420,187 billion as at 1 June 2022, UZS487,577 billion as at 1 June 2023 and UZS583,442 billion as at 1 June 2024. As at 1 June 2025, total liabilities in the banking system amounted to UZS708,323 billion.

	As at 1 June					
	2025	2024	2023	2022	2021	2020
	<i>(soums billion)</i>					
Interest Income.....	49 681	43,741	39,749	29,553	18,331	13,975
Interest Expense	34 614	30,443	26,032	18,490	11,744	8,595
Net interest margin.....	15 067	13,298	13,717	11,063	6,588	5,381
Fee and commission income	26 521	20,705	20,427	17,608	8,924	5,101
Fee and commission expense ...	9 445	7,233	5,130	5,472	2,011	1,361
Operating expense.....	10 843	8,425	8,683	6,108	3,812	2,928
Non-interest gain (loss)	6 233	5,047	6,614	6,028	3,101	812
Provision for impairment of loans and leases to customers	11 471	9,991	10,087	8,569	6,587	3,300
Provision for losses other than loans	3 571	2,944	2,614	2,366	170	149
Profit before tax.....	6 258	5,411	7,629	6,157	2,931	2,743
Income tax expense	1,183	1,222	1,551	1,402	630	565
Return adjustments.....	—	—	—	—	—	—
Net profit.....	5 075	4,189	6,078	4,755	2 301	2 178

As at 24 March 2025, the refinancing rate — the main policy rate set by the Central Bank of Uzbekistan — was 14.0 per cent., restored from a prior reduction to 13.5 per cent. introduced on 26 July 2024, which in turn had followed a period during which the rate had been held steady at 14.0 per cent. since 17 March 2023; in 2022, the refinancing rate had fluctuated between 17.0 per cent., 16.0 per cent., and 15.0 per cent. during the course of the year. Following the increase in the refinancing rate, the average interest rate on the interbank money market increased from 14.1 per cent. in 2024 to 14.8 per cent. in 2023. The weighted average interest rate on soum-denominated time deposits with a maturity of up to one year decreased to 18.3 per cent. as at 31 April 2025, from 19.3 per cent. as at the same date in both 2024 and 2023. The weighted average interest rate on soum-denominated time deposits with a term of over one-year increased to 20.0 per cent. as at 31 April 2025 from 19.2 per cent. as at 31 April 2024 and 19.3 per cent. as at 31 April 2023.

The International reserves of Uzbekistan consist of foreign currency reserves and monetary gold. Total net foreign currency reserves and monetary gold reserves as at 1 June 2025 were U.S.\$49,099.8 million per CBU data (net international reserves do not include the foreign currency of commercial banks and government entities, except the Ministry of Economy and Finance and the UFRD). As at 1 June 2025, Uzbekistan's total official international reserves, including gold and the CBU's foreign currency reserves, amounted to U.S.\$49,665 million, which increased considerably by 26.24 per cent. as compared to 1 June 2024. Of this, U.S.\$11,445 million consisted of foreign currency assets, U.S.\$37,654.8 million was in gold and U.S.\$85.1 million was in other assets in foreign currency.

Monetary and Exchange Rate Policy

The CBU is responsible for implementing monetary policy. The CBU focuses on ensuring macroeconomic stability and reducing monetary factors influencing inflation. In line with the President's Decree "On Measures to Drastically Improve Activities of the Central Bank of the Republic of Uzbekistan" dated 9 January 2018, the CBU's mandate was expanded to include the medium-term goal of transitioning to inflation targeting, as well as ensuring the stability and development of the banking and payment system.

Starting in 2018, the CBU began focusing its monetary policy on the stability of prices in the economy. Certain currency restrictions were abolished and/or waived, including (i) restrictions on foreign currency purchase and

sale by residents and cash withdrawals from debit cards in both national and foreign currencies for individuals were made available; (ii) the obligation to sell 50.0 per cent. of export hard currency revenues to commercial banks at CBU's exchange rate; and (iii) commercial banks were allowed to independently set their own tariffs and fees based on market conditions.

Foreign Exchange and International Reserves

In September 2017, the CBU liberalised the foreign currency market. As a result, the exchange rate of the soum was devalued to 8,100 soums per U.S. dollar as at 5 September 2018. As at 1 June 2025, the nominal exchange rate was UZS12,694.97 per U.S. dollar and as at 1 June 2024, the nominal exchange rate was UZS12,557.67 per U.S. dollar.

In October 2023, the Republic of Uzbekistan, in cooperation with the United Nations Development Programme, issued "Green" Eurobonds worth UZS4.25 trillion and Eurobonds worth U.S.\$660 million on the London Stock Exchange. This marked the first green sovereign Eurobonds issued in the CIS region.

The CBU holds the international reserves of the Republic of Uzbekistan, including:

- gold and other precious metals;
- foreign currency in cash;
- foreign-currency bank account balances and deposits in foreign banks and international financial organisations; and
- foreign currency securities issued or guaranteed by foreign governments, banks and international financial organisations.

The CBU contributes to the maintenance of international reserves at a level sufficient for the implementation of the monetary and exchange rate policies of the Republic of Uzbekistan, as well as for international transactions.

Foreign Investment

Foreign investment into the banking sector is regulated by the laws "*On the Central Bank of Uzbekistan*", "*On the Banks and banking activities*", "*On the Securities market*", as well as the Regulation of the CBU No. 3252 dated 30 June 2020 ("**Regulation 3252**") regarding the procedure and conditions for granting permission for banking activities.

The amount of shareholders' equity of non-resident banks that intend to open banking subsidiaries and buy shares of the banks in the territory of Uzbekistan must be no less than EUR200 million. Non-resident banks are not permitted to open branches in the territory of Uzbekistan.

The CBU cooperates with a number of foreign financial institutions and central banks to assist with the transition to inflation targeting model as well as the development of the Uzbek banking system.

The CBU cooperates with IMF regarding a wide range of issues. Over the years IMF provided technical assistance in regard to balance of payments statistics, lender of last resort functions, monetary policy, inflation targeting, modelling and forecasting, banking supervision, financial solvency, risk management and debt management.

The CBU closely cooperates with the World Bank, as it provides technical assistance on issues of stress-testing methodology of the banking sector and a framework of rules and regulations on prudential supervision. The CBU also cooperates with the World Bank in digital banking and financial education.

The CBU also cooperates with the EBRD under the Memorandum of Understanding Regarding Cooperation in the Republic of Uzbekistan.

The Asian Development Bank provided technical assistance and support in the implementation of a risk-based approach in bank supervision. The National Bank of Switzerland advises the CBU in respect of the implementation of inflation analysis and forecasting models.

The liberalisation of foreign exchange control started in September 2017 evidenced efforts by the Government to improve the foreign investment climate in the country. Further liberalisation has taken place in January 2021 with adoption of amendments to the law "*On Foreign Currency Regulation*" which allowed pegging the price of goods and services to foreign currency in foreign investment projects based on the decisions of the President of Uzbekistan. Additionally, the resolution of the Cabinet of Ministers No.283 adopted on 14 May 2020 set out the new Regulation on Monitoring and Control over the Foreign Trade Operations. The Regulation has liberalised certain requirements in relation to foreign trade operations.

Concentration within the Banking Sector

As at 1 June 2025, there was a high level of concentration in the banking sector, with the wholly and partly state-owned banks holding 65.0 per cent. of all of the banking sector's total assets, 69.0 per cent. of the banking sector's total loans, 61.0 per cent. of the banking sector's total share capital and 51.0 per cent. of the banking sector's total deposits, whereas private banks held 35.0 per cent. of all of the banking sector's total assets, 31.0 per cent. of the banking sector's total loans, 39.0 per cent. of the banking sector's total share capital and 49.0 per cent. of the banking sector's total deposits.

Payment Systems

There are three settlement systems currently in place in Uzbekistan. The first is the Interbank Payment System, which is designed for conducting electronic payments in soums among banks through their correspondent accounts at the CBU. The second system is the Unified Republic-wide Processing Center, which brings together the commercial banks that issue Uzbek soum cards. The centre established the interbank payment clearing system for soums plastic cards called "Uzcard". The third is the National Interbank Processing Centre – "HUMO" payment system. The membership in the HUMO payment system is voluntary. As at 31 July 2023, "Uzcard" and "HUMO" payment systems were integrated.

Credit Ratings

In May 2025, S&P affirmed its "BB-/B" long- and short-term foreign and local currency sovereign credit ratings of the Government, but upgraded the outlook from stable to positive. In June 2025, Moody's revised Uzbekistan's sovereign credit rating outlook from stable to positive and confirmed the Ba3 rating on the country's unsecured debt obligations, including the (P)Ba3 rating for the medium-term note (MTN) programme. Similarly, in June 2025, Fitch upgraded Uzbekistan's sovereign credit rating to 'BB' with a stable outlook.

Several Uzbekistan banks, including the Bank, have been rated by international rating agencies.

Role of the Central Bank of Uzbekistan

The CBU regulates the activities of banks and ensures the stable functioning of the banking system in the Republic of Uzbekistan under Article 151 of the Constitution. The Constitution of the Republic of Uzbekistan, the law "*On the Central Bank of the Republic of Uzbekistan*" and other legislative acts determine the legal status, powers, principles of organisation and activities of the CBU.

The CBU is a legal entity owned by the state, but it carries out financial activities and makes decisions within its authority independently. The CBU issues banknotes in circulation, acts as a bank, adviser as well as a fiscal agent of the Government of the Republic of Uzbekistan, and stores and manages official foreign exchange reserves for the Republic of Uzbekistan. The CBU is responsible for most of the supervisory and regulatory functions in Uzbekistan's financial sector. Additionally, the CBU can buy and sell government securities on the open market, as well as debt obligations issued by the CBU itself.

The primary goals of the CBU are to ensure price stability and the development of the banking and payment systems. To accomplish these goals, the CBU: (i) implements monetary policy by managing liquidity in the interbank money market through interventions in the foreign currency market, short-term refinancing loans, foreign currency swaps, open market operations and setting reserve requirements; (ii) sets interbank operational policies; (iii) ensures the stability and development of the banking and payment systems; and (iv) sets foreign currency regulation.

Role of the CBU as the Supervisor of Uzbekistan's Financial Sector

The main objectives of the CBU as regulator of the finance market are:

- formation, acceptance and implementation of monetary and currency control;
- the implementation of an effective settlement system in the Republic of Uzbekistan;
- licensing and supervision of banks, microfinance organisations, non-bank depository institutions, qualified credit institutions and credit bureaus;
- storage and management of official gold and foreign exchange reserves of the Republic of Uzbekistan; and
- implementation of the state budget together with the Ministry of Economy and Finance.

The CBU has the right to:

- represent the interests of the Republic of Uzbekistan in central banks of other states, international banks and other financial institutions;
- enter into financial transactions and render banking services to foreign governments, foreign central banks and bodies of monetary control, and also the international organisations of which the Republic of Uzbekistan is a member;
- open representative offices in foreign states; and
- perform accreditation in the Republic of Uzbekistan of representative offices of foreign banks.

Relations of the CBU with banks and credit institutes of other states are performed according to international treaties of the Republic of Uzbekistan and interbank agreements.

Issuing Money and Regulating its Circulation

The CBU is exclusively entitled to issue monetary symbols in circulation in the form of banknotes and coins as legal means of payment in the territory of the Republic of Uzbekistan. Banknotes and coins in circulation are unconditional obligations of the CBU and are backed by all of its assets.

The CBU also establishes rules for the storage, transportation and collection of cash.

Monetary Policy

The CBU develops the main directions for the monetary policy of the Republic of Uzbekistan for the coming year no later than 30 days before the beginning of the next fiscal year.

The main directions of monetary policy should contain:

- analysis and forecast of economic conditions;
- limits on the volume of money in circulation;
- targets for the annual growth rate of the money supply, including changes in the internal assets of the CBU;
- main directions of currency and interest rate policy; and
- the main objectives for monetary and credit regulation.

Acting as Banker, Adviser and Fiscal Agent of the Government

The CBU may carry out banking operations to maintain the main accounts of state authorities and their agencies, organisations, authorities of the Ministry of Defence, Ministry of Internal Affairs, State Security Service,

Ministry of Emergency Situations, State Customs Committee Republic of Uzbekistan, as well as enterprises, institutions and organisations subordinated to the CBU.

The CBU acts as a banker, adviser and fiscal agent of the Government of the Republic of Uzbekistan. The CBU also advises the Government on all-important issues related to its tasks and competencies. Furthermore, the CBU annually submits to the Government a report on economic and financial issues with recommendations on the preparation of the state budget.

The Government consults with the CBU on borrowing plans from internal and external sources, including the amounts that will be paid as part of such borrowing, on proposed terms and conditions for granting loans. The Ministry of Economy and Finance informs the CBU about all loans received by the Republic of Uzbekistan and its governmental bodies.

The CBU may accept deposits and currency values of the Government, as well as other government bodies, if they have permission from the Ministry of Economy and Finance. As a depository institution, the CBU receives and issues cash and currency values and keeps their records. It can pay interest on specified deposits.

The CBU, acting under the terms agreed with the Ministry of Economy and Finance, may act as a fiscal agent of the Government of the Republic of Uzbekistan and state bodies upon:

- placement of debt obligations issued by the Ministry of Economy and Finance and other state bodies, registration of placement and acting as an agent during their transfer;
- payment for the value, interest and other payments on specified securities;
- maintenance of accounts for the specified securities and execution of payment transactions with them; and
- implementation of other transactions with specified securities.

The CBU advises the Ministry of Economy and Finance on the schedule of issuance of government securities and the repayment of public debt, and considers their impact on the liquidity of the banking system and monetary policy priorities when doing so.

Operation of Clearing and Settlement Facility

The CBU is entitled to assist banks in settlement and clearing services for interbank payments, including payment by cheques and other payment instruments. The CBU is entitled to determine at its discretion the procedure for conducting such operations and to give appropriate prescriptions.

Supervision and Licensing

The CBU regulates and supervises the activities of banks, microfinance organisations, lombards and credit bureaus in order to maintain the stability of the financial and banking system, protect the interests of depositors, borrowers and creditors, as well as monitor and control their compliance with internal rules and the procedures for providing information related to countering money laundering, terrorist financing and the proliferation of weapons of mass destruction.

The CBU establishes:

- binding rules for banks to conduct banking operations, accounting and banking statistical reporting, and the preparation of annual reports;
- binding rules for microfinance organisations to conduct financial operations, accounting and reporting; and
- binding rules governing activities and operations of lombards and credit bureaus.

The CBU is entitled to:

- receive and monitor reporting and other documents of banks, microfinance organisations, lombards and credit bureaus, and request and receive information about their activities;
- monitor activities of banks and microfinance organisations, their branches and affiliated entities, as well as the activities of lombards and credit bureaus, and to impose sanctions for violations;
- set requirements to internal audit of banks and credit bureaus;
- set requirements to implementation of the quality classification of bank assets and the creation of adequate reserves to cover potential losses on assets;
- define conditions and procedure for writing off loss or assets;
- issue instructions to eliminate the violations identified in their activities to banks, microfinance organisations, lombards and credit bureaus; and
- determine qualification requirements managers, members of the board, chief accountants of banks and their branches, heads of executive bodies of microfinance organisations and credit bureaus.

In order to start operations, a bank in Uzbekistan is required to be registered with the CBU and hold a general banking licence issued by the CBU. Establishment of a bank is subject to a prior authorisation of the CBU. A decision concerning the issuance of a prior authorisation should be rendered within a period not later than three months from the day of submission of the application with all necessary documents, and should be based on a valuation of the financial possibilities, reputation of the founders, professional qualifications of the directors of the bank, evaluation of the business plan, financial plan, structure of capital, and confirmation of assets required for banking activities (premises, equipment, etc.).

In order to register a bank and obtain a banking licence, the founders must within a period not exceeding six months from the date of receipt of prior authorisation, comply with the requirements established by law. The decision to register a bank and issue a banking licence is made by the CBU within a period not exceeding one month from the date of fulfilment of the requirements of the CBU.

Regulation of the Banking Sector

Sanation and Liquidation Framework

The Sanation and Liquidation Law establishes the legal framework for the sanation and liquidation of banks in Uzbekistan and vests the CBU with broad powers in this regard.

Initiation of Sanation

The CBU may commence sanation proceedings if all of the following conditions are met:

- the bank is insolvent or there exists a high probability of insolvency;
- remedial measures undertaken by the bank, its group, shareholders or imposed by the CBU have failed, or are unlikely to resolve the situation within six months; and
- sanation is necessary due to the systemic importance of the bank, or liquidation of a non-systemically important bank would not achieve the objectives set out in the Sanation and Liquidation Law.

A bank is deemed insolvent if: (i) it cannot satisfy client claims within seven days due to lack of funds; (ii) its liabilities exceed its assets; (iii) its capital adequacy ratio and/or charter capital has fallen by 50.0 per cent. or more below the statutory minimum; or (iv) other circumstances arise which endanger depositor and creditor funds. Where conditions (i)–(iii) are likely to materialise within six months, the bank is recognised as facing a "high probability of insolvency."

From the date the CBU issues a decision to initiate sanation, all powers of the general meeting of shareholders, supervisory board and management board of the rehabilitating bank are transferred to the CBU.

Sanation Instruments

In selecting sanation measures, the CBU is required to take into account the condition of the bank and the wider financial system. The following instruments may be applied:

(i) Transfer (sale) of assets and liabilities - the CBU may transfer or sell shares, assets, rights and liabilities of a bank under resolution without public announcement and, in certain cases, even where only one purchaser is available. Only licensed banks may acquire such assets and liabilities, and any acquisition of a controlling interest requires the prior consent of the CBU. Until such consent is obtained, voting rights remain with the CBU. If consent is refused, the CBU may require resale within three months or impose alternative resolution measures, including liquidation.

(ii) Creation of a "bridge" bank - the CBU may establish an interim bank for the purposes of resolution, which may assume all or part of the assets, rights and liabilities of the bank in resolution. An interim bank may operate for up to 12 months (extendable by a further 12 months), during which its shares or assets may be sold or its business transferred to another bank. Transfers to an interim bank are effected by decision of the CBU and do not require the consent of shareholders, depositors, creditors or other affected parties. The interim bank becomes the legal successor to transferred rights and obligations, but creditors of the original bank have no recourse against the interim bank or any purchaser of its shares.

(iii) Write-down or conversion of capital instruments and/or liabilities - the CBU may require a write-down and/or conversion into equity of a bank's capital instruments to absorb losses, restore capital adequacy or ensure sufficient capital for continued operations. The prescribed sequence is as follows: Common Equity Tier 1 instruments are written down or converted first, followed by Additional Tier 1 instruments (such as the Notes), and finally Tier 2 instruments. After capital instruments have been used to absorb the losses, the CBU may also require write-down or conversion of other eligible liabilities (including, but not limited to, subordinated debt not qualifying as regulatory capital and certain related-party obligations). Certain liabilities are excluded, including guaranteed deposits, fully secured liabilities, fiduciary obligations, certain interbank obligations, wages and pensions (excluding bonuses), essential supplier obligations, tax liabilities and liabilities to the Deposit Guarantee Agency. The CBU may also exclude other liabilities if necessary to preserve critical functions or avoid systemic risk.

All write-downs or conversions are binding on all parties and are effected by decision of the CBU, without the need for shareholder, creditor or other third-party consent.

Liquidation of Banks

Banks may be liquidated either voluntarily or compulsorily. Voluntary liquidation requires the prior consent of the CBU. Compulsory liquidation is effected by decision of the CBU's Board to revoke a bank's licence and commence liquidation.

In the event of compulsory liquidation, the order of satisfaction of claims is set out in Article 64 of the Sanation and Liquidation Law, and in the following order of priority: (i) liquidation costs; (ii) claims of the CBU, Ministry of Economy and Finance and Deposit Insurance Fund for funds used during sanation; (iii) claims falling under Article 150(2) of the Law "On Insolvency"; (iv) subrogated claims of the Deposit Guarantee Agency; (v) claims exceeding the deposit guarantee coverage; (vi) other unsecured claims; (vii) related-party claims; (viii) subordinated debt not qualifying as capital instruments; (ix) Tier 2 instruments; and (x) Additional Tier 1 instruments (such as the Notes).

Capital Adequacy

In accordance with the law "On the banks and banking activity", charter capital of the Bank is formed by monetary funds of founders and shareholders of the Bank. Use of funds obtained through loans, pledges and other engaged funds is not allowed. Nevertheless, in exceptional cases and in accordance with legislation, budgetary funds may be used to form charter capital of a bank. From 1 January 2025, the minimal amount of charter capital of a bank is UZS500 billion.

Pursuant to the Capital Adequacy Regulation, the regulatory capital of commercial banks in Uzbekistan is comprised of Tier 1 and Tier 2 capital. Tier 1 capital is further subdivided into Core Tier 1 capital and Additional Tier 1 capital.

Core Tier 1 capital must represent not less than 60 per cent. of a bank's total regulatory capital and includes:

- fully paid ordinary shares (or equivalent capital instruments);
- share premium;
- retained earnings (or accumulated losses);
- minority interests in enterprises consolidated in the bank's financial statements, to the extent that such interests satisfy the criteria applicable to ordinary shares or equivalent instruments; and
- devaluation reserves established from retained earnings to absorb the effects of significant currency depreciation.

Additional Tier 1 capital consists of:

1. Fully paid non-cumulative perpetual preference shares and other non-cumulative perpetual capital instruments, provided that such instruments:
 - have no fixed maturity date and no redemption conditions;
 - rank, in the event of liquidation, behind the claims of depositors, creditors and subordinated debt holders;
 - are not guaranteed or secured by the bank or any of its affiliates;
 - may be redeemed at the option of the bank no earlier than five years from the date of issuance, subject to the prior non-objection of the CBU, and only if replaced by instruments of the same or higher quality and provided that the bank's Tier 1 Capital Adequacy Ratio remains at least two percentage points above the applicable regulatory minimum;
 - permit dividends (or interest) to be cancelled by resolution of the bank's general meeting of shareholders;
 - are expressly non-cumulative, such that unpaid or partially unpaid dividends (or interest) may not be accrued or paid at any later date;
 - provide that non-payment of dividends (or interest) does not constitute an event of default or insolvency of the bank and imposes no restrictions on the bank's activities;
 - allow the bank to use, without restriction, any funds otherwise available for payment of cancelled dividends (or interest);
 - provide that the amount (rate) of dividends (or interest) shall not vary as a result of changes in the bank's financial condition and/or credit rating;
 - do not contain contractual or other provisions requiring repurchase by the bank, including provisions incorporated into related contractual documentation;
 - do not result, for the purposes of solvency assessment, in the bank's liabilities exceeding its assets;
 - if classified as liabilities for accounting purposes, are subject to full or partial conversion into ordinary shares and/or write-down in order to ensure that the bank's Core Tier 1 Capital Adequacy Ratio remains at least one percentage point above the required minimum (excluding the capital conservation buffer); and

- contain no provisions that would impede the bank's recapitalisation, including provisions requiring compensation to existing holders in the event of the issuance of new instruments of the same type at a lower issue price.
2. Share premium; and
 3. Capital instruments issued by subsidiaries of the bank and held by third parties, provided that such instruments satisfy the eligibility criteria for inclusion in Additional Tier 1 capital, together with minority interests in enterprises consolidated in the bank's financial statements to the extent qualifying as Additional Tier 1 capital.

In accordance with the Capital Adequacy Regulation, Tier 2 capital consists of:

net profit for the current year;

reserves created for standard assets in an amount not exceeding 1.25 per cent. of risk-weighted assets, after deductions;

hybrid instruments (instruments with both equity and debt characteristics) in an amount not exceeding one-third of Tier 1 capital after deductions. Hybrid instruments, as well as preference shares not included in Tier 1 capital, may be included in Tier 2 capital provided that they are:

- fully paid;
- unsecured;
- in the event of the liquidation of the bank, claims in respect thereof are satisfied only after claims of the bank's depositors and other creditors have been settled;
- not redeemable at the initiative of the shareholder and without the prior consent of the CBU;
- not covering all the bank's reserves and not granting the right to declare the bank insolvent; and
- subject to deferral of dividends (or interest) at the discretion of the issuer if the bank has not made a profit for the last three quarters or has resolved not to pay dividends (or interest) on ordinary or preference shares;

subordinated debt, being debt obligations of the bank which, for the purposes of determining the bank's capital, shall not exceed one-third of Tier 1 capital after deductions, provided that such subordinated debt is:

- raised from legal entities;
- not secured by collateral;
- in the event of the liquidation of the bank, satisfied only after the claims of depositors and other creditors have been settled;
- issued with an initial maturity of at least five years;
- not pledged or otherwise provided as security by the debtor bank or related parties and, in the event of liquidation of the bank, not subject to any agreement altering their order of priority (subordination), i.e. not ranking *pari passu* with depositors' and creditors' claims; and
- repayable prior to maturity only with the consent of the CBU.

Recognition of subordinated debt as Tier 2 capital is effected as follows:

- where the remaining maturity exceeds five years — at 100.0 per cent. of the amount;

- during the five years prior to maturity:
 - in year 1 — 80.0 per cent. of the outstanding amount;
 - in year 2 — 60.0 per cent. of the outstanding amount;
 - in year 3 — 40.0 per cent. of the outstanding amount;
 - in year 4 — 20.0 per cent. of the outstanding amount;
 - in year 5 — 0.0 per cent.;

45.0 per cent. of the revaluation surplus of assets relative to their original cost.

In accordance with the Capital Adequacy Regulation, to the extent that the amount of Tier 2 Capital exceeds the amount of Tier 1 Capital, such excess shall not be included in regulatory capital of commercial banks of the Republic of Uzbekistan.

Liquidity and Reserve Requirements

Commercial banks must monitor and control liquidity risks for major currencies and regularly report to the CBU. Banks should take into account unexpected revenue and expenses that may occur when monitoring and controlling the liquidity risk, including future transactions, repurchase agreements, devalued letters of credit, and letters of credit issued to unsatisfactory debtors and guarantees. Banks in Uzbekistan must comply with (i) a liquidity coverage ratio and (ii) an instant liquidity ratio. In addition, they must maintain a share of highly liquid assets of at least 10.0 per cent. of total assets and a net stable funding ratio of at least 100.0 per cent. Liquidity coverage ratio is defined as the ratio of highly liquid assets to total net outflow in the next 30 days and should not be less than 100 per cent. The instant liquidity ratio is defined as the ratio of the amount of cash and cash equivalents, securities of the Government of the Republic of Uzbekistan and the CBU and funds on the accounts of the bank with the CBU (except for mandatory reserves on the CBU accounts) to the amount of liabilities payable on demand. Only funds in the national currency, soums, are counted towards instant liquidity ratio. Instant liquidity ratio shall not be less than 25.0 per cent.

Liquidity analysis of a bank should focus on trends in liquidity indicators analysed during a period (month, quarter, year) and should analyse the past and current strategies for resource allocation. Liquidity analysis should also assess the causes of changes from past status. Liquidity coefficients are part of the overall liquidity adequacy ratio.

In the calculation of liquidity, the liquid assets to total assets ratio, additional liquidity ratio, liquid assets to non-current liabilities ratio and loans to deposits ratio are used. The share of pledged securities in the total securities portfolio also helps the banks to determine their liquidity position. When managing its liquidity indicators, a bank's management should also take into account other factors affecting current liquidity individual to a specific bank's financial position.

Requirements on liquidity indicators

The liquidity compensation ratio ("LCC") is defined as a ratio of highly liquid assets to the total net expenses payable within 30 days from the date of calculation. LCC shall not be less than 100 per cent. From 1 September 2019, this indicator shall be calculated in each of:

- all currencies;
- the national currency; and
- all foreign currency-denominated assets combined.

The net stable funding ratio is defined as the ratio of available stable funding to the required amount of stable funding. The net stable funding ratio shall not be less than 100 per cent. Available stable funding includes total capital, liabilities with maturity of more than one year, 30 per cent. of loans and current accounts, as well as 30 per cent. of term deposits and loans with maturity of less than one year. The required amount of stable funding

includes impaired loans and non-financial assets, assets subject to claims and legal proceedings, 30 per cent. of assets with maturity of less than one year, as well as 15 per cent. of off-balance sheet items.

Regulation on Liquidity Requirements of Commercial Banks in Uzbekistan

According to the regulation on liquidity requirements of commercial banks in Uzbekistan, the following are considered as liquid assets: cash, gold bricks, the deposit money of banks at the account of CBU, money deposited at corresponding accounts of banks, securities of the CBU and the Government of Uzbekistan, short-term inter-bank loans (up to 30 days) and deposits, sovereign bonds of low risk countries and central banks, as well as other intergovernmental requests and requests to the CBU. The bonds and securities of those leading companies in low-risk countries that are considered as low-risk list securities according to rating agencies such as S&P's, Fitch and Moody's Investors Service or any other rating agencies recognised by the CBU.

According to the regulation on liquidity requirements of commercial banks in Uzbekistan, when the sovereign, banks or corporations have S&P's, Fitch, Moody's Investors Service and any other rating services recognised by the CBU, the lowest of them will be recognised and considered.

Mandatory Ratios

Mandatory economic ratios are established by the following regulations of the CBU:

- *"On requirements for capital adequacy of commercial banks" No. 2693 dated 6 July 2015;*
- *"On requirements for liquidity management of commercial banks" No. 2709 dated 13 August 2015;*
- *"On maximum risk level for a single borrower or a group of related borrowers" No. 2707 dated 5 August 2015; and*
- *"On requirements for the acquisition and ownership by commercial banks of real estate and other property, as well as the acquisition of shares or stakes in the charter capital of legal entities" No. 3441 dated 8 June 2023.*

The following table sets forth the mandatory economic ratios that banks must observe on a daily basis and report to the CBU on the monthly basis. All mandatory economic ratios are calculated based on stand-alone financial statements prepared under UAL.

Mandatory Economic Ratio	Description	CBU Mandatory Economic Ratio Requirements
<i>Total Regulatory Capital Adequacy Ratio</i>	Total Regulatory Capital Adequacy Ratio is calculated as a ratio of Total capital to risk-weighted assets. Total capital consists of Tier 1 and Tier 2 capital.	Minimum 13%
<i>Tier 1 Capital Adequacy Ratio</i>	Tier 1 Capital Adequacy Ratio is calculated as a ratio of Tier 1 capital to risk-weighted assets. Tier 1 capital consists of common equity and additional Tier 1 instruments.	Minimum 10%
<i>Core Tier 1 Capital Adequacy Ratio</i>	Core Tier 1 Capital Adequacy Ratio is calculated as a ratio of Core Tier 1 capital (CET1) to risk-weighted assets. CET1 represents the most loss-absorbing form of capital.	Minimum 8%
<i>Leverage Ratio</i>	Leverage Ratio is calculated as a ratio of Tier 1 capital to total assets, including off-balance sheet exposures and derivatives, less deductions from core capital.	Minimum 6%
<i>Instant Liquidity Ratio</i>	Instant Liquidity Ratio is calculated as the ratio of the total liquid assets (cash, cash at correspondence accounts, repo, government bonds) to total liabilities.	Minimum 25%
<i>Maximum Interbank Exposure per One Bank or Related Banks</i>	Limits the bank's exposure to a single counterparty bank or group of related banks under interbank transactions.	Maximum 25% of Tier 1 Capital
<i>Maximum Exposure to a Single Borrower or Group of Related Borrowers (secured)</i>	Maximum allowable credit risk to a single borrower or group of related borrowers, including secured exposures.	Maximum 25% of Tier 1 Capital

Mandatory Economic Ratio	Description	CBU Mandatory Economic Ratio Requirements
<i>Maximum Exposure per Related Party (secured)</i>	Sets a limit for credit risk exposure to a single related party of the bank.	Maximum 25% of Tier 1 Capital
<i>Aggregate Exposure to Related Parties</i>	Restricts total exposures to all related parties of the bank.	Maximum 50% of Tier 1 Capital
<i>Maximum Exposure to a Single Borrower or a Group of Related Borrowers (unsecured)</i>	Limits unsecured lending and factoring exposure to one borrower or related group, excluding interbank exposures.	Maximum 5% of Tier 1 Capital
<i>Total Large Exposures Ratio</i>	Aggregate ratio of all large exposures (exceeding 10% of Tier 1 capital) compared to Tier 1 capital.	Maximum 5 times (500%) of Tier 1 Capital
<i>Maximum Amount of Unsecured Credit and Factoring Services Risks</i>	This ratio is intended to limit the aggregate credit exposure of a bank in connection with unsecured loans and factoring services. It is formulated as a ratio of the aggregate amount of a bank's unsecured loans to its Tier 1 regulatory capital.	Maximum 5%
<i>Share of Highly Liquid Assets in Total Assets</i>	Share of Highly Liquid Assets in Total Assets represents the share of high-quality liquid assets (cash, correspondent accounts, government securities, repo, etc.) in total assets.	Minimum 10%
<i>Liquidity Coverage Ratio (LCR – Foreign Currency)</i>	Liquidity Coverage Ratio (LCR – Foreign Currency) is calculated as the ratio of high-quality liquid assets to net cash outflows within the next 30 calendar days, measured in foreign currency.	Minimum 100%
<i>Net Stable Funding Ratio (NSFR)</i>	Net Stable Funding Ratio (NSFR) represents a ratio of available stable funding to required stable funding, ensuring sustainable long-term funding structure.	Minimum 100%
<i>Aggregate Investments in Securities and Charter Capital of Legal Entities</i>	Restricts the total amount of investments in securities and equity holdings of all legal entities.	Maximum 50% of Tier 1 Capital
<i>Maximum Investment in Charter Capital (Equity) of One Legal Entity</i>	Restricts a bank's investment in equity shares or charter capital of a single legal entity.	Maximum 15% of Tier 1 Capital
<i>Maximum Value of Real Estate and Other Property</i>	Restricts total investments in real estate and other fixed assets by the bank.	Maximum 100% of Tier 1 Capital

Mandatory Reserve Deposit Requirements

In order to manage credit, currency, interest and financial risks in the banking sector, the CBU requires banks to maintain mandatory reserves in respect of certain financial liabilities. Until June 2024, banks were required to place such mandatory reserves in a separate account with the CBU and to comply with the reserve requirement on a daily basis. Starting from July 2024, the CBU introduced a new regime under which the mandatory reserve requirement is calculated based on the average balances maintained over a 30-day period. Under this approach, the required reserve balances are held within the banks' ordinary correspondent accounts with the CBU rather than in a separate account. As a result, there are currently no restrictions on the day-to-day use of funds included in the mandatory reserve balance, provided that the average monthly reserve requirement is met.

Audit of Banks

The audits of banks are carried out annually by auditors who are licensed to provide such inspection in accordance with the legislation of Uzbekistan. The audit includes, in particular, the assessment of the capital adequacy, classification of subsidies, securities of subsidy, risk measurement and liquidity measurement. In accordance with the law "On Banks and Banking activities", the banks are obliged to establish and implement their own internal audit programmes in addition.

According to the legislation, each bank should establish an internal audit service, approve by its management board and implement certain internal policies and regulations, including regulations on internal audit services and internal audit procedures.

Loan Loss Provisions

The CBU regulates the creation of provisions for loan losses under CBU standards and UAL and requires banks to classify their loans into the following categories and to create provisions for such loans in the corresponding amounts:

Category	Provision
Standard	1%
Substandard	10%
Unsatisfactory	25%
Doubtful	50%
Hopeless	100%

Loans must be classified into one of categories above and provisioned accordingly on the basis of criteria laid down by the CBU, which differs from IFRS criteria. Such criteria include absence of documentation required to ascertain the borrower's financial condition, existing non-performing or impaired loans of the borrower, negative trends in the borrower's industry, decline in the price of collateral, etc.

Cancellation of Banking Licence

According to the law "*On the banks and banking activity*", the CBU is entitled to revoke a licence for carrying out banking activities in the following cases:

- failure to commence banking activities within twelve months after obtaining the licence, express refusal of the licence, or failure to carry out financial operations for more than three months;
- failure to comply with the conditions under which the licence was granted;
- commission of any serious violations specified in Article 54 of the law "*On Banks and Banking activities*";
- incurring or potential incurring of losses exceeding ten per cent of the bank's regulatory capital in each of three consecutive quarters or fifty per cent of the regulatory capital regardless of the period of time;
- termination of the bank's activities as a result of reorganisation;
- adoption by the general meeting of shareholders of a decision on the voluntary liquidation of the bank;;
- in the case of a subsidiary of a foreign bank, revocation of such foreign bank's licence;
- the CBU's decision to approve the conversion of a microfinance bank into a microfinance organisation;
- and
- insolvency of the bank.

Annual Reporting

Banks shall publish financial statements under UAL in form and terms established by the CBU, as well as publish financial statements under IFRS, upon confirmation of reliability of information provided. Financial statements of banks shall include:

- consolidated balance sheet;
- consolidated statement of profits and expenses;
- consolidated statement on circulation of monetary funds;
- consolidated statement on changes in shareholder capital; and
- main policies and defining notes.

Banks shall publish annual financial statements together with the auditor's opinion no later than two weeks before annual shareholder meetings or any other governing body. Commercial banks shall provide copies of audit opinions together with audited financial statements to the CBU within 10 days after the audit inspection. Within three days of publication of an annual financial statement, a bank shall provide a copy of that edition to the CBU.

Anti-Money Laundering

Uzbekistan has made consistent efforts to meet international standards through new legislation. However, corruption and law enforcement's susceptibility to political influence limit the effectiveness of this legislative base. Connected individuals can circumvent established AML rules through private financial institutions, shell/mailbox companies, and bribery. Uzbekistan increased prosecutions on financial crimes; nevertheless, the Government's lack of transparency makes verifying the effectiveness of law enforcement in countering money laundering difficult.

Uzbekistan is not on the Financial Action Task Force ("**FATF**") List of Countries that have been identified as having strategic AML deficiencies. The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Uzbekistan was undertaken by FATF in 2023. According to that Evaluation, Uzbekistan was deemed Compliant for eight and Largely Compliant for 26 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for the remaining six Core Recommendations. Uzbekistan is categorised by the US State Department as a Country/Jurisdiction of Primary Concern in respect of Money Laundering and Financial Crimes.

Credit Cards

The issuance, maintenance and use of bank cards (credit cards, plastic cards, etc.) in the territory of the Republic of Uzbekistan are governed by the Regulation of the CBU No. 3294 "*On the rules for issuing bank cards and their circulation in the Republic of Uzbekistan*" and other regulatory and legal acts of the Republic of Uzbekistan, as well as agreements concluded between participants of interbank payment systems and rules established by payment organisations.

There are two payment systems, Uzcard and Humo, for making payments with plastic cards with microchip modules and a four-step data encryption system, which exclude counterfeit and unauthorised access by unauthorised persons. The withdrawal and crediting of customer accounts using plastic cards takes place after processing in the united Republic-wide processing centre, which protects customers and merchants from fraud and deception.

Payment Systems

The banking telecommunication network plays a key role in processing messages and transferring information required for effective operation of payment systems and regulating information flow between banks. The main distinctive feature of the banking telecommunications network is its structure, which unites branches of banks in Tashkent, regions and districts of Uzbekistan.

Due to implementation of a united balance system in real time and establishment of new branches in regional centres, the issue of BTS development in regional centres to provide high-speed data transfer was deemed necessary. To meet this need, between 2007 and 2008, specialists of the Head centre of Information of the CBU equipped regional centres and cities of the republic to provide BTS users with 192 kb/s and, in some cases, more.

In 2004, the Unified Nationwide Processing Centre ("**EOPTS**") was created, which allows a single mode of banking transactions in all outlets to be carried out, regardless of which bank is served by the organisation, the service sector, or the owner of a plastic card. Currently, the EOPTS comprises 36 partner banks, which issue the soum plastic cards. The EOPTS established an interbank payment clearing system for Soum plastic cards: Uzcard. In April 2024, the EOPTS was reorganised as a joint-stock company.

In 2018, the National Interbank Processing Centre ("**NIPC**") was established under the Decree of the President No. 3945 dated 19 September 2018. In 2019, the NIPC launched new plastic cards "HUMO". The distinctive

feature of "HUMO" and "Uzcard" systems were integrated in 2023. Both payment systems support NFC payments through "HUMO Pay" and "Uzcard Pay" technologies.

Uzbekistan now has a quite widely developed system of non-cash payments based on plastic cards and remote access to banking operations through internet banking and mobile applications. According to the CBU, as at 1 June 2025, the number of online banking users reached approximately 65.7 million compared to approximately 49.9 million as at 1 November 2024. Moreover, the number of plastic cards in circulation reached approximately 63.8 million on 1 June 2025, which is a 28.6 per cent. increase compared to 1 June 2024.

Dollarisation of Uzbek Economy

High levels of dollarisation of the economy of Uzbekistan reduce effectiveness of the monetary policy of the CBU. However, as at 1 June 2025, the share of foreign currency-denominated assets in the banking sector had declined to 40.0 per cent., down from 44.0 per cent. a year earlier, enabling the CBU to influence 60.0 per cent. of sector assets, compared to 56.0 per cent. in 2024.

To reduce the dollarisation of the sector, the CBU and the Government may implement reforms to reduce foreign borrowing in foreign currency, including government loans guaranteed by the Ministry of Economy and Finance.

Recent and Expected Banking Reforms

In October 2019, in line with the Strategy of Action for five priority areas of development of the Republic of Uzbekistan for 2017-2021, Presidential Decree No. 4487 was issued in order to improve the financial stability of state-owned banks, efficiency of financing of state development programmes and the UFRD funding. The Decree, among other things, implemented certain measures to strengthen the financial standing of the banking sector which included a withdrawal of government directed low-margin and subsidised assets from the state owned banks, including the Bank, in order to improve their return on assets and performance.

In addition, as part of the on-going banking sector reforms, foreign investors have been allowed to acquire stakes not exceeding 5.0 per cent. of share capital of banking organisations in the Republic of Uzbekistan without receiving CBU consent. New types of regulated loan products were introduced to the banking sector, including long-term mortgage loans for individuals.

Furthermore, on 7 November 2019, new version of the law "*On banks and banking activities*" was adopted. The new edition of the law is generally much more sophisticated and comprehensive. As such, the law supplemented the list of financial operations conducted by banks with new types of services, including trust management of property and assets, purchase and sale of refined precious metals and operations with derivative financial instruments. Furthermore, the new law introduces the concept of banking groups and the concept of a systemically significant bank. In addition, the new law provides for a number of customer protection measures in the banking market, including regulations on limits for loan and deposits interest rates, commissions, disclosure of information, deposits protection, as well as the banks' liability for violation of consumer rights.

Since 2021, several amendments were introduced to the law "*On banks and banking activities*" which provided for increase of the minimum amount of the charter capital of a bank as well as also simplified the procedure of opening branches and other divisions of banks.

The new law also introduces a formal procedure for granting a licence. The detailed licensing requirements are now set out in Regulation 3252. In addition, it regulates the procedure of reorganisation and liquidation of banks, as well as expanding the forms of banking transactions. The new law clarifies and discloses the forms and procedure of supervision by the CBU. The CBU will further supervise:

- strategies, procedures and mechanisms used by banks to comply with the requirements of the law;
- the existing and potential risks of banks to determine the degree (level) of provision of sustainable management by the mechanisms of regulatory compliance, capital and liquidity of a bank and covering their risks; and

- compliance of banks with the requirements of legislation on risk management and corporate governance.

A separate chapter related to the corporate governance of banks was included in the law. Articles regarding the competence of a bank's management bodies, the rules of ethical behaviour of bank employees, and measures to prevent corruption and to avoid conflicts of interest were incorporated. Banks now have to have a reliable, clearly defined organisational structure of corporate governance, which provides for:

- transparency regarding areas of responsibility;
- effective procedures for identifying, managing, monitoring and communicating the risks to which a bank is or may be exposed (scenarios of crisis imitation);
- the procedure for assessing capital adequacy to cover operational risk;
- relevant internal control mechanisms, including strict accounting procedures; and
- employee remuneration policies and methods that promote and comply with sound and efficient risk management.

In 2020 CBU adopted Regulation of the Central Bank No.3254 on Corporate Governance in Banks which contains detailed rules and principles of corporate governance. This Regulation, among others, mandates the establishment of special committees of banks' supervisory board, including audit committee, risk management committee and remuneration committee. Additionally, it set outs the type of information to be published by banks on their websites including information about their ultimate beneficiaries.

In 2020 CBU amended the regulations on reserve requirement rates, and in 2023 it issued a new regulation on mandatory stress-testing of banks and regular reporting on risk assessment in line with international practices.

In May 2020, the Strategy for reforming banking system of the Republic of Uzbekistan for the years 2020-2025 was adopted. This Strategy aims to increase effectiveness of the banking system, to ensure financial stability, to reduce the Government share in the banking sector and to increase accessibility and quality of financial products. The strategy provided for a complex transformation of several state-owned banks and their privatisation.

The strategy "Uzbekistan - 2030" endorsed by the President of the Republic of Uzbekistan in 2023 also provides for plans to accelerate reforms in the banking sector. Specifically, by 2030, there is a target to quadruple the volume of current deposits held in banks and attract approximately four reputable foreign banks to operate in Uzbekistan. In addition, there are plans to introduce Islamic banking services in at least three banks by 2030.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes, which, subject to amendment, will be endorsed on each Definitive Note and will (subject to the provisions thereof) apply to the Global Note.

The U.S.\$300,000,000 9.450 per cent. Fixed Rate Resettable Perpetual Additional Tier 1 Notes (the "**Notes**", which expression includes any further Notes issued pursuant to Condition 17 and forming a single series therewith) of "Uzpromstroybank" JSCB (the "**Issuer**") were authorised by a written resolution of the Supervisory Council of the Issuer dated 25 September 2025. The Notes are constituted by a trust deed dated 23 October 2025 (the "**Trust Deed**") made between the Issuer and Citibank, N.A., London Branch (the "**Trustee**", which expression shall include all persons for the time being who are the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes.

These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. The Issuer has entered into a paying agency agreement dated 23 October 2025 (the "**Agency Agreement**") with the Trustee, Citibank, N.A., London Branch as principal paying agent, calculation agent and transfer agent (the "**Principal Paying Agent**", "**Calculation Agent**" and the "**Transfer Agent**" and, together with any other paying agents appointed under the Paying Agency Agreement, the "**Paying Agents**") and Citibank Europe plc, Germany Branch as registrar (the "**Registrar**"). The Registrar, the Paying Agents, the Calculation Agent and the Transfer Agent are together referred to herein as the "**Agents**", which expression includes any successor or additional paying and transfer agents or registrars appointed from time to time in connection with the Notes.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection and may be obtained free of charge during normal business hours at the specified office of the Trustee, being at the date hereof Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and at the specified offices of the Principal Paying Agent or (ii) may be provided by email to a Noteholder (following written request therefor by it) from the Issuer or the Principal Paying Agent, subject in each case to the Noteholder providing evidence of its identity and its holding of Notes satisfactory to, as applicable, the Issuer, the Trustee or the Principal Paying Agent. The Noteholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them. Capitalised terms used but not defined in these Conditions shall have the respective meanings given to them in the Trust Deed.

1. Form and Denomination

The Notes are issued in fully registered form, without interest coupons attached, in denominations of U.S.\$200,000 or integral multiples of U.S.\$1,000 in excess thereof ("authorised denominations"). Title to the Notes shall pass by registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar. The Notes are represented by registered definitive Notes ("**Definitive Notes**") and, save as provided in Condition 4(c), each Definitive Note shall represent the entire holding of Notes by the same holder.

2. Status

The Notes constitute direct, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders are subordinated as described in Condition 3.

Subject to Conditions 3 and 5, any amounts payable in respect of principal and interest on the Notes shall be payable only if, and to the extent that, the Issuer could be considered Solvent (as defined below) at the time of payment thereof and still be considered Solvent immediately thereafter (the "**Solvency Condition**"). For the avoidance of doubt, the Solvency Condition shall not prejudice the Trustee's right to prove and/or claim in the insolvency or liquidation of the Issuer the outstanding principal amount of any Note together with any accrued and unpaid Interest that has not been cancelled in accordance with these Conditions, in each case in accordance with these Conditions.

For the purposes of these Conditions, the Issuer is "**Solvent**" if its assets exceed its liabilities as determined at all times in accordance with the Applicable Banking Regulations.

A certificate as to whether the Issuer is Solvent by one or more authorised signatories (or if there is a insolvency or the liquidation of the Issuer, one or more authorised signatories of the liquidator, administrator or, as the case may be, other relevant insolvency official of the Issuer) shall (in the absence of manifest error) be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof, and the Trustee shall be entitled to rely on such certificate without further enquiry and without liability to any person.

3. Subordination

The payment obligations of the Issuer under the Notes constitute direct, subordinated and unsecured obligations of the Issuer and shall, save for such exceptions as may arise by mandatory operation of the laws of the Republic of Uzbekistan, upon the insolvency or the liquidation of the Issuer (determined at all times in accordance with the Applicable Banking Regulations) rank:

- (i) senior to (A) any claims for the liquidation amount of (x) the Ordinary Shares and (y) the Preferred Shares that do not qualify as Additional Tier 1 Instruments and (B) any other subordinated obligations of the Issuer which by law and/or by their terms, to the extent permitted by the laws of the Republic of Uzbekistan, rank junior to the Issuer's obligations under the Notes;
- (ii) *pari passu* and without any preference among themselves and with (A) any claims for the liquidation amount of the Preferred Shares qualifying as Additional Tier 1 Instruments (B) any claims for principal in respect of other contractually subordinated obligations of the Issuer qualifying as Additional Tier 1 Instruments, and (C) any other subordinated obligations of the Issuer which by law and/or by their terms, to the extent permitted by the laws of the Republic of Uzbekistan, rank *pari passu* with the Issuer's obligations under the Notes; and
- (iii) junior to (A) any claims of creditors who are depositors or other unsubordinated creditors of the Issuer (B) any claims in respect of Tier 2 Instruments, and (C) any other subordinated obligations of the Issuer which by law and/or by their terms, to the extent permitted by the laws of the Republic of Uzbekistan, rank senior to the Issuer's obligations under the Notes.

The Notes are not secured and are not covered by any guarantee, including any guarantee issued by the Issuer, any member of the Group or by any related entity to the Issuer. There are no other economic or legal conditions that provide preference to the Noteholders' claims under the Notes in relation to any other obligations owed by the Issuer to its creditors.

4. Register, Title and Transfers

- (a) **Register:** The Registrar shall maintain the Register in respect of the Notes in accordance with the provisions of the Agency Agreement. The Register shall be kept at the specified office for the time being of the Registrar and shall record the names and addresses of the holders of the Notes, particulars of the Notes and all transfers and redemptions thereof. In these Conditions, the "holder" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (b) **Title:** Title to the Notes will pass by and upon registration in the Register. The holder of each Note shall (except as otherwise required by a court of competent jurisdiction or applicable law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Definitive Note relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Definitive Note) and no person shall be liable for so treating such holder.

- (c) **Transfers:** Subject to Conditions 4(f) and 4(g) below, a holding of Notes may be transferred in whole or in part in an authorised denomination upon surrender (at the specified office of the Registrar or the Transfer Agent) of the relevant Definitive Note representing that Note, together with the form of transfer (including any certification as to compliance with restrictions on transfer included in such form of transfer endorsed thereon) (the "**Transfer Form**"), duly completed and executed, at the specified office of the Transfer Agent or of the Registrar, together with such evidence as the Transfer Agent or the Registrar may reasonably require to prove the title of the transferor and the authority of the persons who have executed the Transfer Form. In the case of a transfer of part only of a holding of Notes represented by one Definitive Note, a new Definitive Note shall be issued to the transferee in respect of the part transferred and a further new Definitive Note in respect of the balance of the holding not transferred shall be issued to the transferor. Neither the part transferred nor the balance not transferred may be less than the minimum authorised denomination. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Definitive Note representing the enlarged holding shall only be issued against surrender of the Definitive Note representing the existing holding. No transfer of a Note will be valid unless and until entered on the Register.
- (d) **Delivery of New Definitive Notes:** Each new Definitive Note to be issued pursuant to Condition 4(c) shall be available for delivery within three business days of receipt of a duly completed form of transfer and surrender of the existing Definitive Note(s). Delivery of the new Definitive Note(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Definitive Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Definitive Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as it may specify. In this Condition 4(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar (as the case may be).
- (e) **Transfer or Exercise Free of Charge:** Definitive Notes, on transfer or exercise of an option and partial redemption, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment by the person making such application for transfer or exercise of an option of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for any payment due under the Note, (ii) after any such Note has been called for redemption in accordance with these Conditions, or (iii) during the period of seven days ending on (and including) any Record Date.
- (g) **Regulations concerning Transfer and Registration:** All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer and registration of Notes set out in Schedule 1 to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar (such approval not to be unreasonably withheld or delayed). A copy of the current regulations will be made available to any holder upon request in writing upon proof of holding of Notes and identity (in a form satisfactory to the Registrar).

5. Interest

- (a) Each Note bears interest on its outstanding principal amount:
 - (i) in respect of the period from (and including) the Issue Date to (but excluding) the First Reset Date at the rate of 9.450 per cent. per annum (the "**Initial Interest Rate**"); and
 - (ii) in respect of each Reset Period, at the rate determined by the Calculation Agent on the relevant Reset Determination Date equal to the sum of the relevant Treasury Yield plus the Margin (rounded if necessary to five decimal places, with 0.000005 rounded up).

Subject as provided in Conditions 2, 5(d), 5(e) and 5(i), interest will be payable semi-annually in arrear on each Interest Payment Date.

Interest in respect of any Note shall be calculated per Calculation Amount of that Note. The amount of interest payable per Calculation Amount in respect of any period shall be equal to the product of the Calculation Amount, the relevant Interest Rate in respect of such period and the Day Count Fraction, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

For the purposes of these Conditions:

"**Calculation Amount**" means US\$1,000; and

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360, where the number of days is calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

(b) **Reset of the Interest Rate**

- (i) The Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each Reset Determination Date, determine the Interest Rate in respect of the relevant Reset Period.
- (ii) The Calculation Agent will cause the Interest Rate in respect of each Reset Period to be notified to the Issuer who shall procure that such Interest Rate is notified to the Trustee, the Principal Paying Agent, the Registrar and any stock exchange on which the Notes are for the time being listed or by which they have been admitted to listing and notice thereof is to be published in accordance with Condition 18 as soon as possible after its determination but in no event later than the fourth Business Day thereafter.
- (iii) All notifications, certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 by the Calculation Agent, shall (in the absence of manifest error) be final and binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Trustee and all Noteholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or

non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) **Discretionary Interest Payments**

Subject to Conditions 5(e) and 5(i) below, the Issuer may elect at any time, in its sole and absolute discretion, to cancel (in whole or in part) the payment of any Interest (or part thereof) otherwise scheduled to be paid on an Interest Payment Date.

(e) **Mandatory cancellation of Interest Payments**

Without prejudice to any right of the Issuer to cancel the payments of any Interest at its discretion pursuant to Condition 5(d), the Issuer will cancel any Interest (or part thereof) otherwise scheduled to be paid on an Interest Payment Date if a resolution of the general meeting of the Issuer's shareholders requires the relevant payment of Interest (or the relevant part thereof) to be cancelled.

For the purposes of the cancellation of Interest pursuant to Conditions 5(d) and 5(e) above, references to "**Interest**" will be deemed to include, if applicable, any Additional Amounts payable pursuant to Condition 10 below.

(f) **Payments of Interest Non-Cumulative**

Payments of Interest on the Notes are non-cumulative. Accordingly, if any payment of Interest (or part thereof) is not made in respect of the Notes as a result of any election of the Issuer to cancel such payment of Interest pursuant to Condition 5(d) above or the limitations on payment set out in Conditions 2, 5(e) and 5(i), then the right of the Noteholders to receive the relevant payment of Interest (or part thereof) in respect of the relevant Interest Period will be extinguished and the Issuer will have no obligation to pay such Interest (or part thereof) accrued for such Interest Period or to pay any interest thereon, whether or not Interest on the Notes is paid in respect of any future Interest Period.

(g) **Effect of Interest Cancellation; Notice of Interest Cancellation**

Any election to cancel the payment of any Interest (or part thereof) pursuant to Condition 5(d) or any non-payment of any Interest (or part thereof) as a result of the limitations on payment set out in Conditions 2, 5(e) and 5(i) will not constitute a default or an event of default or the occurrence of any event related to the insolvency of the Issuer (determined in accordance with Applicable Banking Regulations) or entitle the Noteholders or the Trustee to take any action pursuant to Condition 15 or in any way limit or restrict the Issuer from making any payment of Interest or distribution or equivalent payment in connection with any instrument ranking senior, junior or *pari passu* to the Notes.

If the Issuer does not pay Interest or part thereof on the relevant Interest Payment Date, such non-payment shall evidence the cancellation of such Interest (or relevant part thereof) or, as appropriate, the Issuer's exercise of its discretion to cancel such Interest (or relevant part thereof) and accordingly, such Interest payment shall not in any such case be due and payable. Notwithstanding the previous sentence, the Issuer will use all reasonable endeavours to provide at least 5 (five) Business Days' written notice to the Trustee, the Principal Paying Agent, the Registrar, the Calculation Agent and the Noteholders in accordance with Condition 18 of any election under Condition 5(d) and of any limitation set out in Conditions 2, 5(e) and 5(i) occurring or applying and shall specify the amount of the

Interest being cancelled and, accordingly, the amount (if any) of the relevant Interest on the Notes that will be paid on the relevant Interest Payment Date. To the extent it is not practicable to provide at least 5 (five) Business Days' written notice, the Issuer will provide written notice without undue delay and in any event such notice shall be given on or prior to the relevant Interest Payment Date. Any failure to give such notice shall not affect the validity of the cancellation of Interest and shall not constitute a default for any purpose.

(h) **Dividends and other distributions**

If any scheduled payment of Interest is not made in full because of the cancellation of Interest, the Issuer shall ensure that: (i) no distribution or dividend in cash or in kind shall be paid or made on any Ordinary Shares; and, so as not to circumvent the foregoing prohibition on distributions or dividends; and (ii) no transaction shall be entered into that would allow the Issuer to directly or indirectly, redeem, purchase or otherwise acquire any of the Ordinary Shares (a "**Share Purchase**"), other than, the amount of dividend on Ordinary Shares payable in cash pursuant to Decree of the President of the Republic of Uzbekistan No. UP-5468 dated 29 June 2018 (as amended, supplemented or restated or superseded from time to time), in each of case (i) and (ii), unless and until the Interest due and payable on the Notes on any subsequent Interest Payment Date has been paid in full or no Notes remain outstanding.

(i) **Solvency Condition**

Any payment of Interest on the Notes may only be made if, at the relevant time of such payment, the Solvency Condition is satisfied.

6. Optional Redemption

- (a) The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described in these Conditions. The Notes are not redeemable at the option of the Noteholders at any time.
- (b) Subject to the Redemption Conditions being satisfied, all, and not some only, of the Notes may be redeemed at the option of the Issuer on (i) any calendar day falling in the period commencing on (and including) 23 October 2030 and ending on (and including) the First Reset Date or (ii) on any Interest Payment Date falling after the First Reset Date at their Redemption Price.
- (c) If, on or after the Issue Date, there is a Capital Disqualification Event that is continuing, the Notes may be redeemed, in whole but not in part, at the option of the Issuer at any time, at the Redemption Price, subject to the Redemption Conditions being satisfied.
- (d) If, on or after the Issue Date, there is a Tax Event that is continuing, the Notes may be redeemed, in whole but not in part, at the option of the Issuer at any time, at the Redemption Price, subject to the Redemption Conditions being satisfied.
- (e) Any decision to redeem the Notes must be notified by the Issuer to the Trustee, the Principal Paying Agent, the Calculation Agent and the Registrar in accordance with the terms of the Trust Deed and the Agency Agreement and the Noteholders in accordance with Condition 18 not less than 5 and not more than 60 days prior to the relevant redemption date. Any such notice shall be irrevocable.

- (f) In respect of any redemption pursuant to Conditions 6(c) or 6(d) only, the Issuer will not give notice under Condition 6(e) unless, at least 2 days prior to the publication of any notice of redemption, it has delivered to the Trustee:
 - (i) a certificate signed by two of its duly authorised signatories stating that a Capital Disqualification Event or a Tax Event has occurred, or there is sufficient certainty that it will occur, as the case may be, and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
 - (ii) in the case of a redemption as a result of a Tax Event, an opinion of a recognised law firm of international standing to the effect that the relevant Tax Event has occurred or there is sufficient certainty that it will occur.

The Trustee shall be entitled to accept and rely absolutely, without further enquiry and without liability to any person, upon such certificate and legal opinion (and it shall be so accepted and treated by the Noteholders) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Trustee and the Noteholders.

- (g) If the Issuer gives notice of redemption of the Notes, then the Issuer will:
 - (i) deposit with the Principal Paying Agent funds sufficient to pay the Redemption Price; and
 - (ii) give the Principal Paying Agent instructions and authority to pay the Redemption Price to the Noteholders,

in each case, in accordance with Condition 9.

- (h) If either a notice of redemption has been given and the funds are not deposited as required on the date of such deposit or if the Issuer improperly withholds or refuses to pay the Redemption Price of the Notes, Interest will continue to accrue in accordance with Condition 5 above from (and including) the redemption date to (but excluding) the date of actual payment of the Redemption Price.

7. Substitution and Variation

- (a) If a Capital Disqualification Event or a Tax Event has occurred and is continuing, the Issuer (in its sole discretion, but subject as set out below), having given not less than 5 nor more than 60 days' irrevocable notice to the Trustee, the Principal Paying Agent and the Registrar and to the Noteholders in accordance with Condition 18, may, without any requirement for the consent or approval of the Noteholders, but subject to the prior consent of the Competent Authority (and otherwise in accordance with Applicable Banking Regulations then in force), either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that the Notes remain or, as appropriate, become, Qualifying Additional Tier 1 Notes and the Trustee shall (subject to the following provisions of this Condition 7(a) and subject to the receipt by it of a certificate of two authorised signatories referred to in Condition 6(f) above and in the definition of Qualifying Additional Tier 1 Notes) agree to such substitution or variation. Upon the expiry of such notice, the Issuer shall either vary the terms of the Notes or, as the case may be, substitute the Notes in accordance with this Condition 7(a).

- (b) Any substitution or variation in accordance with Condition 7(a) shall not result in any event or circumstance which at or around that time gives the Issuer a redemption right in respect of the Notes.
- (c) In connection with any substitution or variation in accordance with this Condition 7, the Issuer shall comply with the rules of any stock exchange on which such Notes are for the time being listed or admitted to trading.
- (d) By its acquisition of Notes, each Noteholder (which, for the purpose of Condition 7(a), includes each holder of a beneficial interest in the Notes) shall be deemed to have expressly consented to any substitution or variation pursuant to Condition 7(a) and to grant to the Trustee full power and authority to take any action and/or to execute and deliver any document which is necessary or convenient to complete any such substitution or variation.
- (e) The Trustee shall be obliged to (at the expense of the Issuer provided that the Trustee receives a certificate signed by two authorised signatories certifying that the effect of such substitution or variation is so that the Notes remain, or as appropriate, become, Qualifying Additional Tier 1 Notes) agree to any substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Qualifying Additional Tier 1 Notes, provided that the Trustee shall not be bound to do so if such substitution or variation would have the effect of (i) exposing the Trustee to any liability against which it is not indemnified and/or secured and/or pre-funded to its satisfaction, (ii) changing, increasing or adding to the obligations or duties of the Trustee or (iii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under the Trust Deed, the Conditions and/or the Notes.

8. Purchases

- (a) **Purchase:** Subject to Condition 8(c), the Issuer and its Subsidiaries may at any time purchase or procure others to purchase for its account Notes in the open market or otherwise at any price subject to the prior consent of the Competent Authority and otherwise in accordance with Applicable Banking Regulations then in force.
- (b) The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 14(a).
- (c) **Cancellation:** All Notes redeemed or substituted by the Issuer pursuant to Condition 6 or 7 shall be cancelled forthwith. All Notes purchased pursuant to this Condition 8 shall be either cancelled forthwith, held or, to the extent permitted by law, resold. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (d) **Trustee Not Obligated to Monitor:** The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within Conditions 6, 7 or 8 and will not be responsible to Noteholders for any loss arising from any failure by it to do so. Unless and until the Trustee has actual written notice of the occurrence of any event or circumstance within Condition 6, 7 or 8 it shall be entitled, without liability, to assume that no such event or circumstance exists.

9. Payments

(a) Method of Payment

- (i) Payments of principal shall be made (subject to surrender of the relevant Definitive Notes at the specified office of any Transfer Agent or of the Registrar if no further

payment falls to be made in respect of the Notes represented by such Definitive Notes) in the manner provided in paragraph (ii) below.

- (ii) Interest on each Note shall be paid to the person shown on the Register at the close of business on the business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made by transfer to an account in U.S. Dollars maintained by the payee with a bank.
 - (iii) If the amount of principal being paid upon surrender of the relevant Definitive Note is less than the outstanding principal amount of such Definitive Note, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Definitive Note with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.
- (b) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 10 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (c) **Agents:** The initial Agents and their initial specified offices are listed below. They act solely as agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any holder. The Issuer reserves the right (subject to prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed)) to terminate the appointment of all or any of the Agents at any time (*provided that* no Agent shall be responsible for any costs or liabilities occasioned by any such termination) and appoint additional or other payment or transfer agents, *provided that* they will maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) a Calculation Agent and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved by the Trustee (such approval not to be unreasonably withheld or delayed). Notice of any such change will be provided as described in Condition 18 below. If any of the Calculation Agent, Registrar or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place. All calculations and determinations made by the Calculation Agent, Registrar, the Principal Paying Agent or any such independent financial institution in relation to the Notes shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Calculation Agent, the Registrar, the Principal Paying Agent and the holders.
- (d) **Delay in Payment:** Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day, or if the Noteholder is late in surrendering or cannot surrender its Definitive Note (if required to do so).
- (e) **Non-Business Days:** If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 9, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Principal

Paying Agent is located and on which foreign exchange transactions may be carried on in U.S. Dollars in New York City.

10. Taxation

All payments of principal, interest and other amounts in respect of the Notes by the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Uzbekistan or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Definitive Note:

- (i) held by a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Republic of Uzbekistan other than the mere holding of such Definitive Note; or
- (ii) where (in the case of a payment of principal or interest on redemption) the relevant Definitive Note is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such Additional Amounts if it had surrendered the relevant Definitive Note on the last day of such period of 30 days.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Definitive Note representing such Note being made in accordance with the Conditions, such payment will be made, *provided that* payment is in fact made upon such surrender.

Any reference in these Conditions to principal or interest shall be deemed to include any Additional Amounts in respect of principal or interest (as the case may be) which may be payable under this Condition. If the Issuer becomes subject in respect of payments of principal or interest on the Notes to any taxing jurisdiction other than (or in addition to) the Republic of Uzbekistan, references in these Conditions to the Republic of Uzbekistan shall be construed as references to such other jurisdiction.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, assessment, charges, withholding or other payment referred to in this Condition 10 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any holder or any third party to pay such tax, duty, assessment, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any amount under or in respect of any Notes without deduction or withholding for or on account of any tax, duty, assessment, charges, withholding or other payment imposed by or in any jurisdiction.

11. Enforcement Events

Subject always as provided in this Condition 11 and Condition 15, no remedy shall be available to the Trustee or the Noteholders against the Issuer, whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its obligations under or in respect of the Notes or the Trust Deed. Subject to Condition 15, the Trustee and the Noteholders shall only have a right of remedy in respect of the following events (each, an "**Enforcement Event**"):

- (a) *Non-Payment of Principal*: if the Issuer fails to pay the principal on any of the Notes when due in accordance with Condition 5 and such failure to pay is not remedied within five days of the due date for payment, the Trustee may (in accordance with Condition 15) institute proceedings for the winding-up, insolvency or liquidation of the Issuer and/or may prove and/or claim in any consequent winding-up, insolvency or liquidation of the Issuer, with the question of whether the Issuer is, as a matter of fact, insolvent or in liquidation being determined in accordance with Applicable Banking Regulations; or
- (b) *Insolvency*: in the event of the commencement of proceedings for the winding-up, insolvency or liquidation of the Issuer (each as determined in accordance with and subject to, Applicable Banking Regulations), the Trustee may (in accordance with Condition 15) prove and/or claim in the insolvency or liquidation of the Issuer and the amount of any claim in respect of a Note shall be its outstanding principal amount together with any accrued and unpaid Interest that has not been cancelled in accordance with these Conditions.

The Trustee, in its discretion, may or (subject to Condition 15) if so requested by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) institute such proceedings and/or take any other steps or actions against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Notes or the Trust Deed (other than any payment obligations of the Issuer arising thereunder, including any damages awarded for breach of any obligations), provided that in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it pursuant to these Conditions and the Trust Deed.

12. Prescription

Claims for the payment of principal and interest in respect of any Definitive Note shall be prescribed unless made within 10 years (for claims for the payment of principal) or five years (for claims for the payment of interest) from the appropriate Relevant Date in respect of them.

13. Replacement of Definitive Notes

If any Definitive Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Holders, in each case subject to all applicable laws and stock exchange requirements and upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Definitive Notes must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification and Waiver

- (a) **Meetings of Noteholders**: The Trust Deed contains provisions for convening meetings of Noteholders (including in a physical place or by any electronic platform (such as a conference call or videoconference) to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or

any provisions of the Trust Deed. Such meetings shall be held in accordance with the provisions set out in the Trust Deed. Such a meeting may be convened by the Trustee upon receipt of a written request by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses). The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to alter the method of calculating the amount of any payment in respect of the Notes, (iv) to change the currency of payment of the Notes or (v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding.

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Notes for the time being outstanding, shall, in each case, for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

Any Extraordinary Resolution duly passed at a meeting of holders or in writing shall be binding on all holders (whether or not they were present at the meeting or voting in favour or, as the case may be, whether or not signing the written resolution).

- (b) **Modification and Waiver:** Subject to Condition 14(d) and, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction, the Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Trust Deed or the Notes which is, in the sole opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Notes, the Trust Deed or the Agency Agreement, which is, in the sole opinion of the Trustee, not materially prejudicial to the interests of the Noteholders. The Trustee may, without the consent of the Noteholders, determine that any default should not be treated as such, provided that, in the opinion of the Trustee, the interests of Holders are not materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Noteholders and shall be notified to the Noteholders as soon as practicable thereafter.

Notwithstanding any provision of the Trust Deed, no variation of, or amendments or modifications pursuant to this Condition 14(b) shall be made or effected if it would result in any Capital Disqualification Event or a Tax Event. The Trustee shall have no obligation to monitor or consider whether any variation of, or amendments or modifications pursuant to the Conditions would result in a Capital Disqualification Event or a Tax Event. If, however, the Issuer certifies to the Trustee that any such variation, amendment or modification would result in a Capital Disqualification Event or a Tax Event (with such certificate appending a legal opinion or legal memorandum from reputable legal counsel confirming that a Capital Disqualification Event or a Tax Event will occur or would be reasonably likely to occur) then the Trustee shall be entitled to rely absolutely, without further enquiry and without liability to any person, on such certification, opinion or memorandum and will not agree any such variation, amendment or modification.

- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other Person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.
- (d) **Competent Authority Consent Required:** Notwithstanding any other provision of these Conditions, any variation of, or amendments or modifications to, these Conditions shall require the prior consent of the Competent Authority. If the Trustee is requested to consider such a variation, amendment or modification of these Conditions or convene a meeting of Noteholders in respect thereof, the Issuer shall provide to the Trustee a certificate signed by two authorised signatories, certifying that it has received the Competent Authority's consent to such modification, waiver or substitution, as the case may be. The Trustee may rely absolutely, without further enquiry and without liability to any person, on such certificate

15. Enforcement

The Trustee may, at its discretion and without further notice, institute such steps, actions and/or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes as provided in Condition 11, but it need not take, nor shall the Trustee be bound to take or omit to take, any such steps, actions and/or proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding and (ii) it shall have been indemnified and/or provided with security and/or prefunded in each case to its satisfaction. No Noteholder may proceed directly against the Issuer or institute proceedings for the winding-up, insolvency or liquidation of the Issuer, or prove or claim in the winding-up of the Issuer, unless the Trustee, having become bound so to proceed or being able to prove or claim in such winding-up, fails or is unable to do so within a reasonable time and such failure or inability shall be continuing, in which case the Noteholder shall, with respect to the Notes held by it, have only such rights against the Issuer as those which the Trustee is entitled to exercise in respect of such Notes as set out in Condition 11.

16. Rights of the Trustee and Agents

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite nominal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Noteholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the

Trustee is seeking such directions or in the event that no such directions are received. The Trustee and the Agents shall not be under any obligation to ascertain whether any Enforcement Event has occurred or may occur or to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions.

The Trust Deed also contains a provision permitting the Trustee to request a compliance certificate from the Issuer related to compliance with the Conditions in the circumstances described in the Trust Deed. The Trustee may accept and rely absolutely, without further enquiry and without liability to Noteholders or any other person on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely absolutely, without further enquiry and without liability to any person, on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer and the Noteholders.

The Trustee shall have no responsibility for, or liability or obligations in respect of, any loss, claim or demand incurred as a result of or in connection with any non-payment of interest, principal or other amounts by reason of Conditions 2, 3 or 5. Furthermore, the Trustee shall not be responsible for any calculation or the verification of any calculation in connection with any of the foregoing.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

17. Further Issues

The Issuer may from time to time, with the prior written consent of the Competent Authority (if required), but without the consent of the Noteholders, create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) and so that such further issue shall be consolidated and form a single series with the outstanding Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

18. Notices

Notices to the Noteholders shall be valid if sent to them by mail (airmail if overseas) at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. In addition, so long as the Notes are listed on the Stock Exchange, notices will be published in a manner which complies with the rules and regulations of the Stock Exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

19. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer, shall indemnify the Trustee and each Noteholder on the written demand of the Trustee or such Noteholder, addressed and delivered to the Issuer, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder

may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

20. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy of a third party which exists or is available apart from such Act.

21. Governing Law

The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with any of them are governed by, and shall be construed in accordance with, English law except that the provisions of Condition 2 and Condition 3 will be governed by, and construed in accordance with, the laws of the Republic of Uzbekistan.

22. Arbitration, Consent to Enforcement and Waiver of Immunity

- (a) **Arbitration:** Any dispute arising out of or connected with the Notes and the Trust Deed, including a dispute as to the validity or existence of the Notes and the Trust Deed and/or this Condition 22 or any non-contractual obligation arising out of or in connection with the Notes and the Trust Deed (a "**Dispute**"), shall be resolved by arbitration whose seat shall be in London, England, conducted in the English language by three arbitrators pursuant to the rules of the London Court of International Arbitration ("**LCIA**") (such arbitration to also be administered by the LCIA in accordance with those rules), which rules are deemed to be incorporated by reference into this Condition 22 with the exception that any provision of such rules relating to the nationality of an arbitrator shall, to that extent, not apply and save that, unless the parties agree otherwise, the third arbitrator, who shall act as chairman of the tribunal, shall be nominated by the two arbitrators nominated by or on behalf of the parties. If the third arbitrator is not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.
- (b) **Agent for Service of Process:** The Issuer has appointed Law Debenture Corporate Services Limited, at Eighth Floor, 100 Bishopsgate, London EC2N 4AG as its agent in England to receive service of process in any proceedings in England in connection with the Notes and the Trust Deed.
- (c) **Consent to enforcement etc.:** The Issuer consents generally in respect of any Disputes to the giving of any relief or the issue of any process in connection with such Disputes including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any judgment or award which may be made or given in such Disputes.
- (d) **Waiver of immunity:** To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before the making of a judgment or an award or otherwise) or other legal process including in relation to the enforcement of a judgment or award and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its respective assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity.

23. Acknowledgement of Statutory Write-Down or Conversion

(a) Acknowledgement:

The Noteholders (which, for the purposes of this Condition 23, includes any current or future holder of a beneficial interest in the Notes) and the Issuer acknowledge, accept, consent and agree:

- (i) to be bound by the effect of the exercise of the Bail-in Power (as defined in Condition 23(b) below) by the Competent Authority, which may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
 - (B) the conversion of all, or a portion, of the Amounts Due into any Ordinary Shares or other instruments of ownership, including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such Ordinary Shares, other securities or other instruments of ownership;
 - (C) the cancellation of the Notes; and/or
 - (D) the amendment or alteration of any date (or the Issuer's discretion in respect thereof) on which the Notes may be redeemed in accordance with Condition 6 or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period, in each case and where applicable, in accordance with the requirements of the Applicable Banking Regulations) in relation to the order (hierarchy) of loss absorption applicable to the exercise of any Bail-in Power.
- (ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Competent Authority.

(b) Bail-in Power:

For these purposes, the "**Bail-in Power**" is any power existing from time to time under any laws, regulations, rules or requirements in effect in the Republic of Uzbekistan, relating to the resolution (sanation) regime for banks, including without limitation pursuant to the Law On Sanation and Liquidation (as amended and supplemented from time to time), and their implementing regulations, or otherwise arising under the law of the Republic of Uzbekistan, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of the Issuer can be reduced (in part or in whole), written down, cancelled, suspended, varied or otherwise modified in any way, or converted into any Ordinary Shares or other instruments of ownership, in connection with the implementation of resolution (sanation) or analogous (if any) power by the Competent Authority or otherwise

(c) Payment of Interest and Other Outstanding Amounts Due:

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Competent Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in Uzbekistan applicable to the Issuer or other members of the Group.

(d) No Event of Default or Enforcement Event:

Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Competent Authority with respect to the Issuer, the exercise of any Bail-in Power by the Competent Authority with respect to the Notes, nor the imposition of a resolution

(sanation) regime or the exercise of any other resolution power by the Competent Authority with respect to the Issuer, will be an event of default, an Enforcement Event or otherwise constitute non-performance of a contractual obligation, or entitle the Noteholders to any remedies (including equitable remedies) which are hereby expressly waived.

(e) **Notice to Noteholders:**

Upon the exercise of any Bail-in Power by the Competent Authority with respect to the Notes, the Issuer will provide a written notice to the Noteholders in accordance with Condition 18 as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Trustee and the Principal Paying Agent for informational purposes. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in Conditions 23(a) and 23(b).

(f) **Proration:**

If the Competent Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless the Principal Paying Agent is otherwise instructed by the Issuer or the Competent Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-in Power will be made on a pro-rata basis.

(g) **Conditions Exhaustive:**

The matters set forth in this Condition 23 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any Noteholder (or holder of any beneficial interest in any Notes).

(h) **Expenses:**

No expenses necessary for the procedures under this Condition 23, including, but not limited to, those incurred by the Issuer, the Trustee or the Principal Paying Agent, shall be borne by any Noteholder.

24. **Definitions**

In these Conditions, the following terms shall have the following meanings:

"Additional Tier 1 Capital" means any or all items constituting additional tier 1 capital in accordance with Applicable Banking Regulations at any time;

"Additional Tier 1 Instruments" means any contractually subordinated instrument of the Issuer constituting an Additional Tier 1 Capital instrument in accordance with the then prevailing Applicable Banking Regulations;

"Agency" means any agency, authority, central bank, department, committee, government, legislature, ministry, minister, official or public or statutory person (whether autonomous or not) of, or of the government of, any state or supra-national body;

"Amounts Due" means the prevailing outstanding amount of the Notes and any accrued and unpaid interest on the Notes that has not been previously cancelled or otherwise is no longer due;

"Applicable Banking Regulations" means, at any time, the laws, regulations delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to the operation of banking and financial industry and banking and financial services in the Republic of Uzbekistan, including, without limitation the laws, regulations delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies related to corporate structure, composition of assets, capital adequacy, sanation, resolution and/or solvency then applicable to the Issuer, including, without limitation to the generality of the foregoing, the CBU Capital Regulation, the Law on Sanation and Liquidation of Banks and those regulations, requirements, guidelines and policies relevant for the operation of banking and financial

industry and banking and financial services in the Republic of Uzbekistan, and relating to, *inter alia*, capital adequacy, sanation, resolution and/or solvency then in effect of the Competent Authority (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer);

"Business Day" means a day which banks and foreign exchange markets are open for business in the place in which the specified office of the Principal Paying Agent is located and on which foreign exchange transactions may be carried on in U.S. Dollars in New York City;

a **"Capital Disqualification Event"** is deemed to have occurred if, at any time after the Issue Date, a change in the regulatory classification of the Notes under the laws of the Republic of Uzbekistan or Applicable Banking Regulations occurs, or the Competent Authority makes a decision, that results (or would result) in any or all of the then outstanding Notes that were included in, or counted towards, the Issuer's Additional Tier 1 Capital (on a standalone basis) on the Issue Date ceasing to be included in, or counting towards, the Issuer's Additional Tier 1 Capital (on a standalone basis) and in any such case (a) the Competent Authority considers such a change to be sufficiently certain, and (b) the Issuer demonstrates to the satisfaction of the Competent Authority that the regulatory reclassification of the Notes was not reasonably foreseeable as at the Issue Date;

"Capital Stock" means, with respect to any Person, any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non-voting) of such Person's equity, including any Preferred Shares of such Person, whether now outstanding or issued after the Issue Date, including without limitation, all series and classes of such Capital Stock but excluding any debt securities convertible into or exchangeable for such Capital Stock;

"CBU Capital Regulation" means the Regulation of the Central Bank of Uzbekistan No. 14/3 dated 13 June 2015, as amended, supplemented or restated or superseded from time to time;

"CBU Risk-Weighted Assets" means the aggregate of balance sheet assets and off-balance sheet engagements, weighted for credit and market risk in accordance with the CBU Capital Regulation;

"CBU Tier 1 Capital" means the Tier 1 Capital (*regulyativ kapital I darajali kapital*) as such term is defined in the CBU Capital Regulation;

"CBU Tier 1 Capital Adequacy Ratio" means a ratio of the Issuer's CBU Tier 1 Capital to the CBU Risk-Weighted Assets;

"Code" means the United States Internal Revenue Code of 1986, as amended;

"Competent Authority" means the Central Bank of Uzbekistan or such other successor authority having primary bank supervisory authority with respect to prudential oversight and supervision in relation to the Issuer;

"First Reset Date" means 23 April 2031, being the date falling 5 years and 6 months after the Issue Date;

"Group" means the Issuer and its consolidated Subsidiaries taken as a whole;

"H.15" means the statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System, and **"most recent H.15"** means, in respect of any Reset Period, the H.15 published closest in time but prior to the close of business on the Reset Determination Date in respect of that Reset Period;

"IFRS" means International Financial Reporting Standards (formerly International Accounting Standards), issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

"Interest" means interest payable on the Notes in accordance with Condition 5;

"Interest Cancellation Event" means the decision (whether voluntary or otherwise enforced) by the Issuer to cancel Interest pursuant to the provisions of Condition 5;

"Interest Payment Date" means 23 April and 23 October, in each year, with the first Interest Payment Date falling on 23 April 2026;

"Interest Rate" means the rate at which the Notes accrue Interest in accordance with Condition 5;

"Issue Date" means 23 October 2025;

"Law Change" means any amendment to, or clarification of, or change in, the laws or treaties (or any regulations promulgated thereunder) of a Tax Jurisdiction or any change in the application or official interpretation of such laws or treaties, in either case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective, or which application or interpretation is announced, on or after the date of issue of the Notes;

"Law On Sanation and Liquidation" means the Law of the Republic of Uzbekistan On Sanation and Liquidation of Banks dated 23 June 2025 as amended, supplemented or restated or superseded from time to time;

"Margin" means 5.792 per cent. per annum;

"Ordinary Shares" means ordinary shares in the Issuer;

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or other entity;

"Preferred Shares", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person;

"Qualifying Additional Tier 1 Notes" means securities that comply with the following:

- (a) are issued by the Issuer;
- (b) rank equally with the ranking of the Notes;
- (c) have terms not materially less favourable to Noteholders than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent adviser of recognised standing), and provided that a certificate to such effect (including as to such consultation) of two authorised signatories of the Issuer shall have been delivered to the Trustee (upon which the Trustee shall rely without further enquiry and without liability to any person) prior to the issue or, as appropriate, variation of the relevant securities), provided further that, for the avoidance of doubt, any loss absorption provisions in such securities (by write-down, conversion or otherwise) shall be deemed less favourable to Noteholders);
- (d) (without prejudice to paragraph (c) above) (i) contain terms such that they comply with the applicable regulatory capital requirements in relation to Additional Tier 1 Capital pursuant to Applicable Banking Regulations; (ii) bear the same rate of interest from time to time applying to the Notes and preserve the same Interest Payment Dates; (iii) have the same redemption rights as the Notes; (iv) have the same outstanding principal amount as the Notes; and (v) preserve any existing rights to any accrued and unpaid Interest and any other amounts payable under the Notes which has accrued to Noteholders and has not been paid (subject always to the right of the Issuer subsequently to cancel such accrued and unpaid interest in accordance with the terms of such securities);

- (e) are listed on the same stock exchange or market (if any) as the Notes or any other appropriate stock exchange;

"Redemption Conditions" means, in relation to any optional redemption of the Notes pursuant to Condition 6:

- (a) the Competent Authority has provided its consent or, as the case may be, has confirmed that it does not object, to the redemption of the Notes by the Issuer, and such consent or confirmation has not been revoked by the relevant date of such redemption;
- (b) such optional redemption would result, on a *pro forma* basis, in the CBU Tier 1 Capital Adequacy Ratio being at or above the level required by the CBU Capital Regulation in connection with the redemption and/or repurchase of Additional Tier 1 Instruments, unless the Competent Authority has waived this condition in relation to any optional redemption of the Notes; and
- (c) the Solvency Condition is satisfied.

"Redemption Price" means, per Note, the then outstanding principal amount of such Note plus, if applicable, where not cancelled pursuant to, or otherwise subject to the limitations on payment set out in Conditions 2 and 5, an amount equal to accrued and unpaid Interest for the then current Interest Period to (but excluding) the date fixed for redemption of the Notes (including any applicable Additional Amounts);

"Reset Date" means the First Reset Date and every fifth anniversary thereof;

"Reset Determination Date" means, in relation to each Reset Date, the second Business Day immediately preceding such Reset Date;

"Reset Period" means the period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

"Stock Exchange" means the London Stock Exchange plc;

"Subsidiary" means, in relation to any Person (the **"first person"**), at any particular time, any other Person (i) which the first person controls or has the power to control and (ii) which is (or is required under IFRS to be) consolidated in or with the financial statements of the first person;

a **"Tax Event"** is deemed to have occurred if any Law Change occurs, and in any such case, whereby the Issuer determines that it:

- (a) would not be entitled to claim a deduction in computing taxation liabilities in a Tax Jurisdiction in respect of any Interest payment to be made on the next Interest Payment Date or the value of such deduction to the Issuer would be reduced; and/or
- (b) would be required to pay Additional Amounts on the next Interest Payment Date pursuant to Condition 10, and, in each case, this cannot be avoided by the Issuer taking reasonable measures available to it and the Issuer demonstrates to the written satisfaction of the Competent Authority that any such change in the applicable tax treatment was material and not reasonably foreseeable as at the Issue Date;

"Tax Jurisdiction" means the Republic of Uzbekistan or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes;

"Taxes" means any taxes, levies, duties, imports or other charges or withholding of a similar nature no matter where arising (including interest and penalties thereon and additions thereto);

"Tier 2 Capital" means any or all items constituting tier 2 capital in accordance with Applicable Banking Regulations at any time;

"Tier 2 Instruments" means any contractually subordinated instrument of the Issuer constituting Tier 2 Capital instrument in accordance with the then prevailing Applicable Banking Regulations;

"Treasury Yield" means, in relation to any Reset Period:

- (a) the rate per annum corresponding to the semi-annual equivalent yield to maturity, that represents the average for the five consecutive New York Business Days immediately prior to the applicable Reset Determination Date, appearing in the most recent H.15, and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, for five-year maturities from the applicable Reset Date, under the caption "Treasury Constant Maturities"; or
- (b) if there is no such published actively traded U.S. Treasury security with a maturity of five years from the next Reset Date, the rate determined by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market, (i) one maturing as close as possible to, but earlier than, the first Reset Date following the next succeeding Reset Determination Date, and (ii) the other maturing as close as possible to, but later than, the first Reset Date following the next succeeding Reset Determination Date, in each case as published in the most recent H.15; or
- (c) if the Treasury Yield cannot be determined pursuant to the methods described in paragraphs (a) or (b) above, the rate equal to the Treasury Yield for the last preceding Reset Period (or, in the case of the first Reset Period, the rate equal to 3.658 per cent. per annum),

in each case, as determined by the Calculation Agent on the applicable Reset Determination Date;

"U.S. Dollar Equivalent" means with respect to any amount denominated in a currency other than U.S. Dollars, at any time for the determination thereof, the amount of U.S. Dollars obtained by converting such other currency involved into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as quoted by Reuters at approximately 11:00 am (New York time) on the date not more than two Business Days prior to the date of determination; and

"U.S. Dollars", **"dollars"** or the sign "\$" means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SUMMARY OF THE PROVISIONS RELATING TO THE NOTES WHEN IN GLOBAL FORM

The Notes will be evidenced on issue by (i) in the case of Regulation S Notes, a Regulation S Global Note deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg and (ii) in the case of Rule 144A Notes, a Rule 144A Global Note deposited with a custodian for, and registered in the name of Cede & Co. as nominee of DTC.

Beneficial interests in the Regulation S Global Note may be held only through Euroclear or Clearstream, Luxembourg at any time. See "*—Book-entry Procedures for the Global Notes*". By acquisition of a beneficial interest in the Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that if it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes (a) to be purchasing outside of the United States in accordance with Regulation S or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Note (if applicable). See "*Transfer Restrictions*".

Beneficial interests in the Rule 144A Global Note may be held only through DTC at any time. See "*—Book-entry Procedures for the Global Notes*". By acquisition of a beneficial interest in the Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the agency agreement. See "*Transfer Restrictions*".

Beneficial interests in each Global Note will be subject to certain restrictions on transfer set forth therein and in the Paying Agency Agreement and the Global Notes will bear applicable legends regarding such restrictions set forth under "*Transfer Restrictions*". A beneficial interest in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note and only upon receipt by the Registrar of a written certification (in the form provided in the Paying Agency Agreement) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note only upon receipt by the Registrar of a written certification (in the form provided in the Paying Agency Agreement) from the transferor to the effect that the transfer is being made in accordance with Regulation S.

Save in the case of the issue of replacement Notes pursuant to Condition 13, the Issuer, the Transfer Agents and the Registrar shall make no charge to the holders for the registration of any holding of Notes or any transfer thereof or for the issue of any Notes or for the delivery thereof at the specified office of a Transfer Agent or the Registrar or by uninsured post to the address specified by the holder, but such registration, transfer, issue or delivery shall be effected against such indemnity from the holder or the transferee thereof as the Registrar or the relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration, transfer, issue or delivery. Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Note certificates in definitive form (the "**Definitive Notes**"). The Notes are not issuable in bearer form.

Amendments to Conditions

Each Global Note contains provisions that apply to the Notes that it represents, some of which modify the effect of the above Conditions. The following is a summary of those provisions:

Payments

Payments of principal and interest in respect of Notes evidenced by a Global Note will be made to the person who appears on the register of Noteholders at the close of business on the Record Date as holder of the relevant Global Note against presentation and (if no further payment falls to be made in respect of the relevant Notes) surrender of such Global Note to or to the order of the Principal Paying Agent (or to or to the order of such other Paying Agent as shall have been notified to the Noteholders for this purpose), which shall endorse such payment or cause such payment to be endorsed in the appropriate schedule to such Global Note (such endorsement being prima facie evidence that the payment in question has been made). Interest in respect of the Notes represented

by a Global Note will be paid from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by such Global Note, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Notices

So long as the Notes are evidenced by a Global Note and such Global Note is held by or on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication to entitled account holders rather than in the manner specified in the Conditions and shall be deemed to be given to holders of interests in such Global Note with the same effect as if they had been given to such Noteholder in accordance with the Conditions; *provided, however, that* as long as the Notes are listed on the London Stock Exchange, all notices will also be given in accordance with the rules of the London Stock Exchange. Any such notice will be deemed to have been given on the day the same has been delivered to the relevant clearing systems.

Record Date

Notwithstanding Condition 9, "**Record Date**" shall mean the Clearing System Business Day before the relevant due date for payment, where "Clearing System Business Day" means Monday to Friday inclusive, except 25 December and 1 January.

Meetings

The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and in any such meeting as having one vote in respect of each Note for which such Global Note may be exchangeable.

Trustee's Powers

Notwithstanding anything contained in the Trust Deed, in considering the interests of Noteholders while a Global Note is held on behalf of a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note and may consider such interests, and treat such accountholders, as if such accountholders were the holders of such Global Note.

Issuer's Option

So long as the Notes are evidenced by a Global Note and such Global Note is held by or on behalf of a clearing system, any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Noteholders and the relevant clearing systems (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required and instead the Notes to be redeemed shall be selected (i) in the case of the Regulation S Global Note, in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg or (ii) in the case of the Rule 144A Global Note, on a *pro rata* pass-through distribution of principal basis.

Electronic Consent and Written Resolution

While a Global Note is registered in the name of any nominee for a clearing system, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an

Extraordinary Resolution to be passed at a meeting in respect of which the special quorum provisions specified in the Notes apply, take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Exchange for Definitive Notes

Exchange

Each Global Note will be exchangeable, free of charge to the holder, in whole but not in part, for Notes in definitive, registered form if: (i) in the case of a Rule 144A Global Note, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Rule 144A Global Note or ceases to be a "clearing agency" registered under the Exchange Act or if at any time it is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC or (ii) in the case of a Regulation S Global Note, Euroclear or Clearstream, Luxembourg, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the holder giving notice to the Registrar or any Transfer Agent.

The Registrar will not register the transfer of, or exchange of interests in, a Global Note for Definitive Notes for a period of 15 calendar days ending on the date for any payment of principal or interest or on the date of optional redemption in respect of the Notes.

"**Exchange Date**" means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Note shall be exchanged in full for Definitive Notes and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or the Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Note must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Notes and (b) in the case of a Rule 144A

Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A to a QIB. Definitive Notes issued in exchange for a beneficial interest in a Rule 144A Global Note shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

Legends

The holder of a Definitive Note may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or the Transfer Agent, together with the completed form of transfer thereon.

Book-entry Procedures for the Global Note

Custodial and depositary links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See "*Settlement and Transfer of Notes*".

Euroclear and Clearstream, Luxembourg

The Regulation S Global Note will have an ISIN and Common Code. The Regulation S Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of such common depositary. The address of Euroclear is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg.

DTC

The Rule 144A Global Note will have a CUSIP number and will be deposited with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC System.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in the Regulation S Global Note directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**") through organisations that are accountholders therein.

DTC

The information set out below in connection with DTC is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect. The information about DTC set forth below has been obtained from sources that the Issuer believes to be reliable, including DTC, but neither the Issuer nor any of the Joint Bookrunners takes any responsibility for the accuracy of the information. If investors wish to use the facilities of any clearing system they should confirm the applicability of the rules, regulations and procedures of the relevant clearing system. None of the Issuer, the Trustee or any of the Joint Bookrunners will have any responsibility or liability for any aspect of the records relating to, or payments made on account of interests in, Notes held through the facilities of any clearing system, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

DTC has advised the Issuer as follows: DTC is a limited-purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, which clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Rule 144A Global Note directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations that are Direct Participants in such system. DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Rule 144A Global Note as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*Exchange for Definitive Notes*" DTC will surrender the Rule 144A Global Note for exchange for individual Rule 144A Definitive Notes (which will bear the legend applicable to transfers pursuant to Rule 144A).

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC as the holder of a Note evidenced by a Global Note must look solely to Euroclear or Clearstream, Luxembourg or DTC (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under such Global Note, subject to and in accordance with the respective rules and procedures of Euroclear and Clearstream, Luxembourg or DTC (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Note, the common depositary by whom such note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or holders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in a Global Note held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by a Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within the clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes unless and until interests in the relevant Global Note held within a clearing system are exchanged for Definitive Notes.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. In particular, because DTC can only act on behalf of Direct Participants the ability of a person having an interest in the Rule 144A Global Note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. Dollars, or free of payment, if payment is not effected in U.S. Dollars. Where payment is not effected in U.S. Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in the Rule 144A Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Regulation S Global Note, as the case may be (subject to the certification procedures provided in the Paying Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Rule 144A Global Note will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Rule 144A Global Note of the relevant class and (ii) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Note. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Rule 144A Global Note (subject to the certification procedures provided in the Paying Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be.

On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Note who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Note; and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the Rule 144A Global Note. Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interest in Global Notes among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedure, and such procedures may be discontinued at any time. None of the Issuer, the Trustee nor any Agent will have the responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing then-operations.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the Issue Date thereof, which could be more than one business day following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market are generally required to settle within one business day (T+1), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until three days prior to the Issue Date will be required, by virtue of the fact the Notes initially will settle beyond T+1, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes between the relevant date of pricing and the Issue Date should consult their own advisors.

TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale or other transfer of the Notes offered hereby.

In connection with its purchase of the Notes, any prospective purchaser thereof (an "**Investor**") in the United States, by virtue of its acceptance of this Offering Memorandum, will be deemed to represent, acknowledge and agree as follows:

1. It is (i) a QIB, (ii) acquiring such Notes for its own account or for the account of a QIB, and (iii) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
2. It understands that the Notes have not been and will not be registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.
3. It understands that the Rule 144A Global Notes, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

4. It understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Note and that the Notes offered and sold outside of the United States in reliance on Regulation S will be represented by the Regulation S Global Note. Before any interest in the Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.
5. The Issuer, the Registrar, the Transfer Agent, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. It agrees that if any of the acknowledgments, representations or agreements deemed to have been made by it by virtue of its purchase of the Notes is no longer accurate, it shall promptly notify the Issuer, the Registrar, the Transfer Agent and the Joint Bookrunners. If it is acquiring any Notes for the account of one or more QIBs or accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

TAXATION

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident of a purchase of Notes, including, but not limited to, the consequences of the receipt of interest and the sale or redemption of Notes. The following is a general description of Uzbekistan withholding tax laws and certain United States tax consequences relating to the Notes as in effect on the date hereof, and does not purport to be a comprehensive discussion of the tax treatment of the Notes.

Withholding Tax in Uzbekistan

Pursuant to the Tax Code of the Republic of Uzbekistan effective as at 1 January 2020 ("**Tax Code**"), any income, including interest received from the international bonds issued by an Uzbek legal entity and made to a non-resident or resident legal entity is not subject to Uzbekistan taxation. Any income, including interest, of an individual holder received from the international bonds issued by an Uzbek legal entity will not be subject to Uzbekistan personal income tax.

If interest payments in respect of any Notes are subject to Uzbekistan withholding tax, the Bank shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received had no such withholding been required as more fully described in Condition 9.

Certain U.S. Federal Income Tax Considerations

The following summary describes certain U.S. federal income tax consequences of the acquisition, ownership and disposition of a Note. This summary does not address all aspects of U.S. federal income taxation that may be applicable to particular U.S. Holders subject to special U.S. federal income tax rules, including, among others, tax-exempt organisations, financial institutions, insurance companies, individual retirement accounts and other tax deferred accounts, dealers and brokers in securities or currencies, traders in securities who elect to apply a mark-to-market method of accounting, real estate investment trusts, regulated investment companies, U.S. Holders that will hold a Note as part of a "straddle," "hedge," "conversion transaction," "constructive sale," "wash sale" or other integrated transaction for U.S. federal income tax purposes, "S corporations," U.S. Holders treated as holding 10.0 per cent or more of the total voting power or value of all of the Issuer's outstanding stock (including the Notes and any other securities treated as equity for U.S. federal income tax purposes), U.S. Holders liable for the alternative minimum tax, certain U.S. expatriates, persons that have ceased to be U.S. citizens, partnerships or other pass through-entities or arrangements for U.S. federal income tax purposes (and investors therein), investors holding the Notes in connection with a trade or business conducted outside of the United States, or to persons required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the Notes to their financial statements under section 451 of the Code (as defined below). In addition, this summary does not address consequences to U.S. Holders of the acquisition, ownership and disposition of a Note under any other U.S. federal tax laws (including the Medicare tax on net investment income, estate tax, or gift tax) or under the tax laws of any state, locality or other political subdivision of the United States or other countries or jurisdictions.

The summary of the U.S. federal income tax consequences set out below is for general information only and is not tax advice with respect to any specific investor. Prospective investors should consult their own tax advisers as to the particular tax consequences to them of the acquisition, ownership and disposition of the Notes, including the applicability and effect of state, local, non-U.S. and other tax laws and possible changes in tax law.

As used herein, the term "**U.S. Holder**" means a beneficial owner of the Notes that is for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the United States, (b) a corporation (or other entity or arrangement that is treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (d) a trust if it (x) is subject to the primary supervision of a U.S. court and one or more U.S. persons have the authority to control all substantial decisions of the trust or (y) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Therefore, a beneficial owner of a Note that is a partnership, and partners in such partnership, should consult their own tax advisers regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes in their particular circumstances.

U.S. HOLDERS CONSIDERING THE PURCHASE OF NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE PARTICULAR UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, AS WELL AS THE CONSEQUENCES ARISING UNDER OTHER UNITED STATES FEDERAL TAX LAWS AND THE LAWS OF ANY OTHER TAXING JURISDICTION.

U.S. Federal Income Tax Characterisation of the Notes

The determination of whether an obligation represents debt, equity, or some other instrument or interest for U.S. federal income tax purposes is based on all the relevant facts and circumstances. The Issuer intends to treat the Notes as equity interests in the Issuer for U.S. federal income tax purposes. The Notes have several equity-like features, including (1) the absence of a fixed maturity date, (2) provisions for the cancellation of interest payments and the Write-Down of principal, (3) the deep subordination of the Notes to other debt of the Issuer, and (4) the lack of default provisions. By purchasing a Note, each holder agrees to treat the Note as an equity interest in the Issuer for U.S. federal income tax purposes. Accordingly, each "interest" payment should be treated as a distribution by the Issuer with respect to such equity interest, and any reference in this discussion to "dividends" or "distributions" refers to the "interest" payments on the Notes. The Issuer's characterization of the Notes is not binding on the IRS, and no assurance can be given that the IRS will not assert, or a court would not sustain, a contrary position regarding the characterization of the Notes. Each prospective investor should consult its own tax advisor about the proper characterization of the Notes for U.S. federal income tax purposes. The remainder of this discussion assumes that the Notes will be characterized as equity in the Issuer for U.S. federal income tax purposes.

Payments of Interest

Payments of stated interest on the Notes will be treated as distributions on the Issuer's stock and such distributions paid by the Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) generally will be taxable to a U.S. Holder as dividend income on the date actually or constructively received, and will not be eligible for the dividends received deduction generally available to U.S. corporations with respect to dividends received from other U.S. corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Notes and thereafter as capital gain. The Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. Therefore, U.S. Holders should assume that any distribution by the Issuer with respect to the Notes will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Issuer. Dividends received by certain non-corporate U.S. Holders generally will be subject to taxation at the maximum rate applicable to long-term capital gains if the dividends give rise to "qualified dividend income." Generally, dividends will be treated as giving rise to qualified dividend income if: (i) the Issuer is eligible for the benefits of the Treaty; (ii) the Issuer was not, in the year prior to the year in which the dividend was paid, and is not (and is not treated with respect to the U.S. Holder as) a PFIC in the taxable year of the Issuer in which the dividend is paid or the preceding taxable year; and (iii) certain holding period and other requirements are met. U.S. Holders should consult their own tax advisors regarding the availability of this reduced dividend tax rate for interest payments on the Notes.

A U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non-refundable non-U.S. income taxes withheld from distributions on the Notes, if any, at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by the Issuer generally will constitute foreign source income in the "passive category income" basket, but there are significant complex limitations on a U.S. Holder's ability to claim such a credit or deduction. U.S. Holders should consult their tax advisors concerning the creditability and deductibility of any non-U.S. income taxes withheld in their particular circumstances.

Sale or Other Disposition

Upon a sale or other disposition of Notes, a U.S. Holder generally will recognize capital gain or loss (assuming, in the case of a redemption, the U.S. Holder does not own, and is not deemed to own, any of the Issuer's ordinary shares or any other instruments issued by the Issuer that are treated as equity for U.S. federal income tax purposes) for U.S. federal income tax purposes equal to the difference, if any, between the amount realized on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Notes. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year and will generally be U.S.- source. Certain non-corporate U.S. Holders may be eligible for reduced rates of taxation on long-term capital gains. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their own tax advisors regarding the creditability or deductibility, or any other consequences, of any non-U.S. income tax imposed on the disposition of the Notes in their particular circumstances. Further, U.S. Holders that own and/or are deemed to own the Issuer's ordinary shares or any other instruments issued by the Issuer that are treated as equity for U.S. federal income tax purposes may be subject to Section 302 of the Code, which could, in certain circumstances, cause a redemption to be treated as a dividend distribution rather than a sale. However, redemptions of Notes held by a U.S. Holder that does not own (and is not deemed to own) a substantial proportion of the Issuer's voting stock and whose proportionate ownership of the equity of the Issuer decreases as a result of the redemption are likely to be treated as "not essentially equivalent to a dividend" in which case they should be treated as sales. U.S. Holders that own and/or are deemed to own our ordinary shares or any other instruments issued by the Issuer that are treated as equity for U.S. federal income tax purposes should consult with their own tax advisors as to the tax consequences of a redemption in their particular circumstances.

Write-Down of the Notes

No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of a write-down of the Notes. Among other matters, there is no authority addressing whether U.S. holders would be entitled to a deduction for loss at the time of a write-down. U.S. holders may, for example, be required to wait to take a deduction until there is an actual or deemed sale, exchange or other taxable disposition of the Notes. A U.S. Holder should consult its tax advisor to determine the U.S. federal income tax consequences to it of a write-down of the Notes.

Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC for any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75 per cent of its gross income is "passive income" or (ii) at least 50 per cent of the average value of its assets (generally determined on the basis of a quarterly average and generally measured at fair market value) is attributable to assets which produce passive income or are held for the production of passive income. Passive income generally includes interest, dividends, rents, royalties and certain gains, subject to certain active business exceptions, including exceptions for certain active banking income and for certain dealer income. The application of the PFIC rules to banks is unclear under present U.S. federal income tax law. Although banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules, the IRS has issued guidance in certain proposed regulations (that taxpayers may rely on pending finalization) that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank. Based on such proposed regulations, and upon the Issuer's regulatory status under Uzbek law, its banking activities performed in the ordinary course of business (including lending, accepting deposits and depositing money in other banks), and the proportion of its income derived from activities that are "bona fide" banking activities for U.S. federal income tax purposes, the Issuer does not believe that it was a PFIC for its most recently ended taxable year, and does not expect to be a PFIC for the current taxable year or for any foreseeable future taxable year. However, because a PFIC determination is a factual determination that must be made following the close of each taxable year and is based on, among other things, the composition of a foreign bank's assets and income, and the proposed regulations may not be finalized in their current form, there can be no assurance that the Issuer will not be considered a PFIC for its most recently ended taxable year, the current taxable year or any subsequent taxable year. If the Issuer is treated as a PFIC for any taxable year during a U.S. Holder's holding period, unless a U.S. Holder is eligible to and elects to be taxed annually on a mark to market basis with respect to the Notes, any gain realized on a sale or other taxable disposition of the Notes and certain "excess distributions" will be treated as ordinary income and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over the U.S. Holder's

holding period for the Notes, (b) the amount deemed realized in each year had been subject to tax in each such year at the highest marginal rate for such year, and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, payments on the Notes would not be eligible for treatment as "qualified dividend income." U.S. Holders should consult with their own independent tax advisors regarding the application of the PFIC rules to the Notes and the availability and advisability of making an election with respect to the Notes to avoid the adverse tax consequences of the PFIC rules should the Issuer be considered a PFIC for any taxable year.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS (unless the U.S. Holder establishes, if requested to do so, that it is an exempt recipient) in connection with payments on the Notes, and the proceeds from the sale, exchange or other disposition of Notes. If information reports are required to be made, a U.S. Holder may be subject to U.S. backup withholding if it fails to provide its taxpayer identification number, or to establish that it is exempt from backup withholding. The amount of any backup withholding imposed on a payment will be allowed as a credit against any U.S. federal income tax liability of a U.S. Holder and may entitle the U.S. Holder to a refund, provided the required information is timely furnished to the IRS. U.S. Holders should consult their own tax advisors regarding any filing and reporting obligations they may have as a result of their acquisition, ownership or disposition of Notes.

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of US\$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. The understatement of income attributable to "specified foreign financial assets" in excess of U.S.\$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. Holders who fail to report the required information could be subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, J.P. Morgan Securities plc, Mashreqbank psc, Raiffeisen Bank International AG, Société Générale and Standard Chartered Bank (together, the "**Joint Bookrunners**") have, pursuant to a Subscription Agreement dated 21 October 2025 (the "**Subscription Agreement**"), severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the principal amount of Notes set out opposite its name in the table below at the issue price of 100.000 per cent. of the principal amount of Notes:

Joint Bookrunner	Principal Amount of Notes (U.S.\$)
Citigroup Global Markets Limited	U.S.\$50,000,000
J.P. Morgan Securities plc	U.S.\$50,000,000
Mashreqbank psc	U.S.\$50,000,000
Raiffeisen Bank International AG	U.S.\$50,000,000
Société Générale.....	U.S.\$50,000,000
Standard Chartered Bank.....	U.S.\$50,000,000

The Issuer has agreed to pay to the Joint Bookrunners a management, underwriting and selling commission in respect of the Notes. The Subscription Agreement entitles the Joint Bookrunners to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has in the Subscription Agreement agreed to indemnify the Joint Bookrunners against certain liabilities incurred in connection with the issue of the Notes.

Each of the Joint Bookrunners and its respective affiliates may, from time to time in the ordinary course of their respective businesses, engage in further transactions with, and perform services for, the Issuer and its affiliates. In particular, the Joint Bookrunners and their respective affiliates have performed and expect to perform in the future various financial advisory, investment banking and commercial banking services for, and may arrange loans and other non public market financing for, and enter into derivative transactions with, the Issuer or its affiliates (including their respective shareholders) and for which they will receive customary fees.

United States

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Notes are being offered and sold outside of the United States in reliance on Regulation S. The Subscription Agreement provides that Joint Bookrunners may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

United Kingdom

Prohibition of Sales to United Kingdom Retail Investors

Each Joint Bookrunner has severally represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision the expression "**retail investor**" means a person who is one (or both) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Other Regulatory Restrictions

Each Joint Bookrunner has severally represented, warranted and agreed that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has severally represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For these purposes the expression "**retail investor**" means a person who is one (or both) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Republic of Uzbekistan

Each Joint Bookrunner has severally represented, warranted and undertaken with the Issuer and each other Joint Bookrunner that it has not offered and will not offer the Notes for circulation, distribution, placement, sale or purchase in the territory of the Republic of Uzbekistan.

Singapore

Each Joint Bookrunner has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has severally represented, warranted and undertaken with the Issuer that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

Neither the Issuer nor any Joint Bookrunner has made any representation that any action has been or will be taken in any jurisdiction by the Joint Bookrunners or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Offering Memorandum (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Bookrunner has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Offering Memorandum (in preliminary, proof or final form) or any such other material, in all cases at its own expense.

INDEPENDENT AUDITORS

The Annual Financial Statements included elsewhere in this Offering Memorandum have been audited by Audit Organization "PricewaterhouseCoopers" LLC located at 88A, Mustaqillik avenue, Mirzo-Ulugbek district, Tashkent 100000, Republic of Uzbekistan, who has issued unqualified independent auditor's reports on the Annual Financial Statements. Audit Organization "PricewaterhouseCoopers" LLC has a licence authorising audit of companies registered by the Ministry of Economy and Finance under registration number No. 00780 dated 5 April 2019 and a certificate authorising audit of banks registered by the CBU under registration number No. 9 dated 14 February 2014.

The Interim Financial Statements included elsewhere in this Offering Memorandum have been reviewed by Audit Organization "PricewaterhouseCoopers" LLC independent auditors, as stated in the report appearing herein. Audit Organization "PricewaterhouseCoopers" LLC independent auditors, reported that they reviewed the Interim Financial Statements, included in this Offering Memorandum and issued an unqualified review report. However, their separate report, included herein, state they did not audit and they do not express an audit opinion on the Interim Financial Statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

GENERAL INFORMATION

- (1) Application has been made to the London Stock Exchange for the Notes to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of the UK MiFIR. The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the FCA. The LSE has not approved or verified the contents of this Offering Memorandum. It is expected that the admission of the Notes to trading on the ISM will be granted on or around the Issue Date.
- (2) The issue of the Notes was authorised by resolution of the Supervisory Council of the Issuer passed on 25 September 2025 and decision of the Management Board of the Issuer passed on 23 September 2025.
- (3) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg.
- (4) There is no explicit yield to maturity. The Notes do not carry a fixed date for redemption and the Issuer may not, and under certain circumstances is not permitted to, make payments on the Notes at the full stated rate. The interest rate is also subject to periodic resetting.

For information purposes only, the yield in respect of the Notes from (and including) the Issue Date to (but excluding) the First Reset Date, and assuming no cancellation of interest during such period, would be 9.450 per cent. per annum. The yield is calculated on a semi-annual basis at the Issue Date on the basis of the issue price of 100.000 per cent. and the Initial Rate of Interest. It is not an indication of the actual yield for such period or of any future yield.

- (5) The ISIN of the Regulation S Global Note is XS3200158478 and the Common Code of the Regulation S Global Note is 320015847. The ISIN of the Rule 144A Global Note is US917935AC27, the Common Code of the Rule 144A Global Note is 320270880 and the CUSIP of the Rule 144A Global Note is 917935AC2.
- (6) The Legal Entity Identifier is 213800C2NIFPFTXYIU69.
- (7) There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2024 and no significant change in the financial performance and the financial position of the Issuer or the Group since 30 June 2025 and to the date of this Offering Memorandum.
- (8) As at the date of this Offering Memorandum, there are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Offering Memorandum, a significant effect on the financial position or profitability of the Issuer or the Group.
- (9) For so long as any Notes are outstanding, copies of the following will be available for inspection on the Issuer's website (<https://www.sqb.uz/en/>):
 - a copy of this Offering Memorandum along with any supplement to this Offering Memorandum;
 - the charter documents of the Issuer; and
 - the Financial Statements, including the related independent auditor's report and review report in respect thereof.
- (10) For so long as any Notes are outstanding, copies of the following will be available for inspection, and may be obtained free of charge, during normal business hours on any weekday, (i) at the specified office of the Principal Paying Agent in London or (ii) electronically from the Issuer or the Principal Paying Agent:
 - the Trust Deed to be entered into with the Trustee; and
 - the Paying Agency Agreement to be entered into with the paying agents and the Trustee.

- (11) No natural or legal person has an interest that is material to the issue of the Notes.
- (12) The Issuer has obtained all necessary consents, approvals and authorisations in Uzbekistan in connection with its entry into, and performance of its obligations under, the Trust Deed and the Agency Agreement.
- (13) There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders under the Notes.
- (14) Where information in this Offering Memorandum has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.
- (15) The auditor of the Issuer is Audit Organization "PricewaterhouseCoopers" LLC who have audited the Annual Financial Statements and have reviewed the Interim Financial Statements. See "*Independent Auditors.*"
- (16) The Issuer does not intend to provide any post-issuance transaction information regarding the Notes.
- (17) Citibank Europe plc, Germany Branch will act as Registrar in relation to the Notes.
- (18) There are no potential conflicts of interest between any duties of the members of the administrative, management or supervisory bodies of the Issuer towards the Issuer and their private interests and/or other duties.
- (19) The Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with and may perform services of the Issuer in the ordinary course of business. In the ordinary course of their business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer.

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**Joint Stock Commercial Bank
“UZBEK INDUSTRIAL
AND CONSTRUCTION BANK”**

**Condensed Consolidated
Interim Financial Information
prepared in accordance with
IAS 34, *Interim Financial
Reporting***

30 June 2025

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Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders and Supervisory Board of JSCB "Uzbek Industrial and Construction Bank":

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of JSCB "Uzbek Industrial and Construction Bank" and its subsidiaries (together – the "Group") as at 30 June 2025 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Audit Organization "PricewaterhouseCoopers" LLC

Audit Organization "PricewaterhouseCoopers" LLC

Tashkent, Uzbekistan

30 September 2025

JOINT STOCK COMMERCIAL BANK
“UZBEK INDUSTRIAL AND CONSTRUCTION BANK”
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(in millions of Uzbek Soums)

	Notes	30 June 2025	31 December 2024
ASSETS			
Cash and cash equivalents	7	9,178,575	6,525,860
Due from other banks	8	1,710,357	1,707,029
Investment in debt securities	10	7,536,841	4,364,719
Financial assets at fair value through other comprehensive income		151,244	146,012
Loans and advances to customers including finance lease receivables	9	70,060,671	66,475,832
Investment in associates		168,768	122,008
Derivative financial assets		16,788	33,149
Reinsurance contract assets		49,861	75,715
Current income tax prepayment		37,711	-
Other assets	13	828,410	407,461
Deferred tax asset		280,806	305,078
Premises and equipment	11	3,891,483	3,874,808
Intangible assets	11	99,478	96,172
Non-current assets held for sale	12	756,528	666,325
TOTAL ASSETS		94,767,521	84,800,168
LIABILITIES			
Due to other banks	14	4,565,316	2,819,710
Customer accounts	15	27,433,503	21,103,701
Debt securities in issue		9,591,679	9,055,263
Other borrowed funds	18	40,619,911	39,833,147
Derivative financial liabilities	25	8,346	122,982
Insurance contract liabilities		259,870	269,909
Other liabilities	19	298,305	258,488
Subordinated debt	16	1,968,059	1,984,144
TOTAL LIABILITIES		84,744,989	75,447,344
EQUITY			
Share capital		4,634,438	4,634,438
Retained earnings		5,345,799	4,682,683
Revaluation reserve of financial assets at fair value through other comprehensive income		39,454	34,232
Net assets attributable to the Bank's owners		10,019,691	9,351,353
Non-controlling interest		2,841	1,471
TOTAL EQUITY		10,022,532	9,352,824
TOTAL LIABILITIES AND EQUITY		94,767,521	84,800,168

Approved for issue and signed on behalf of the Management Board on 30 September 2025.




Khujamuratov Abbos
Chief Accountant

The notes set out on pages 5 to 57 form an integral part of this condensed consolidated interim financial information 1

JOINT STOCK COMMERCIAL BANK
“UZBEK INDUSTRIAL AND CONSTRUCTION BANK”
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

(in millions of Uzbek Soums, except for earnings per share which are in Soums)

	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
Interest income calculated using the effective interest method	20	5,486,151	4,220,054
Other similar income	20	24,505	23,583
Interest expense	20	(3,511,792)	(2,477,653)
Net margin on interest and similar income		1,998,864	1,765,984
Provision for credit losses on loans and advances to customers including finance lease receivables	9	(933,811)	(1,011,002)
Net margin on interest and similar income after credit loss allowance on loans and advances to customers including finance lease receivables		1,065,053	754,982
Fee and commission income		294,543	255,810
Fee and commission expense		(111,270)	(71,367)
Loss on initial recognition on interest bearing assets		(62,181)	(2,888)
Net gain / (loss) on foreign exchange translation		54,900	(99,428)
Net gain from trading in foreign currencies		713,459	319,882
Gains less losses from financial derivatives		(52,647)	53,068
Insurance revenue		97,293	50,902
Insurance service expenses		(54,322)	(48,896)
Reinsurance result		(33,489)	(5,328)
Finance expenses from insurance contracts (net)		(13,472)	(11,334)
Dividend income		1,653	332
Other operating income		61,067	13,159
Provision for credit losses on other assets		(9,510)	(24,869)
Impairment of assets held for sale		(18,575)	(24,002)
Administrative and other operating expenses	21	(1,104,957)	(858,849)
Share of profit or loss of associates		(424)	234
Profit before tax		827,121	301,408
Income tax expense	22	(165,438)	(54,140)
PROFIT FOR THE PERIOD		661,683	247,268
Other comprehensive income:			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Fair value gain on equity securities at fair value through other comprehensive income		6,528	8,389
Tax effect		(1,306)	(1,678)
Other comprehensive income		5,222	6,711
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		666,905	253,979
Profit is attributable to:			
- Owners of the Bank		663,116	247,318
- Non-controlling interest		(1,433)	(50)
PROFIT FOR THE PERIOD		661,683	247,268
Total comprehensive income is attributable to:			
- Owners of the Bank		668,338	254,029
- Non-controlling interest		(1,433)	(50)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		666,905	253,979
Total basic and diluted EPS per ordinary share attributable to the owners of the Bank (expressed in UZS per share)	23	2.72	1.02

JOINT STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK"
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(in millions of Uzbek Soums)

	Attributable to owners of the Bank				Non-controlling interest	Total equity
	Share capital	Revaluation assets at fair value through other comprehensive income	Retained earnings	Total		
1 January 2024	4,634,438	23,688	3,781,693	8,439,819	112	8,439,931
Profit for the period	-	-	247,318	247,318	(50)	247,268
Other comprehensive income for the period	-	6,711	-	6,711	-	6,711
Total comprehensive income for the period	-	6,711	247,318	254,029	(50)	253,979
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	38	38
At 30 June 2024	4,634,438	30,399	4,029,011	8,693,848	100	8,693,948
1 January 2025	4,634,438	34,232	4,682,683	9,351,353	1,471	9,352,824
Profit for the period	-	-	663,116	663,116	(1,433)	661,683
Other comprehensive income for the period	-	5,222	-	5,222	-	5,222
Total comprehensive income for the period	-	5,222	663,116	668,338	(1,433)	666,905
Non-controlling interest arising on establishment of a subsidiary (Note 1)	-	-	-	-	2,803	2,803
At 30 June 2025	4,634,438	39,454	5,345,799	10,019,691	2,841	10,022,532

The notes set out on pages 5 to 57 form an integral part of condensed consolidated interim financial information

JOINT STOCK COMMERCIAL BANK
“UZBEK INDUSTRIAL AND CONSTRUCTION BANK” AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(in millions of Uzbek Soums)

	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
Cash flows from operating activities			
Interest received		4,285,562	3,643,977
Interest paid		(3,370,534)	(2,484,633)
Fee and commission received		281,740	248,720
Fee and commission paid		(111,270)	(71,367)
Financial derivatives		65,260	(5,707)
Insurance revenue received		39,765	44,522
Insurance operations expenses paid		(27,941)	(20,816)
Net gain from trading in foreign currencies		713,459	319,882
Other operating income received		28,830	2,913
Staff costs paid		(545,590)	(482,208)
Administrative and other operating expenses paid		(437,608)	(291,773)
Income tax paid		(205,695)	(1,296)
Cash flows from operating activities before changes in operating assets and liabilities		715,978	902,214
<i>Net (increase)/decrease in:</i>			
- in due from other banks		48,366	(70,088)
- in loans and advances to customers including finance lease receivables		(2,217,723)	(3,887,593)
- in investment in debt securities		(3,086,850)	(106,788)
- in other assets		(416,720)	(32,726)
- in non-current assets held for sale		38,662	36,718
<i>Net increase/(decrease) in:</i>			
- in due to other banks		1,565,645	187,048
- in customer accounts		6,332,379	2,071,514
- in other liabilities		(16,874)	(358)
Net cash from operating activities		2,962,863	(900,059)
Cash flows from investing activities			
Acquisition of financial assets at fair value through other comprehensive income		(13)	(21,240)
Acquisition of premises, equipment and intangible assets		(377,192)	(133,129)
Proceeds from disposal of premises, equipment and intangible assets		51,983	8,565
Acquisition of investment in associates	1	(47,184)	(9,786)
Dividend income received		1,653	332
Net cash used in investing activities		(370,753)	(155,258)
Cash flows from financing activities			
Proceeds from other borrowed funds		5,006,241	5,287,033
Repayment of other borrowed funds		(5,545,459)	(3,449,373)
Proceeds from debt securities in issue		649,730	-
Proceeds from other subordinated debt		-	251,100
Dividends paid		-	(155)
Net cash from financing activities		110,512	2,088,605
Effect of exchange rate changes on cash and cash equivalents		(49,907)	(17,423)
Net increase in cash and cash equivalents		2,652,715	1,015,865
Cash and cash equivalents at the beginning of the period	7	6,525,860	6,965,894
Cash and cash equivalents at the end of the period	7	9,178,575	7,981,759

JOINT STOCK COMMERCIAL BANK
“UZBEK INDUSTRIAL AND CONSTRUCTION BANK”
SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025
(In millions of Uzbek Soums, unless otherwise indicated)

1. INTRODUCTION

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” for the six months period ended 30 June 2025 for Joint Stock Commercial Bank “Uzbek Industrial and Construction Bank” (the “Bank”) and its subsidiaries (together referred to as the “Group”).

JSCB “Uzbek Industrial and Construction Bank” (the “Bank”) was incorporated in 1991 and is domiciled in the Republic of Uzbekistan. It is registered in Uzbekistan to carry out banking and foreign exchange activities and has operated under the banking license #17 issued by the Central bank of Uzbekistan (the “CBU”) on 21 December 2021 (succeeded the licenses #17 issued on 25 January 2003 and #25 issued on 29 January 2005 by the CBU for banking operations and general license for foreign currency operations, respectively).

Principal activity. The Bank's principal activity is commercial banking, retail banking, and operations with securities and foreign currencies. The Bank accepts deposits from legal entities and individuals, extends loans, and transfer payments. The Bank conducts its banking operations from its head office in Tashkent and 80 branches within Uzbekistan as of 30 June 2025 (31 December 2024: 87 branches).

The Bank participates in the state deposit insurance program, which was introduced by the Uzbek Law No.360-II “Insurance of Individual Bank Deposit” on 5 April 2002. On 28 November 2008, the President of Uzbekistan issued the Decree No.PD-4057 stating that in case of the withdrawal of a license of a bank, the State Deposit Insurance Fund guarantees repayment of UZS 200 million of individual deposits regardless of the deposit amount.

As at 30 June 2025, the number of Bank's employees was 4,164 (31 December 2024: 4,054).

Registered address and place of business. 3, Shakhrisabz street, Tashkent, 100000, Uzbekistan;
55, Islam Karimov street, Tashkent, 100000, Uzbekistan.

At 30 June 2025 and 31 December 2024, the Group consolidated following companies in these condensed consolidated interim financial information:

Name Bank's direct interest in subsidiaries:	Country of incorporation	30 June 2025	31 December 2024	Type of operation
		%	%	
SQB Capital, LLC	Uzbekistan	100	100	Asset management
SQB Insurance, LLC	Uzbekistan	100	100	Insurance
SQB Tower LLC	Uzbekistan	100	100	Asset management
Bank's indirect interest in subsidiaries				
SQB Factoring, LLC	Uzbekistan	100	100	Factoring services
SQB Construction, LLC	Uzbekistan	100	100	Construction
SQB Futzal Club, LLC	Uzbekistan	100	100	Sport club
New Zomin Plaza, LLC	Uzbekistan	99.9	99.9	Hoteling
Miraki Town Plaza, LLC	Uzbekistan	100	100	Hoteling
Miraki Hostel, LLC	Uzbekistan	100	100	Hoteling
Arton Vodiy Invest, LLC	Uzbekistan	97.98	97.98	Construction materials
Khiva Plaza, LLC	Uzbekistan	100	100	Hoteling
Khiva Trade Center, LLC	Uzbekistan	100	100	Trade Center
Chimgan Residence, LLC	Uzbekistan	100	100	Hoteling
SQB Mikromoliya Tashkiloti, LLC	Uzbekistan	100	100	Microfinance services
SQB Testing and RnD center, LLC	Uzbekistan	100	100	Quality Inspection
SQB Ventures, LLC	Uzbekistan	100	-	Asset management
Buxoro Beton Zavodi, LLC	Uzbekistan	100	-	Construction materials
Capital Bino Qurilish, LLC	Uzbekistan	67.94	-	Construction

During the first half of 2025, the Group established new subsidiaries SQB Ventures LLC and Buxoro Beton Zavodi LLC with 100% ownership each. SQB Ventures LLC was established to manage investments in start-up companies, Buxoro Beton Zavodi LLC and Capital Bino Qurilish LLC are planned to specialize in concrete production and construction services, respectively.

During the first quarter of 2025, the Group established another subsidiary - Capital Bino Qurilish LLC, acquiring 67.94% equity stake, while non-controlling shareholders contributed UZS 2,8 billion representing the remaining 32,06% ownership interest in the subsidiary.

**JOINT STOCK COMMERCIAL BANK
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(In millions of Uzbek Soums, unless otherwise indicated)

1. INTRODUCTION (Continued)

The table below represents the Group's investment in associates at 30 June 2025 and 31 December 2024.

Name	Principal activity	Country	Group's ownership	
			30 June 2025	31 December 2024
LLC "Khorezm Invest Project"	Asset management	Uzbekistan	39%	34%
LLC "Zomin Miracle Mountains"	Catering	Uzbekistan	33%	33%
LLC "Olmazor Trade Center"	Retail center	Uzbekistan	35%	-

The Group invested UZS 24,8 billion in LLC "Olmazor Trade Center" with 35% share to establish shopping mall in Tashkent. The Group's share in LLC "Khorezm Invest Project" was increased to 39% after restructuring the equity capital of the associate and the Group's investment of UZS 22,3 billion.

The table below represents the interest of the shareholders in the Bank's share capital as at 30 June 2025 and 31 December 2024:

Shareholders	30 June 2025	31 December 2024
The Fund of Reconstruction and Development of the Republic of Uzbekistan	82.19%	82.19%
Ministry of Economy and Finance of the Republic of Uzbekistan	13.48%	13.48%
Other legal entities and individuals (individually hold less than 5%)	4.33%	4.33%
Total	100%	100%

2. OPERATING ENVIRONMENT OF THE GROUP

Republic of Uzbekistan. The Uzbekistan economy displays characteristics of an emerging market, including but not limited to, a currency that is not freely convertible outside of the country and a low level of liquidity in debt and equity markets. Also, the banking sector in Uzbekistan is particularly impacted by local political, legislative, fiscal and regulatory developments. The largest Uzbek banks are state-controlled and act as an arm of the Government to develop the country's economy. The Government distributes funds from the country's budget, which flow through the banks to various government agencies, and other state- and privately-owned entities.

Uzbekistan experienced the following key economic indicators in the second quarter of 2025:

- Inflation: 8.7% (2024: 9.8%)
- GDP growth 7.2% (2024: 6.5%).
- Official exchange rates: 30 June 2025: USD 1 = UZS 12,654.13 (31 December 2024: USD 1 = UZS 12,920.48).
- Central Bank refinancing rate: 14% (2024: 13.5%).

On March 26, 2025, the Central Bank of Uzbekistan increased refinancing rate from 13.5% to 14%.

In June 2025 Fitch international rating agency upgraded the Republic of Uzbekistan's long-term foreign sovereign credit rating for foreign and local currency liabilities at the BB level. The outlook was Stable.

According to Central bank of Uzbekistan in the second quarter of 2025 inflation rate decreased year-on-year from 10.6% to 8.7% over the same period last year.

Influence of geopolitical events in the world

In February 2022, due to the conflict between the Russian Federation and Ukraine, numerous sanctions were announced against the Russian Federation by most Western countries. These sanctions are intended to have a negative economic impact on the Russian Federation. Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility in the currency markets, as well as a volatility of UZS against the US dollar and euro, however, this volatility stabilized by the end of 2022 and remained consistent throughout 2023, 2024 and 2025.

For the purpose of managing the country risk, the Bank controls transactions with counterparties within the limits set by the Bank's collegial body, which are reviewed regularly. The Group continues to assess the effect of these events and changes in economic conditions on its operations, financial position and financial performance. The future effects of the current economic situation taking into consideration the sanctions to the Russian government and the above measures are difficult to predict, and management's current expectations and estimates could differ from actual results.

3. BASIS OF PRESENTATION

The condensed consolidated interim financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Except as described below, the same accounting policies and methods of computation were followed in the preparation of this condensed consolidated interim financial information as compared with the annual consolidated financial statements of the Group for the year ended 31 December 2024.

Interim period tax measurement. Interim period income tax expense is accrued using the effective tax rate that would be applicable to expected total annual earnings, that is, the estimated weighted average annual effective income tax rate applied to the pre-tax income of the interim periods.

The condensed consolidated financial information is prepared on a going concern basis, as management is satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, the management has considered a wide range of information including liquidity projections, maturity of financial liabilities (Note 28), regulatory capital requirements, and government support funding.

4. ADOPTION OF NEW AND REVISED STANDARDS

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025). The adoption of the standard did not have a material impact on the Group's condensed consolidated interim financial information.

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2026 or later, and which the Group has not early adopted.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). The Group is currently assessing the impact of the amendments on its financial statements.

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026). The Group is currently assessing the impact of the amendments on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). The Group is currently assessing the impact of the amendments on its financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). The Group is currently assessing the impact of the amendments on its financial statements.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's condensed consolidated interim financial information requires the Management to make estimates and judgements that affect the reported amount of assets and liabilities at the date of the condensed consolidated interim financial information and the reported amount of income and expenses during the reporting year. The Management evaluates its estimates and judgements on an ongoing basis. The Management bases its estimates and judgements on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following estimates and judgements are considered important to the portrayal of the Group's financial condition.

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios.

For the purpose of measurement of ECL the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. The Group incorporates forward-looking information into a measurement of ECL when there is a statistically proven correlation between the macro-economic variables and defaults. As at the reporting date the Group has obtained quarterly values for macroeconomic variables: GDP growth rate, inflation, unemployment rates, aligned them with quarterly default rates across all loan portfolios and performed statistical tests for correlation considering different time lags. As at the reporting date, statistical tests have not established a significant correlation, except for the construction segment where the correlation between macro-economic variables and defaults were identified and incorporated into ECL measurement. The Management updates its statistical tests for correlation as at each reporting date.

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The most significant forward-looking assumptions used in the analysis were as follows at 30 June 2025:

Variable	Scenario	Assign ed weight	Assumption for:				
			2025	2026	2027	2028	2029
GDP Growth rate	Scenario 1	0%					
	Base	100%	5.90%	5.80%	5.70%	5.70%	5.70%
	Scenario 3	0%					
Unemployment rate	Scenario 1	0%					
	Base	100%	8.50%	8.00%	7.50%	7.50%	7.50%
	Scenario 3	0%					
CPI rate	Scenario 1	0%					
	Base	100%	8.00%	6.50%	5.00%	5.00%	5.00%
	Scenario 3	0%					

The assumptions and assigned weights were as follows at 31 December 2024:

Variable	Scenario	Assign ed weight	Assumption for:				
			2024	2025	2026	2027	2028
GDP Growth rate	Scenario 1	0%					
	Base	100%	6.55%	5.70%	5.70%	5.70%	5.70%
	Scenario 3	0%					
Unemployment rate	Scenario 1	0%					
	Base	100%	7.68%	8.50%	8.00%	7.50%	7.50%
	Scenario 3	0%					
CPI rate	Scenario 1	0%					
	Base	100%	9.80%	7.90%	6.50%	5.00%	5.00%
	Scenario 3	0%					

Significant increase in credit risk (“SICR”). In order to determine whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition.

The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Group considers all reasonable and supportable forward-looking information available without undue cost and effort and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level. The SICR criteria remained unchanged and are consistent with last year-end consolidated financial statement.

ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL for Stage 2 assets or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitatively and quantitatively reasonable and supportable forward-looking information.

For treasury operations, the Group calculates ECL on a financial asset based not only on the current estimates of the credit quality of the counterparty/issuer at the reporting date, but also taking into account possible deterioration of the financial condition due to the adverse macroeconomic factors of the counterparty's/issuer's environment in the future. In particular, the level of ECL for treasury operations is affected by the rating outlook (positive, stable, negative) assigned by international rating agencies, which affects the probability of default (“PD”).

For loans to customers, the calculation of ECL takes into account the possible estimated effects of changes in macroeconomic parameters on forecasted cash flows, migration of collective loans and collateral coverage.

The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

A 10% increase in PD estimates would result in an increase in total expected credit loss allowances of UZS 148,156 million at 30 June 2025 (31 December 2024: increase of UZS 143,015 million).

A 10% decrease in PD estimates would result in a decrease in total expected credit loss allowances of UZS 148,156 million at 30 June 2025 (31 December 2024: decrease of UZS 143,015 million).

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INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025
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A 10% increase in LGD estimates would result in an increase in total expected credit loss allowances of UZS 346,694 million at 30 June 2025 (31 December 2024: increase of UZS 288,270 million).

A 10% decrease in LGD estimates would result in a decrease in total expected credit loss allowances of UZS 346,694 million at 30 June 2025 (31 December 2024: decrease of UZS 288,270 million).

Insurance of own credit risk. The Group owns an insurance subsidiary, which provided credit risk insurance for some of the loans issued by the Group. The borrowers of the Group have a right to choose an insurance company based on their preferences and CBU instruction #3030 dated 2 July 2018 prohibits banks to limit rights of the borrowers to choose insurance companies. Moreover, the borrowers are entitled to replace the insurance-based collateral with another insurer even if an initial agreement was signed with the Group's insurance subsidiary. The maturity of insurance policies generally does not match with loan maturity terms. Based on facts mentioned above, it is management judgement that the credit risk insurance policies issued by the Group's wholly owned subsidiary insurance company are accounted for separately from the related loan agreements.

Other borrowed funds. 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. The Management has considered whether gains or losses should arise on initial recognition of these instruments and its judgment is that these funds are at the market rates and no initial recognition gains or losses should arise. In making this judgment the Management also considered that these instruments are a separate market sector.

6. SEGMENT REPORTING

Operating segments are components of the Group that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision makers (CODM) and for which discrete financial information is available. The CODM of the group is the Management Board. The Management Board regularly uses financial information based on IFRS for operational decision-making and resource allocation.

The Group operates solely in Uzbekistan and its consolidated revenue comprises interest income, fee and commission income and other operating income which are concentrated on the domestic market, as such, does not have separate geographical segments.

The Group does not have customers with the revenues exceeding 10% of the total revenue of the Group.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organized on the basis of two main business segments – corporate banking which represents direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products and retail banking which represents private banking services, private customer current accounts, savings, deposits and debit cards, consumer loans.

(b) Information about reportable segment profit or loss, assets, and liabilities

Segment information for the reportable segments for the period ended 30 June 2025 is set out below:

	30 June 2025		
	Corporate	Individuals	Total
Assets			
Cash and cash equivalents	9,013,128	165,447	9,178,575
Loans and advances to customers including finance lease receivables	60,134,528	9,926,143	70,060,671
Due from other banks	1,710,357	-	1,710,357
Investment securities measured at amortised cost	7,536,841	-	7,536,841
Total reportable segment assets	78,394,854	10,091,590	88,486,444
Liabilities			
Due to other banks	4,565,316	-	4,565,316
Customer accounts	19,404,257	8,029,246	27,433,503
Other borrowed funds	40,609,407	10,504	40,619,911
Debt securities in issue	9,591,679	-	9,591,679
Total reportable segment liabilities	74,170,659	8,039,750	82,210,409

Segment information for the reportable segments for the year ended 31 December 2024 is set out below:

	31 December 2024		
	Corporate	Individuals	Total
Assets			
Cash and cash equivalents	6,351,068	174,792	6,525,860
Loans and advances to customers including finance lease receivables	56,886,321	9,589,511	66,475,832
Due from other banks	1,707,029	-	1,707,029
Investment securities measured at amortised cost	4,364,719	-	4,364,719
Total reportable segment assets	69,309,137	9,764,303	79,073,440
Liabilities			
Due to other banks	2,819,710	-	2,819,710
Customer accounts	13,837,273	7,266,428	21,103,701
Other borrowed funds	39,832,456	691	39,833,147
Debt securities in issue	9,055,263	-	9,055,263
Total reportable segment liabilities	65,544,702	7,267,119	72,811,821

The cash management is performed by Treasury Department to support liquidity of the Bank as a whole.

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6.SEGMENT REPORTING (Continued)

	30 June 2025		
	Corporate	Individuals	Total
Interest income			
Interest on Loans and advances to customers including finance lease receivables	3,760,899	1,107,346	4,868,245
Interest on balances Due from other banks	181,931	-	181,931
Interest on balances Cash and cash equivalents	12,880	-	12,880
Interest on investment securities measured at amortised cost	447,600	-	447,600
Interest expense			
Interest on balances Due to other banks	(161,468)	-	(161,468)
Interest on Customer accounts	(784,071)	(588,684)	(1,372,755)
Interest on Other borrowed funds	(1,335,396)	(816)	(1,336,212)
Interest on Debt securities in issue	(557,523)	-	(557,523)
Interest on subordinated debt	(83,834)	-	(83,834)
Segment results	1,481,018	517,846	1,998,864

	30 June 2024		
	Corporate	Individuals	Total
Interest income			
Interest on Loans and advances to customers including finance lease receivables	3,039,939	809,176	3,849,115
Interest on balances Due from other banks	178,061	-	178,061
Interest on balances Cash and cash equivalents	11,538	-	11,538
Interest on investment securities measured at amortised cost	204,923	-	204,923
Interest expense			
Interest on balances Due to other banks	(261,114)	-	(261,114)
Interest on Customer accounts	(331,534)	(289,721)	(621,255)
Interest on Other borrowed funds	(1,378,495)	(952)	(1,379,447)
Interest on Debt securities in issue	(175,228)	-	(175,228)
Interest on subordinated debt	(40,609)	-	(40,609)
Segment results	1,247,481	518,503	1,765,984

(c) Reconciliation of income and expenses, assets, and liabilities for reportable segments:

	30 June 2025	31 December 2024
Total reportable segment assets	88,486,444	79,073,440
Financial assets at fair value through other comprehensive income	151,244	146,012
Investment in associates	168,768	122,008
Premises and equipment	3,891,483	3,874,808
Intangible assets	99,478	96,172
Current income tax prepayment	37,711	-
Derivative financial assets	16,788	33,149
Deferred tax asset	280,806	305,078
Reinsurance contract assets	49,861	75,715
Other assets	828,410	407,461
Non-current assets held for sale	756,528	666,325
Total assets	94,767,521	84,800,168
Total reportable segment liabilities	82,210,409	72,811,821
Derivative financial liabilities	8,346	122,982
Insurance contract liabilities	259,870	269,909
Other liabilities	298,305	258,488
Subordinated debt	1,968,059	1,984,144
Total liabilities	84,744,989	75,447,344

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(In millions of Uzbek Soums, unless otherwise indicated)

6. SEGMENT REPORTING (Continued)

	Six months ended 30 June 2025	Six months ended 30 June 2024
Segment results	1,998,864	1,765,984
Credit loss allowance for loans and advances to customers including finance lease receivables	(933,811)	(1,011,002)
Loss on initial recognition on interest bearing assets	(62,181)	(2,888)
Fee and commission income	294,543	255,810
Fee and commission expense	(111,270)	(71,367)
Gains less losses from financial derivatives	(52,647)	53,068
Net gain on foreign exchange translation	54,900	(99,428)
Net gain from trading in foreign currencies	713,459	319,882
Insurance revenue (excluding reinsurance business)	97,293	50,902
Insurance service expenses (excluding reinsurance business)	(54,322)	(48,896)
Reinsurance business	(33,489)	(5,328)
Finance income (expenses) from insurance contracts (net)	(13,472)	(11,334)
Dividend income	1,653	332
Other operating income	61,067	13,159
Provision for credit losses on other assets	(9,510)	(24,869)
Impairment of assets held for sale	(18,575)	(24,002)
Administrative and other operating expenses	(1,104,957)	(858,849)
Share of result from associates	(424)	234
Profit before tax	827,121	301,408
Income tax expense	(165,438)	(54,140)
PROFIT FOR THE PERIOD	661,683	247,268

7. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Correspondent accounts and placements with other banks original maturities of less than three months	4,917,935	3,334,083
Mandatory cash balances with CBU	1,743,247	825,094
Cash on hand	1,658,802	1,603,051
Cash balances with the CBU (other than mandatory reserve deposits)	858,859	312,552
Securities purchased from other banks under REPO agreements	-	451,663
Less: Allowance for expected credit losses	(268)	(583)
Total cash and cash equivalents	9,178,575	6,525,860

On 13 June 2025, Moody's affirmed Uzbekistan's sovereign rating at Ba3 and revised the outlook from "Stable" to "Positive." Similarly, S&P revised the outlook from "Stable" to "Positive," and Fitch upgraded the rating from BB- to BB. As a result, most local banks, including the Bank itself, experienced credit rating upgrades. For ECL calculation purposes, a credit rating of Ba3 with a "Positive" outlook was applied.

The increase in correspondent accounts and placements with other banks with original maturities of less than three months is mainly due to higher overnight deposit balances, which totaled UZS 3,371,942 million as at 30 June 2025 (31 December 2024: UZS 1,650,968 million).

As at 30 June 2025 and 31 December 2024 for the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1.

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The credit quality of cash and cash equivalents at 30 June 2025 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and placements with other banks with original maturities of less than three months	Mandatory cash balances with CBU	Reverse sale and repurchase agreements with other banks with original maturities of less than three months	Total
- Central Bank of Uzbekistan	858,859	-	1,743,247	-	2,602,106
- Rated Aa1 to Aa3	-	128,609	-	-	128,609
- Rated A1 to A3	-	3,242,581	-	-	3,242,581
- Rated Baa1 to Baa3	-	1,110	-	-	1,110
- Rated Ba1 to Ba3	-	1,170,116	-	-	1,170,116
- Rated B1 to B3	-	250,267	-	-	250,267
- Unrated	-	125,252	-	-	125,252
Less: Allowance for expected credit losses	(14)	(225)	(29)	-	(268)
Total cash and cash equivalents, excluding cash on hand	858,845	4,917,710	1,743,218	-	7,519,773

The credit quality of cash and cash equivalents at 31 December 2024 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and placements with other banks with original maturities of less than three months	Mandatory cash balances with CBU	Reverse sale and repurchase agreements with other banks with original maturities of less than three months	Total
- Central Bank of Uzbekistan	312,552	-	825,094	-	1,137,646
- Rated Aa1 to Aa3	-	260,915	-	-	260,915
- Rated A1 to A3	-	1,855,242	-	-	1,855,242
- Rated Baa1 to Baa3	-	863	-	-	863
- Rated Ba1 to Ba3	-	1,217,009	-	451,663	1,668,672
- Rated B1 to B3	-	10	-	-	10
- Unrated	-	44	-	-	44
Less: Allowance for expected credit losses	(7)	(548)	(18)	(10)	(583)
Total cash and cash equivalents, excluding cash on hand	312,545	3,333,535	825,076	451,653	4,922,809

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

Information on related party balances is disclosed in Note 29.

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8. DUE FROM OTHER BANKS

	30 June 2025	31 December 2024
Placements with other banks with original maturities of more than three months	1,527,593	1,609,094
Restricted cash	200,066	121,169
Less: Allowance for expected credit losses	(17,302)	(23,234)
Total due from other banks	1,710,357	1,707,029

Restricted cash represents balances on correspondent accounts with foreign banks placed by the Group on behalf of its customers. The Group does not have the right to use these funds for the purpose of funding its own activities.

At 30 June 2025 the Group had balances with seven counterparty banks (31 December 2024: seven counterparty banks) with aggregated amounts above UZS 20,000 million. The total aggregate amount of these deposits was UZS 1,183,200 million (2024: UZS 1,220,894 million) or 69% of the total amount due from other banks (31 December 2024: 72%).

The decrease in ECL is mainly driven by an improvement in the credit ratings of several local banks, which were upgraded from Ba3 Stable to Ba3 Positive, reflecting stronger creditworthiness. In addition, a reduction in the outstanding principal amounts of certain placements contributed to the lower ECL balance.

As at 30 June 2025 and 31 December 2024 for the purpose of ECL measurement due from other banks balances are included in Stage 1.

Analysis by credit quality of due from other banks outstanding at 30 June 2025 is as follows:

	Placements with other banks with original maturities of more than three months	Restricted cash	Total
- Rated Aa1 to Aa3	16,577	-	16,577
- Rated A1 to A3	48,180	198,048	246,228
- Rated Ba3	1,121,658	2,018	1,123,676
- Rated B1	289,136	-	289,136
- Rated B2	10,536	-	10,536
- Rated B3	1,624	-	1,624
- Unrated	39,882	-	39,882
Less: Allowance for expected credit losses	(17,283)	(19)	(17,302)
Total due from other banks	1,510,310	200,047	1,710,357

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

	Placements with other banks with original maturities of more than three months	Restricted cash	Total
- Rated Aa1 to Aa3	13,567	-	13,567
- Rated A1 to A3	-	121,112	121,112
- Rated Ba3	1,234,295	57	1,234,352
- Rated B1	295,429	-	295,429
- Rated B2	16,746	-	16,746
- Rated B3	2,037	-	2,037
- Unrated	47,020	-	47,020
Less: Allowance for expected credit losses	(23,231)	(3)	(23,234)
Total due from other banks	1,585,863	121,166	1,707,029

The credit rating is based on the rating agency Moody's (if available) or the rating agencies Standard & Poor's and Fitch. Information on related party balances is disclosed in Note 29. Information on fair value of due from other banks is disclosed in Note 27.

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8. DUE FROM OTHER BANKS (Continued)

The following tables disclose the changes in the credit loss allowance and gross carrying amount for due from banks between the beginning and the end of the reporting periods:

	Gross Carrying Amount		ECL	
	Stage 1 12-month ECL	TOTAL	Stage 1 12-month ECL	TOTAL
As at 1 January 2025	1,730,263	1,730,263	23,234	23,234
New assets issued or acquired	156,375	156,375	1,614	1,614
Matured or derecognized assets (except for write off)	(185,068)	(185,068)	(10,468)	(10,468)
Foreign exchange differences	26,089	26,089	2,922	2,922
Loss allowance for ECL and Gross Carrying as at 30 June 2025	1,727,659	1,727,659	17,302	17,302

	Gross Carrying Amount		ECL	
	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL
As at 1 January 2024	1,777,700	37,302	12,571	23,724
New assets issued or acquired	144,124	-	328	-
Matured or derecognized assets (except for write off)	(159,184)	-	(2,021)	-
Foreign exchange differences	98,123	2,059	266	384
Loss allowance for ECL and Gross Carrying as at 30 June 2024	1,860,763	39,361	11,144	24,108
				35,252

9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES

The Bank uses the following classification of loans:

- Loans to state and municipal organisations - loans issued to clients wholly owned by the Government of the Republic of Uzbekistan and budget organisations;
- Corporate loans - loans issued to clients other than government entities and private entrepreneurs;
- Loans to individuals - loans issued to individuals for consumption purposes, for the purchase of residential houses and flats.

Loans and advances to customers including finance lease receivables comprise:

	30 June 2025	31 December 2024
Corporate loans	49,683,053	45,351,774
State and municipal organisations	13,801,053	14,274,010
Loans to individuals	10,699,797	10,146,237
Total loans and advances to customers including finance lease receivables, gross	74,183,903	69,772,021
Less: Allowance for expected credit losses	(4,123,232)	(3,296,189)
Total loans and advances to customers including finance lease receivables	70,060,671	66,475,832

The table below represents loans and advances to customer's classification by stages:

	30 June 2025	31 December 2024
Originated loans to customers	74,097,512	69,624,864
Overdrafts	86,391	147,157
Total loans and advances to customers including finance lease receivables, gross	74,183,903	69,772,021
Stage 1	52,625,118	46,779,451
Stage 2	17,164,775	18,906,953
Stage 3	4,394,010	4,085,617
Total loans and advances to customers including finance lease receivables, gross	74,183,903	69,772,021
Less: Allowance for expected credit losses	(4,123,232)	(3,296,189)
Total loans and advances to customers including finance lease receivables	70,060,671	66,475,832

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9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)

The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans and advances including finance lease receivables to corporate customers between the beginning and the end of the reporting period:

	Credit Loss Allowance			Gross Carrying Amount		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	12-month ECL	Lifetime ECL	Lifetime ECL	12-month ECL	Lifetime ECL	Lifetime ECL
Corporate loans						
As at 1 January 2025	658,948	1,286,572	521,222	26,178,961	15,555,279	3,617,534
<i>Movements with impact on credit loss allowance</i>						
<i>charge for the period:</i>						
Changes in the gross carrying amount						
- Transfer from stage 1	(49,533)	45,846	3,687	(4,191,788)	3,965,360	226,428
- Transfer from stage 2	35,586	(847,377)	811,791	5,844,099	(8,387,843)	2,543,744
- Transfer from stage 3	25,311	87,075	(112,386)	2,538,797	819,450	(3,358,247)
- Changes in EAD and risk parameters*	(406,528)	353,526	732,946	(2,818,647)	706,604	1,030,771
New assets issued or acquired	117,463	-	-	8,051,969	-	-
Matured or derecognized assets (except for write off)	(11,022)	(8,632)	(43,149)	(3,167,600)	(234,697)	(247,836)
Total movements with impact on credit loss allowance charge for the period	(288,723)	(369,562)	1,392,889	6,256,830	(3,131,126)	194,860
<i>Movements without impact on credit loss allowance</i>						
<i>charge for the period:</i>						
Written off assets	-	-	(133,042)	-	-	(133,042)
Foreign exchange differences	7,536	28,955	44,163	660,225	392,299	91,233
Loss allowance for ECL and Gross Carrying as at 30 June 2025	377,761	945,965	1,825,232	33,096,016	12,816,452	3,770,585
			3,148,958			49,683,053

*The line “Changes in EAD and risk parameters” under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during the reporting period and transfers of new issued loans between stages.

*The line “Changes in EAD and risk parameters” under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period

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9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)

The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans and advances including finance lease receivables to state and municipal organisations between the beginning and the end of the reporting period:

	Credit Loss Allowance			Gross Carrying Amount		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	12-month ECL	Lifetime ECL	Lifetime ECL	12-month ECL	Lifetime ECL	Lifetime ECL
State and municipal organisations						
As at 1 January 2025	163,436	108,872	413	11,624,671	2,634,201	15,138
<i>Movements with impact on credit loss allowance charge for the period:</i>						
Changes in the gross carrying amount						
- Transfer from stage 1	(39,665)	34,505	5,160	(2,717,865)	2,707,938	9,927
- Transfer from stage 2	8,364	(8,364)	-	1,668,990	(1,668,990)	-
- Transfer from stage 3	-	-	-	-	-	-
- Changes in EAD and risk parameters*	(66,394)	(20,708)	(45)	(1,539,204)	(173,666)	(10,157)
New assets issued or acquired	23,495	-	-	3,468,606	-	-
Matured or derecognized assets (except for write off)	(7,978)	(510)	-	(2,122,940)	(98,603)	-
Total movements with impact on credit loss allowance charge for the period	(82,178)	4,923	5,115	(1,242,413)	766,679	(230)
<i>Movements without impact on credit loss allowance charge for the period:</i>						
Foreign exchange differences	19	19	1	2,449	555	3
Loss allowance for ECL and Gross Carrying as at 30 June 2025	81,277	113,814	5,529	10,384,707	3,401,435	14,911
						13,801,053

*The line “Changes in EAD and risk parameters” under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during the reporting period and transfers of new issued loans between stages.

*The line “Changes in EAD and risk parameters” under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)

The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans and advances including finance lease receivables to individuals between the beginning and the end of the reporting period:

	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
Loans to individuals								
As at 1 January 2025	407,025	44,587	105,114	556,726	8,975,818	717,474	452,945	10,146,237
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(323,410)	318,642	4,768	-	(584,730)	504,553	80,177	-
- Transfer from stage 2	69,023	(268,825)	199,802	-	248,142	(452,415)	204,273	-
- Transfer from stage 3	15,477	35,215	(50,692)	-	25,162	60,125	(85,287)	-
- Changes in EAD and risk parameters*	(59,401)	102,490	158,266	201,355	(912,167)	147,826	25,451	(738,891)
New assets issued or acquired	98,254	-	-	98,254	1,892,156	-	-	1,892,156
Matured or derecognized assets (except for write off)	(12,537)	(7,767)	(7,958)	(28,262)	(499,986)	(30,675)	(14,625)	(545,286)
Total movements with impact on credit loss allowance charge for the period	(212,594)	179,755	304,186	271,347	168,577	229,414	209,988	607,979
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Net written off assets	-	-	(54,419)	(54,419)	-	-	(54,419)	(54,419)
Loss allowance for ECL and Gross Carrying as at 30 June 2025	194,431	224,342	354,881	773,654	9,144,395	946,888	608,514	10,699,797

*The line “Changes in EAD and risk parameters” under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during the reporting period and transfers of new issued loans between stages.

*The line “Changes in EAD and risk parameters” under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)

The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances including finance lease receivables to corporate customers between the 1 January 2024 and 30 June 2024:

Corporate loans	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
As at 1 January 2024	237,229	641,149	1,297,934	2,176,312	26,130,681	8,866,688	2,816,831	37,814,200
Movements with impact on credit loss allowance charge for the period:								
Changes in the gross carrying amount								
- Transfer from stage 1	(59,321)	56,449	2,872	-	(5,161,750)	4,904,906	256,844	-
- Transfer from stage 2	157,011	(267,719)	110,708	-	2,434,746	(3,973,387)	1,538,641	-
- Transfer from stage 3	86,009	195,244	(281,253)	-	218,633	482,828	(701,461)	-
- Change in EAD and risk parameters*	(248,594)	33,865	772,347	557,618	(2,836,525)	998,435	256,427	(1,581,663)
New assets issued or acquired	114,707	-	-	114,707	8,512,152	-	-	8,512,152
Matured or derecognized assets (except for write off)	(8,981)	(4,940)	(136,233)	(150,154)	(1,944,906)	(154,643)	(245,250)	(2,344,799)
Total movements with impact on credit loss allowance charge for the period	40,831	12,899	468,441	522,171	1,222,350	2,258,139	1,105,201	4,585,690
Movements without impact on credit loss allowance charge for the period:								
Net written off assets			(510,141)	(510,141)			(510,141)	(510,141)
Foreign exchange differences	29	56	112	197	2,815	955	304	4,074
Loss allowance for ECL and Gross Carrying as at 30 June 2024	278,089	654,104	1,256,346	2,188,539	27,355,846	11,125,782	3,412,195	41,893,823

*The line “Changes in EAD and risk parameters” under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during period 2024 and transfers of new issued loans between stages.

*The line “Changes in EAD and risk parameters” under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)

The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances including finance lease receivables to state and municipal organisations between the 1 January 2024 and 30 June 2024:

State and municipal organisations	Credit Loss Allowance			Gross Carrying Amount		
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
As at 1 January 2024	109,738	6,373	-	14,170,248	402,248	-
<i>Movements with impact on credit loss allowance charge for the period:</i>						
Changes in the gross carrying amount						
- Transfer from stage 1	(38,661)	38,661	-	(4,467,222)	4,467,222	-
- Transfer from stage 2	3,702	(3,702)	-	149,341	(149,341)	-
- Transfer from stage 3	-	-	-	-	-	-
- Changes in EAD and risk parameters*	2,093	190,304	-	(2,395,645)	395,538	-
New assets issued or acquired	49,637	-	-	2,595,630	-	-
Matured or derecognized assets (except for write off)	(3,676)	(2,671)	-	(1,736,741)	(252,907)	-
Total movements with impact on credit loss allowance charge for the period	13,095	222,592	-	(5,854,637)	4,460,512	-
<i>Movements without impact on credit loss allowance charge for the period:</i>						
Net written off assets						
Foreign exchange differences	2,118	191	-	143,396	4,071	-
Loss allowance for ECL and Gross Carrying as at 30 June 2024	124,951	229,156	-	8,459,007	4,866,831	-
						13,325,838

*The line “Changes in EAD and risk parameters” under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during period 2024 and transfers of new issued loans between stages.

*The line “Changes in EAD and risk parameters” under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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9. **LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)**

The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances including finance lease receivables to individuals between the 1 January 2024 and 30 June 2024:

	Credit Loss Allowance			TOTAL	Gross Carrying Amount			TOTAL
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loans to individuals								
As at 1 January 2024	44,997	20,568	41,549	107,114	7,666,423	267,122	87,534	8,021,079
Movements with impact on credit loss allowance								
charge for the period:								
Changes in the gross carrying amount								
- Transfer from stage 1	(2,884)	2,219	665	-	(307,780)	258,500	49,280	-
- Transfer from stage 2	7,190	(11,311)	4,121	-	105,464	(151,767)	46,303	-
- Transfer from stage 3	6,617	10,634	(17,251)	-	14,822	22,523	(37,345)	-
- Changes in EAD and risk parameters*	74,011	84,460	65,442	223,913	(593,066)	33,017	11,375	(548,674)
New assets issued or acquired	33,823	-	-	33,823	2,066,978	-	-	2,066,978
Matured or derecognized assets (except for write off)	(2,282)	(594)	(1,715)	(4,591)	(404,063)	(9,241)	(4,348)	(417,652)
Total movements with impact on credit loss allowance charge for the period	116,475	85,408	51,262	253,145	882,355	153,032	65,265	1,100,652
Movements without impact on credit loss allowance								
charge for the period:								
Written off assets	-	-	(13,771)	(13,771)	-	-	(13,771)	(13,771)
Loss allowance for ECL and Gross Carrying as at 30 June 2024	161,472	105,976	79,040	346,488	8,548,778	420,154	139,028	9,107,960

*The line "Changes in EAD and risk parameters" under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during 2024 and transfers of new issued loans between stages.

The line "Changes in EAD and risk parameters" under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)

Economic sector risk concentrations within the loans and advances to customer including finance lease receivables are as follows:

	30 June 2025		31 December 2024	
	Amount	%	Amount	%
Manufacturing	32,673,228	44%	29,923,003	43%
Individuals	10,699,797	14%	10,146,237	15%
Trade & Services	10,182,843	14%	9,501,824	14%
Oil and gas & chemicals	8,056,816	11%	9,449,166	14%
Transport and communication	3,723,627	5%	2,455,932	3%
Agriculture	3,483,005	5%	3,246,744	5%
Construction	2,697,601	4%	2,193,279	2%
Energy	2,666,986	4%	2,855,836	4%
Total loans and advances to customers including finance lease receivables, gross	74,183,903	100%	69,772,021	100%
Less: Allowance for expected credit losses	(4,123,232)		(3,296,189)	
Total loans and advances to customers including finance lease receivables	70,060,671		66,475,832	

As at 30 June 2025, the Group granted loans to 11 (31 December 2024: 17) borrowers in the amount of UZS 15,502,304 million (31 December 2024: UZS 22,381,944 million), which individually exceeded 10% of the Group's equity

Information about loans and advances to individuals as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Mortgage	6,692,320	5,993,097
Microloan	3,175,654	3,223,773
Consumer Loans	491,632	457,314
Car Loan	340,191	472,053
Total loans and advances to individuals, gross	10,699,797	10,146,237
Less: Allowance for expected credit losses	(773,654)	(556,726)
Total loans and advances to individuals	9,926,143	9,589,511

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The credit quality of loans to customers carried at amortised cost is as follows at 30 June 2025:

30 June 2025	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Corporate loans				
Standard	33,096,016	4,005,807	374,756	37,476,579
Substandard	-	8,810,645	431,285	9,241,930
Unsatisfactory	-	-	590,393	590,393
Doubtful	-	-	1,602,826	1,602,826
Loss	-	-	771,325	771,325
Gross carrying amount	33,096,016	12,816,452	3,770,585	49,683,053
Credit loss allowance	(377,761)	(945,965)	(1,825,232)	(3,148,958)
Carrying amount	32,718,255	11,870,487	1,945,353	46,534,095
State and municipal organisations				
Standard	10,384,707	2,875,691	-	13,260,398
Substandard	-	525,744	-	525,744
Unsatisfactory	-	-	-	-
Doubtful	-	-	14,911	14,911
Loss	-	-	-	-
Gross carrying amount	10,384,707	3,401,435	14,911	13,801,053
Credit loss allowance	(81,277)	(113,814)	(5,529)	(200,620)
Carrying amount	10,303,430	3,287,621	9,382	13,600,433
Loans to individuals				
Standard	9,144,395	277,024	62,974	9,484,393
Substandard	-	669,864	89,829	759,693
Unsatisfactory	-	-	137,766	137,766
Doubtful	-	-	241,389	241,389
Loss	-	-	76,556	76,556
Gross carrying amount	9,144,395	946,888	608,514	10,699,797
Credit loss allowance	(194,431)	(224,342)	(354,881)	(773,654)
Carrying amount	8,949,964	722,546	253,633	9,926,143

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The credit quality of loans to customers carried at amortized cost is as follows at 31 December 2024:

31 December 2024	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Corporate loans				
Standard	26,178,961	5,228,960	966,571	32,374,492
Substandard	-	10,326,319	542,545	10,868,864
Unsatisfactory	-	-	1,091,298	1,091,298
Doubtful	-	-	492,704	492,704
Loss	-	-	524,416	524,416
Gross carrying amount	26,178,961	15,555,279	3,617,534	45,351,774
Credit loss allowance	(251,180)	(978,276)	(1,237,286)	(2,466,742)
Carrying amount	25,927,781	14,577,003	2,380,248	42,885,032
State and municipal organisations				
Standard	11,624,671	2,629,883	-	14,254,554
Substandard	-	4,318	-	4,318
Unsatisfactory	-	-	15,138	15,138
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	11,624,671	2,634,201	15,138	14,274,010
Credit loss allowance	(160,969)	(108,873)	(2,879)	(272,721)
Carrying amount	11,463,702	2,525,328	12,259	14,001,289
Loans to individuals				
Standard	8,975,818	205,108	46,686	9,227,612
Substandard	-	512,366	35,290	547,656
Unsatisfactory	-	-	219,723	219,723
Doubtful	-	-	135,452	135,452
Loss	-	-	15,794	15,794
Gross carrying amount	8,975,818	717,474	452,945	10,146,237
Credit loss allowance	(173,623)	(178,528)	(204,575)	(556,726)
Carrying amount	8,802,195	538,946	248,370	9,589,511

Information about collateral and other credit enhancement as at 30 June 2025 are as follows:

	State and municipal organisations	Corporate loans	Loans to individuals	30 June 2025
Loans guaranteed by letters of surety	3,180,309	15,932,379	1,481,913	20,594,601
Loans guaranteed by state guarantees	5,371,631	-	-	5,371,631
Not collateralized	-	312,633	20,237	332,870
Loans collateralized by:				
Real estate	1,090,358	17,953,634	6,363,701	25,407,693
Insurance policy	1,009,431	8,726,084	2,489,822	12,225,337
Equipment	95,641	5,957,632	-	6,053,273
Inventory and other receivables	2,944,586	488,907	127,132	3,560,625
Cash deposits	978	47,729	4,725	53,432
Vehicles	8,982	264,055	212,267	485,304
Equity securities	99,137	-	-	99,137
Total loans and advances to customers including finance lease receivables, gross	13,801,053	49,683,053	10,699,797	74,183,903
Less: Allowance for expected credit losses	(200,620)	(3,148,958)	(773,654)	(4,123,232)
Total loans and advances to customers including finance lease receivables	13,600,433	46,534,095	9,926,143	70,060,671

The table sets out the composition of collateral by type across loan segments (state and municipal organisations, corporate loans, and loans to individuals). The amounts disclosed represent the EAD of loans and are fully aligned with the Bank's credit risk disclosures. In line with the Bank's credit policy, all loans are granted subject to a loan-to-value (LTV) ratio of not less than 80%. This policy ensures that exposures are adequately secured and that the collateral structure remains consistent with both regulatory requirements and the Bank's internal risk management framework.

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9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)

Information about collateral and other credit enhancement as at 31 December 2024 are as follows:

	State and municipal organisations	Corporate loans	Loans to individuals	31 December 2024
Loans guaranteed by letters of surety	3,990,905	14,714,777	1,717,987	20,423,669
Loans guaranteed by state guarantees	6,009,436	-	-	6,009,436
Not collateralized	-	109,450	-	109,450
Loans collateralized by:				
Real estate	525,793	15,304,909	5,631,949	21,462,651
Insurance policy	7,518	8,455,069	2,387,070	10,849,657
Equipment	122,947	5,806,929	-	5,929,876
Inventory and other receivables	3,488,117	608,482	143,020	4,239,619
Cash deposits	-	14,243	1,500	15,743
Vehicles	16,802	337,915	264,711	619,428
Equity securities	112,492	-	-	112,492
Total loans and advances to customers including finance lease receivables, gross	14,274,010	45,351,774	10,146,237	69,772,021
Less: Allowance for expected credit losses	(272,721)	(2,466,742)	(556,726)	(3,296,189)
Total loans and advances to customers including finance lease receivables	14,001,289	42,885,032	9,589,511	66,475,832

The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at amortised cost that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets").

As at 30 June 2025, loans with a total principal amount of UZS 1,481,291 million (2024: UZS 1,856,000 million) were insured by SQB Insurance LLC, a wholly owned subsidiary of the Group, under credit risk insurance policies. In line with the Group's risk management framework, notable part of the insured exposure in 2025 was ceded to third-party reinsurers, thereby significantly reducing the Group's net insurance risk. These policies primarily relate to retail loan portfolios and are accounted for separately from the loan agreements. In the majority of cases, such insurance arrangements are treated as supplementary collateral and do not constitute a significant portion of the overall collateral base presented in the table above.

	Over-collateralised		Under-collateralised	
	Carrying Value of the Assets	Value of Collateral	Carrying Value of the Assets	Value of Collateral
30 June 2025				
Credit Impaired Assets				
Loans to Corporate and State Companies carried at AC				
Manufacturing	705,909	5,610,035	-	-
Agriculture	127,706	2,041,709	-	-
Trade and services	719,249	9,634,258	51,131	50,580
Construction	206,347	1,015,665	-	-
Transport and communication	19,221	194,910	-	-
Oil and gas & Chemicals	125,172	276,758	-	-
Loans to Individuals carried at AC				
Mortgage	101,563	323,063	-	-
Microloan	142,017	431,581	-	-
Car Loan	5,272	36,019	-	-
Consumer Loans	4,781	19,879	-	-
Other	-	-	-	-
Student Loan	-	-	-	-
Total	2,157,237	19,583,877	51,131	50,580

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9. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES (Continued)

31 December 2024	Over-collateralised		Under-collateralised	
	Carrying Value of the Assets	Value of Collateral	Carrying Value of the Assets	Value of Collateral
Credit Impaired Assets				
Loans to Corporate and State Companies carried at AC				
Manufacturing	1,129,878	6,220,872	39,211	19,741
Agriculture	433,565	2,337,720	-	-
Trade and services	509,873	6,992,113	-	-
Construction	90,842	544,015	-	-
Transport and communication	9,840	92,695	-	-
Oil and gas & Chemicals	179,300	1,555,418	-	-
Loans to Individuals carried at AC				
Mortgage	74,258	264,859	-	-
Microloan	160,524	297,670	-	-
Car Loan	7,545	38,119	-	-
Consumer Loans	6,042	16,222	-	-
Other	-	-	-	-
Student Loan	-	-	-	-
Total	2,601,667	18,359,703	39,211	19,741

The outstanding contractual amounts of loans and advances to customers including finance lease receivables written off that are still subject to enforcement activity was as follows at 30 June 2025 UZS 709,633 million (31 December 2024 UZS 647,302 million).

The Group's policy is to complete legal enforcement steps that were initiated even though the loans were written off as there is no reasonable expectation of recovery.

The components of net investment in finance lease as at 30 June 2025 and 31 December 2024 years are as follows:

	30 June 2025	31 December 2024
Not later than one year	83,715	71,175
From one year to two years	79,900	68,114
From two years to three years	76,502	64,989
From three years to four years	73,069	62,224
From four years to five years	69,690	59,368
More than five years	212,634	205,476
Minimum lease payments	595,511	531,346
Less: unearned finance income	(121,065)	(112,942)
	474,446	418,404
Less: Allowance for expected credit losses	(58,073)	(6,241)
Net investment in finance lease	416,373	412,163
Current portion	(1,332)	41,032
Long-term portion	417,705	371,131
Net investment in finance lease	416,373	412,163

As at 30 June 2025, finance lease receivables include two lease agreements, one of which with amount of UZS 473,943 million, for the total amount of UZS 474,446 million (31 December 2024: UZS 418,404 million) with one-year grace period for repayment of principal amounts. Credit quality of those finance lease were Stage 1 and Stage 2 in 30 June 2025 included in corporate loans (2024: Stage 1). The finance lease receivables were presented under the Corporate Loans classification for the purpose of disclosure.

Refer to Note 27 for the disclosure of the fair value of loans and advances to customers including finance lease receivables. Interest rate analysis of loans and advances to customers is disclosed in Note 28. Information on related party balances is disclosed in Note 29.

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10. INVESTMENT IN DEBT SECURITIES

Investment in debt securities measured at amortised cost:

	Currency	Annual coupon/ interest rate %	EIR %	Maturity date month/year	30 June 2025	31 December 2024
Government Bonds	USD/UZS	6,9 - 18	5,9 - 21	Sep 2025 - Jul 2032	7,054,288	4,065,448
Corporate bonds	USD/UZS	7,9 - 24	8 – 26,3	Jul 2026 ~Jul 2029	503,605	306,466
Less: Allowance for expected credit losses					(46,782)	(33,233)
Total investment in debt securities at amortised cost					7,511,111	4,338,681

At 30 June 2025, the Group holds government bonds of the Ministry of Finance of the Republic of Uzbekistan in the quantity of 6,625,336 (31 December 2024: 3,976,465) with nominal value of UZS 1,000,000 and coupon rate of 6,9-18 % p.a. (31 December 2024: 5,9-21 % p.a.).

As of June 30, 2025, the Group, through its subsidiary SQB Insurance LLC, holds corporate bonds issued by JSCB “Asia Alliance Bank” as well as corporate bonds from “Saipro Group” LLC and “Mortgage Refinancing Company of Uzbekistan” JSC via direct ownership. The total holdings amount to 77,550 corporate bonds, each with a nominal value of UZS 1,000,000 each. The bonds issued by JSCB “Asia Alliance Bank” carry a coupon rate equivalent to the Central Bank of Uzbekistan's refinancing rate (14% as of reporting date) plus an additional 5% per annum and the corporate bonds from “Saipro Group” LLC and “Mortgage Refinancing Company of Uzbekistan” JSC carry fixed coupon rates of 24% and 19% respectively. The maturity dates for these bonds are July 2026, December 2029 and November 2027 respectively.

Investment in debt securities measured at FVPL:

	Currency	Annual coupon/ interest rate %	EIR %	Maturity date month/year	30 June 2025	31 December 2024
Corporate Bonds	USD	7.85	8.01	Nov 2024 - Oct 2028/	25,730	26,038
Total investment in debt securities at FVPL					25,730	26,038

As of 30 June 2025, the Group holds a leveraged loan note issued by JPMorgan Chase Bank. The total investment amounts to USD 2 million, with a nominal coupon rate of 7.85% per annum. The instrument was acquired on 25 November 2024 and matures in October 2028.

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	Government Bonds	Corporate Bonds	Total
- Rated Ba3	7,080,018	464,812	7,544,830
- Rated B1	-	2,606	2,606
- Unrated	-	10,457	10,457
Less: Allowance for expected credit losses	(39,177)	(7,605)	(46,782)
Total investment securities at amortised cost	7,040,841	470,270	7,511,111
- Rated Aa2	-	25,730	25,730
Total investment securities measured at FVTPL	-	25,730	25,730
Total investment in debt securities	7,040,841	496,000	7,536,841
31 December 2024			
	Government Bonds	Corporate Bonds	Total
- Rated Ba3	4,091,486	267,361	4,358,847
- Rated B1	-	2,604	2,604
- Unrated	-	10,463	10,463
Less: Allowance for expected credit losses	(27,933)	(5,300)	(33,233)
Total investment securities at amortised cost	4,063,553	275,128	4,338,681
- Rated Aa2	-	26,038	26,038
Total investment securities measured at FVTPL	-	26,038	26,038
Total investment in debt securities	4,063,553	301,166	4,364,719

11. PREMISES, EQUIPMENT AND INTANGIBLE ASSETS

As at 30 June 2025 and 31 December 2024, premises and equipment of the Group were not pledged.

	Buildings and Premises	Office and computer equipment	Construction in progress	Total premises and equipment	Intangible assets	Total
Carrying amount as at 31 December 2023	488,948	253,843	2,597,627	3,340,418	67,945	3,408,363
Additions	2,310	182,924	564,090	749,324	47,629	796,953
Disposals (net of depreciation)	(12,234)	(48)	-	(12,282)	-	(12,282)
Transfers	2,938,325	30,217	(2,968,542)	-	-	-
Transfer to non-current assets held for sale (or disposal groups)						
Written off assets	(417)	(1,435)	(640)	(2,492)	(7,972)	(10,464)
Depreciation/amortization charge (Note 21)	(107,846)	(92,314)	-	(200,160)	(11,430)	(211,590)
Carrying amount as at 31 December 2024	3,309,086	373,187	192,535	3,874,808	96,172	3,970,980
Cost as at 31 December 2023	3,494,942	830,136	192,535	4,517,613	132,375	4,649,988
Accumulated depreciation/amortization	(185,856)	(456,949)	-	(642,805)	(36,203)	(679,008)
Carrying amount as at 31 December 2024	3,309,086	373,187	192,535	3,874,808	96,172	3,970,980
Additions	48,604	149,861	203,454	401,919	10,921	412,840
Disposals (net of depreciation)	(36)	(1,861)	-	(1,897)	-	(1,897)
Transfers	(78,295)	93,389	(15,094)	(0)	-	-
Transfer to non-current assets held for sale (or disposal groups)	(66,995)	-	(191,850)	(258,845)	-	(258,845)
Written off assets	(11,141)	(251)	-	(11,392)	(2)	(11,394)
Depreciation/amortization charge	(56,251)	(56,859)	-	(113,110)	(7,613)	(120,723)
Carrying amount as at 30 June 2025	3,144,972	557,466	189,045	3,891,483	99,478	3,990,961
Cost as at 31 December 2024	3,387,079	1,071,274	189,045	4,647,398	143,294	4,790,692
Accumulated depreciation/amortization	(242,107)	(513,808)	-	(755,915)	(43,816)	(799,731)
Carrying amount as at 30 June 2025	3,144,972	557,466	189,045	3,891,483	99,478	3,990,961

As at 30 June 2025, in accordance with the contract, the Group had made cumulative payments of USD 226,634 million to “Shanghai Construction Group” for the construction of the head office building in Tashkent City, all of which have been fully recorded within buildings and premises.

In 2025, the Group recognized UZS 219,099 million of additions to Construction in Progress (CIP) from its subsidiaries. These entities undertook significantly more capital investment projects during the reporting year compared to the previous year.

The increased level of investment activity resulted in higher additions to CIP, which contributed to the overall growth in the Group's Property, Plant and Equipment as of 30 June 2025.

The depreciation charge for PPE is disclosed under Note 21 Administrative and Other Operating Expenses, where an explanation has also been provided. A cross-reference has been included accordingly.

12. NON-CURRENT ASSETS HELD FOR SALES

	30 June 2025	31 December 2024
- Buildings held for sale	654,034	559,603
- Equipment held for sale	102,494	106,722
Total non-current assets held for sale	756,528	666,325

As of 30 June 2025, buildings held for sale include UZS 258,565 million relating to two subsidiaries' buildings, which are expected to be disposed of within one year. In addition, the balance includes repossessed property of eleven clients amounting to UZS 240,732 million (31 December 2024: UZS 467,963 million), each exceeding UZS 10,000 million. These assets are measured at the lower of their carrying amount and fair value less costs to sell.

13. OTHER ASSETS

	30 June 2025	31 December 2024
Other financial assets		
Receivables from transferred assets to State Asset Management Agency	344,438	21,352
Commission income receivable	52,134	39,331
Security deposit on money transfer systems	11,715	7,497
Other receivables	11,214	50,249
Less: Allowance for expected credit losses	(17,474)	(5,826)
Total other financial assets	402,027	112,603
Other non-financial assets		
Inventory	149,271	8,017
Prepayments for equipment and property	131,910	2,464
Prepaid expenses and advances	93,084	70,571
Tax settlements, other than income tax	41,297	38,473
Prepayment for construction of building	8,702	173,796
Other	2,119	1,537
Total other non-financial assets	426,383	294,858
Total other assets	828,410	407,461

During the reporting period, properties pledged as collateral for bank loans and repossessed due to default were transferred to the State Assets Management Agency of the Republic of Uzbekistan. Consequently, a receivable totaling UZS 344,438 million was recognized. The increase compared to the prior year was mainly due to this receivable arising from the transferred properties.

During 2025, the inventory increased from UZS 8,017 to UZS 149,271 million. The growth mainly relates to construction projects under subsidiaries engaged in real estate development. In particular, inventory includes completed portions of buildings and construction works intended for future sale, comprising UZS 58,116 million for Khiva Trade Center, UZS 26,874 million for Khiva Plaza, LLC, UZS 40,136 million for SQB Capital, LLC, UZS 7,911 million for SQB Construction, LLC, and UZS 493 million for Capital Bino Qurilish, LLC. The other significant increase compared to the prior year was primarily due to receivables recognized in connection with transferred properties.

14. DUE TO OTHER BANKS

	30 June 2025	31 December 2024
Short term placements of other banks	1,764,929	902,459
Long term placements of other banks	1,451,388	585,143
Correspondent accounts and overnight placements of other banks	1,348,999	826,350
Payable to the Other banks under repo agreement	-	505,758
Total due to other banks	4,565,316	2,819,710

As at 30 June 2025, the balance of long-term placements with other banks increased significantly, primarily due to a new placement with Aloqabank in the amount of UZS 1,008,344 million.

The increase in short-term placements was mainly driven by new deposits placed with three banks Milliy Bank, Hamkorbank, and Ipoteka-Bank totaling UZS 1,259,899 million.

The increase in correspondent accounts and overnight placements of other banks as of the reporting date is mainly attributable to higher balances at Afghan United Bank, Agrobank, Trastbank, Apex Bank, and Universalbank, totaling UZS 664 million. Information on related party balances is disclosed in Note 29.

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15. CUSTOMER ACCOUNTS

	30 June 2025	31 December 2024
State and public organisations		
- Current/settlement accounts	4,243,160	2,629,439
- Term deposits	9,417,183	6,788,310
Other legal entities		
- Current/settlement accounts	3,922,971	3,012,237
- Term deposits	1,820,943	1,407,287
Individuals		
- Current/demand accounts	1,221,927	2,038,598
- Term deposits	6,807,319	5,227,830
Total customer accounts	27,433,503	21,103,701

Economic sector concentrations within customer accounts are as follows:

	30 June 2025		31 December 2024	
	Amount	%	Amount	%
Public administration	9,133,672	33%	6,743,660	32%
Individuals	8,029,246	29%	7,266,428	34%
Oil and gas	2,548,997	9%	1,519,452	7%
Manufacturing	1,978,353	7%	1,546,014	7%
Services	1,685,004	6%	942,727	5%
Trade	1,640,230	6%	829,691	4%
Finance	736,885	3%	297,514	1%
Energy	641,441	2%	648,718	3%
Construction	467,488	2%	395,351	2%
Mining	150,147	1%	357,340	2%
Communication	102,645	0%	178,277	1%
Engineering	81,743	0%	65,846	0%
Medicine	79,970	0%	143,057	1%
Transportation	74,053	0%	65,759	0%
Agriculture	64,538	0%	85,935	0%
Other	19,091	0%	17,932	0%
Total customer accounts	27,433,503	100%	21,103,701	100%

As at 30 June 2025, the Group had two (Ministry of Economy and Finance, JSC Uzbekneftegaz) customers (four in 31 December 2024) with a total balance UZS 7,159,859 million comprising 26.1% of total customer accounts (31 December 2024: UZS 6,654,377 million comprising 32% of total customer accounts), which individually exceeded 10% of the Group's equity.

Refer to Note 27 for the disclosure of the fair value of customer accounts. Information on related party balances is disclosed in Note 29.

16. SUBORDINATED DEBT

	Currency	Maturity date	Nominal interest rate %	Effective interest rate %	30 June 2025	31 December 2024
Subordinated debt of Ministry of Economy and Finance	UZS	2035	9.0%	9.0%	1,094,970	1,095,212
Subordinated debt of IFC	USD	2029	10.6%	11.5%	511,406	523,737
Subordinated debt of Fund for Reconstruction and Development of Uzbekistan	UZS	2041	9.0%	9.4%	100,924	99,525
	USD	2027	5.0%	5.7%	260,759	265,670
Total subordinated debt					1,968,059	1,984,144

Refer to Note 27 for the disclosure of the fair value of subordinated debt and Note 29 for information on related party balances.

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17. DEBT SECURITIES IN ISSUE

	30 June 2025		31 December 2024		
	Amount	Nominal interest, %	Term, year	Amount	Nominal interest, %
Eurobonds (Public, USD)	5,180,601	9.0%	2024-2029	5,285,720	9.0%
Eurobonds (Public, UZS)	2,443,687	21.0%	2024-2027	2,445,654	21.0%
Eurobonds (LSE private)	1,297,549	9.1%	2023-2028	1,323,889	9.1%
Eurobonds 4 (Private, UZS)	669,842	20.0%	2025-2028	-	-
Total debt securities issued	9,591,679			9,055,263	

On April 25, 2025, the Group issued a private bond on the Vienna Stock Exchange with a total value of UZS 649.7 billion, carrying a coupon rate of 19.95%, maturing in 2028.

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18. OTHER BORROWED FUNDS

	30 June 2025	31 December 2024
International financial institutions		
China EXIMBANK	4,183,006	4,556,351
Cargill Financial Services International Inc	3,776,697	3,837,781
Landesbank Baden-Wuerttemberg	2,601,448	2,053,470
DEUTSCHE BANK AG *	2,432,413	2,201,257
International Bank of Reconstruction and Development	2,093,135	2,194,991
Commerzbank AG	1,470,515	1,606,585
Citibank N.A. ADGM	1,333,662	669,571
Helaba (Landesbank Hessen-Thüringen) *	1,329,338	949,641
ICBC (London) plc *	1,328,141	1,346,860
JPMorgan Chase	1,247,903	1,081,440
Asian Development Bank *	1,217,473	1,241,085
ODDO BHF	1,035,905	614,547
International Finance Corporation *	974,223	993,068
European Bank for Reconstruction and Development *	926,002	1,052,942
OPEC Fund for International Development *	795,480	330,951
Banca Popolare di Sondrio	689,594	670,094
MFT XXI LLC *	660,187	686,342
FIRST ABU DHABI BANK PJSC	657,427	719,934
AL AHLI BANK OF KUWAIT	570,818	-
CREDIT Suisse *	533,040	532,643
International Development Association of World Bank	531,580	566,805
Korea EXIMBANK	505,502	556,705
DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK	444,993	739,561
Japan International Cooperation Agency (JICA)	405,998	414,704
European Investment Bank	385,948	392,479
UniCredit *	370,628	369,404
Fimbank	341,958	87,951
EMIRATES NBD BANK	319,598	-
AJMAN BANK PJSC *	315,432	324,419
Raiffeisen Bank International AG	309,568	674,962
Mashreqbank PSC	296,361	268,982
DZ BANK HONG KONG BRANCH	276,322	286,189
China Development Bank *	238,081	322,717
Agence Française de Développement *	167,271	76,792
KOREA DEVELOPMENT BANK	132,507	130,868
ABU DHABI COMMERCIAL BANK	129,888	129,367
SAMURAI ASSET FINANCE CO., LTD *	123,164	96,592
ATLANTIC FORFAITIERUNGS AG	66,697	67,207
AKA Ausfuhrkredit-Gesellschaft mbH *	66,120	67,503
BANQUE DE COMMERCE ET DE PLACEMENTS	66,025	65,111
Turk EXIMBANK *	39,732	51,643
FORTEBANK	38,124	32,827
KfW IPEX-Bank	13,046	221,184
The Export-Import Bank of the Republic of China	9,676	14,784
International Fund for Agricultural Development	1,494	1,582
Daryo Finance B.V. *	-	649,038
CBD bank	-	393,220
Financial institutions of Uzbekistan		
Fund for Reconstruction and Development of Uzbekistan	3,043,970	2,346,380
Uzbekistan Mortgage Refinancing Company (UzMRC)	564,591	679,385
Long term borrowings from Ministry of Finance	434,128	627,180
Agriculture Support Fund under the ministry of economy and finance	417,667	937,791
Export Promotion Agency under MIFT	380,209	612,031
Entrepreneurship development company	111,865	8,186
Long term borrowings from CBU	91,029	122,287
KDB Bank Uzbekistan	71,506	93,530
Young Entrepreneurs Support Fund under MIFT	40,136	49,489
Preference Shares	10,504	11,468
Inter-Network Energy Conservation Fund under the Ministry of Energy	2,184	2,578
Khokimiyat of Tashkent Region	-	691
Other	2	2
Total other borrowed funds	40,619,911	39,833,147

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On 25 February 2025 the Group and Al Ahli Bank of Kuwait has signed an agreement on attracting the credit line facility in the amount of USD 44 million. The facility is to be used to general purpose trade financing. The maturity period of the loan is 12 months and repayment, including interest, will be made in full at the end of the period.

On 15 April 2025 the Group and Emirates NBD Bank has signed an agreement on attracting the credit line facility in the amount of USD 25 million. The facility is to be used to general purpose trade financing. The maturity period of the loan is 12 months and repayment, including interest, will be made in full at the end of the period.

Entities marked with * in the table above are subject to additional covenants, in addition to those imposed by the regulator.

As of 30 June 2025 the Group was in compliance with all covenants including the covenants related to issued Eurobonds, considering waivers obtained from lenders prior to the reporting date (Note 28).

The maturity analysis is disclosed in Note 28. Refer to Note 27 for disclosure of the fair value of other borrowed funds and Note 29 for information on related party balances.

19. OTHER LIABILITIES

	30 June 2025	31 December 2024
Other financial liabilities		
Trade payables	116,565	132,451
Provision for Bank's guarantees and letters of credit	34,961	42,048
Payable to the Deposit Guarantee Fund	31,385	-
Payable to other creditors	23,004	9,443
Dividends payable	206	206
Total other financial liabilities	206,121	184,148
Other non-financial liabilities		
Taxes payable other than income tax	34,374	28,568
Unearned income and contract liabilities	26,497	9,554
Payable to employees	24,174	7,769
Income tax payable	-	25,512
Other	7,139	2,937
Total other non-financial liabilities	92,184	74,340
Total other liabilities	298,305	258,488

In accordance with the requirements of the Deposit Guarantee Fund, the Bank is obliged to pay contributions calculated at 1% of the total deposits of individuals. As at 30 June, the payable to the Fund amounted to UZS 31,378 million. This amount had not been settled as of the reporting date and is presented under Other Liabilities in the statement of financial position.

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20. INTEREST INCOME AND EXPENSE

	Six months ended 30 June 2025	Six months ended 30 June 2024
Interest income calculated using the effective interest method		
Interest income on assets recorded at amortised cost comprises:		
Interest on loans and advances to customers	4,843,740	3,825,532
Interest on investment securities measured at amortised cost	447,600	204,923
Interest on balances due from other banks	181,931	178,061
Interest on balances cash and cash equivalents	12,880	11,538
Total interest income calculated using the effective interest method	5,486,151	4,220,054
Other similar income		
Finance lease receivables	24,505	23,583
Total other similar income	24,505	23,583
Interest expense		
Interest expense on liabilities recorded at amortised cost comprises:		
Interest on other borrowed funds	(1,336,212)	(1,379,447)
Interest on customer accounts	(1,372,755)	(621,255)
Interest on debt securities in issue	(557,523)	(175,228)
Interest on balances due to other banks	(161,468)	(261,114)
Interest on subordinated debt	(83,834)	(40,609)
Total interest expense	(3,511,792)	(2,477,653)
Net interest income before provision on loans and advances to customers including finance lease receivables	1,998,864	1,765,984

21. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Six months ended 30 June 2025	Six months ended 30 June 2024
Staff costs	486,665	426,833
Social security costs	75,330	65,357
Total staff costs	561,995	492,190
Depreciation and amortisation	120,723	78,400
Taxes other than income tax	78,999	74,871
Communication and software maintenance	58,737	36,628
Membership fees	54,553	26,574
Charity expenses	39,625	21,568
Security services	36,328	37,531
Repair and maintenance of buildings	27,466	17,566
Stationery and other low value items	16,086	10,341
Consultancy fee	15,753	13,392
Travel expenses	13,279	8,635
Representation and entertainment	10,743	4,976
Short term leases	8,928	8,298
Legal and audit fees	7,914	3,809
Advertising expenses	5,775	4,843
Utilities expenses	4,789	5,360
Fuel	2,456	2,302
Medical, Dental and Hospitalization	19	59
Loss on Sale or Disposition of Fixed assets	11,477	1,141
Other operating expenses	29,312	10,365
Total administrative and other operating expenses	1,104,957	858,849

The significant increase in depreciation and amortisation is due to the new building (Tashkent City, Head Office) amounting to UZS 39,077 million. The growth in membership fees is due to the payment of UZS 17,725 million for the Deposit Guarantee Fund membership. The increase in charity expenses is mainly attributed to supporting government projects in the field of construction materials, amounting to UZS 15,302 million. Finally, the rise in expenses related to communication and software maintenance is due to ongoing maintenance of the Group's software solutions such as SAP, Jira, CRM, and licenses, totaling UZS 14,697 million.

22. INCOME TAXES

	Six months ended 2025	Six months ended 2024
Current income tax expense	142,472	180,796
Deferred tax (benefit)/expense:		
- <i>Deferred tax (benefit)/expense</i>	22,966	(126,656)
- <i>Deferred tax expense relating to the components of other comprehensive income</i>	1,306	1,678
Total income tax expense through profit or loss and other comprehensive income	166,744	55,818

Interim period income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate applied for the six months ended 30 June 2025 is 20.0 % (the estimated tax rate for the six months ended 30 June 2024 was 18%).

23. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares.

	Six months ended 2025	Six months ended 2024
Profit for the year attributable to ordinary shareholders	661,683	247,268
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (in million of shares)	243,259	243,259
Total basic and diluted earnings per ordinary share (expressed in UZS per share)	2.72	1.02

24. COMMITMENTS AND CONTINGENCIES

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

At 30 June 2025, the Group was not engaged in litigation proceedings with loan agreements (3 clients at 31 December 2024).

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

The Management believes that its interpretation of the relevant legislation is appropriate and the Bank's tax, currency legislation and customs positions will be sustained. Accordingly, as at 30 June 2025, no provision for potential tax liabilities had been recorded (2024: Nil). The Group estimates that it has no potential obligations from exposure to other than remote tax risks.

Capital expenditure commitments. As at 30 June 2025 and 31 December 2024, the Group had contractual capital expenditure commitments for the total amount of UZS 205,594 million and UZS 230,262 million in respect of premises and equipment, respectively.

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Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments. The credit related commitments are comprised of the following:

	30 June 2025	31 December 2024
Guarantees issued	2,503,637	2,151,989
Letters of credit, non post-financing	1,373,424	1,673,453
Letters of credits, post-financing with commencement after reporting period end	125,060	693,466
Undrawn credit lines	1,409,900	2,222,715
Maximum exposure to credit risk	5,412,021	6,741,623
Less - Cash held as security against letters of credit and guarantees	(1,060,512)	(1,533,771)
Less – Provision for expected credit losses	(34,961)	(42,048)
Net credit related commitments	4,316,548	5,165,804

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

The credit quality of contingencies carried at amortized cost is as follows at 30 June 2025:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Issued financial guarantees				
- Standard	2,391,134	-	-	2,391,134
- Substandard	44,970	-	-	44,970
- Unsatisfactory	-	26,591	-	26,591
- Doubtful	-	-	-	-
- Loss	-	-	40,942	40,942
Gross carrying amount	2,436,104	26,591	40,942	2,503,637
Credit loss allowance	(24,794)	(1,073)	(8,573)	(34,440)
Net carrying amount	2,032,301	51,127	36,504	2,119,932
Letter of credit				
- Standard	1,408,144	-	-	1,408,144
- Substandard	37,754	-	-	37,754
- Unsatisfactory	-	-	-	-
- Doubtful	-	52,586	-	52,586
- Loss	-	-	-	-
Gross carrying amount	1,445,898	52,586	-	1,498,484
Credit loss allowance	(323)	-	-	(323)
Net carrying amount	2,314,057	49,183	-	2,363,240
Undrawn credit lines				
- Standard	1,366,429	-	-	1,366,429
- Substandard	37,764	-	-	37,764
- Unsatisfactory	-	3,619	-	3,619
- Doubtful	-	601	-	601
- Loss	-	-	1,487	1,487
Gross carrying amount	1,404,193	4,220	1,487	1,409,900
Credit loss allowance	(192)	(5)	(1)	(198)
Net carrying amount	2,100,089	68,284	46,934	2,215,307

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The credit quality of contingencies carried at amortized cost is as follows at 31 December 2024:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Issued financial guarantees				
- Standard	2,054,937	24,172	-	2,079,109
- Substandard	-	30,535	-	30,535
- Unsatisfactory	-	-	-	-
- Doubtful	-	-	-	-
- Loss	-	-	42,345	42,345
Gross carrying amount	2,054,937	54,707	42,345	2,151,989
Credit loss allowance	(25,474)	(4,481)	(7,312)	(37,267)
Net carrying amount	2,029,463	50,226	35,033	2,114,722
Letter of credit				
- Standard	2,317,736	134	-	2,317,870
- Substandard	-	49,049	-	49,049
- Unsatisfactory	-	-	-	-
- Doubtful	-	-	-	-
- Loss	-	-	-	-
Gross carrying amount	2,317,736	49,183	-	2,366,919
Credit loss allowance	(4,452)	-	-	(4,452)
Net carrying amount	2,313,284	49,183	-	2,362,467
Undrawn credit lines				
- Standard	2,107,274	29,762	42,415	2,179,451
- Substandard	-	38,622	3,326	41,948
- Unsatisfactory	-	-	831	831
- Doubtful	-	-	351	351
- Loss	-	-	134	134
Gross carrying amount	2,107,274	68,384	47,057	2,222,715
Credit loss allowance	(122)	(55)	(152)	(329)
Net carrying amount	2,107,152	68,329	46,905	2,222,386

25. DERIVATIVE FINANCIAL INSTRUMENTS

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under foreign exchange forward and swap contracts entered into by the Group. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the end of the respective reporting period. The contracts are short term in nature:

	30 June 2025		31 December 2024	
	Contracts with		Contracts with	
	positive fair value	negative fair value	positive fair value	negative fair value
Foreign exchange swaps: fair values, at the end of the reporting period, of				
- RUB receivable on settlement (+)	-	-	-	749,665
- UZS payable on settlement (-)	-	-	-	(872,647)
- USD receivable on settlement (+)	1,058,740	161,595	1,051,865	-
- CNY payable on settlement (-)	(1,041,952)	(25,788)	(1,018,716)	-
- EUR payable on settlement (-)	-	(144,154)	-	-
Net fair value of foreign exchange swaps	16,789	(8,346)	33,149	(122,982)

Foreign exchange derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

26. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out movement in the Group's liabilities from financing activities for each of periods presented. The items of these liabilities are those that are reported as financing activities in the condensed consolidated interim statement of cash flows.

<i>In million</i> <i>Uzbekistan Soums</i>	Liabilities from financing activities			Total
	Other borrowed funds	Debt securities issue	Subordinated debt	
Net debt at 1 January 2023	37,633,735	4,970,366	1,696,854	44,300,955
Proceeds from the issue	18,185,338	7,224,314	251,100	25,660,752
Redemption	(16,436,171)	(3,798,265)	-	(20,234,436)
Foreign currency translation	452,862	299,267	40,451	792,580
Other non-cash movements	(2,617)	359,581	(4,261)	352,703
Net debt at 31 December 2024	39,833,147	9,055,263	1,984,144	50,872,554
Proceeds from the issue	5,006,241	649,730	-	5,655,971
Redemption	(5,545,459)	-	-	(5,545,459)
Foreign currency translation	1,375,999	(144,064)	(20,500)	1,211,435
Other non-cash movements	(50,017)	30,750	4,415	(14,852)
Net debt at 30 June 2025	40,619,911	9,591,679	1,968,059	52,179,649

The amount of UZS 359,581 million included in 'Other non-cash movements' for the year ended 31 December 2024 represents accrued interest on Eurobonds issued by the Group, which has been recognized as a non-cash adjustment in the movement of financing liabilities.

27. FAIR VALUE

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

Fair value measurements are analysed by level in the fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

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

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting year. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

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Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation model(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 June 2025	31 December 2024				
- Visa Inc.	25,747	23,738	Level 1	Quoted bid prices in an active market.	N/A	N/A
- Derivative financial assets	16,788	33,149	Level 3	Discounted cash flows. Discount rate estimated based on constructed build up curves	Discount rate	The greater discount-the smaller fair value
- Other equity securities	125,497	122,274	Level 3	Discounted cash flows. Discount rate estimated based on WACC	Discount rate, future cash flows	The greater discount-the smaller fair value
- Derivative financial liabilities	8,346	122,982	Level 3	Discounted cash flows. Discount rate estimated based on constructed build up curves	Discount rate	The greater discount-the smaller fair value

Other financial assets are those without quoted market prices in an active market, mainly represented by investment into LLC "Yashil Energiya" (19.2%) valued at UZS 65 billion, JSC "Mortgage Refinancing Company of Uzbekistan" (ownership 3.3%) valued at UZS 34.7 billion and JSC "Republican Currency Exchange" (ownership 11.1%) valued at UZS 24.3 billion.

The fair value of the equity instruments at fair value through other comprehensive income were determined as the present value of future dividends by assuming dividend growth rate of zero per annum. The Management built its expectation based on previous experience of dividends received on financial assets at fair value through other comprehensive income over multiple years, and accordingly calculated the value of using the average rate of return on investments. A significant unobservable input used in determining the fair value of equity securities at FVTOCI is the Group's WACC. The higher the WACC, the lower will be the fair value of the equity securities at FVTOCI. The Management believes that this approach accurately reflects the fair value of these securities, given they are not traded. Such financial instruments were categorised as Level 3.

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

Below is presented the fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required). Except as detailed in the following table, the Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	30 June 2025		31 December 2024	
	Carrying value	Fair value	Carrying value	Fair value
Loans and advances to customers including finance lease receivables				
- Corporate loans (Note 9)	46,534,094	46,510,103	42,885,032	42,730,559
- State and municipal organisations (Note 9)	13,600,433	13,282,536	14,001,289	13,910,135
- Loans to individuals (Note 9)	9,926,144	10,289,298	9,589,511	9,903,764
Due from other banks	1,710,357	1,881,785	1,707,029	1,755,336
Debt securities in issue				
- Eurobonds (Note 18)	9,591,679	8,994,223	9,055,263	9,068,878
Other borrowed funds	40,619,911	35,019,442	39,833,147	33,501,143
Subordinated debt	1,968,059	2,059,467	1,984,144	1,734,888

28. CAPITAL RISK MANAGEMENT

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

Under the current capital requirements set by the CBU, banks are required to maintain capital ratios. The actual ratios presented below are derived from capital adequacy reports submitted to the CBU, which were prepared using statutory (unaudited) figures:

- Ratio of regulatory capital to risk weighted assets ("Regulatory capital ratio") above a prescribed minimum level of 13% (31 December 2024: 13%). Actual ratio as at 30 June 2025: 15.2% (31 December 2024: 15.6%);
- Ratio of Group's tier 1 capital to risk weighted assets ("Capital adequacy ratio") above a prescribed minimum level of 10% (31 December 2024: 10%). Actual ratio as at 30 June 2025: 11.3% (31 December 2024: 10.6%); and
- Ratio of Group's tier 1 capital to total assets less intangibles ("Leverage ratio") above a prescribed minimum level of 6% (31 December 2024: 6%). Actual ratio as at 30 June 2025: 9.8% (31 December 2024: 9.1%).
- Ratio of Group's core tier 1 capital to liquid assets ("CET1") above a prescribed minimum level of 8% (31 December 2024: 8%). Actual ratio as at 30 June 2025: 11.3% (31 December 2024: 10.6%);

The Group and the Bank have complied with all externally imposed capital requirements throughout the reporting period.

Total capital is based on the Group's reports prepared under CBU Instructions and related instructions and comprises:

	30 June 2025	31 December 2024
Tier 1 capital	9,983,706	8,709,078
Less: Deductions from capital	(20,248)	(122,398)
Tier 1 capital adjusted	9,963,458	8,586,680
Tier 2 capital	3,038,417	4,002,217
Total regulatory Capital	13,001,875	12,588,897

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, preference shares, retained earnings excluding current year profit and less intangible assets and investment into unconsolidated entities excluding investments made to green energy companies. The other component of regulatory capital is Tier 2 capital, which includes current year profit, general reserves created for assets classified as standard and subordinated debt balances adjusted based on remaining maturity.

28. RISK MANAGEMENT POLICIES (Continued)

The Group manages amongst other the following risks: credit risk, off-balance sheet risk, market risk, currency risk, interest rate risk, liquidity risk, operational risk, and compliance risk.

Risk management system is the part of the overall management system of the Group which aims to provide sustainable development of the Bank and the Group members in line with the approved Development Strategy.

The Group's risk management policies and procedures are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended 30 June 2025.

Currency risk. The Group takes on exposure to the effect of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. In respect of currency risk, the Management Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The Group's Treasury Department measures its currency risk by matching financial assets and liabilities denominated in same currency and analyses effect of actual annual appreciation/depreciation of that currency against Uzbekistan Sum to the profit and loss of the Group. The table below summarizes the Group's exposure to foreign currency exchange rate risk at the end of reporting period:

30 June 2025	USD	EUR	RUB	Other currencies	UZS	Total
Cash and cash equivalents	3,837,600	1,535,226	87,868	189,955	3,527,926	9,178,575
Due from other banks	958,638	48,162	-	89,047	614,510	1,710,357
Loans and advances to customers including finance lease receivables	24,130,237	18,020,151	-	2,220,228	25,690,055	70,060,671
Investment in debt securities	1,588,875	-	-	-	5,947,966	7,536,841
Other financial assets	5,731	6,506	-	1,432	388,358	402,027
Total monetary assets	30,521,081	19,610,045	87,868	2,500,662	36,168,815	88,888,471
Due to other banks	1,667,445	1,558,350	378	-	1,339,143	4,565,316
Customer accounts	5,285,884	528,149	80,000	150,811	21,388,659	27,433,503
Debt securities in issue	6,478,150	-	-	-	3,113,529	9,591,679
Other borrowed funds	19,011,149	18,459,382	-	129,968	3,019,412	40,619,911
Other financial liabilities	116,332	17,542	-	-	72,247	206,121
Subordinated debt	772,165	-	-	-	1,195,894	1,968,059
Total monetary liabilities	33,331,125	20,563,423	80,378	280,779	30,128,884	84,384,589
Derivative instruments	1,220,336	(144,154)	-	(1,067,739)	-	8,442
Net Balance sheet position	(1,589,708)	(1,097,532)	7,490	1,152,144	6,039,931	4,512,324

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28. RISK MANAGEMENT POLICIES (Continued)

31 December 2024	USD	EUR	RUB	Other currencies	UZS	Total
Cash and cash equivalents	2,826,809	596,910	49,672	900,985	2,151,484	6,525,860
Due from other banks	1,049,250	-	-	417	657,362	1,707,029
Loans and advances to customers including finance lease receivables	24,201,407	16,281,380	-	971,725	25,021,320	66,475,832
Investment in debt securities	633,429	-	-	-	3,731,290	4,364,719
Other financial assets	408	4,679	-	106,217	1,299	112,603
Total monetary assets	28,711,303	16,882,969	49,672	1,979,344	31,562,755	79,186,043
Due to other banks	1,079,381	153,733	696,715	-	889,881	2,819,710
Customer accounts	3,997,585	350,907	48,667	515,979	16,190,563	21,103,701
Debt securities in issue	6,609,609	-	-	-	2,445,654	9,055,263
Other borrowed funds	18,921,588	16,560,523	-	-	4,351,036	39,833,147
Other financial liabilities	144,166	20	-	-	39,962	184,148
Subordinated debt	789,408	-	-	-	1,194,736	1,984,144
Total monetary liabilities	31,541,737	17,065,183	745,382	515,979	25,111,832	74,980,113
Derivative instruments	1,051,865	-	749,665	(1,018,716)	(872,647)	(89,833)
Net Balance sheet position	(1,778,569)	(182,214)	53,955	444,649	5,578,276	4,116,097

As of 31 December 2024, the Group experienced a temporary shortfall in its USD net position, which led to a breach of the Single Currency Foreign Exchange Risk Ratio set under financing agreements with international lenders, including IFC, ADB and investors of private Eurobond placement. This breach was due to accounting adjustments related to expected credit losses, which reduced the carrying value of certain financial assets and, consequently, net forex position figures used in covenant calculations.

After 31 December 2024, the Group received formal waivers from all relevant lenders, confirming that no acceleration of repayment would be pursued. Therefore, this matter does not give rise to any concerns regarding the Group's ability to continue as a going concern or any risks to its funding structure.

28. RISK MANAGEMENT POLICIES (Continued)

The following table presents sensitivities of profit and loss to reasonably possible changes in exchange rates applied at the end of reporting period, with all other variables held constant:

	As at 30 June 2025 Impact on profit or loss	As at 31 December 2024 Impact on profit or loss
US Dollars strengthening by 20% (31 December 2024: 20%)	(317,942)	(355,714)
US Dollars weakening by 20% (31 December 2024: 20%)	317,942	355,714
EUR strengthening by 20% (31 December 2024: 20%)	(219,506)	(36,443)
EUR weakening by 20% (31 December 2024: 20%)	219,506	36,443
RUB strengthening by 20% (31 December 2024: 20%)	1,498	10,791
RUB weakening by 20% (31 December 2024: 20%)	(1,498)	(10,791)

The above sensitivity analysis include limitations in terms of the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes, based on historical change in foreign currency rates, and which cannot be predicted with any certainty.

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

Interest risk. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate re-pricing that may be undertaken. Interest rate positions are managed by the Bank's Treasury Department, which uses investment securities, advances to the CBU and other banks, deposits from Banks and the CBU to manage the positions.

The table below presents the Group's financial assets and liabilities categorized according to the time remaining to their next contractual repricing date. The analysis provides insight into the Group's exposure to interest rate risk, reflecting the sensitivity of financial instruments to changes in market interest rates.

The classification is based on the earlier of the contractual repricing date or maturity date. Instruments are grouped into:

- **NIB** – non-interest-bearing balances. These are financial instruments that do not carry any interest and are not sensitive to interest rate movements.
- **FIB** – fixed interest rate instruments. These are instruments with fixed interest rates over the contractual term, and are subject to interest rate risk depending on their maturity dates.
- **FLIB** – floating interest rate instruments. These instruments carry variable interest rates that are reset periodically, exposing them to changes in market interest rates.

This table is used for interest rate risk management purposes only and does not reflect the contractual maturity profile or expected liquidity behavior of financial instruments. As such, the figures presented here may differ from those disclosed in the liquidity risk and contractual maturity tables.

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30 June 2025	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	NIB 4,709,763 FIB 4,468,812	-	-	-	-	-	4,709,763 4,468,812
Due from other banks	NIB 559 FIB 111,616	125,571 94,476	- 148,872	48,214 774,501	- 361,053	- 45,495	174,344 1,536,013
Loans and advances to customers including finance lease receivables	NIB 96,345 FIB 3,702,227 FLIB 2,236,490	272,873 7,531,365 6,172,823	203,510 5,536,918 3,208,297	650,698 11,297,755 5,799,366	414,922 6,503,222 3,802,168	66,291 10,123,425 2,441,976	1,704,639 44,694,912 23,661,120
Derivative financial assets	FIB -	-	16,788	-	-	-	16,788
Investment in debt securities	NIB 243,306 FIB -	400,026 74,643	- 828,176	- 4,156,626	- 1,170,634	- 663,430	643,332 6,893,509
Total financial assets	NIB 5,049,973 FIB 8,282,655 FLIB 2,236,490	798,470 7,700,484 6,172,823	203,510 6,530,754 3,208,297	698,912 16,228,882 5,799,366	414,922 8,034,909 3,802,168	66,291 10,832,350 2,441,976	7,232,078 57,610,034 23,661,120
Liabilities							
Due to other banks	NIB 1,370,774 FIB 490,382	- 1,383,113	- -	6,268 80,025	- -	- 1,234,754	1,377,042 3,188,274
Customer accounts	NIB 580,304 FIB 7,432,397	1,999,386 -	6,468,770 921	6,917,332 -	545,739 -	3,488,654 -	20,000,185 7,433,318
Debt securities in issue	NIB - FIB - FLIB -	- - -	- - -	- 3,113,529 -	- 5,180,601 1,297,549	- - -	- 8,294,130 1,297,549
Other borrowed funds	NIB 567,233 FIB 433,708 FLIB 1,416,269	5,753 845,839 5,793,303	7,185 753,360 5,046,092	26,465 2,282,280 11,151,293	27,616 2,221,847 2,845,795	46,424 4,121,153 3,028,296	680,676 10,658,187 29,281,048
Derivative financial liabilities	FIB 8,346	-	-	-	-	-	8,346
Subordinated debt	NIB 5,241 FIB 2,853 FLIB 506,165	4,323 - 3,226	- - -	- 270,809 -	- 1,104,474 -	- 70,968 -	9,564 1,449,104 509,391
Total financial liabilities	NIB 2,523,552 FIB 8,367,686 FLIB 1,922,434	2,009,462 2,228,952 5,796,529	6,475,955 754,281 5,046,092	6,950,065 5,746,643 11,151,293	573,355 8,506,922 4,143,344	3,535,078 5,426,875 3,028,296	22,067,467 31,031,359 31,087,988
Net interest sensitivity gap	FLIB 314,056	376,294	(1,837,795)	(5,351,927)	(341,177)	(586,320)	(7,426,869)

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31 December 2024	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	NIB 3,797,065 FIB 2,728,795	-	-	-	-	-	3,797,065 2,728,795
Due from other banks	NIB 122,511 FIB 19,766	-	15,557 110,931	-	-	-	138,068 1,568,961
Loans and advances to customers including finance lease receivables	NIB 13,302 FIB 4,021,077 FLIB 1,565,395	82,894 176,494 9,475,943 4,810,665	179,113 6,185,390 2,452,988	828,136 572,847 10,986,359 4,567,568	481,662 509,477 6,670,607 3,010,748	45,572 40,800 9,049,150 2,187,909	1,492,033 46,388,526 18,595,273
Derivative financial assets	FIB -	-	33,149	-	-	-	33,149
Investment in debt securities	NIB 444,009 FIB -	142,753 124,156	- 74,043	- 2,727,201	- 817,596	- 34,961	586,762 3,777,957
Total financial assets	NIB 4,376,887 FIB 6,769,638 FLIB 1,565,395	319,247 9,682,993 4,810,665	194,670 6,403,513 2,452,988	572,847 14,541,696 4,567,568	509,477 7,969,865 3,010,748	40,800 9,129,683 2,187,909	6,013,928 54,497,388 18,595,273
Liabilities							
Due to other banks	NIB 1,516,152 FIB 668,056	10,836 -	- 305,196	1,533 11,514	- 81,185	- 225,238	1,528,521 1,291,189
Customer accounts	NIB 1,316,764 FIB 7,360,060	926,764 -	1,230,944 94,345	6,972,640 11,636	557,435 -	2,633,113 -	13,637,660 7,466,041
Debt securities in issue	NIB 368,923 FIB - FLIB -	31,841 - -	- - -	- 2,250,000 -	- 5,112,451 1,292,048	- - -	400,764 7,362,451 1,292,048
Other borrowed funds	NIB 565,881 FIB 667,248 FLIB 527,239	4,903 1,778,771 4,666,778	6,928 1,252,731 8,161,512	27,711 2,731,900 8,016,199	27,711 2,211,718 2,032,768	53,995 4,417,517 2,681,637	687,129 13,059,885 26,086,133
Derivative financial liabilities	FIB 122,982	-	-	-	-	-	122,982
Subordinated debt	NIB 9,254 FIB - FLIB -	3,165 - -	- - -	- 276,238 -	- 1,104,474 516,819	- 74,194 -	12,419 1,454,906 516,819
Total financial liabilities	NIB 3,776,974 FIB 8,818,346 FLIB 527,239	977,509 1,778,771 4,666,778	1,237,872 1,652,272 8,161,512	7,001,884 5,281,288 8,016,199	585,146 8,509,828 3,841,635	2,687,108 4,716,949 2,681,637	16,266,493 30,757,454 27,895,000
Net interest sensitivity gap	FLIB 1,038,156	143,887	(5,708,524)	(3,448,631)	(830,887)	(493,728)	(9,299,727)

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28. RISK MANAGEMENT POLICIES (Continued)

Geographical risk concentration. The geographical concentration of the Group's financial assets and liabilities at 30 June 2025 is set out below:

30 June 2025	Uzbekistan	OECD	Non-OECD	Russia	Total
Assets					
Cash and cash equivalents	5,743,676	3,242,313	130,009	62,577	9,178,575
Due from other banks	1,447,577	262,780	-	-	1,710,357
Loans and advances to customers including finance lease receivables	70,060,671	-	-	-	70,060,671
Investment securities measured at amortised cost	7,511,110	25,731	-	-	7,536,841
Financial assets at fair value through other comprehensive income	125,495	25,749	-	-	151,244
Derivative financial assets	-	16,788	-	-	16,788
Other financial assets	394,966	2,460	4,601	-	402,027
Total financial assets	85,283,495	3,575,821	134,610	62,577	89,056,503
Liabilities					
Due to other banks	4,068,092	7,458	335,783	153,983	4,565,316
Customer accounts	27,433,503	-	-	-	27,433,503
Debt securities in issue	-	9,591,679	-	-	9,591,679
Other borrowed funds	5,167,791	24,864,107	9,927,826	660,187	40,619,911
Derivative financial liabilities	-	8,346	-	-	8,346
Other financial liabilities	72,247	17,340	116,534	-	206,121
Subordinated debt	1,456,653	511,406	-	-	1,968,059
Total financial liabilities	38,198,286	35,000,336	10,380,143	814,170	84,392,935
Net balance sheet position	47,085,209	(31,424,515)	(10,245,533)	(751,593)	4,663,568
Credit related commitments (Note 24)	5,412,021	-	-	-	5,412,021

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

31 December 2024	Uzbekistan	OECD	Non-OECD	Russia	Total
Assets					
Cash and cash equivalents	3,640,506	2,109,998	37	775,319	6,525,860
Due from other banks	1,572,353	134,676	-	-	1,707,029
Loans and advances to customers including finance lease receivables	66,475,832	-	-	-	66,475,832
Investment in debt securities	4,338,681	26,038	-	-	4,364,719
Financial assets at fair value through other comprehensive income	122,272	23,740	-	-	146,012
Derivative financial assets	-	33,149	-	-	33,149
Other financial assets	112,590	13	-	-	112,603
Total financial assets	76,262,234	2,327,614	37	775,319	79,365,204
Liabilities					
Due to other banks	2,552,729	11,965	121,752	133,264	2,819,710
Customer accounts	21,103,701	-	-	-	21,103,701
Debt securities in issue	-	9,055,263	-	-	9,055,263
Other borrowed funds	5,490,998	24,608,410	9,047,397	686,342	39,833,147
Derivative financial liabilities	-	122,982	-	-	122,982
Other financial liabilities	50,264	84	133,800	-	184,148
Subordinated debt	1,460,407	523,737	-	-	1,984,144
Total financial liabilities	30,658,099	34,322,441	9,302,949	819,606	75,103,095
Net balance sheet position	45,604,135	(31,994,827)	(9,302,912)	(44,287)	4,262,109
Credit related commitments	6,741,623	-	-	-	6,741,623

Liquidity risk. Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Resources Management Committee of the Group.

28. RISK MANAGEMENT POLICIES (Continued)

The Group seeks to maintain a stable funding base comprising primarily amounts due to other banks, corporate and retail customer deposits and invest the funds into liquid assets such as interbank placements, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

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

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

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

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

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(In millions of Uzbek Soums, unless otherwise indicated)

28. RISK MANAGEMENT POLICIES (Continued)

The undiscounted maturity analysis of financial instruments at 30 June 2025 is as follows:

30 June 2025	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Liabilities							
Due to other banks	1,877,378	1,431,571	58,164	315,735	214,754	1,617,007	5,514,609
Customer accounts	8,472,229	3,103,833	7,777,223	8,584,848	2,662,532	8,428,682	39,029,347
Debt securities in issue	104,154	505,692	600,521	5,070,706	7,003,509	-	13,284,582
Other borrowed funds	2,600,826	7,480,371	6,654,684	15,548,447	6,227,628	9,762,505	48,274,461
Derivative financial liabilities	8,346	-	-	-	-	-	8,346
Insurance contract liabilities	782	24,477	26,510	124,751	41,844	41,506	259,870
Other financial liabilities	206,121	-	-	-	-	-	206,121
Subordinated debt	538,110	28,906	25,954	379,963	1,115,152	71,005	2,159,090
Undrawn credit lines	1,409,900	-	-	-	-	-	1,409,900
Guarantees issued	2,503,637	-	-	-	-	-	2,503,637
Letters of credit	1,498,484	-	-	-	-	-	1,498,484
Total potential future payments for financial obligations as of 30 June 2025	19,219,967	12,574,850	15,143,056	30,024,450	17,265,419	19,920,705	114,148,447
Total potential future payments for financial obligation as of 31 December 2024	46,753,554	5,533,825	8,091,835	16,240,971	6,559,766	14,820,652	98,000,603

As of 30 June 2025, the Bank breached the Total Overdue Loans to Loan Portfolio Ratio covenant under a borrowing agreement with MFT XXI LLC. The breach is covered by a formal waiver obtained on 17 April 2025 that covers the period up to 31 December 2025 and which removed any legal event of default. For reporting purposes, the Management has classified the corresponding amount of UZS 660 billion as repayable on 31 December 2025 in both undiscounted table above and expected maturity table below.

As of 31 December 2024, the Group was in compliance with all covenants except Total Overdue Loans on Loan Portfolio Ratio set by MFT XXI and Single Currency Foreign Exchange Risk Ratio set by International Finance Corporation and Asian Development Bank. The Group communicated the breach to lenders and obtained waiver from MFT XXI on 28 June 2024, which covered the remaining period of 2024 and another waiver on 17 April 2025 which waived the Group from compliance requirement until 31 December 2025. Moreover, IFC and ADB provided their waivers in May 2025 after the reporting date. As of 31 December 2024, the breach of financial covenant related to Single Currency Foreign Exchange Risk Ratio had triggered cross-default clauses across several related contracts, giving lenders a legal right to request early repayment. However, none of the lenders exercised that right and provided waivers but after reporting date.

To ensure transparency, the Group disclosed the affected liabilities as payable on demand. Therefore, as at 31 December 2024, the Group reported total undiscounted liabilities of UZS 46,753,554 million in the "Demand and less than 1 month" bucket, followed by UZS 5,533,825 million in "From 1 to 6 months" period, UZS 8,091,835 million in "From 6 to 12 month" period, and UZS 16,240,971 million in "From 1 to 3 years" bucket, UZS 6,559,766 million in "From 3 to 5 years" range and UZS 14,820,652 million in "Over 5 years" range. Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement.

The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

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28. RISK MANAGEMENT POLICIES (Continued)

The Group monitors expected maturities which may be summarised as follows at 30 June 2025 is set out below.

30 June 2025	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	9,178,575	-	-	-	-	-	9,178,575
Due from other banks	112,175	220,047	148,872	822,715	361,053	45,495	1,710,357
Loans and advances to customers including finance lease receivables	6,035,062	13,977,061	8,948,725	17,747,819	10,720,312	12,631,692	70,060,671
Investment securities measured at amortised cost	243,306	474,669	828,176	4,156,626	1,170,634	663,430	7,536,841
Financial assets at fair value through other comprehensive income	-	-	-	151,244	-	-	151,244
Derivative financial assets	-	-	16,788	-	-	-	16,788
Other financial assets	402,027	-	-	-	-	-	402,027
Total financial assets	15,971,145	14,671,777	9,942,561	22,878,404	12,251,999	13,340,617	89,056,503
Liabilities							
Due to other banks	1,861,156	1,383,113	-	86,293	-	1,234,754	4,565,316
Customer accounts	8,193,217	1,819,935	6,470,645	6,915,315	545,739	3,488,652	27,433,503
Debt securities in issue	-	-	-	3,113,529	6,478,150	-	9,591,679
Other borrowed funds	2,417,210	6,644,895	5,806,637	13,460,038	5,095,258	7,195,873	40,619,911
Derivative financial liabilities	8,346	-	-	-	-	-	8,346
Other financial liabilities	206,121	-	-	-	-	-	206,121
Subordinated debt	514,259	4,323	3,226	270,809	1,104,474	70,968	1,968,059
Total financial liabilities	13,200,309	9,852,266	12,280,508	23,845,984	13,223,621	11,990,247	84,392,935
Net liquidity gap	2,770,836	4,819,511	(2,337,947)	(967,580)	(971,622)	1,350,370	4,663,568
Cumulative liquidity gap	2,770,836	7,590,347	5,252,400	4,284,820	3,313,198	4,663,568	

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28. RISK MANAGEMENT POLICIES (Continued)

The analysis of liquidity of the Group's assets and liabilities as at 31 December 2024, based on expected maturities in accordance with contractual terms, is set out below.

31 December 2024	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	6,525,860	-	-	-	-	-	6,525,860
Due from other banks	164,706	82,894	104,059	828,136	481,662	45,572	1,707,029
Loans and advances to customers including finance lease receivables	5,599,776	14,463,101	8,817,491	16,126,773	10,190,832	11,277,859	66,475,832
Investment in debt securities	444,009	266,909	74,043	2,727,201	817,596	34,961	4,364,719
Financial assets at fair value through other comprehensive income	-	-	-	146,012	-	-	146,012
Derivative financial assets	-	-	33,149	-	-	-	33,149
Other financial assets	112,603	-	-	-	-	-	112,603
Total financial assets	12,846,954	14,812,904	9,028,742	19,828,122	11,490,090	11,358,392	79,365,204
Liabilities							
Due to other banks	2,184,208	10,836	305,196	13,047	81,185	225,238	2,819,710
Customer accounts	8,708,670	895,059	1,329,684	6,979,740	557,435	2,633,113	21,103,701
Debt securities in issue	368,923	31,841	-	2,250,000	6,404,499	-	9,055,263
Other borrowed funds	1,760,368	6,450,452	9,421,171	10,775,810	4,272,197	7,153,149	39,833,147
Derivative financial liabilities	122,982	-	-	-	-	-	122,982
Other financial liabilities	184,148	-	-	-	-	-	184,148
Subordinated debt	9,254	3,165	-	276,238	1,621,293	74,194	1,984,144
Total financial liabilities	13,338,553	7,391,353	11,056,051	20,294,835	12,936,609	10,085,694	75,103,095
Net liquidity gap	(491,599)	7,421,551	(2,027,309)	(466,713)	(1,446,519)	1,272,698	4,262,109
Cumulative liquidity gap	(491,599)	6,929,952	4,902,643	4,435,930	2,989,411	4,262,109	

The above analysis is based on remaining maturities.

As of 31 December 2024, a breach of a financial covenant which described in previous undiscounted maturity analysis to ensure transparency, the Group also disclosed the affected liabilities as payable on demand. As a result of this presentation, the Group reported net negative liquidity gap of UZS 26,786,876 million in the "Demand and less than 1 month" bucket, followed by remaining positive gaps UZS 10,726,466 million in "From 1 to 6 months" period, UZS 2,710,252 million in "From 6 to 12 month" period, and UZS 6,587,706 million in "From 1 to 3 years" bucket, a gap of UZS 7,628,450 million in "From 3 to 5 years" range and UZS 3,396,111 million in "Over 5 years" range. Correspondingly, the cumulative liquidity gap to be reported would be net negative liquidity gap of UZS 26,786,876 million in the "Demand and less than 1 month" bucket, followed by cumulative negative gaps of UZS 16,060,410 million in "From 1 to 6 months" period, UZS 13,350,158 million in "From 6 to 12 month" period, and UZS 6,762,452 million in "From 1 to 3 years" bucket, a positive cumulative gap of UZS 865,998 million in "From 3 to 5 years" range and UZS 4,262,109 million in "Over 5 years" range. The breach resulted from accounting adjustments related to expected credit losses, which reduced the carrying values of certain financial assets and net forex position used in covenant calculations. This had no impact on the Group's solvency, credit quality, or operational liquidity.

28. RISK MANAGEMENT POLICIES (Continued)

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the Management of the Group. It is unusual for banks ever to be completely matched since business transactions are often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

The Management believes that whilst a substantial portion of customer accounts is on demand, the fact that significant portion of these customer accounts are of large state-owned entities which are either the Group's shareholders or its entities under common control and the past experience of the Group indicate that these customer accounts provide a long-term and stable source of funding for the Group.

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

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

29. RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Group applies a disclosure exemption regarding Government-related entities, where the same Government has control or joint control of, or significant influence over, both the Group and the other entities, disclosed as “entities under common control”.

- “Significant shareholders” – legal entities - shareholders which have a significant influence to the Group through Government;
- “Key management personnel” – members of the Management Board and the Council of the Bank;
- “Entities under common control” – entities that are controlled, jointly controlled or significantly influenced by the Government.

The Government of the Republic of Uzbekistan, acting through the Funds for Reconstruction and Development and the Ministry of Economy and Finance of the Republic of Uzbekistan, directly and indirectly controls the Group. There are no individually significant transactions with the government related entities and the terms, conditions, and amounts of these related party transactions are usually same as those between unrelated parties. The Group enters into banking transactions with Government-related entities including but not limited to lending, deposit taking, cash settlements, obtaining borrowings etc., Transactions with related parties are settled on an arm's-length basis and recognized in the financial statements according to the same accounting policy as for similar transactions with unrelated parties.

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29. RELATED PARTY TRANSACTIONS (Continued)

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

	30 June 2025		31 December 2024	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Cash and cash equivalents				
- entities under common control (contractual interest rate: 0% – 9%)	1,085,515	12%	707,548	11%
Due from other banks				
- entities under common control (contractual interest rate: 0% – 14%)	830,879	60%	1,079,451	63%
Loans and advances to customers including finance lease receivables				
- key management personnel (contractual interest rate: 16% – 27%)	136	0%	406	0%
- entities under common control (contractual interest rate: 0% – 28%)	13,801,053	19%	14,274,010	21%
Credit loss allowance				
- key management personnel	(4)	0%	(8)	0%
- entities under common control	(200,620)	5%	(272,721)	8%
Investment in debt securities				
- significant shareholders (contractual effective interest rate: 5.9% – 21%)	7,040,841	94%	4,063,554	93%
Other Assets				
- key management personnel	125	0%	64	0%
- significant shareholders	8,397	1%	5,968	1%
- entities under common control	18,973	2%	173	0%
Due to other banks				
- entities under common control (contractual interest rate: 0% – 16%)	2,949,396	65%	976,274	35%
Customer accounts				
- key management personnel (contractual interest rate: 0% – 22%)	1,270	0%	2,132	0%
- significant shareholders (contractual interest rate: 0% – 23%)	4,167,947	15%	3,024,611	14%
- entities under common control (contractual interest rate: 0% – 23%)	9,492,396	35%	6,393,138	30%
- associate (contractual interest rate: 0% – 0%)	69	0%	170	0%
Other borrowed funds				
- significant shareholders (contractual interest rate: 0% – 18%)	3,478,098	9%	2,973,560	7%
- entities under common control (contractual interest rate: 8% – 10%)	417,667	1%	937,791	2%
Other liabilities				
- significant shareholders (contractual interest rate: n/a %)	13	0%	-	0%
- entities under common control (contractual interest rate: n/a %)	24,825	8%	381	0%
Subordinated debt				
- significant shareholders (contractual interest rate 5% – 9%)	1,456,454	74%	1,460,406	74%

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29. RELATED PARTY TRANSACTIONS (Continued)

	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Interest income				
- key management personnel	20	0%	27	0%
- significant shareholders	394,918	7%	206,510	5%
- entities under common control	1,382,437	25%	686,863	16%
Interest expense				
- key management personnel	(3)	0%	(1)	0%
- significant shareholders	(746,966)	21%	(623,809)	25%
- entities under common control	(84,487)	2%	(84,198)	3%
(Provision for)/recovery of credit losses on loans and advances to customers including finance lease receivables				
- key management personnel	5	0%	(3)	0%
- entities under common control	72,140	7%	(258,974)	24%
Fee and commission income				
- significant shareholders	-	0%	9	0%
- entities under common control	12,333	4%	22,173	9%
Net gain from trading in foreign currencies				
- entities under common control	149,659	21%	53,432	17%
Other operating income				
- entities under common control	490	1.0%	-	-
Administrative and other operating expenses				
- key management personnel	(10,711)	1%	(7,716)	1%

	30 June 2025		31 December 2024*	
	Related party off- balances	Total category as per financial statements caption	Related party off- balances	Total category as per financial statements caption
Guarantees issued				
- entities under common control	1,384,225	55%	1,409,126	65%
Import letters of credit				
- entities under common control	984,346	66%	1,325,226	56%
Other commitments				
- key management personnel	151	0%	76	0%
- entities under common control	62,939	4%	174,834	8%

During the reporting period, the Group issued a new loan to a significant borrower on preferential terms in accordance with government instruction to further support regional development. The resulting loss on initial recognition was recognized directly in equity and is presented in the statement of changes in equity and in the related party transactions table above.

The Group enters into transaction with other government related entities in the normal course of business.

Key management compensation is presented below:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Salaries and other benefits	6,490	4,674
Bonuses	3,054	2,200
Social security contributions	1,167	842
Total	10,711	7,716

30. EVENTS AFTER THE END OF THE REPORTING PERIOD

In July 2025, the Group made a partial repayment of the outstanding loan in the amount of USD 45 million under the loan facility agreement dated 20 June 2023 with Cargill Financial Services International Ltd. On August 29, 2025, the Group and the China Development Bank reached an agreement to attract a credit line in the amount of CNY 1 billion for a term of 120 months (including a grace period of up to 36 months) at an annual interest rate of 4.5%. The credit line is intended to finance large-scale investment projects through the import of equipment, goods (fixed assets), and services from China. The funds will be disbursed individually based on specific projects that meet the requirements of the China Development Bank.

On 19 September 2025, pursuant to Presidential Decree No. PP-289, 30% of the Group's shares is required to be transferred from the Fund for Reconstruction and Development of Uzbekistan to the National Investment Fund of the Republic of Uzbekistan through the Ministry of Economy and Finance.

Previously, it had been announced that the state's shareholding in the Group would be reduced below 50% by the end of 2025 through privatization. Following the above decree, this privatization decision has been cancelled, which means that the Government will remain the Group's main shareholder going forward.

31. ABBREVIATIONS

The list of the abbreviations used in these consolidated financial statements is provided below:

Abbreviation	Full name
AC	Amortised Cost
CET1	Common Equity Tier 1
EAD	Exposure at Default
ECL	Expected Credit Loss
EIR	Effective Interest Rate
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX, Forex	Foreign Currency Exchange
GMM	General Measurement Model (under IFRS 17)
IASB	International Accounting Standards Board
IBNR	Incurred But Not Reported (claims)
IFRS	International Financial Reporting Standard
LGD	Loss Given Default
PAA	Premium Allocation Approach (simplified model under IFRS 17)
PD	Probability of Default
RBNS	Reported But Not Settled (claims)
SICR	Significant Increase in Credit Risk
SME	Small and Medium-sized Enterprises
UPR	Unearned Premium Reserve
NIB	Non-Interest Bearing
FIB	Fixed Interest Bearing
FLIB	Floating Interest Bearing
UFRD	Uzbekistan Fund for Reconstruction and Development

**JSCB "UZBEK INDUSTRIAL
AND CONSTRUCTION BANK"
AND ITS SUBSIDIARIES**

Consolidated Financial Statements
and Independent Auditor's Report
For the Year Ended 31 December 2024

**JOINT STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES**

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**JOINT STOCK COMMERCIAL BANK
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**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION
AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023**

Management of Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank" ("the Bank") and its subsidiaries ("the Group") is responsible for the preparation of the consolidated financial statements that present fairly the financial position of the Group as at 31 December 2024 and the related consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and of significant accounting policies and notes to the consolidated financial statements (the "consolidated financial statements") in compliance with IFRS Accounting Standards.

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 IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

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


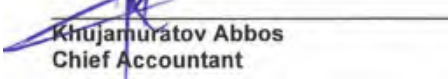
The consolidated financial statements of the Group for the years ended 31 December 2024 was approved by the Management on 2 June 2025.

On behalf of the Management Board:



Akbarjonov Aziz
Chairman of the Management Board

2 June 2025
Tashkent, Uzbekistan



Khujamuratov Abbos
Chief Accountant

2 June 2025
Tashkent, Uzbekistan



Independent Auditor's Report

To the Shareholders and Supervisory Board of JSCB "Uzbek Industrial and Construction Bank":

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of JSCB "Uzbek Industrial and Construction Bank" (the "Bank") and its subsidiaries (together – the "Group") as at 31 December 2024, and Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

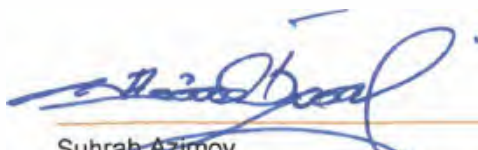
Basis for opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan and auditor's independence requirements that are relevant to our audit of the consolidated financial statements in the Republic of Uzbekistan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan.



Suhrab Azimov
General Director / Certified Auditor

Our audit approach

Overview




- Overall Group materiality: UZS 69,200 million, which represents 5% of profit before tax.
- We performed full scope audit procedures on the financial statements of the Bank and audit procedures on the material balances and transactions of the subsidiaries included in the consolidated financial statements of the Group.
- The expected credit losses (ECL) allowance for Loans and Advances to Customers, including Finance Lease Receivables in accordance with IFRS 9, Financial Instruments.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.


 Suhrab Azimov
 General Director / Certified Auditor

Overall Group materiality	UZS 69,200 million
How we determined it	We determined overall materiality as being 5% of the profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users of the consolidated financial statements and is a generally accepted benchmark. We chose 5% threshold as in our professional experience this is a widely accepted quantitative measure for this benchmark.

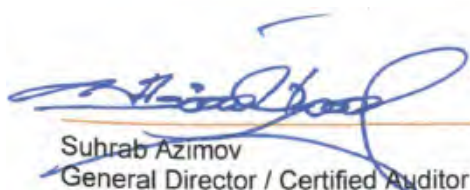
Key audit matters

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.



Suhrab Azimov
General Director / Certified Auditor

Key audit matter	How our audit addressed the key audit matter
<p>The expected credit losses (ECL) allowance for loans and advances to customers, including finance lease receivables in accordance with IFRS 9, Financial Instruments</p> <p>We considered the ECL allowance for loans and advances to customers, including finance lease receivables as a key audit matter due to the significance of this balance and the complexity of IFRS 9 ECL model which requires significant judgment to determine the ECL allowance and is characterized by high estimation uncertainty. Key areas of judgement and sources of estimation uncertainty included:</p> <ul style="list-style-type: none"> • Classification of loans and advances to customers, including finance lease receivables into stages in accordance with IFRS 9; • Key estimates and modelling assumptions used to estimate key risk parameters – exposure at default, probability of default and loss given default; • Estimated future cashflows including recoverable values of collateral where applicable for loans that were assessed on an individual basis. <p>Note 3 “Material Accounting Policy Information”, Note 4 “Sources of Estimation Uncertainty and Judgements in Applying Accounting Policies”, Note 10 “Loans and Advances to Customers, including Finance Lease Receivables” and Note 36 “Risk Management Policies” to the consolidated financial statements provide detailed information on the expected credit losses allowance.</p>	<p>In assessing the ECL allowance we have performed, among others, the following audit procedures:</p> <ul style="list-style-type: none"> • We assessed the methodology and models for calculation of ECL allowance developed by the Group in order to evaluate their compliance with IFRS 9 requirements. We focused our procedures on default definition criteria and its application, factors for determining a “significant increase in credit risk and their application, resulting in classification of the loans and advances to customers, including finance lease receivables to stages, and estimation of key risk parameters. • On a sample basis we evaluated and tested the design and operational effectiveness of the controls over the processes that identify overdue loans. • On a sample basis we analysed the significant loans and advances to corporate clients, including state and municipal organisations, which had not been identified by management as either having had a significant increase in credit risk or defaulted and formed our own judgement as to whether staging classification was appropriate. • For all other loans, on a sample basis we tested segmentation and allocation to stages of corporate loans and loans to individuals. <p>For loans assessed based on collective assessment, our testing procedures included:</p> <ul style="list-style-type: none"> • On a sample basis we tested the assumptions, inputs and formulas used in ECL model for collective provision assessment. This included assessing the appropriateness of the model design and formulas used and recalculating the probability of default and loss given default. • To verify data accuracy and quality, on a sample basis, we tested the data used in the ECL calculation by reconciling them to source data, for example, loan portfolios, loan agreements, and collateral agreements.


 Suhrab Azimov
 General Director / Certified Auditor

Key audit matter

How our audit addressed the key audit matter

- We performed detailed analytical procedures over the ECL calculation disaggregated by stages, segments, currencies and years to maturity.
- We performed audit procedures to assess the correlation between macroeconomic data and ECL risk parameters and verified their historical values.

For loans that were individually assessed, on a sample basis, we assessed expected cash flows estimated by the Group in different scenarios and key assumptions applied, including the existence, timing of collection and realisable value of collateral. We assessed the relevance of the scenarios used and their probability, and calculation of the present value of the cash flows.

We assessed the accuracy and completeness of the disclosures in accordance with IFRS 7.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of the Bank and 15 subsidiaries and accounting records are maintained by a centralized accounting team for the entire Group. Our audit procedures included full scope audit of the Bank. The Bank represents more than 99% of the Group's total assets and the Group's total comprehensive income for the year ended 31 December 2024. In respect of subsidiaries, we focused our audit work on the balances and transactions of each subsidiary that were significant for the Group.

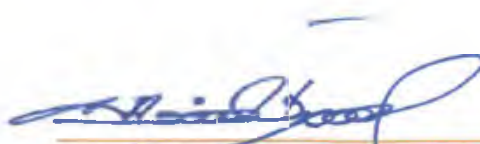
Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Suhrab Azimov
General Director / Certified Auditor

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 the 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 scepticism throughout the audit. We also:

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



Suhrab Azimov
General Director / Certified Auditor

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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 other legal and regulatory requirements

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

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

In accordance with Article 74 of the Law No. 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 established by the Central Bank of the Republic of Uzbekistan;
- whether the elements of the Bank's internal control and organization of its risk management systems comply with the requirements established by the Central Bank of the Republic of Uzbekistan.

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

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




Suhrob Azimov
General Director / Certified Auditor

Our findings from the procedures performed are reported below.

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

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

- as at 31 December 2024, the Bank's internal audit function was subordinated to, and reported to, the Supervisory Board, and the risk management function was not subordinated to, and did not report to, divisions taking relevant risks in accordance with the regulations and recommendations issued by the Central Bank of the Republic of Uzbekistan;
- the frequency of reports prepared by the Bank's internal audit function during 2024 was in compliance with the requirements of the Central Bank of the Republic of Uzbekistan. The reports were approved by the Bank's Supervisory Board and included observations made by the Bank's internal audit function in respect of internal control systems;
- as at 31 December 2024 the Bank has an established Information security function as required by the Central Bank of the Republic of Uzbekistan, and the 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 assessment and analysis of information security risks, and results of actions to manage such risks;
- the Bank's internal documentation, effective on 31 December 2024, establishing the procedures and methodologies for identifying and managing the Bank's significant risks: external-internal fraud risk, process management risk, business disruptions and system failures/IT risk, and for stress-testing, was approved by the authorised management bodies of the Bank in accordance with the regulations and recommendations issued by the Central Bank of the Republic of Uzbekistan;
- as at 31 December 2024, the Bank maintained a system for reporting on the Bank's significant risks, and on the Bank's capital;
- the frequency of reports prepared by the Bank's risk management and internal audit functions during 2024, which cover the Bank's management of significant risks, was in compliance with the Bank's internal documentation. The reports included observations made by the Bank's risk management and internal audit functions as to their assessment of the Bank's significant risks, risk management system and recommendations for improvement;
- as at 31 December 2024, the Supervisory Board and Management Board of the Bank had responsibility for monitoring the Bank's compliance with the risk limits and capital adequacy ratios established in the Bank's internal documentation. In order to monitor the effectiveness of the Bank's risk management procedures and their consistent application during 2024, the Supervisory Board and Management Board of the Bank periodically discussed the reports prepared by the risk management and internal audit functions and considered the proposed corrective actions.



Suhrab Azimov
General Director / Certified Auditor



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

Suhrab Azimov
General Director/Certified Auditor
Certificate of auditor No. 05338
dated 7 November 2015 issued by the
Ministry of Finance of Uzbekistan

Certificate of auditor No. 28
dated 25 August 2023 issued by the
Central Bank of Uzbekistan

Audit Organization "PricewaterhouseCoopers" LLC

Tashkent, Uzbekistan

2 June 2025

JOINT STOCK COMMERCIAL BANK
“UZBEK INDUSTRIAL AND CONSTRUCTION BANK” AND ITS SUBSIDIARIES
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	8	6,525,860	6,965,894
Due from other banks	9	1,707,029	1,778,707
Investment in debt securities	11	4,364,719	2,093,415
Financial assets at fair value through other comprehensive income	12	146,012	119,217
Loans and advances to customers including finance lease receivables	10	66,475,832	58,008,238
Investment in associates	13	122,008	77,814
Derivative financial assets	33	33,149	51,499
Reinsurance contract assets	27	75,715	20,334
Current income tax prepayment		-	238,871
Other assets	15	407,461	147,845
Deferred tax asset	29	305,078	203,571
Premises and equipment	14	3,874,808	3,340,418
Intangible assets	14	96,172	67,945
Non-current assets held for sale	16	666,325	179,555
TOTAL ASSETS		84,800,168	73,293,323
LIABILITIES			
Due to other banks	17	2,819,710	5,818,951
Customer accounts	18	21,103,701	14,328,682
Debt securities in issue	19	9,055,263	4,970,366
Other borrowed funds	20	39,833,147	37,633,735
Derivative financial liabilities	33	122,982	-
Insurance contract liabilities	27	269,909	157,745
Other liabilities	21	258,488	247,059
Subordinated debt	22	1,984,144	1,696,854
TOTAL LIABILITIES		75,447,344	64,853,392
EQUITY			
Share capital	23	4,634,438	4,634,438
Retained earnings		4,682,683	3,781,693
Revaluation reserve of financial assets at fair value through other comprehensive income		34,232	23,688
Net assets attributable to the Bank's owners		9,351,353	8,439,819
Non-controlling interest		1,471	112
TOTAL EQUITY		9,352,824	8,439,931
TOTAL LIABILITIES AND EQUITY		84,800,168	73,293,323

Approved for issue and signed on behalf of the Management Board on 2 June 2025.


Akbarjonov Aziz
Chairman of the Management Board

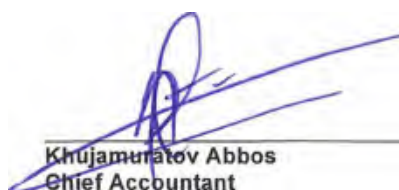

Khujamuratov Abbos
Chief Accountant

JOINT STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(in millions of Uzbek Soums, except for earnings per share which are in Uzbek Soums)

	Notes	2024	2023
Interest income calculated using the effective interest method	25	8,993,763	7,185,285
Other similar income	25	47,655	36,176
Interest expense	25	(5,498,913)	(4,080,099)
Net margin on interest and similar income		3,542,505	3,141,362
Provision for credit losses on loans and advances to customers including finance lease receivables	10	(1,481,544)	(1,133,383)
Net margin on interest and similar income after credit loss allowance on loans and advances including finance lease receivables to customers		2,060,961	2,007,979
Fee and commission income	26	567,788	515,905
Fee and commission expense	26	(157,198)	(132,060)
Loss on initial recognition on loans and advances to customers		(4,855)	(8,063)
Net gain (loss) on foreign exchange translation		(19,958)	98,311
Net gain from trading in foreign currencies		1,054,505	462,964
Gains less losses from financial derivatives		(62,275)	(233,476)
Insurance revenue (excluding reinsurance business)	27	129,464	90,867
Insurance service expenses (excluding reinsurance business)	27	(82,963)	(79,049)
Reinsurance business	27	(17,427)	(12,959)
Finance income (expenses) from insurance contracts (net)	27	(20,136)	(16,044)
Dividend income		3,160	11,251
Other operating income		28,275	27,371
Recovery of / (provision for) credit losses on other assets		(68,287)	14,879
Impairment of assets held for sale		(79,200)	(6,402)
Administrative and other operating expenses	28	(1,948,386)	(1,670,778)
Share of result from associates		(115)	381
Profit before tax		1,383,353	1,071,077
Income tax expense	29	(268,328)	(214,923)
PROFIT FOR THE PERIOD		1,115,025	856,154
Other comprehensive income:			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Fair value gain on equity securities at fair value through other comprehensive income		13,180	11,497
Tax effect	29	(2,636)	(2,299)
Other comprehensive income		10,544	9,198
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,125,569	865,352
Profit/(loss) is attributable to:			
- Owners of the Bank		1,115,120	856,171
- Non-controlling interest		(95)	(17)
PROFIT FOR THE PERIOD		1,115,025	856,154
Total comprehensive income /(loss) is attributable to:			
- Owners of the Bank		1,125,664	865,369
- Non-controlling interest		(95)	(17)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,125,569	865,352
Total basic and diluted EPS per ordinary share attributable to the owners of the Bank (expressed in UZS per share)	31	4.58	3.52

Approved for issue and signed on behalf of the Management Board on 2 June 2025.


Akbarjonov Aziz
Chairman of the Management Board


Khujamuratov Abbos
Chief Accountant

JOINT STOCK COMMERCIAL BANK "UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
(in millions of Uzbek Soums)

	Attributable to owners of the Bank			Non-controlling interest	Total equity
	Share capital	Revaluation reserve of financial assets at fair value through other comprehensive income	Retained earnings		
1 January 2023	4,640,011	14,490	2,925,522	1,133	7,581,156
Profit for the period	-	-	856,171	(17)	856,154
Other comprehensive income for the period	-	9,198	-	-	9,198
Total comprehensive income for the period	-	9,198	856,171	(17)	865,352
Acquisition of non-controlling interest in subsidiaries	-	-	-	(1,004)	(1,004)
Acquisition of own shares	(5,573)	-	-	-	(5,573)
1 January 2024	4,634,438	23,688	3,781,693	112	8,439,931
Profit for the period	-	-	1,115,120	(95)	1,115,025
Other comprehensive income for the period	-	10,544	-	-	10,544
Total comprehensive income for the period	-	10,544	1,115,120	(95)	1,125,569
Non-controlling interest arising on acquisition of subsidiary	-	-	-	1,454	1,454
Impact of below market loan issued under government instructions (Note 10)	-	-	(267,663)	-	(267,663)
Deferred tax impact of below market loan issued under government instruction	-	-	53,533	-	53,533
31 December 2024	4,634,438	34,232	4,682,683	1,471	9,352,824

Approved for issue and signed on behalf of the Management Board on 2 June 2025.


Akbarjonov Aziz
 Chairman of the Management Board



Khujamuratov Abbos
 Chief Accountant

**JOINT STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024
(in millions of Uzbek Soums)**

	Notes	2024	2023
Cash flows from operating activities			
Interest received		7,796,677	6,210,125
Interest paid		(5,208,442)	(4,476,779)
Fee and commission received		547,343	515,205
Fee and commission paid		(157,198)	(132,060)
Financial derivatives		(40,672)	(93,568)
Proceeds from customers from insurance activities		122,183	88,204
Payments made on insurance activities		(40,568)	(44,478)
Net gain from trading in foreign currencies		1,054,505	462,964
Other operating income received		10,055	17,021
Staff costs paid		(1,084,000)	(1,047,222)
Administrative and other operating expenses paid		(693,035)	(499,117)
Income tax paid		(54,555)	(213,055)
Cash flows from operating activities before changes in operating assets and liabilities		2,252,293	787,240
<i>Net (increase)/decrease in:</i>			
- due from other banks		84,238	(176,850)
- loans and advances to customers including finance lease receivables		(8,886,569)	(5,574,362)
- investment securities		(2,174,601)	633,368
- other assets		(42,475)	68,404
- non-current assets held for sale		97,201	37,388
<i>Net increase/(decrease) in:</i>			
- due to other banks		(2,857,862)	1,504,240
- customer accounts		6,543,536	(1,507,992)
- other liabilities		(9,071)	(36,897)
Net cash used in operating activities		(4,993,310)	(4,265,461)
Cash flows from investing activities			
Acquisition of financial assets at fair value through other comprehensive income		(22,073)	(67,067)
Acquisition of premises, equipment and intangible assets		(952,748)	(1,169,084)
Proceeds from disposal of premises, equipment and intangible assets		19,329	43,644
Acquisition of investment in associates		(44,309)	(41,599)
Dividend income received		3,160	9,269
Net cash used in investing activities		(996,641)	(1,224,837)
Cash flows from financing activities			
Proceeds from other borrowed funds	24	18,185,338	16,506,252
Repayment of other borrowed funds	24	(16,436,171)	(12,937,288)
Proceeds from debt securities in issue	24	7,224,314	1,286,100
Repayment of debt securities in issue	24	(3,798,265)	-
Proceeds from other subordinated debt	24	251,100	240,848
Dividends paid		(155)	(1,525)
Net cash from financing activities		5,426,161	5,094,387
Effect of exchange rate changes on cash and cash equivalents		123,756	242,316
Net increase/(decrease) in cash and cash equivalents		(440,034)	(153,595)
Cash and cash equivalents at the beginning of the period	8	6,965,894	7,119,489
Cash and cash equivalents at the end of the period	8	6,525,860	6,965,894

Approved for issue and signed on behalf of the Management Board on 2 June 2025.


Akbarjonov Aziz
Chairman of the Management Board


Khujamuratov Abbas
Chief Accountant

The notes set out on pages 6 to 90 form an integral part of these consolidated financial statements

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

(in millions of Uzbek Soums, unless otherwise indicated)

1. INTRODUCTION

JSCB "Uzbek Industrial and Construction Bank" ("the Bank") was incorporated in 1991 and is domiciled in the Republic of Uzbekistan. It is registered in Uzbekistan to carry out banking and foreign exchange activities and has operated under the banking license #17 issued by the Central bank of Uzbekistan ("the CBU") on 21 December 2021 (succeeded the licenses #17 issued on 25 January 2003 and #25 issued on 29 January 2005 by the CBU for banking operations and general license for foreign currency operations, respectively).

Principal activity. The Bank's principal activity is commercial banking, retail banking, operations with securities, foreign currencies and origination of loans and guarantees. The Bank accepts deposits from legal entities and individuals, extended loans, and transfer payments. The Bank conducts its banking operations from its head office in Tashkent and 87 banking service centers within Uzbekistan as of 31 December 2024 (2023: 90 banking service centers).

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

As at 31 December 2024, the number of Bank's employees was 4,054 (2023: 4,057 employees).

Registered address and place of business. 3, Shakhrisabz street, Tashkent, 100000, Uzbekistan

At 31 December, the Bank consolidated the following companies in these consolidated financial statements ("The Group"):

Name Bank's direct interest in subsidiaries:	Country of incorporation	31 December 2024 %	31 December 2023 %	Type of operation
SQB Capital, LLC	Uzbekistan	100	100	Asset management
SQB Insurance, LLC	Uzbekistan	100	100	Insurance
SQB Tower LLC	Uzbekistan	100	-	Asset management
Bank's indirect interest in subsidiaries via SQB Capital, LLC				
SQB Factoring, LLC	Uzbekistan	100	100	Factoring services
SQB Construction, LLC	Uzbekistan	100	100	Construction
SQB Futzal Club, LLC	Uzbekistan	100	100	Sport club
"New Zomin Plaza" LLC	Uzbekistan	100	100	Hoteling
Miraki Town Plaza, LLC	Uzbekistan	99.9	-	Hoteling
Miraki Hostel, LLC	Uzbekistan	99.9	-	Hoteling
Arton Vodiy Invest LLC	Uzbekistan	97.98	-	Construction materials
Khiva Plaza	Uzbekistan	100	-	Hoteling
Khiva Trade Center	Uzbekistan	100	-	Trade Center
Chimgan Residence, LLC	Uzbekistan	99.9	-	Hoteling
SQB Mikromoliya Tashkiloti, LLC	Uzbekistan	99.9	-	Microfinance services
SQB Testing and RnD center, LLC	Uzbekistan	99.9	-	Quality Inspection
Bank's indirect interest in subsidiaries via SQB Construction				
"Radius Serebro and Capital LLC	Uzbekistan	-	99.76	Construction materials
"Big Peak 777 and Capital, LLC	Uzbekistan	-	100	Construction materials
Malik Muxammad Ali Fayz and Capital, LLC	Uzbekistan	-	100	Construction materials
Parizod Mexr and Capital, LLC	Uzbekistan	-	100	Construction materials
Penoplast Surkhon and Capital LLC	Uzbekistan	-	100	Construction materials

On 27 February 2024, the Group established new subsidiaries Miraki Town Plaza LLC and Miraki Hostel LLC with 99.99% ownership each. The new subsidiaries were established to develop construction of hoteling in the territory of the tourist center, in accordance with Presidential Decree No 376, dated 28 November 2023 on "Additional measures to be taken to further develop construction of modern services and tourism facilities in the mountainous-recreational areas of Kashkadarya region". On July 16, 2024, the Group established three new subsidiaries: Arton Vodiy Invest with a 97.98% ownership stake, and both Khiva Plaza and Khiva Trade Center with 100% ownership each. These subsidiaries aim to enhance investment attraction, foster industrial development, and regulate trade, in alignment with the directives outlined in Government Commission Statement No. 35. On July 4, 2024, the Group

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established new subsidiary SQB Tower LLC with 100% ownership stake. SQB Tower is involved in renting and management of non-residential commercial properties. In accordance with the Presidential Decree of the Republic of Uzbekistan No. PP-364 dated November 10, 2023, "On Additional Measures to Enhance the Role and Share of Microfinance Services in the Development of Entrepreneurial Activities," the company SQB Mikromoliya Tashkiloti was established in 2024. According to the aforementioned decree, The Group reorganized SQB Securities LLC into SQB Factoring LLC to provide factoring services. Furthermore, pursuant to the Cabinet of Ministers Resolution No. PKM-206-33 dated April 17, 2024, "On Additional Measures for the Development of Social and Industrial Infrastructure Programs and the Improvement of the State Investment Management System," the company Chimgan Residence LLC was founded to construct modern hotels in the Chimgan Mountains and the Parkent district of the Tashkent region. Moreover, According to the Decree of the President of the Republic of Uzbekistan No. PP-421 dated December 4, 2024, "On Measures for the Development of Team Sports and Improvement of the Talent Selection System," The Group transformed the enterprise SQB Consulting LLC into SQB Futzal Club LLC.

Additionally, in 2024, SQB Testing and R&D Center was established to monitor and inspect the quality of imported raw materials and more than 30 types of products for compliance with state standards.

Shareholders	31 December 2024	31 December 2023
The Fund of Reconstruction and Development of the Republic of Uzbekistan	82.19%	82.19%
Ministry of Economy and Finance of the Republic of Uzbekistan	13.48%	13.48%
Other legal entities and individuals (individually hold less than 5%)	4.33%	4.33%
Total	100%	100%

Ultimate controlling party at the reporting date is the Government of Uzbekistan, represented by the Fund of Reconstruction and Development and the Ministry of Economy and Finance of the Republic of Uzbekistan (the Fund of Reconstruction and Development of the Republic of Uzbekistan and the Ministry of Finance of the Republic of Uzbekistan in previous year).

2. OPERATING ENVIRONMENT OF THE GROUP

Operating Environment. The Uzbekistan economy displays characteristics of an emerging market, including but not limited to, a low level of liquidity in debt and equity markets. Also, the banking sector in Uzbekistan is particularly impacted by local political, legislative, fiscal and regulatory developments. The largest Uzbek banks are state-controlled and act as an arm of the Government to develop the country's economy. The Government distributes funds from the country's budget, which flow through the banks to various government agencies, and other state- and privately-owned entities.

Uzbekistan experienced the following key economic indicators in 2024:

- Inflation: 9.8% (2023 - 8.8%)
- GDP growth 6.5% (2023 - 6.0%).
- Official exchange rates: 31 December 2024: USD 1 = UZS 12,920.48 (31 December 2023: USD 1 = UZS 12,338.77)
- Central Bank refinancing rate at 31 December 2024: 13.5% (31 December 2023 - 14%)

In December 2024 Standard & Poor's international rating agency affirmed the Republic of Uzbekistan's long-term and short-term sovereign credit rating for foreign and local currency liabilities at the BB- level. The outlook was Stable.

The regulator pursues the inflation targeting policy aimed to reaching 5% by the end of 2027 and averaging around that level for an extended period. This is expected to be achieved in large part by imposing tighter requirements on liquidity, which should narrow down monetary base and loan portfolios of banks.

Influence of geopolitical events in the world. In February 2022, due to the conflict between the Russian Federation and Ukraine, numerous sanctions were announced against the Russian Federation by most Western countries. These sanctions are intended to have a negative economic impact on the Russian Federation. Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility in the currency markets, as well as a volatility of UZS against the US dollar and euro, however, this volatility stabilized by the end of 2022 and remained consistent throughout 2024.

On 25 July 2024, the Board of the Central Bank of the Republic of Uzbekistan decreased the CBU refinancing rate from 14% to 13.5%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

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For the purpose of managing country risk, the Bank controls transactions with counterparties within the limits set by the Bank's collegial body, which are reviewed regularly. The Group continues to assess the effect of these events and changes in economic conditions on its operations, financial position and financial performance. The future effects of the current economic situation taking into consideration the sanctions to the Russian government and the above measures are difficult to predict, and management's current expectations and estimates could differ from actual results.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards") under the historical cost convention except for certain financial instruments. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The Group is required to maintain its records and prepare its financial statements for regulatory purposes in accordance with Uzbekistan Accounting Legislation and related instructions ("UAL") which are in the process of harmonisation to reflect IFRS Accounting Standards. These consolidated financial statements are based on the Group's UAL books and records, adjusted and reclassified in order to fully comply with IFRS Accounting Standards.

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

Basis of consolidation. Subsidiary is the investee, that the Group controls because the Group (i) has power to direct relevant activities of the investee that significantly affect its returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. Subsidiary is consolidated from the date on which control is transferred to the Group and is deconsolidated from the date on which control ceases.

Profit or loss and each component of OCI are attributed to the owners of the Bank and to the non-controlling interests (NCI). Total comprehensive income of the subsidiaries is attributed to the owners of the Bank and to the NCI even if this results in the NCI having a deficit balance.

Financial instruments – key measurement terms. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price. The price within the bid-ask spread that is most representative of fair value in the circumstances was used to measure fair value, which management considers is the last trading price on the reporting date. The quoted market price used to value financial assets is the current bid price; the quoted market price for financial liabilities is the current asking price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 34.

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

(in millions of Uzbek Soums, unless otherwise indicated)

Financial assets – classification and subsequent measurement – measurement categories. The Group classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows"), or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL. Please refer to Note 4.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed. Refer to Note 4 for critical judgements applied by the Group in performing the SPPI test for its financial assets.

Financial assets impairment – credit loss allowance for ECL. The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability part of other liabilities in the consolidated statement of financial position.

The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 4 for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained further.

As an exception, for certain financial instruments, such as credit cards, that may include both a loan and an undrawn commitment component, the Group measures expected credit losses over the period that the Group is exposed to credit risk, that is, until the expected credit losses would be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. This is because contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to such contractual notice period.

An ECL measurement is based on four components used by the Group:

- Exposure at Default (EAD) - an estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.
- Probability of Default (PD) - an estimate of the likelihood of default to occur over a given time period.
- Loss Given Default (LGD) - an estimate of a loss arising on default. It is based on the difference between contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of EAD.
- Discount Rate - a tool to discount an expected loss from the present value at the reporting date. The discount rate represents the effective interest rate (EIR) for the financial instrument or an approximation thereof.

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Calculation of financial assets impairment was made taking into account the following factors:

- In order to calculate the expected credit losses, the Group performs loan assessment on an individual basis and on a collective basis depending on general credit risk features.
- Expected credit losses represent estimates of expected credit losses weighted at probability of a default and calculated as present value of all expected losses in amounts due. Calculations are based on justified and verified information, which may be received without any significant costs or efforts. Calculation of the present value of the expected future cash flows of the secured financial asset reflects the cash flow that may result from foreclosure, less the cost of obtaining and selling collateral, regardless of whether the recovery is probable or not. The allowance is based on the Group's own experience in assessing losses and the Management assumptions about the level of losses likely to be recognised on assets in each category of a credit risk, based on debt servicing capabilities and borrower's credit track record.
- Impairment for treasury operations (investments in debt securities, reverse repurchase transactions, interbank loans and deposits, correspondent account transactions, accounts receivable under treasury transactions) is calculated taking into account the counterparty's rating, probability of default, duration of a transaction and the extent of loss in case of a default.
- Assets classified at fair value through profit or loss are not subject to impairment under IFRS 9.

The estimated credit losses for treasury operations are estimated on an individual basis (except for individual claims in the form of receivables).

ECL for collective assessment of credit losses

For collective assessment of credit losses, loans and advances to customers including finance lease receivables are segmented by dividing the portfolio of assets into segments based on their credit risk characteristics and are classified by criteria for determining the transition between Stages 1, 2 and 3. As of each reporting date, the Group assesses the significance of changes in credit risk for financial instruments from the moment of initial recognition and classifies them into the appropriate Stages depending on the level of credit risk.

- a) Stage 1 classifies financial instruments that, in accordance with with IFRS 9 (clause 5.5.10) upon initial recognition had no signs of impairment and the risk of which has not increased significantly since the date of acquisition.
- b) For financial instruments classified in Stage 1, expected losses are defined as the 12-month expected credit losses following the recognition date, or reporting date, in the absence of a significant increase in credit risk financial instrument from the moment of its initial recognition.
- c) Stage 2 classifies financial instruments for which there has been a significant increase in credit risk since initial recognition. The increase in credit risk is determined for each financial instrument individually according to the transition criteria but not limited to them.
- d) Stage 3 classifies financial instruments for which one or more impairment events, that had a negative impact on the estimated future cash flows of such financial instrument, took place. In addition, acquired or originated credit-impaired loans are classified in stage 3 without the possibility of their reclassification into other Stages.

To achieve a greater level of detail in assessing credit risk, the Group uses a larger number of categories – 5 Buckets. In this case, 1 and 2 Buckets correspond Stages 1, 3 and 4 Buckets correspond to Stage 2, and 5 Bucket corresponds to Stage 3. Below is a list of criteria for determining classification and transition between Buckets. The presence of at least one criterion is sufficient to change the classification to reflect an increase in credit risk.

- a) Bucket 1: loans for which there is no SICR
 - All loans are classified into Bucket 1 upon initial recognition and remain in Bucket 1 unless a significant increase in the level of credit risk has been identified or until factors indicating a significant increase are identified, except for acquired or originated credit-impaired loans.
- b) Bucket 2: loans for which there is no SICR
 - Loans for which no significant increase in the level of credit risk has been identified, for which the number of days overdue on the principal debt or by interest is from 16 days to 30 days, inclusive.
- c) Bucket 3: loans for which SICR occurred
 - Loans for which the number of days of delay on the principal or interest is from 31 days to 60 days, inclusive;
 - Loans in the "substandard" category according to the Regulations on the CBU classification procedure;
 - Loans for which there were signs of loan loss as of the end the previous quarter due to the presence of one or more criteria moving to Bucket 3 or Bucket 4, and which as of the end of the current quarters (the "recovery" period is one quarter before the reporting quarter) do not have signs of credit quality deterioration.
- d) Bucket 4: loans for which SICR occurred
 - Loans for which the number of days overdue on the principal debt or by interest is from 61 days to 90 days, inclusive.

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e) Bucket 5: Credit impaired loans

- Loans for which the maximum number of days overdue on the principal debt or interest is more than 90 days;
- Loans in the categories of "unsatisfactory", "doubtful" and "hopeless" according to the Regulations on the classification procedure of the Central Bank of Uzbekistan;
- If the Bucket 5 sign appears for other financial assets of a borrower;

ECL for individually significant borrowers

An asset is assessed for impairment on an individual basis if the total debt of the borrower at the reporting date exceeds the materiality level. The level of materiality is determined as 1% of arithmetic average of the Group's total regulatory capital per National accounting standards for the last two years. The materiality level is analyzed at least once a year to assess its adequacy, as well as applicability, and based on the results of such analysis, the materiality level may be revised. At each reporting date, Risk Management Department determines a list of individually significant borrowers. For the purposes of determining this list, all debt owed by the borrower is considered in aggregate, that is, if the borrower has obligations under several loan agreements that were issued for different purposes, then the debt is defined as the sum of obligations under all of its agreements.

Risk Management Department (RMD), together with the relevant credit departments and the Loan Portfolio Monitoring Department, assesses whether there are signs of a significant increase in credit risk and impairment for each individually significant asset. Based on the results of the assessment at each reporting date, the RMD fills out a questionnaire for each individually significant borrower with the necessary explanations and comments to identify signs of a significant increase in credit risk. The questionnaire is being filled out based on the loan portfolio and information contained in monitoring reports and other information in the loan folder.

After determining whether there are signs of a significant increase in credit risk, as well as impairment, depending on the results of such analysis, the Group classifies the asset in question into one of the following stages:

Stage 1: "Loans with low credit risk"

- All loans are classified as Stage 1 upon initial recognition and remain in Stage 1, if no significant increase in the level of credit risk has been identified.

Stage 2: "Loans for which there has been an increase in credit risk":

- if the borrower has an external credit rating, actual or expected (based on reasonable and verifiable information) reduction in external the borrower's credit rating by 2 or more notches;
- violations of the terms of the contract, such as late payment from 31 to 90 calendar days days as of the reporting date;
- loans in the "substandard" category according to the Regulations on the classification procedure CBU;
- according to the latest monitoring report, for a significant loan there is a significant (by more than 50% of the amount of collateral at the date of initial recognition) decrease in the value of collateral for the loan, not related to commercial reasons;
- prolongation or restructuring of the loan more than once (except for cases when restructuring occurs within the repayment schedule) since the origination of the loan and last restructuring was observed during last six months;
- availability of information from the Bank about overdue debts in other credit organizations (if the Bank has information) on the principal debt and/or accrued interest of borrower from 31 to 90 calendar days;
- if auditor's report on the borrower's financial statements includes paragraph on material uncertainty related to going concern;
- involvement in legal proceedings of the borrower (co-borrower), which may worsen his financial condition.

Stage 3: "Credit-Impaired Loans":

- violation of the terms of the contract, such as default or late payment by 90 calendar days or more;
- availability of information from the Bank about overdue debts in other credit organizations (if the Bank has information) on the principal debt and/or accrued interest for 90 calendar days or more;
- event of default (i.e., cross default) on another financial asset of this borrower;
- loans in the categories of "unsatisfactory", "doubtful" and "hopeless" according to the Regulations on the classification procedure of the Central Bank of Uzbekistan;
- if there is an external credit rating, the borrower's rating is reduced to the rating "CC" and below, assigned by rating agencies;
- write-off of part and/or the entire amount of debt of the borrower's principal debt during previous 2 years;
- presence of significant financial difficulties of the borrower. Examples include actual significant decrease in revenue (more than 60%) or margin (more than 40%);
- loans that have been restructured since initial recognition (more than 1 time), while the net present value of future cash flows according to the new terms, discounted using the original effective interest rate (EIR), differs by more than 10% compared to present value of future cash flows before restructuring (except the

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- cases, where the financial condition of the borrower is stable and allows the borrower to repay the debt to the Bank, or when restructuring occurs by decision of higher authorities) until recovery lasting 6 months;
- lack of communication with the borrower, as well as lack of information allowing to determine the financial condition of the borrower over the past 12 months;
 - availability of information about the death of an individual borrower;
 - the borrower applies to the court to declare him bankrupt or files a claim
 - when a borrower is declared bankrupt according to Uzbekistan's laws or when there are loans with court decisions or ongoing legal proceedings (loans with court decision dates in the loan portfolio) by a third party;
 - revocation of a license or other title document for the conducting activities;
 - signs of impairment were present within the last six months (previous and reporting quarter).

The amount of expected credit losses for loans that are classified in Stage 1 and in Stage 2 is determined on a collective basis.

For each individually significant borrower in Stage 3, one of the following repayment strategies is determined:

- "Restructuring" strategy: restructuring the loan, revising credit conditions and developing an action plan that can allow the borrower to repay the loan;
- Strategy "Realization of collateral": liquidation of a loan by selling collateral.

The choice of the most appropriate strategy is determined based on the individual situation of the borrower, its availability and consent to cooperation, the availability of opportunities to restore activity, production or the possibility of eliminating the causes that caused losses and the inability to service the debt, the availability of funds from other business lines of the borrower, value, condition of pledges regarding debt and other factors.

In the event that the borrower incurs losses and the Group has no evidence of other sources of income and funds to service the debt, the strategy for selling collateral for the borrower is chosen.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Collateral. The Group obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of a lien over the customer's assets and gives the Group a claim on these assets for both existing and future customer liabilities.

Financial assets – derecognition. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability. Modifications of liabilities that do not result in extinguishment are accounted for using a cumulative catch-up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

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Cash and cash equivalents. Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include 100% of mandatory reserve deposits (the Group can use this amount for liquidity in any time but should save average amount for a day during the month) with the CBU and all interbank placements and reverse sale and repurchase agreements with other banks with original maturities of less than three months. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents. Cash and cash equivalents are carried at amortised cost.

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

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

Investments in debt securities. Based on the business model and the cash flow characteristics, the Group classifies investments in debt securities as carried at AC. Debt securities are carried at AC if they are held for collection of contractual cash flows and where those cash flows represent SPPI, and if they are not voluntarily designated at FVTPL in order to significantly reduce an accounting mismatch.

Premises and equipment. Premises and equipment are stated at cost, less accumulated depreciation and provision for impairment, where required.

Construction in progress is carried at cost, less any recognised impairment loss. Such construction in progress is classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation. Depreciation of premises and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	<u>Useful lives in years</u>
Building and leasehold improvements	Lower of primary lease period and 33
Office and computer equipment	5-10

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

Intangible assets. Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Group's intangible assets primarily comprise capitalised computer software. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring them to use. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalised computer software is amortised on a straight line basis over expected useful lives of five years.

Finance lease receivables. Where the Group is a lessor in a lease which transfers substantially all the risks and rewards incidental to ownership to the lessee, the assets leased out are presented as a finance lease receivable and carried at the present value of the future lease payments

The difference between the gross receivable and the present value represents unearned finance income.

Credit loss allowance is recognised in accordance with the general ECL model, the same way as for loans and advances including finance lease receivables measured at AC.

Non-current assets held for sale. Non – current assets held for sale assets are mainly represented by repossessed collateral which represent financial and non-financial assets acquired by the Group in settlement of overdue loans, in the ordinary operating course of the Group business

Non-current assets are assets that include amounts expected to be recovered or collected more than twelve months after the end of the reporting period. If reclassification is required, both the current and non-current portions of an asset are reclassified.

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Due to other banks. Due to banks are initially recognised at fair value. Subsequently, amounts due are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of profit or loss over the period of the borrowings, using the effective interest method as interest expense.

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

Debt securities in issue. Debt securities in issue include bonds and certificates of deposit issued by the Group. Debt securities are stated at amortised cost.

Other borrowed funds. Other borrowed funds include borrowings from government and non-government funds and financial institutions. Other borrowed funds are carried at amortised cost.

Subordinated debt. Subordinated debt can only be paid in the event of a liquidation after the claims of other higher priority creditors have been met. Subordinated debt is carried at amortised cost.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Financial guarantees. Financial guarantees require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised balance of the amount at initial recognition. In addition, an ECL loss allowance is recognised for fees receivable that are recognised in the statement of financial position as an asset. Note 4 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

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

Preference shares which carry a mandatory coupon or are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised as interest expense on an amortised cost basis, using the effective interest method.

Interest income and expense recognition. Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Interest income on lease receivables calculated at nominal interest rate is presented within 'other similar income' line in profit or loss.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents. Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination.

Fee and commission income. Fee and commission income is recognised over time on a straight-line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Group's performance. Such income includes recurring fees for account maintenance, account servicing fees, account subscription fees, etc. Variable fees are recognised only to the extent that management determines that it is highly probable that a significant reversal will not occur.

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Other fee and commission income is recognised at a point in time when the Group satisfies its performance obligation, usually upon execution of the underlying transaction. 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, as well as, commissions and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses. Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part of the loan package for itself or retains a part at the same effective interest rate as for the other participants.

Insurance activity. Insurance business is not material for the Group. Major insurance products are related to property insurance, transport insurance and credit insurance.

Non-life insurance operations. The Group divides contracts into portfolios. Each portfolio contains contracts from a single product. Additionally, contracts longer than one year and contracts with a coverage period up to one year are grouped in separate portfolios. Reinsurance held contracts are in separate portfolios. Portfolios are further divided into cohorts. A single cohort contains contracts from a given portfolio that shares the same calendar year for the first day of coverage. Because the profitability of contracts is not differentiated within each cohort, the cohort described above constitutes a Unit of Account.

Insurance revenue. Total insurance revenue over the group of insurance contracts lifetime represents compensation for services rendered under the contract. It's the amount of premiums paid to the organization, adjusted for the effect of financing, and excluding all investment components. The amount of insurance revenue is recognized in a period to depict the transfer of promised services at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services.

Insurance service expenses are the costs incurred in fulfilling service obligations as per the contract in current and previous periods. These expenses may also include expected claims and their subsequent recoveries. Insurance service expenses encompass incurred insurance claims, other expenses related to insurance services (included in the liability for incurred insurance claims or paid upon occurrence) as a separate item in the income statement, reflecting the outcome of providing insurance services. Additionally, insurance service expenses include all other changes in the liability for incurred insurance claims, unless related to investment components or financial risk, including discounting, amounts recognized on initial recognition and subsequent changes to the loss component of the remaining coverage obligation, and expenses reflecting the amortization of acquisition cash flows.

The Group conducts the following types of analysis to fulfill the required expense allocation:

- Direct expense analysis within the insurance subsidiary's database to identify expense items partially or entirely related to the execution of insurance contracts.
- Regular analysis of departmental functions within the insurance subsidiary to allocate expenses according to following types:
 - acquisition cash flows;
 - expenses for policy administration and servicing;
 - expenses for settling insurance claims.

The liability for insurance contracts (or a positive value: asset for insurance contracts) consists of the following components: the liability for the remaining coverage (including the loss component recognized using General Measurement Model-GMM), and the liability for incurred insurance claims. If the sum of these components results in a negative value at the level of the group of insurance contracts, it represents an asset for insurance contracts, which must be presented separately from the liability for insurance contracts.

Liability for incurred claims (LIC) – An entity's obligation related to past service allocated to the group of insurance contracts being recognized at the reporting date as a sum of:

- (a) best estimate of present value future cash flows

risk adjustment to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk;

Liability for remaining coverage (LRC) – An entity's obligation related to future service allocated to the group of insurance contracts being recognized at the reporting date as a sum of:

- (a) best estimate of present value future cash flows;
- (b) risk adjustment to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk;
- (c) contractual service margin that represents the unearned profit the entity will recognize as it provides insurance contract services in the future;

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Onerous contracts. An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow.

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

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

Segment reporting. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

Presentation of statement of financial position in order of liquidity. The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Refer to Note 36 for analysis of financial instruments by their maturity.

JOINT STOCK COMMERCIAL BANK
“UZBEK INDUSTRIAL AND CONSTRUCTION BANK” AND ITS SUBSIDIARIES

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The following table provides information on amounts expected to be recovered or settled within and after twelve months after the reporting period for items that are not analyzed in Note 36.

31 December 2024	31 December 2024			31 December 2023		
	Amounts expected to be recovered or settled Within 12 months after the reporting period	After 12 months after the reporting period	Total	Amounts expected to be recovered or settled Within 12 months after the reporting period	After 12 months after the reporting period	Total
Assets						
Investment in associates	-	122,008	122,008	-	77,814	77,814
Premises and equipment	-	3,874,808	3,874,808	-	3,340,418	3,340,418
Intangible assets	-	96,172	96,172	-	67,945	67,945
Deferred tax asset	-	305,078	305,078	-	203,571	203,571
Reinsurance contract assets	-	75,715	75,715	-	20,334	20,334
Other assets	-	294,858	294,858	-	147,845	147,845
Non-current assets held for sale	666,325	-	666,325	179,555	-	179,555
Liabilities						
Insurance contract liabilities	-	269,909	269,909	-	157,745	157,745
Other liabilities	-	74,340	74,340	-	247,059	247,059

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

Monetary assets and liabilities are translated into Group's functional currency at the official exchange rate of the CBU at the end of respective reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into Group's functional currency at year-end official exchange rates of the CBU are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined.

As at 31 December 2024, the rate of exchange used for translating foreign currency balances was USD 1 = 12,920.48 (2023: USD 1 = UZS 12,338.77) and EUR 1 = UZS 13,436.01 (2023: EUR 1 = UZS 13,731.82).

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4. SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS IN ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year are explained below.

Loss on initial recognition: Loss on initial recognition from loans issued includes losses from loans issued at below market interest rates. As a state-owned bank, the Group may be instructed to issue below market rate loans, thus losses from issue of such loans are recognized through equity, if the amount of such losses is significant at reporting date.

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. Details of ECL measurement methodology are disclosed in Note 3. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

For the purpose of measurement of ECL the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. The Group incorporates forward-looking information into a measurement of ECL when there is a statistically proven correlation between the macro-economic variables and defaults. As at the reporting date the Group has obtained quarterly values for macroeconomic variables: GDP growth rate, inflation, unemployment rates, aligned them with quarterly default rates across all loan portfolios and performed statistical tests for correlation considering different time lags. The Management analyzed forward-looking information, and results produced by analysis did not show reasonable relationship between PD rates and macroeconomic factors, thus it was concluded that effect of macro was not significant as at 31 December 2024. The Management updates its statistical tests for correlation as at each reporting date.

The most significant forward-looking assumptions that used in the analysis were as follows at 31 December 2024:

Variable	Scenario	Assigned weight	Assumption for:				
			2024	2025	2026	2027	2028
GDP Growth rate	Scenario 1	0%					
	Base	100%	6.55%	5.70%	5.70%	5.70%	5.70%
	Scenario 3	0%					
Unemployment rate	Scenario 1	0%					
	Base	100%	7.68%	8.50%	8.00%	7.50%	7.50%
	Scenario 3	0%					
CPI rate	Scenario 1	0%					
	Base	100%	9.80%	7.90%	6.50%	5.00%	5.00%
	Scenario 3	0%					

The assumptions and assigned weights were as follows at 31 December 2023:

Variable	Scenario	Assigned weight	Assumption for:				
			2023	2024	2025	2026	2027
GDP Growth rate	Scenario 1	0%					
	Base	100%	5.13%	5.70%	5.70%	5.70%	5.70%
	Scenario 3	0%					
Unemployment rate	Scenario 1	0%					
	Base	100%	6.81%	7.68%	8.50%	8.00%	7.50%
	Scenario 3	0%					
CPI rate	Scenario 1	0%					
	Base	100%	9.50%	9.00%	6.30%	6.00%	6.00%
	Scenario 3	0%					

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The main assumption related to the weighting of the scenarios was related to the reliability of the information, i.e. IMF is considered the most reliable and available information (information from IMF is easily accessible – usually publicly available). Given the comparatively lower reliability and limited availability of data from other sources, it was considered unnecessary to include them in the analysis. Consequently, a 100% weighting was assigned to the base scenario based on IMF data.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition.

The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Group considers all reasonable and supportable forward-looking information available without undue cost and effort and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

As explained in Note 3, ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL assets for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

For treasury operations, the Group calculates ECL on a financial asset based not only on the current estimates of the credit quality of the counterparty/issuer at the reporting date but also taking into account possible deterioration of the financial condition due to the adverse macroeconomic factors of the counterparty's/issuer's environment in the future. In particular, the level of ECL for treasury operations is affected by the rating outlook (positive, stable, negative) assigned by international rating agencies, which affects the probability of default ("PD").

For loans to customers, the calculation of ECL takes into account the possible estimated effects of changes in macroeconomic parameters on forecasted cash flows, migration of collective loans and collateral coverage. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

A 10% increase or decrease in PD estimates would result in an increase or decrease in total expected credit loss allowances of UZS 143,015 million at 31 December 2024 (31 December 2023: increase or decrease of UZS 142,514 million).

A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of UZS 288,270 million at 31 December 2024 (31 December 2023: increase or decrease of UZS 232,814 million).

Insurance of own credit risk. The Group owns an insurance subsidiary, which provided credit risk insurance for some of the loans issued by the Group. The borrowers of the Group have a right to choose an insurance company based on their preferences and CBU instruction #3030 dated 2 July 2018 prohibits banks to limit rights of the borrowers to choose insurance companies. Moreover, the borrowers are entitled to replace the insurance-based collateral with another insurer even if an initial agreement was signed with the Group's insurance subsidiary. The maturity of insurance policies generally does not match with loan maturity terms. Based on facts mentioned above, it is management judgement that the credit risk insurance policies issued by the Group's wholly owned subsidiary insurance company are accounted for separately from the related loan agreements.

Other borrowed funds. 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. The Management has considered whether gains or losses should arise on initial recognition of these instruments and its judgment is that these funds are at the market rates and no initial recognition gains or losses should arise. In making this judgment the Management also considered that these instruments are a separate market sector.

5. ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

The following amendments became effective from 1 January 2024:

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.

Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024). These amendments clarify when liabilities are classified as either current or non-current. As

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most financial institutions, the Group presents its statement of financial position ordered by liquidity rather than classifying its assets and liabilities as current or non-current. Therefore, this amendment had no impact on these consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023). In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements.

The application of the above amendments had no significant impact on the Group's consolidated financial statements.

6. NEW ACCOUNTING PRONOUNCEMENTS

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025). In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. The Group is currently assessing the impact of the amendments on its financial statements.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group is currently assessing the impact of the amendments on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

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

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The Group is currently assessing the impact of the amendments on its financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. The Group is not eligible to apply the reduced disclosure requirements introduced by this standard.

IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014). IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt

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IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard will be effective from a date that is yet to be determined by the IASB.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. In 2015, the IASB decided to postpone the effective date of these amendments indefinitely.

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026). IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements. However, the Group will continue to monitor developments and will assess further should any relevant indicators arise.

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7. SEGMENT REPORTING

Operating segments are components of the Group that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision makers (CODM) and for which discrete financial information is available. The CODM of the group is the Management Board. The Management Board regularly uses financial information based on IFRS for operational decision-making and resource allocation.

The main measure of the profit or loss of a segment corresponds to the IFRS based financial information, adjusted for any relevant items that are specifically identified with the segment and are included in the measurement of profit or loss in accordance with IFRS.

The Group operates solely in Uzbekistan and its consolidated revenue comprises interest income, fee and commission income and other operating income which are concentrated on the domestic market, as such, does not have separate geographical segments.

(a) Description of products and services from which each reportable segment derives its revenue.

The Group is organized on the basis of two main business segments – corporate banking which represents direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products and retail banking which represents private banking services, private customer current accounts, savings, deposits and debit cards, consumer loans. The Group does not have a single customer which Group earns over 10% its income.

(b) Information about reportable segment profit or loss, assets, and liabilities

Segment information for the reportable segments for the period ended 31 December 2024 is set out below:

	31 December 2024		
	Corporate	Individuals	Total
Assets			
Cash and cash equivalents	6,351,068	174,792	6,525,860
Loans and advances to customers including finance lease receivables	56,886,321	9,589,511	66,475,832
Due from other banks	1,707,029	-	1,707,029
Investment in debt securities	4,364,719	-	4,364,719
Total reportable segment assets	69,309,137	9,764,303	79,073,440
Liabilities			
Due to other banks	2,819,710	-	2,819,710
Customer accounts	13,837,273	7,266,428	21,103,701
Other borrowed funds	39,832,456	691	39,833,147
Debt securities in issue	9,055,263	-	9,055,263
Total reportable segment liabilities	65,544,702	7,267,119	72,811,821

Segment information for the reportable segments for the year ended 31 December 2023 is set out below:

	31 December 2023		
	Corporate	Individuals	Total
Assets			
Cash and cash equivalents	6,811,546	154,348	6,965,894
Loans and advances to customers including finance lease receivables	50,094,273	7,913,965	58,008,238
Due from other banks	1,778,707	-	1,778,707
Investment securities	2,093,415	-	2,093,415
Total reportable segment assets	60,777,941	8,068,313	68,846,254
Liabilities			
Due to other banks	5,818,951	-	5,818,951
Customer accounts	9,825,132	4,503,550	14,328,682
Other borrowed funds	37,628,622	5,113	37,633,735
Debt securities in issue	4,970,366	-	4,970,366
Total reportable segment liabilities	58,243,071	4,508,663	62,751,734

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The cash management is performed by Treasury Department to support liquidity of the Bank as a whole.

	31 December 2024		
	Corporate	Individuals	Total
Interest income			
Interest on Loans and advances to customers including finance lease receivables	6,300,632	1,821,101	8,121,733
Interest on balances Due from other banks	399,825	-	399,825
Interest on balances Cash and cash equivalents	18,615	-	18,615
Interest on investment securities	501,245	-	501,245
Interest expense			
Interest on balances Due to other banks	(510,246)	-	(510,246)
Interest on Customer accounts	(753,929)	(717,284)	(1,471,213)
Interest on Other borrowed funds	(2,730,238)	-	(2,730,238)
Interest on Debt securities in issue	(688,396)	-	(688,396)
Interest on subordinated debt	(98,820)	-	(98,820)
Segment results	2,438,688	1,103,817	3,542,505

	31 December 2023		
	Corporate	Individuals	Total
Interest income			
Interest on Loans and advances to customers including finance lease receivables	5,192,646	1,249,917	6,442,563
Interest on balances Due from other banks	375,019	-	375,019
Interest on balances Cash and cash equivalents	11,417	-	11,417
Interest on investment securities	392,462	-	392,462
Interest expense			
Interest on balances Due to other banks	(396,344)	-	(396,344)
Interest on Customer accounts	(501,170)	(641,281)	(1,142,451)
Interest on Other borrowed funds	(2,232,828)	-	(2,232,828)
Interest on Debt securities in issue	(259,206)	-	(259,206)
Interest on subordinated debt	(49,270)	-	(49,270)
Segment results	2,532,726	608,636	3,141,362

(c) Reconciliation of income and expenses, assets, and liabilities for reportable segments:

	31 December 2024	31 December 2023
Total reportable segment assets	79,073,440	68,846,254
Financial assets at fair value through other comprehensive income	146,012	119,217
Investment in associates	122,008	77,814
Premises and equipment	3,874,808	3,340,418
Intangible assets	96,172	67,945
Current income tax prepayment	-	238,871
Derivative financial assets	33,149	51,499
Deferred tax asset	305,078	203,571
Reinsurance contract assets	75,715	20,334
Other assets	407,461	147,845
Non-current assets held for sale	666,325	179,555
Total assets	84,800,168	73,293,323
Total reportable segment liabilities	72,811,821	62,751,734
Derivative financial liabilities	122,982	-
Insurance contract liabilities	269,909	157,745
Other liabilities	258,488	247,059
Subordinated debt	1,984,144	1,696,854
Total liabilities	75,447,344	64,853,392

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	2024	2023
Segment results	3,542,505	3,141,362
Credit loss allowance for loans and advances to customers including finance lease receivables	(1,481,544)	(1,133,383)
Loss on initial recognition on interest bearing assets	(4,855)	(8,063)
Fee and commission income	567,788	515,905
Fee and commission expense	(157,198)	(132,060)
Gains less losses from financial derivatives	(62,275)	(233,476)
Net gain on foreign exchange translation	(19,958)	98,311
Net gain from trading in foreign currencies	1,054,505	462,964
Insurance revenue (excluding reinsurance business)	129,464	90,867
Insurance service expenses (excluding reinsurance business)	(82,963)	(79,049)
Reinsurance business	(17,427)	(12,959)
Finance income (expenses) from insurance contracts (net)	(20,136)	(16,044)
Dividend income	3,160	11,251
Other operating income	28,275	27,371
Recovery of / (provision for) credit losses on other assets	(68,287)	14,879
Impairment of assets held for sale	(79,200)	(6,402)
Administrative and other operating expenses	(1,948,386)	(1,670,778)
Share of result from associates	(115)	381
Profit before tax	1,383,353	1,071,077
Income tax expense	(268,328)	(214,923)
PROFIT FOR THE PERIOD	1,115,025	856,154

8. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Correspondent accounts and placements with other banks original maturities of less than three months	3,334,083	3,057,468
Cash on hand	1,603,051	1,495,017
Mandatory cash balances with CBU	825,094	-
Reverse sale and repurchase agreements with other banks with original maturities of less than three months	451,663	-
Cash balances with the CBU (other than mandatory reserve deposits)	312,552	2,413,511
Less: Allowance for expected credit losses	(583)	(102)
Total cash and cash equivalents	6,525,860	6,965,894

As at 31 December 2024, the Group had three correspondent accounts with aggregate amounts 2,300 million UZS. The Bank has engaged in short-term repurchase agreements with Aloqabank, Infinbank and Xalq bank.

Cash and cash equivalents include balances held with Asia Invest Bank, a subsidiary of the largest bank in Uzbekistan. These funds are fully accessible, with no restrictions or limitations on their use.

Cash balances with the CBU are maintained at a level to ensure compliance with the CBU liquidity ratio. Mandatory cash balances with CBU have been included inside cash and cash equivalents at 31 December 2024 due to change in regulation related to calculation of mandatory cash balances, which allowed banks to use the whole amount of mandatory cash balance with requirement to keep average daily amount at not less than required mandatory reserve amount during the month. The Group satisfied the requirement to keep average daily balance of mandatory reserves, thus recognized the whole mandatory cash balances with CBU inside cash and cash equivalents.

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The credit quality of cash and cash equivalents at 31 December 2024 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and placements with other banks with original maturities of less than three months	Mandatory cash balances with CBU	Reverse sale and repurchase agreements with other banks with original maturities of less than three months	Total
- Central Bank of Uzbekistan	312,552	-	825,094	-	1,137,646
- Rated Aa1 to Aa3	-	260,915	-	-	260,915
- Rated A1 to A3	-	1,855,242	-	-	1,855,242
- Rated Baa1 to Baa3	-	863	-	-	863
- Rated Ba1 to Ba3	-	1,217,009	-	451,663	1,668,672
- Rated B1 to B3	-	10	-	-	10
- Unrated	-	44	-	-	44
Less: Allowance for expected credit losses	(7)	(548)	(18)	(10)	(583)
Total cash and cash equivalents, excluding cash on hand	312,545	3,333,535	825,076	451,653	4,922,809

The credit quality of cash and cash equivalents at 31 December 2023 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and placements with other banks with original maturities of less than three months	Total
- Central Bank of Uzbekistan	2,413,511	-	2,413,511
- Rated Aa1 to Aa3	-	1,234,500	1,234,500
- Rated A1 to A3	-	1,331,758	1,331,758
- Rated Baa1 to Baa3	-	2,475	2,475
- Rated Ba1 to Ba3	-	488,727	488,727
- Rated B1 to B3	-	3	3
- Unrated	-	5	5
Less: Allowance for expected credit losses	(53)	(49)	(102)
Total cash and cash equivalents, excluding cash on hand	2,413,458	3,057,419	5,470,877

The credit rating is based on the rating agency Moody's (if available) or the rating agencies Standard & Poor's and Fitch, which are converted to the nearest equivalent value on the Moody's rating scale. The Group applied conservative assumptions by using worst-case probability of default (PD) and loss given default (LGD) parameters when assessing credit risk on balances held with unrated banks.

As at 31 December 2024 for the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. Interest rate analysis of cash and cash equivalents is disclosed in Note 36. Information on related party balances is disclosed in Note 37.

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9. DUE FROM OTHER BANKS

	31 December 2024	31 December 2023
Placements with other banks with original maturities of more than three months	1,609,094	1,557,826
Restricted cash	121,169	83,479
Mandatory cash balances with CBU	-	173,697
Less: Allowance for expected credit losses	(23,234)	(36,295)
Total due from other banks	1,707,029	1,778,707

Restricted cash represents balances on correspondent accounts with foreign banks placed by the Group on behalf of its customers. The Group does not have the right to use these funds for the purpose of funding its own activities. Mandatory cash balances with CBU have been transferred to cash and cash equivalents at 31 December 2024 due to change in regulation. The explanation has been provided in Note 8.

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

	Placements with other banks with original maturities of more than three months	Restricted cash	Total
- Central Bank of Uzbekistan	-	-	-
- Rated Aa1 to Aa3	13,567	-	13,567
- Rated A1 to A3	-	121,112	121,112
- Rated Ba2	-	-	-
- Rated Ba3	1,234,295	57	1,234,352
- Rated B1	295,429	-	295,429
- Rated B2	16,746	-	16,746
- Rated B3	2,037	-	2,037
- Unrated	47,020	-	47,020
Less: Allowance for expected credit losses	(23,231)	(3)	(23,234)
Total due from other banks	1,585,863	121,166	1,707,029

At 31 December 2024 the Group had balances with nine counterparty banks (31 December 2023: ten counterparty banks) with aggregated amounts above UZS 20,000 million. The total aggregate amount of these deposits was UZS 1,220,894 million (31 December 2023: UZS 1,523,310 million) or 72% of the total amount due from other banks (31 December 2023: 84%).

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

	Mandatory cash balances with CBU	Placements with other banks with original maturities of more than three months	Restricted cash	Total
- Central Bank of Uzbekistan	173,697	-	-	173,697
- Rated A1 to A3	-	-	82 568	82 568
- Rated Ba3	-	1 275 355	50	1 275 405
- Rated B1	-	82 690	-	82 690
- Rated B2	-	162 081	-	162 081
- Rated B3	-	398	-	398
- Unrated	-	37 302	861	38 163
Less: Allowance for expected credit losses	(116)	(36,177)	(2)	(36,295)
Total due from other banks	173,581	1,521,649	83,477	1,778,707

The credit rating is based on the rating agency Moody's (if available) or the rating agencies Standard & Poor's and Fitch, which are converted to the nearest equivalent value on the Moody's rating scale. The Group applied conservative approach by using worst-case probability of default (PD) and loss given default (LGD) rates disclosed in rating agency's report when assessing credit risk on balances held with unrated banks.

Refer to Note 34 for the disclosure of the fair value of due from banks and interest rate analysis is disclosed in Note 36. Information on related party balances is disclosed in Note 37. Refer to Note 30 for the ECL movement.

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10. LOANS AND ADVANCES TO CUSTOMERS INCLUDING FINANCE LEASE RECEIVABLES

The Bank uses the following classification of loans:

- Loans to state and municipal organisations - loans issued to clients wholly owned by the Government of the Republic of Uzbekistan and budget organisations;
- Corporate loans - loans issued to clients other than government entities and private entrepreneurs;
- Loans to individuals - loans issued to individuals for consumption purposes, for the purchase of residential houses and flats and loans issued to private entrepreneurs without forming legal entity.

Loans and advances to customers including finance lease receivables comprise:

	31 December 2024	31 December 2023
Corporate loans	45,351,774	37,814,200
State and municipal organisations	14,274,010	14,572,496
Loans to individuals	10,146,237	8,021,079
Total loans and advances to customers including finance lease receivables, gross	69,772,021	60,407,775
Less: Allowance for expected credit losses	(3,296,189)	(2,399,537)
Total loans and advances to customers including finance lease receivables	66,475,832	58,008,238

As at 31 December 2024, the Group had 17 borrowers (31 December 2023: 16 borrowers) with aggregate loan amounts which exceeded 10% of the Group's equity. The total aggregate amount of these loans was UZS 22,381,944 million (31 December 2023: UZS 20,498,189 million).

The table below represents loans and advances to customer's classification by stages:

	31 December 2024	31 December 2023
Originated loans to customers	69,624,864	60,275,550
Overdrafts	147,157	132,225
Total loans and advances to customers including finance lease receivables, gross	69,772,021	60,407,775
Stage 1	46,779,451	47,967,352
Stage 2	18,906,953	9,536,058
Stage 3	4,085,617	2,904,365
Total loans and advances to customers including finance lease receivables, gross	69,772,021	60,407,775
Less: Allowance for expected credit losses	(3,296,189)	(2,399,537)
Total loans and advances to customers including finance lease receivables	66,475,832	58,008,238

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The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans and advances including finance lease receivables presented by classifications between the beginning and the end of the reporting period:

	Credit Loss Allowance			Gross Carrying Amount		
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Corporate loans						
As at 1 January 2024	237,229	641,149	1,297,934	26,130,681	8,866,688	2,816,831
<i>Movements with impact on credit loss allowance charge for the period:</i>						
Changes in the gross carrying amount						
- Transfer from stage 1	(91,466)	73,369	18,097	(8,006,288)	6,651,620	1,354,668
- Transfer from stage 2	99,064	(181,481)	82,417	1,362,905	(2,566,879)	1,203,974
- Transfer from stage 3	100,831	184,831	(285,662)	275,700	424,791	(700,491)
- Changes in EAD and risk parameters*	(39,795)	575,666	23,539	(4,262,271)	2,412,496	58,641
New assets issued or acquired	381,304	-	-	17,103,111	-	-
Matured or derecognized assets (except for write off)	(31,432)	(14,108)	(42,721)	(6,759,723)	(347,057)	(567,459)
Total movements with impact on credit loss allowance charge for the period	418,506	638,277	(204,330)	(286,566)	6,574,971	1,349,333
<i>Movements without impact on credit loss allowance charge for the period:</i>						
Written off assets	-	-	(584,726)	-	-	(584,726)
Foreign exchange differences	3,213	7,146	12,344	334,846	113,620	36,096
Loss allowance for ECL and Gross Carrying as at 31 December 2024	658,948	1,286,572	521,222	26,178,961	15,555,279	3,617,534
						45,351,774

*The line "Changes in EAD and risk parameters" under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during 2024 and transfers of new issued loans between stages.

*The line "Changes in EAD and risk parameters" under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
State and municipal organisations								
As at 1 January 2024	109,738	6,373	-	116,111	14,170,248	402,248	-	14,572,496
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(21,738)	21,585	153	-	(2,266,623)	2,252,854	13,769	-
- Transfer from stage 2	-	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-
- Changes in EAD and risk parameters*	(19,258)	85,439	260	66,441	(1,783,813)	318,525	1,369	(1,463,919)
New assets issued or acquired	121,606	-	-	121,606	7,167,153	-	-	7,167,153
Matured or derecognized assets (except for write off)	(31,824)	(4,941)	-	(36,765)	(6,017,051)	(349,496)	-	(6,366,547)
Total movements with impact on credit loss allowance charge for the period	48,786	102,083	413	151,282	(2,900,334)	2,221,883	15,138	(663,313)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Foreign exchange differences	4,912	416	-	5,328	354,757	10,070	-	364,827
Loss allowance for ECL and Gross Carrying as at 31 December 2024	163,436	108,872	413	272,721	11,624,671	2,634,201	15,138	14,274,010

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	Credit Loss Allowance			Gross Carrying Amount		
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Loans to individuals						
As at 1 January 2024	44,997	20,568	41,549	107,114	7,666,423	87,534
<i>Movements with impact on credit loss allowance charge for the period:</i>						
Changes in the gross carrying amount						
- Transfer from stage 1	(4,505)	3,170	1,335	-	(591,955)	147,513
- Transfer from stage 2	6,162	(11,609)	5,447	-	88,009	65,526
- Transfer from stage 3	6,539	7,379	(13,918)	-	15,381	(32,600)
- Changes in EAD and risk parameters*	(16,534)	26,457	102,579	112,502	(1,311,572)	221,477
New assets issued or acquired	375,086	-	-	375,086	3,949,776	-
Matured or derecognized assets (except for write off)	(4,720)	(1,378)	(3,681)	(9,779)	(840,244)	(8,308)
Total movements with impact on credit loss allowance charge for the period	362,028	24,019	91,762	477,809	1,309,395	393,608
<i>Movements without impact on credit loss allowance charge for the period:</i>						
Written off assets	-	-	(28,197)	(28,197)	-	(28,197)
Loss allowance for ECL and Gross Carrying as at 31 December 2024	407,025	44,587	105,114	556,726	8,975,818	452,945
						10,146,237

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The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances to customers including finance lease receivables between the 1 January 2023 and 31 December 2023:

	Credit Loss Allowance			Gross Carrying Amount		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	12-month ECL	Lifetime ECL	Lifetime ECL	12-month ECL	Lifetime ECL	Lifetime ECL
Corporate loans						
As at 1 January 2023	312,367	273,865	1,840,048	22,016,654	5,672,749	3,672,995
<i>Movements with impact on credit loss allowance charge for the period:</i>						
Changes in the gross carrying amount						
- Transfer from stage 1	(69,422)	55,893	13,529	(4,229,054)	3,485,974	743,080
- Transfer from stage 2	51,411	(84,616)	33,205	873,121	(1,454,794)	581,673
- Transfer from stage 3	97,266	141,001	(238,267)	198,302	305,326	(503,628)
- Changes in EAD and risk parameters*	(334,130)	302,357	1,374,894	(3,928,860)	1,662,449	(14,391)
New assets issued or acquired	254,566	-	-	15,788,726	-	-
Matured or derecognized assets (except for write off)	(82,940)	(54,462)	(104,857)	(6,519,422)	(1,302,607)	(316,682)
Total movements with impact on credit loss allowance charge for the period	(83,249)	360,173	1,078,504	2,182,813	2,696,348	490,052
<i>Movements without impact on credit loss allowance charge for the period:</i>						
Written off assets	-	-	(1,668,397)	-	-	(1,668,397)
Foreign exchange differences	8,111	7,111	47,779	1,931,214	497,591	322,181
Loss allowance for ECL and Gross Carrying as at 31 December 2023	237,229	641,149	1,297,934	26,130,681	8,866,688	2,816,831
			2,176,312			37,814,200

*The line "Changes in EAD and risk parameters" under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during 2023 and transfers of new issued loans between stages.

*The line "Changes in EAD and risk parameters" under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
State and municipal organisations								
As at 1 January 2023	108,869	273,773	9,391	392,033	12,615,316	1,741,219	12,464	14,368,999
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(1,020)	1,020	-	-	(214,886)	214,886	-	-
- Transfer from stage 2	269,768	(269,768)	-	-	1,655,737	(1,655,737)	-	-
- Transfer from stage 3	-	9,391	(9,391)	-	-	12,464	(12,464)	-
- Changes in EAD and risk parameters*	(271,926)	(4,168)	14,659	(261,435)	(2,481,412)	44,566	13,835	(2,423,011)
New assets issued or acquired	23,630	-	-	23,630	4,795,577	-	-	4,795,577
Matured or derecognized assets (except for write off)	(19,635)	(4,005)	-	(23,640)	(3,038,109)	(70,818)	-	(3,108,927)
Total movements with impact on credit loss allowance charge for the period	817	(267,530)	5,268	(261,445)	716,907	(1,454,639)	1,371	(736,361)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Written off assets	-	-	(14,663)	(14,663)	-	-	(14,663)	(14,663)
Foreign exchange differences	52	130	4	186	838,025	115,668	828	954,521
Loss allowance for ECL and Gross Carrying as at 31 December 2023	109,738	6,373	-	116,111	14,170,248	402,248	-	14,572,496

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	Credit Loss Allowance			Gross Carrying Amount				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
Loans to individuals								
As at 1 January 2023	29,012	8,738	21,836	59,586	5,339,938	128,469	98,584	5,566,991
Movements with impact on credit loss allowance charge for the period:								
Changes in the gross carrying amount								
- Transfer from stage 1	(1,043)	861	182	-	(191,869)	158,379	33,490	-
- Transfer from stage 2	4,374	(5,788)	1,414	-	67,031	(83,098)	16,067	-
- Transfer from stage 3	5,257	4,152	(9,409)	-	33,611	19,838	(53,449)	-
- Changes in EAD and risk parameters*	(26,237)	13,469	27,536	14,768	(657,205)	55,457	(1,540)	(603,288)
New assets issued or acquired	37,346	-	-	37,346	3,757,917	-	-	3,757,917
Matured or derecognized assets (except for write off)	(3,712)	(864)	(8,138)	(12,714)	(683,000)	(11,923)	(13,746)	(708,669)
Total movements with impact on credit loss allowance charge for the period	15,985	11,830	11,585	39,400	2,326,485	138,653	(19,178)	2,445,960
Movements without impact on credit loss allowance charge for the period:								
Recovery of assets previously written off	-	-	20,999	20,999	-	-	20,999	20,999
Written off assets	-	-	(12,871)	(12,871)	-	-	(12,871)	(12,871)
Loss allowance for ECL and Gross Carrying as at 31 December 2023	44,997	20,568	41,549	107,114	7,666,423	267,122	87,534	8,021,079

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Economic sector risk concentrations within the loans and advances to customers including finance lease receivables are as follows:

	31 December 2024		31 December 2023	
	Amount	%	Amount	%
Manufacturing	29,923,003	43%	22,529,199	37%
Individuals	10,146,237	15%	8,021,079	13%
Trade & Services	9,501,824	14%	7,342,466	12%
Oil and gas & chemicals	9,449,166	14%	11,052,861	18%
Agriculture	3,246,744	5%	3,572,134	6%
Energy	2,855,836	4%	2,982,969	5%
Transport and communication	2,455,932	3%	3,269,401	5%
Construction	2,193,279	2%	1,637,666	4%
Total loans and advances to customers including finance lease receivables, gross	69,772,021	100%	60,407,775	100%
Less: Allowance for expected credit losses	(3,296,189)		(2,399,537)	
Total loans and advances to customers including finance lease receivables	66,475,832		58,008,238	

During 2024, the Group issued a below market loan with amount of UZS 627,000 million, which resulted in an initial recognition loss of UZS 267,663 million. Since the loan was issued under government instructions, the loss has been recognized through equity directly.

Information about loans and advances to individuals as at year end are as follows:

	31 December 2024	31 December 2023
Mortgage	5,993,097	5,260,581
Microloan	3,223,773	1,819,198
Car Loan	472,053	661,671
Consumer Loans	457,314	279,497
Other	-	132
Total loans and advances to individuals, gross	10,146,237	8,021,079
Less: Allowance for expected credit losses	(556,726)	(107,114)
Total loans and advances to individuals	9,589,511	7,913,965

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The credit quality of loans to customers carried at amortized cost is as follows at 31 December 2024:

31 December 2024	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Corporate loans				
Standard	26,178,961	5,228,960	966,571	32,374,492
Substandard	-	10,326,319	542,545	10,868,864
Unsatisfactory	-	-	1,091,298	1,091,298
Doubtful	-	-	492,704	492,704
Loss	-	-	524,416	524,416
Gross carrying amount	26,178,961	15,555,279	3,617,534	45,351,774
Credit loss allowance	(251,180)	(978,276)	(1,237,286)	(2,466,742)
Carrying amount	25,927,781	14,577,003	2,380,248	42,885,032
State and municipal organisations				
Standard	11,624,671	2,629,883	-	14,254,554
Substandard	-	4,318	-	4,318
Unsatisfactory	-	-	15,138	15,138
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	11,624,671	2,634,201	15,138	14,274,010
Credit loss allowance	(160,969)	(108,873)	(2,879)	(272,721)
Carrying amount	11,463,702	2,525,328	12,259	14,001,289
Loans to individuals				
Standard	8,975,818	205,108	46,686	9,227,612
Substandard	-	512,366	35,290	547,656
Unsatisfactory	-	-	219,723	219,723
Doubtful	-	-	135,452	135,452
Loss	-	-	15,794	15,794
Gross carrying amount	8,975,818	717,474	452,945	10,146,237
Credit loss allowance	(173,623)	(178,528)	(204,575)	(556,726)
Carrying amount	8,802,195	538,946	248,370	9,589,511

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The credit quality of loans to customers carried at amortized cost is as follows at 31 December 2023:

31 December 2023	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Corporate loans				
Standard	26,130,681	2,440,295	823,972	29,394,948
Substandard	-	6,426,393	503,235	6,929,628
Unsatisfactory	-	-	560,899	560,899
Doubtful	-	-	883,814	883,814
Loss	-	-	44,911	44,911
Gross carrying amount	26,130,681	8,866,688	2,816,831	37,814,200
Credit loss allowance	(237,229)	(641,149)	(1,297,934)	(2,176,312)
Carrying amount	25,893,452	8,225,539	1,518,897	35,637,888
State and municipal organisations				
Standard	14,170,248	396,473	-	14,566,721
Substandard	-	5,775	-	5,775
Unsatisfactory	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	14,170,248	402,248	-	14,572,496
Credit loss allowance	(109,738)	(6,373)	-	(116,111)
Carrying amount	14,060,510	395,875	-	14,456,385
Loans to individuals				
Standard	7,666,423	127,981	24,855	7,819,259
Substandard	-	139,141	15,352	154,493
Unsatisfactory	-	-	20,278	20,278
Doubtful	-	-	27,003	27,003
Loss	-	-	46	46
Gross carrying amount	7,666,423	267,122	87,534	8,021,079
Credit loss allowance	(44,997)	(20,568)	(41,549)	(107,114)
Carrying amount	7,621,426	246,554	45,985	7,913,965

Information about collateral as at 31 December 2024 are as follows:

31 December 2024	State and municipal organisations	Corporate loans	Loans to individuals	31 December 2024
Loan with other credit enhancement:				
Letters of surety	3,990,905	14,714,777	1,717,987	20,423,669
State guarantee	6,009,436	-	-	6,009,436
Loans collateralized by:				
Real estate	525,793	15,304,909	5,631,949	21,462,651
Insurance policy	7,518	8,455,069	2,387,070	10,849,657
Equipment	122,947	5,806,929	-	5,929,876
Inventory and other receivables	3,488,117	608,482	143,020	4,239,619
Cash deposits	-	14,243	1,500	15,743
Vehicles	16,802	337,915	264,711	619,428
Equity securities	112,492	-	-	112,492
Not collateralized	-	109,450	-	109,450
Total loans and advances to customers including finance lease receivables, gross	14,274,010	45,351,774	10,146,237	69,772,021
Less: Allowance for expected credit losses	(272,721)	(2,466,742)	(556,726)	(3,296,189)
Total loans and advances to customers including finance lease receivables	14,001,289	42,885,032	9,589,511	66,475,832

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Information about collateral as at 31 December 2023 are as follows:

31 December 2023	State and municipal organisations	Corporate loans	Loans to individuals	31 December 2023
Loans with other credit enhancement:				
Letter of surety	2,206,185	11,975,511	1,781,668	15,963,364
State guarantee	6,565,131	-	-	6,565,131
Loans collateralized by:				
Real estate	588,838	11,360,294	4,806,715	16,755,847
Equipment	8,273	5,906,771	1,111,379	7,026,423
Inventory and receivables	586,425	5,795,847	-	6,382,272
Insurance policy	3,426,705	2,360,679	1,062	5,788,446
Cash deposits	1,031,961	53,748	2,161	1,087,870
Vehicles	30,066	360,361	313,527	703,954
Equity securities	128,912	-	-	128,912
Not collateralized	-	989	4,567	5,556
Total loans and advances to customers including finance lease receivables, gross	14,572,496	37,814,200	8,021,079	60,407,775
Less: Allowance for expected credit losses	(116,111)	(2,176,312)	(107,114)	(2,399,537)
Total loans and advances to customers including finance lease receivables	14,456,385	35,637,888	7,913,965	58,008,238

The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at amortised cost that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets"). As at 31 December 2024 the Group did not have loans, for which the Group did not recognise any expected credit loss allowance because of significant excess of collateral value over the gross carrying value of these loans.

As at 31 December 2024, loans with a total principal amount of UZS 1,856,000 million (2023: UZS 1,139,000 million) were insured by SQB Insurance LLC, a wholly owned subsidiary of the Group, under credit risk insurance policies. In line with the Group's risk management framework, notable part of the insured exposure in 2024 was ceded to third-party reinsurers, thereby significantly reducing the Group's net insurance risk. These policies primarily relate to retail loan portfolios and are accounted for separately from the loan agreements. In the majority of cases, such insurance arrangements are treated as supplementary collateral and do not constitute a significant portion of the overall collateral base presented in the table above.

The effect of collateral on credit impaired assets at 31 December 2024 and 31 December 2023 are as follows.

31 December 2024	Over-collateralised		Under-collateralised	
	Carrying Value of the Assets	Value of Collateral	Carrying Value of the Assets	Value of Collateral
Credit Impaired Assets				
Loans to Corporate and State Companies carried at AC				
Manufacturing	1,129,878	6,220,872	39,211	19,741
Agriculture	433,565	2,337,720	-	-
Trade and services	509,873	6,992,113	-	-
Construction	90,842	544,015	-	-
Transport and communication	9,840	92,695	-	-
Oil and gas & Chemicals	179,300	1,555,418	-	-
Loans to Individuals carried at AC				
Mortgage	74,258	264,859	-	-
Microloan	160,524	297,670	-	-
Car Loan	7,545	38,119	-	-
Consumer Loans	6,042	16,222	-	-
Other	-	-	-	-
Student Loan	-	-	-	-
Total	2,601,667	18,359,703	39,211	19,741

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31 December 2023	Over-collateralised		Under-collateralised	
	Carrying Value of the Assets	Value of Collateral	Carrying Value of the Assets	Value of Collateral
Credit Impaired Assets				
Loans to Corporate and State Companies carried at AC				
Manufacturing	748,837	4,463,870	-	-
Agriculture	354,968	1,822,592	-	-
Trade and services	266,039	1,858,405	1,664	1,646
Construction	84,320	467,673	-	-
Transport and communication	57,731	213,721	-	-
Oil and gas & Chemicals	5,338	18,750	-	-
Loans to Individuals carried at AC				
Mortgage	34,723	117,758	-	-
Microloan	9,786	24,305	-	-
Car Loan	890	5,336	-	-
Consumer Loans	579	1,073	-	-
Other	7	38	-	-
Student Loan	-	-	-	-
Total	1,563,218	8,993,521	1,664	1,646

The outstanding contractual amounts of loans and advances to customers including finance lease receivables written off that are still subject to enforcement activity was as follows at 31 December 2024 UZS 647,302 million (31 December 2023 UZS 922,910 million).

The Group's policy is to complete legal enforcement steps that were initiated even though the loans were written off as there is no reasonable expectation of recovery.

The components of net investment in finance lease as at 31 December 2024 and 2023 years are as follows:

	31 December 2024	31 December 2023
Not later than one year	71,175	64,291
From one year to two years	68,114	61,680
From two years to three years	64,989	58,997
From three years to four years	62,224	56,249
From four years to five years	59,368	53,856
More than five years	205,476	229,227
Minimum lease payments	531,346	524,300
Less: unearned finance income	(112,942)	(121,092)
	418,404	403,208
Less: Allowance for expected credit losses	(6,241)	(26,756)
Net investment in finance lease	412,163	376,452
Current portion	41,032	14,219
Long-term portion	371,131	362,233
Net investment in finance lease	412,163	376,452

As at 31 December 2024, finance lease receivables include two lease agreements, one of which with amount of UZS 417,688 million, for the total amount of UZS 418,404 million (31 December 2023: UZS 403,208 million) with one-year grace period for repayment of principal amounts. Credit quality of those finance lease were Stage 1 in 31 December 2024 included in corporate loans (2023 Stage 1, Stage 2). The finance lease receivables were presented under the Corporate Loans classification for the purpose of disclosure.

Refer to Note 34 for the disclosure of the fair value of loans and advances to customers including finance lease receivables. Interest rate analysis of loans and advances to customers is disclosed in Note 36. Information on related party balances is disclosed in Note 37.

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11. INVESTMENT IN DEBT SECURITIES

Investment in debt securities measured at amortised cost:

	Currency	Annual coupon/ interest rate %	EIR %	Maturity date month/year	31 December 2024	31 December 2023
Government Bonds	USD/UZS	0 -18	3.5 - 21	Jan 2025 - Jul 2032	4,065,448	2,090,103
Corporate bonds	UZS	19 - 24	19.9 - 26.2	Jul 2026 - Jul 2029	306,466	12,987
Less: Allowance for expected credit losses					(33,233)	(9,675)
Total investment in debt securities at amortised cost					4,338,681	2,093,415

At 31 December 2024, the Group holds government bonds of the Ministry of Finance of the Republic of Uzbekistan in the quantity of 3,976,465 (31 December 2023: 1,923,405) with nominal value of UZS 1,000,000 each and with current yield 5.9-21 % p.a. (31 December 2023: 4.8-18 % p.a.) and government bonds of the Ministry of Finance of the Republic of Uzbekistan, issued in foreign currency, with the nominal value of UZS 387 million.

As of December 31, 2024, the Group, through its subsidiary SQB Insurance LLC, holds corporate bonds issued by JSCB “Asia Alliance Bank” as well as corporate bonds from “Saipro Group” LLC via direct ownership. The total holdings amount to 12,550 corporate bonds, each with a nominal value of UZS 1,000,000 each. The bonds issued by JSCB “Asia Alliance Bank” carry a coupon rate equivalent to the Central Bank of Uzbekistan's refinancing rate (13.5% as of reporting date) plus an additional 5% per annum and the corporate bonds from “Saipro Group” LLC carry 24% fixed coupon rate. The maturity dates for these bonds are July 2026 and July 2028, respectively.

Investment in debt securities measured at FVPL:

	Currency	Annual coupon/ interest rate %	EIR %	Maturity date month/year	31 December 2024	31 December 2023
Corporate Bonds	USD	7.85	8.01	October 2028	26,038	-
Total investment in debt securities at FVPL					26,038	-

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On November 25, 2024, The Group purchased a leveraged loan note from JP Morgan Chase Bank in the amount of USD 2 million. The Group intends to hold the security until maturity, however cash inflow to be expected upon maturity is variable and linked to the price of other bond, thus this bond investment is measured at FVPL.

31 December 2024	Government Bonds	Corporate Bonds	Total
- Rated BB-	4,091,486	267,361	4,358,847
- Rated B1	-	2,604	2,604
- Unrated	-	10,463	10,463
Less: Allowance for expected credit losses	(27,933)	(5,300)	(33,233)
Total investment securities at amortised cost	4,063,553	275,128	4,338,681
- Rated AA	-	26,038	26,038
Total investment securities measured at FVTPL	-	26,038	26,038
Total investment in debt securities	4,063,553	301,166	4,364,719
31 December 2023	Government Bonds	Corporate Bonds	Total
- Rated BB-	2,090,103	10,380	2,100,483
- Rated B2	-	2,607	2,607
Less: Allowance for expected credit losses	(9,544)	(131)	(9,675)
Total investment in debt securities at amortised cost	2,080,559	12,856	2,093,415

The credit rating is based on the rating agency Moody's (if available) or the rating agencies Standard & Poor's and Fitch, which are converted to the nearest equivalent value on the Moody's rating scale. As at 31 December 2024 for the purpose of ECL measurement investment in debt securities measured at amortised cost balances are included in Stage 1. There were no transitions between stages in 2024. Refer to Note 30 for the ECL measurement approach. Refer to Note 34 for the disclosure of the fair value of investment securities. Interest rate analysis of investment securities is disclosed in Note 36. Information on related party balances is disclosed in Note 37.

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12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Ownership	31 December 2024	31 December 2023
LLC Yashil Energiya	19.2%	69,922	67,067
JSC "Mortgage Refinancing Company of Uzbekistan"	8.0%	35,333	13,263
Visa Inc.	0.0%	23,738	18,676
JSC "Republican Currency Exchange"	11.1%	14,931	10,018
LLC "Credit Information Analytical Center"	3.2%	2,029	1,447
Other	8.3%	59	75
JSC "O'zbekiston pochatasi"	4.4%	-	5,791
JSC "Qurilishmashlizing"	0.0%	-	2,880
LLC "Qoraqalpoq Basaltwool"	1.3%	-	-
Total financial assets at FVTOCI		146,012	119,217

Financial assets at FVTOCI as at December 2024, other than Visa Inc., include equity securities registered in Uzbekistan and not actively traded. The Group elects at initial recognition to irrevocably designate the above disclosed equity investments at FVTOCI which is in line with the Group accounting policy. As at 31 December 2024 Visa Inc. is measured using level 1 hierarchy and investment securities other than Visa Inc. are measured using level 3 hierarchy of fair value measurement. Starting from 1 January 2018, the fair value of the financial assets at fair value through other comprehensive income was determined as the present value of future dividends by assuming dividend growth rate of zero per annum. The management built its expectation based on previous experience of dividends received on financial assets at fair value through other comprehensive income over multiple years and accordingly calculated the value using the average rate of return on investments. The Management believes that this approach accurately reflects the fair value of these securities. A significant unobservable input used in determining the fair value of financial assets at FVTOCI is WACC. The higher the WACC the lower the fair Value of the financial assets at FVTOCI. Investments to which the dividends valuation approach is not applicable, i.e. dividends were not paid during the period, management may use the Assets based valuation approach focused on the investment company's net assets value (NAV), or fair market value of its total assets minus its total liabilities, to determine what would cost to recreate the business. The Management believes that such approach accurately reflects the fair value of these securities.

In accordance with the Cabinet of Ministers' Decree dated March 27, 2024, the Ministry of Economy and Finance is instructed to transfer the share package held by Group shares of "Qurilishmashlizing" JSC to the State Assets Management Agency, with the share's residual value being covered by the State Assets Management Agency. In order to ensure the execution of the resolution, the Management of the Group has transferred the shareholding package of "Qurilishmashlizing" JSC, held by the Group, to the State Assets Management Agency.

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The table below represents the movement of financial instruments at FVTOCI for the year ended 31 December 2024 and 2023:

	31 December 2023	Additions	Disposal	Write-off	FV Adjustments	Forex	31 December 2024
Financial assets at FVTOCI	119,217	22,073	(2,880)	(5,791)	13,245	148	146,012
	31 December 2022	Additions	Disposal		FV Adjustments	Forex	31 December 2023
Financial assets at FVTOCI	42,007	69,049	-		8,161	-	119,217

13. INVESTMENT IN ASSOCIATES

Name	Principal activity	Country	31 December 2024	31 December 2023
LLC "Zomin Miracle Mountains"	Catering	Uzbekistan	66,228	39,868
LLC "Khorezm Invest Project"	Asset management	Uzbekistan	55,780	37,731
LLC "Kattaqurgon Business Services"	Asset management	Uzbekistan	-	215
Total investment in associates			122,008	77,814

31 December 2024	LLC "Khorezm Invest Project"	LLC "Zomin miracle mountains"	Total associates
Current assets	13,837	128,053	141,890
Non-current assets	150,619	73,270	223,889
Current liabilities	(297)	(2,446)	(2,743)
Revenue	4,035	-	4,035
Net (loss)/ profit for the year	549	(906)	(357)
Total comprehensive (loss)/ income for the year	549	(906)	(357)
Dividends received from the associate during the year	842	-	842
Net assets of the associate	164,159	198,877	363,036
Proportion of the Group's ownership interest	34%	33%	
Carrying amount of the Group's Interest in Associate	55,780	66,228	122,008

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31 December 2023	LLC "Khorezm Invest Project"	LLC "Kattaqurgon Business Services"	LLC "Zomin miracle mountains"	Total associates
Current assets	20,096	1,182	118,951	140,229
Non-current assets	91,995	9,375	2,199	103,569
Current liabilities	(1,052)	(9,896)	(2,142)	(13,090)
Revenue	14,889	39	-	14,928
Net (loss)/ profit for the year	10,421	(239)	(391)	9,791
Total comprehensive (loss)/ income for the year	10,421	(239)	(391)	9,791
Dividends received from the associate during the year	1,050	-	-	1,050
Net assets of the associate	111,039	661	119,008	230,708
Proportion of the Group's ownership interest	34%	33%	34%	
Carrying amount of the Group's Interest in Associate	37,731	215	39,868	77,814

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14. PREMISES, EQUIPMENT AND INTANGIBLE ASSETS

	Buildings and Premises	Office and computer equipment	Construction in progress	Total premises and equipment	Intangible assets	Total
Carrying amount as at 31 December 2022	280,567	206,463	1,520,026	2,007,056	75,448	2,082,504
Additions	141,104	131,390	1,026,325	1,298,819	17,997	1,316,816
Capitalised borrowing costs	-	-	145,680	145,680	-	145,680
Disposals (net of depreciation)	(5,759)	(2,158)	(371)	(8,288)	(16,818)	(25,106)
Transfers	86,270	7,763	(94,033)	-	-	-
Depreciation/amortization charge	(13,234)	(89,615)	-	(102,849)	(8,682)	(111,531)
Carrying amount as at 31 December 2023	488,948	253,843	2,597,627	3,340,418	67,945	3,408,363
Cost as at 31 December 2023	566,958	618,478	2,597,627	3,783,063	92,718	3,875,781
Accumulated depreciation/amortization	(78,010)	(364,635)	-	(442,645)	(24,773)	(467,418)
Carrying amount as at 31 December 2023	488,948	253,843	2,597,627	3,340,418	67,945	3,408,363
Additions	2,310	182,924	564,090	749,324	47,629	796,953
Disposals (net of depreciation)	(12,234)	(48)	-	(12,282)	-	(12,282)
Transfers	2,938,325	30,217	(2,968,542)	-	-	-
Written off assets	(417)	(1,435)	(640)	(2,492)	(7,972)	(10,464)
Depreciation/amortization charge (Note 28)	(107,846)	(92,314)	-	(200,160)	(11,430)	(211,590)
Carrying amount as at 31 December 2024	3,309,086	373,187	192,535	3,874,808	96,172	3,970,980
Cost as at 31 December 2023	3,494,942	830,136	192,535	4,517,613	132,375	4,649,988
Accumulated depreciation/amortization	(185,856)	(456,949)	-	(642,805)	(36,203)	(679,008)
Carrying amount as at 31 December 2024	3,309,086	373,187	192,535	3,874,808	96,172	3,970,980

As at 31 December 2024, in accordance with the contract, the Group made a payment of USD 224,927 million to “Shanghai Construction Group” for the construction of the head office building in Tashkent City in 2019 - 2024, equivalent to UZS 2,620,009 million, (2023: USD 208,718 million, equivalent to UZS 2,350,828 million) of which was fully recorded in buildings and premises.

In 2024, the Group did not capitalize the borrowing cost related to the commission and interest expense on loan borrowed from Credit Suisse for Tashkent city office construction funding due to completion of construction process (capitalized in 2023: UZS 145,680 million).

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15. OTHER ASSETS

	31 December 2024	31 December 2023
Other financial assets		
Commission income receivable	39,331	18,886
Receivables from assets transferred to State Asset Management Agency	21,352	-
Security deposit on money transfer systems	7,497	6,051
Other receivables	50,249	2,827
Less: Allowance for expected credit losses	(5,826)	(371)
Total other financial assets	112,603	27,393
Other non-financial assets		
Prepayment for construction of building	173,796	16,464
Prepaid expenses and advances	70,571	63,815
Tax settlements, other than income tax	38,473	27,494
Inventory	8,017	8,317
Prepayments for equipment and property	2,464	4,001
Other	1,537	361
Total other non-financial assets	294,858	120,452
Total other assets	407,461	147,845

Other financial assets contain unused insurance amount receivable from Sinasure. To finance the construction of the bank's new building in the "Tashkent City" International Business Center, an agreement titled "Sinasure-Covered Facility Agreement" was signed on June 29, 2021, between the bank and a consortium of banks led by Credit Suisse AG under the coverage of the China Export Credit Insurance Corporation – Sinasure.

According to clauses 5.1 and 5.4 of this agreement, on August 24, 2021, Credit Suisse AG made a payment of USD 6.349 mln. for the Sinasure insurance coverage commission from the credit funds.

Insurance commission was reflected in the Group's balance sheet and automatically expensed daily until the final repayment date of the loan, which is June 29, 2033.

The Credit Suisse AG loan funds were repaid early on July 2, 2024. A request was made to reclaim the insurance coverage amount related to the repaid loan funds.

Sinasure recalculated the unused insurance coverage period and obliged to refund UZS 48.385 bln. (USD 5.047 mln.) to the Group.

16. NON-CURRENT ASSETS HELD FOR SALE

	31 December 2024	31 December 2023
Reposessed assets:		
- Buildings held for sale	559,603	134,930
- Equipment held for sale	106,722	44,625
Total reposessed assets	666,325	179,555
Total non-current assets (or disposal groups) held for sale	666,325	179,555

As of 31 December 2024, buildings held for sale include the reposessed property of eleven clients in the amount of UZS 467,963 million (six clients reposessed property in the amount of UZS 102,208 million in 2023). The assets received were measured at the lower of their carrying amount and fair value less costs to sell.

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17. DUE TO OTHER BANKS

	31 December 2024	31 December 2023
Short term placements of other banks	902,459	2,500,576
Correspondent accounts and overnight placements of other banks	826,350	723,175
Long term placements of other banks	585,143	1,778,393
Payable to the Other banks under repo agreement	505,758	-
Payable to the CBU under repo agreement	-	816,807
Total due to other banks	2,819,710	5,818,951

Refer to Note 34 for the disclosure of the fair value of due to other banks. Interest rate analysis of due to other banks is disclosed in Note 36. Information on related party balances is disclosed in Note 37.

18. CUSTOMER ACCOUNTS

	31 December 2024	31 December 2023
State and public organisations		
- Current/settlement accounts	2,629,439	2,006,528
- Term deposits	6,788,310	3,901,834
Other legal entities		
- Current/settlement accounts	3,012,237	2,812,289
- Term deposits	1,407,287	1,104,481
Individuals		
- Current/demand accounts	2,038,598	1,512,885
- Term deposits	5,227,830	2,990,665
Total customer accounts	21,103,701	14,328,682

Economic sector concentrations within customer accounts are as follows:

	31 December 2024		31 December 2023	
	Amount	%	Amount	%
Individuals	7,266,428	34%	4,503,550	31%
Public administration	6,743,660	32%	3,808,491	27%
Manufacturing	1,546,014	7%	1,599,498	11%
Oil and gas	1,519,452	7%	1,494,550	10%
Services	942,727	5%	453,820	3%
Trade	829,691	4%	712,118	5%
Energy	648,718	3%	705,081	5%
Construction	395,351	2%	274,907	2%
Mining	357,340	2%	40,439	0%
Finance	297,514	2%	401,932	3%
Communication	178,277	1%	133,196	1%
Medicine	143,057	1%	24,519	0%
Engineering	65,846	0%	46,525	1%
Transportation	65,759	0%	92,428	1%
Agriculture	85,935	0%	25,960	0%
Other	17,932	0%	11,668	0%
Total customer accounts	21,103,701	100%	14,328,682	100%

As at 31 December 2024, the Group had four (Ministry of Economy and Finance, JSC Uzbekneftegaz, State Pension Fund and Agriculture Support fund Under the Ministry of Economy and Finance) customers (two in 2023) with a total balance UZS 6,654,377 million comprising 32% of total customer accounts (31 December 2023: UZS 4,375,575 million comprising 31% of total customer accounts), which individually exceeded 10% of the Group's equity.

The customer account includes client deposits in Russian rubles (RUB), which are not subject to any international sanctions.

Information on related party balances is disclosed in Note 37.

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19. DEBT SECURITIES IN ISSUE

	31 December 2024			31 December 2023		
	Amount	Nominal interest, %	Term, year	Amount	Nominal interest, %	Term, year
Eurobonds (Public, USD)	5,285,720	9.0%	2024-2029	-	-	-
Eurobonds (Public, UZS)	2,445,654	21.0%	2024-2027	-	-	-
Eurobonds (LSE private)	1,323,889	9.1%	2023-2028	1,264,071	9.4%	2023-2028
Eurobonds (LSE public)	-	-	-	3,706,295	5.8%	2019-2024
Total debt securities issued	9,055,263			4,970,366		

On July 22, 2024, the Group with technical support from the Global Green Growth Institute (GGGI), issued an internationally verified Sustainability Bond on the London Stock Exchange. The total value of the issuance amounts to USD 400 million with a discount of USD 4.72 million applied to the issuance and UZS 2.25 trillion.

During the year 2024, the bond of USD 300 million amount publicly issued by the Group in 2019 on the London Stock Exchange reached its maturity, and the principal amount was repaid as per the agreed terms.

The debt securities issued stipulate financial covenants, which disclosed that the Group is required to comply with certain financial covenants, non-compliance of which may give the lender a right to demand repayment. As of 31 December 2024, the Group was in compliance with all covenants except Single Currency Foreign Exchange Risk Ratio set by International Finance Corporation and other related lenders in privately placed Eurobond agreement. The Group communicated the breach to IFC and other lenders and obtained waiver from the lenders in May 2025 after reporting date. Since the waiver was obtained after reporting date, the impact of breach into financial risk management disclosures of the Group has been presented to reflect impact of default in other financings attracted.

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20. OTHER BORROWED FUNDS

	31 December 2024	31 December 2023
International financial institutions		
China EXIMBANK	4,556,351	4,879,750
Cargill Financial Services International Inc	3,837,781	4,300,945
DEUTSCHE BANK AG	2,201,257	-
International Bank of Reconstruction and Development	2,194,991	1,930,490
Landesbank Baden-Wuerttemberg	2,053,470	1,922,190
Commerzbank AG	1,606,585	1,661,374
ICBC (London) plc	1,346,860	1,030,290
Asian Development Bank	1,241,085	624,642
JPMorgan Chase	1,081,440	1,400,208
European Bank for Reconstruction and Development	1,052,942	1,208,070
International Finance Corporation	993,068	961,178
Helaba (Landesbank Hessen-Thüringen)	949,641	30,975
DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK	739,561	-
FIRST ABU DHABI BANK PJSC	719,934	-
MFT XXI LLC	686,342	878,556
Raiffeisen Bank International AG	674,962	623,745
Banca Popolare di Sondrio	670,094	897,886
Citibank N.A. ADGM	669,571	513,064
Daryo Finance B.V.	649,038	1,290,891
ODDO BHF	614,547	98,551
International Development Association of World Bank	566,805	590,901
Korea EXIMBANK	556,705	279,873
CREDIT Suisse	532,643	2,289,684
Japan International Cooperation Agency (JICA)	414,704	395,735
CBD bank	393,220	-
European Investment Bank	392,479	372,978
UniCredit	369,404	445,907
OPEC Fund for International Development	330,951	372,053
AJMAN BANK PJSC	324,419	-
China Development Bank	322,717	460,771
DZ BANK HONG KONG BRANCH	286,189	370,837
Mashreqbank PSC	268,982	249,190
KfW IPEX-Bank	221,184	237,010
KOREA DEVELOPMENT BANK	130,868	-
ABU DHABI COMMERCIAL BANK	129,367	-
SAMURAI ASSET FINANCE CO., LTD	96,592	-
Fimbank	87,951	-
Agence Française de Développement	76,792	77,880
ATLANTIC FORFAITIERUNGS AG	67,207	-
AKA Ausfuhrkredit-Gesellschaft mbH	67,503	91,015
BANQUE DE COMMERCE ET DE PLACEMENTS	65,111	-
Turk EXIMBANK	51,643	116,746
FORTEBANK	32,827	-
The Export-Import Bank of the Republic of China	14,784	23,359
International Fund for Agricultural Development	1,582	1,758
Gazprombank	-	27,524
Citibank Europe PLC	-	419,179
Kamcombank LLC	-	456,266
Petersburg technology Center	-	397,457
Baobab Securities Limited	-	112,088
JSC "BANK CENTERCREDIT" KZ	-	18,283
EURASIAN BANK	-	11,477
John Deere	-	6,648
Financial institutions of Uzbekistan		
Fund for Reconstruction and Development of Uzbekistan	2,346,380	1,417,471
Agriculture Support Fund under the Ministry of Economy and Finance	937,791	1,583,855
Uzbekistan Mortgage Refinancing Company (UzMRC)	679,385	653,284
Long term borrowings from Ministry of Finance	627,180	1,095,835
Export Promotion Agency under MIFT	612,031	368,720
Long term borrowings from CBU	122,287	187,389
KDB Bank Uzbekistan	93,530	199,604
Young Entrepreneurs Support Fund under MIFT	49,489	30,455
Preference Shares	11,468	11,219

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Entrepreneurship Development Company	8,186	-
Inter-Network Energy Conservation Fund under the Ministry of Energy	2,578	3,365
Khokimiyat of Tashkent Region	691	5,113
Other	2	1
Total other borrowed funds	39,833,147	37,633,735

On 4 March 2024 the Group and Fimbank has signed an agreement on attracting the credit line facility in the amount of USD 10 million. The facility is to be used to general purpose trade financing. The maturity period of the loan is 18 months with three semi-annual repayments.

On 15 March 2024, Commercial Bank of Dubai PSC has disbursed USD 30 million under the Master Trade Loan Agreement, signed on 23 February 2024. The loan has maturity of 6 months with bullet repayment of principal and interest repayments. (Data by IFI).

On 12 June 2024 Ajman Bank PJSC (UAE) disbursed USD 25 million under the Master Murabaha agreement, signed on 21 May 2024. The loan has maturity of 12 months with bullet repayment of principal and three semi-annual interest repayments. (Data by IFI).

On 13 May 2024 the Group and Deutsche Bank AG signed syndicated term loan agreement in the amount of EUR 165 million. Under the loan agreement, the Group is responsible for the loan solely to be directed to finance small and medium sized business projects. The maturity of the loan agreement is 18 months. (Data by IFI).

On 19 June 2024, DZ Bank AG Deutsche Zentral-Genossenschaftsbank has disbursed USD 25 million under an EBRD covered trade loan agreement dated 21 February 2024. The loan maturity period is defined as 12 months bullet repayment of principal and semi-annual interest repayments. (Data by IFI).

On 27 June 2024 the Group and Samurai Asset finance Co., LTD has signed an agreement in the amount of USD 10 million on attracting the Credit line facility for trade finance. The loan maturity period is defined as 5 years. (Data by IFI).

Fortebank JSC, a bank in the Republic of Kazakhstan, provided a total of 3.52 million USD in August 2024 to finance a project through a letter of credit. This funding was obtained with the support of Kazakh Export to finance the Invest Zone Project, with a tenor of one year.

Banque De Commerce Et De Placements S.A, an Italian bank, disbursed 5 million USD in November 2024 to replenish working capital of the borrowers, with a tenor of one year and an approximate interest rate of 8%. This funding is primarily allocated to small and medium-sized enterprise (SME) projects.

Atlantic Forfaitierungs AG, a Swiss bank, disbursed 5 million EUR for Group on December 5, 2024, to finance SME and micro, small, and medium-sized enterprise (MSME) projects for general purposes. The funds are provided for a five-year period, including a six-month grace period, with semi-annual repayments.

Abu Dhabi Commercial Bank provided funding for trade finance projects, with a loan amount of 10 million USD obtained in December 2024. The facility carries an interest rate of 12-month SOFR + 2.5%, with a tenor of one year. Repayment, including interest, will be made in full at the end of the period.

Korea Development Bank provided the first tranche of funding to Group from Korea, amounting to 10 million USD on 24 December 2024 with a tenor of one year. The primary purpose of this facility is to support trade finance projects. The principal repayment will be made in a bullet payment at the end of the period, with interest payable at maturity at a rate of 12-month SOFR + 2.65%.

As of 31 December 2024, the Group was in compliance with all covenants except Total Overdue Loans on Loan Portfolio Ratio set by MFT XXI and Single Currency Foreign Exchange Risk Ratio set by International Finance Corporation and Asian Development Bank. The Group communicated the breach to lenders and obtained waiver from MFT XXI on 28 June 2024, which covered the remaining period of 2024 and another waiver on 17 April 2025 which waived the Group from compliance requirement until 31 December 2025. Moreover, IFC and ADB provided their waivers in May 2025 after the reporting date. The impact of breach has been presented within financial risk management disclosures.

The maturity analysis is disclosed in Note 34 Refer for disclosure of the fair value of other borrowed funds and Note 37 for information on related party balances.

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21. OTHER LIABILITIES

	31 December 2024	31 December 2023
Other financial liabilities		
Trade payables	132,451	140,638
Provision for Bank's guarantees and letters of credit	42,048	11,762
Payable to other creditors	9,443	29,859
Dividends payable	206	361
Total other financial liabilities	184,148	182,620
Other non-financial liabilities		
Taxes payable other than income tax	28,568	41,902
Income tax payable	25,512	-
Unearned income	9,554	9,899
Payable to employees	7,769	10,240
Other	2,937	2,398
Total other non-financial liabilities	74,340	64,439
Total other liabilities	258,488	247,059

As at 31 December 2024, trade payables constitute of UZS 132,400 million (2023: UZS 125,027 million) to Shanghai Construction Group for building the Tashkent City office for the Group.

The Group pays income tax on a consolidated basis as a single taxpayer at a single rate of 20%. Thus, income tax payable and prepayment for income tax are presented on a net basis as at 31 December 2024.

22. SUBORDINATED DEBT

	Currency	Maturity date	Nominal interest rate %	Effective interest rate %	31 December 2024	31 December 2023
Subordinated debt of Ministry of Economy and Finance	UZS	2035	7.7%	7.7%	1,095,212	1,094,894
Subordinated debt of IFC	USD	2029	11.9%	11.8%	523,737	248,895
Subordinated debt of Fund for Reconstruction and Development of Uzbekistan	UZS	2041	8.5%	9.1%	99,525	100,626
	USD	2027	5.0%	5.7%	265,670	252,439
Total subordinated debt					1,984,144	1,696,854

The increase of subordinated debt of IFC was due to attraction of USD 20 million (UZS 251,100 million) under the existing IFC subordinated debt agreement dated 23 July 2023.

Subordinated debt agreement with IFC includes financial covenants, which stipulate that the Group is required to comply with certain financial covenants, non-compliance of which may give the lender a right to demand repayment. As of 31 December 2024, the Group was in compliance with all covenants except Single Currency Foreign Exchange Risk Ratio. The Group communicated the breach to IFC and obtained waiver from IFC in May 2025 after reporting date. Since the waiver was obtained after reporting date, the impact of breach into financial risk management disclosures of the Group has been presented to reflect impact of default in other financings attracted.

Refer to Note 34 for the disclosure of the fair value of subordinated debt and Note 37 for information on related party balances.

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23. SHARE CAPITAL

	Number of outstanding shares	Ordinary shares	Total
1 January 2023	243,552	4,640,011	4,640,011
Acquisition of own shares	(293)	(5,573)	(5,573)
31 December 2023	243,259	4,634,438	4,634,438
31 December 2024	243,259	4,634,438	4,634,438

As at 31 December 2024, the total authorised number of ordinary shares is 243,259 million (2023: 243,259 million) with a par value of UZS 19 per share. Each share carries one vote. Dividends on preference shares will not be less than dividends on ordinary shares.

The number of ordinary shares issued but not fully paid in 2024 was nil (31 December 2023: nil).

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out movement in the Group's liabilities from financing activities for each of periods presented. The items of these liabilities are those that are reported as financing activities in the consolidated statement of cash flows.

<i>In million Uzbekistan Soums</i>	Liabilities from financing activities			Total
	Other borrowed funds	Debt securities issue	Subordinated debt	
Net debt at 1 January 2023	32,241,760	3,361,256	330,560	35,933,576
Proceeds from the issue	16,506,252	1,286,100	240,848	18,033,200
Redemption	(12,937,288)	-	-	(12,937,288)
Foreign currency translation	2,963,617	371,174	43,649	3,378,440
Reclassification of other borrowed funds to subordinated debt	(1,091,571)	-	1,091,571	-
Other non-cash movements	(49,035)	(48,164)	(9,774)	(106,973)
Net debt at 31 December 2023	37,633,735	4,970,366	1,696,854	44,300,955
Proceeds from the issue	18,185,338	7,224,314	251,100	25,660,752
Redemption	(16,436,171)	(3,798,265)	-	(20,234,436)
Foreign currency translation	452,862	299,267	40,451	792,580
Other non-cash movements	(2,617)	359,581	(4,261)	352,703
Net debt at 31 December 2024	39,833,147	9,055,263	1,984,144	50,872,554

The amount of UZS 359,581 million included in 'Other non-cash movements' for the year ended 31 December 2024 represents accrued interest on Eurobonds issued by the Group, which has been recognized as a non-cash adjustment in the movement of financing liabilities.

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25. INTEREST INCOME AND EXPENSE

	2024	2023
Interest income calculated using the effective interest method		
Interest income on assets recorded at amortised cost comprises:		
Interest on loans and advances to customers	8,074,078	6,406,387
Interest on investment in debt securities	501,245	392,462
Interest on balances due from other banks	399,825	375,019
Interest on balances cash and cash equivalents	18,615	11,417
Total interest income calculated using the effective interest method	8,993,763	7,185,285
Other similar income		
Finance lease receivables	47,655	36,176
Total other similar income	47,655	36,176
Interest expense		
Interest expense on liabilities recorded at amortised cost comprises:		
Interest on other borrowed funds	(2,730,238)	(2,232,828)
Interest on customer accounts	(1,471,213)	(1,142,451)
Interest on debt securities in issue	(688,396)	(259,206)
Interest on balances due to other banks	(510,246)	(396,344)
Interest on subordinated debt	(98,820)	(49,270)
Total interest expense	(5,498,913)	(4,080,099)
Net interest income before provision on loans and advances to customers including finance lease receivables	3,542,505	3,141,362

26. FEE AND COMMISSION INCOME AND EXPENSE

	2024	2023
Fee and commission income		
Settlement transactions	361,921	337,118
International money transfers	92,566	88,626
Guarantees issued	69,626	50,187
Consulting services	26,331	28,213
Foreign currency exchange	10,304	7,002
Letters of credit	7,040	4,759
Total fee and commission income	567,788	515,905
Fee and commission expense		
Settlement transactions	(35,692)	(58,698)
Transactions with plastic cards	(92,034)	(52,086)
Foreign currency exchange	(14,431)	(14,420)
Cash collection	(8,112)	(5,922)
Other	(6,929)	(934)
Total fee and commission expense	(157,198)	(132,060)
Net fee and commission income	410,590	383,845

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27. INSURANCE OPERATIONS

The following disclosures provide an analysis of the insurance service results and reconciliations from opening to closing balances for insurance contract balances measured under IFRS 17 for period ended 31 December 2024:

	Liability for remaining coverage		Liability for	Total
	Excluding loss component	Loss component	incurred claims	
Opening assets	17,652	-	2,682	20,334
Opening liabilities	143,450	-	14,295	157,745
Net opening balance	(125,798)	-	(11,613)	(137,411)
Change in estimation model	15,894	-	-	15,894
Total changes in the statement of profit or loss	58,424	(2,650)	(46,836)	8,938
Total cash flows	(122,183)	-	40,568	(81,615)
Net closing balance	(173,663)	(2,650)	(17,881)	(194,194)
Closing assets	64,701	-	11,014	75,715
Closing liabilities	238,364	2,650	28,895	269,909

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Liability for incurred claims	Total
Opening assets	7,152	1,882	8,618	2,682	20,334
Opening liabilities	52,609	12,249	78,592	14,295	157,745
Net opening balance	(45,457)	(10,367)	(69,974)	(11,613)	(137,411)
Change in estimation model	1,893	4,959	9,042	-	15,894
Total changes in the statement of profit or loss	103,402	787	(48,415)	(46,836)	8,938
Total cash flows	(122,183)	-	-	40,568	(81,615)
Net closing balance	(62,345)	(4,621)	(109,347)	(17,881)	(194,194)
Closing assets	52,918	868	10,915	11,014	75,715
Closing liabilities	115,263	5,489	120,262	28,895	269,909

The following disclosures provide an analysis of the insurance service results and reconciliations from opening to closing balances for insurance contract balances measured under IFRS 17 for period ended 31 December 2023:

	Liability for remaining coverage		Liability for	Total
	Excluding loss component	Loss component	incurred claims	
Opening assets	15,782	-	1,889	17,671
Opening liabilities	84,045	-	10,126	94,171
Net opening balance	(68,263)	-	(8,237)	(76,500)
Total changes in the statement of profit or loss	(791)	-	(16,394)	(17,185)
Total cash flows	(56,744)	-	13,018	(43,726)
Net closing balance	(125,798)	-	(11,613)	(137,411)
Closing assets	17,652	-	2,682	20,334
Closing liabilities	143,450	-	14,295	157,745

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Liability for incurred claims	Total
Opening assets	11,092	2,350	2,340	1,889	17,671
Opening liabilities	22,139	6,274	55,632	10,126	94,171
Net opening balance	(11,047)	(3,924)	(53,292)	(8,237)	(76,500)
Total changes in the statement of profit or loss	11,726	4,165	(16,682)	(16,394)	(17,185)
Total cash flows	(46,136)	(10,608)	-	13,018	(43,726)
Net closing balance	(45,457)	(10,367)	(69,974)	(11,613)	(137,411)
Closing assets	7,152	1,882	8,618	2,682	20,334
Closing liabilities	52,609	12,249	78,592	14,295	157,745

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28. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	2024	2023
Staff costs	924,223	909,825
Social security costs	157,306	145,331
Total staff costs	1,081,529	1,055,156
Depreciation and amortisation	211,590	111,531
Taxes other than income tax	158,991	103,486
Communication and software maintenance	90,911	71,559
Charity expenses	72,257	55,539
Security services	80,841	66,485
Membership fees	63,487	57,496
Consultancy fee	31,867	10,769
Repair and maintenance of buildings	28,038	24,857
Stationery and other low value items	23,343	25,236
Travel expenses	17,864	14,523
Rent expenses	14,952	16,576
Advertising expenses	14,432	7,016
Representation and entertainment	10,104	7,263
Legal and audit fees	10,090	10,419
Utilities expenses	9,974	6,440
Fuel	4,782	3,872
Loss on Sale or Disposition of Fixed assets	3,712	219
Medical, Dental and Hospitalization	139	164
Other operating expenses	19,483	22,172
Total administrative and other operating expenses	1,948,386	1,670,778

Social security costs include state pension contributions amounting UZS 109,022 million (UZS 105,202 million in 2023), and the rise in taxes other than income tax is mainly due to higher property tax of UZS 27,067 million from new Head Office construction, and UZS 15,653 million in taxes on non-resident income. The increase in depreciation and amortization is due to new Head Office building, amounting to UZS 87,465 million. The growth in the consultancy fee expenses is led by the development of the Bank's strategy for the year 2024-2026, at the amount of UZS 2,685 million, and consulting service to Rothschild & Cie at the amount of UZS 7,598 million. The increase in expenses related to communication and software maintenance is due to maintenance of the Group software solutions such as SAP, CRM, the HR modernization project, and licenses at the total amount of UZS 13,134 million. Finally, the operating expenses in the table above include expenses for audit and non-audit services in the amount of UZS 13,522 million (UZS 2,751 million in 2023), including the audits and reviews of the Group's consolidated financial statements.

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29. INCOME TAXES

Reconciliation between the expected and the actual taxation charge is provided below:

	2024	2023*
Current income tax expense	318,938	225,831
Deferred tax (benefit)/expense:		
- <i>Deferred tax (benefit)/expense</i>	(50,610)	(10,908)
- <i>Deferred tax expense relating to the components of other comprehensive income</i>	2,636	2,299
Total income tax expense through profit or loss and other comprehensive income	270,964	217,222
- <i>Deferred tax relating to loss on initial recognition recognised through equity</i>	(53,533)	-

* The table was revised to align with 31 December 2024 presentation.

	2024	2023*
IFRS profit before tax	1,383,353	1,071,077
Theoretical tax charge at the applicable statutory rate - 20% (2023: 20%)	276,671	214,215
- Nondeductible expenses (employee benefits, representation and other non-deductible expenses)	249,156	122,201
- Tax exempt income	(251,104)	(125,480)
- Other	(6,395)	3,987
Income tax expense	268,328	214,923
Net income tax expense relating to the components of other comprehensive income	2,636	2,299
Income tax expense through profit or loss and other comprehensive income	270,964	217,222

* The table was revised to align with 31 December 2024 presentation.

Tax-exempt income in the table above consists of interest income from government bonds and CBU bonds, totaling UZS 101,889 million (2023: UZS 82,659 million), and 20% of the recovery of statutory ECL provisions, amounting to UZS 149,215 million in 2024 (2023: UZS 41,668 million).

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

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	31 December 2024	(Debited)/ credited to profit or loss	Charged to other comprehensive income	Credited/ (charged) directly to equity	31 December 2023
Tax effect of deductible/(taxable) temporary differences					
Cash and cash equivalents	(20,605)	(20,632)	-	-	27
Due from other banks	357,907	116,134	-	-	241,773
Loans and advances to customers including finance lease receivables	240,487	12,067	-	53,533	174,887
Financial assets at fair value through other comprehensive income	(7,833)	-	(2,636)	-	(5,197)
Property, equipment and intangible assets	39,461	53,191	-	-	(13,730)
Investments in associates and subsidiaries	(1,603)	147	-	-	(1,750)
Investment in debt securities	10,452	8,039	-	-	2,413
Derivative financial assets	(6,630)	3,670	-	-	(10,300)
Other assets	14,755	(27,206)	-	-	41,961
Non-current assets held for sale	23,996	12,583	-	-	11,413
Due to other banks	(340,175)	(108,247)	-	-	(231,928)
Customer accounts	13,262	13,262	-	-	-
Debt securities in issue	(12,624)	(8,296)	-	-	(4,328)
Other borrowed funds	(6,598)	(6,822)	-	-	224
Other liabilities	4,077	3,887	-	-	190
Subordinated debt	(3,251)	(1,167)	-	-	(2,084)
Net deferred tax asset/(liability)	305,078	50,610	(2,636)	53,533	203,571
Recognised deferred tax asset	704,397	222,980	-	53,533	472,888
Recognised deferred tax liability	(399,319)	(172,370)	(2,636)	-	(269,317)
Net deferred tax asset/(liability)	305,078	50,610	(2,636)	53,533	203,571

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30. ALLOWANCES FOR IMPAIRMENT LOSSES

The tables below present information about the changes in the gross amount of financial assets excluding loans and advances to customers including finance lease receivables, commitments and other non-financial assets during 2024 and 2023:

	Other financial assets (Note 15)		Cash and cash equivalents (Note 8)		Due from other Banks (Note 9)		Investment in debt securities (Note 11)		TOTAL
	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 12-month ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 1 12-month ECL	
Gross amount as at 1 January 2024	27,762	2	6,965,996	-	1,777,700	37,302	2,103,090	10,911,852	
- Transfer from stage 1	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	(1,300)	1,300	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-	-
New assets issued or acquired	110,917	4,194	4,215,275	-	414,146	-	4,094,945	8,839,477	
Matured or derecognized	(24,444)	(2)	(4,779,035)	-	(469,263)	-	(1,827,717)	(7,100,461)	
assets (except for write off)	-	-	-	-	-	(37,302)	-	(37,302)	
Written off assets	-	-	-	-	-	-	-	-	
Foreign exchange differences	-	-	124,207	-	7,680	-	1,596	133,483	
Gross amount as at 31 December 2024	112,935	5,494	6,526,443	-	1,730,263	-	4,371,914	12,747,049	

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	Credit commitments (Note 32)						Guarantees (Note 32)			Letters of credit (Note 32)		
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 1	
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Gross amount as at 1 January 2024	825,868	5,138	1,427,175	3,509	2,922,897	6,256	5,221,371					
- Transfer from stage 1	(152,111)	151,038	(82,211)	1,073	(96,348)	96,348	-					
- Transfer from stage 2	1,968	(2,056)	-	88	-	-	-					
- Transfer from stage 3	103	4	-	(107)	-	(30,528)	-					
New assets issued or acquired	2,042,573	-	1,319,057	-	2,086,143	-	5,447,773					
Matured or derecognized assets (except for write off)	(618,479)	(113,487)	(642,821)	(3,469)	(2,606,246)	(53,421)	(4,047,543)					
Foreign exchange differences	7,352	27,747	33,737	45,863	11,290	-	120,022					
Gross amount as at 31 December 2024	2,107,274	68,384	2,054,937	47,057	2,317,736	49,183	6,741,623					

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	Other financial assets (Note 15)			Cash and cash equivalents (Note 8)			Due from other Banks (Note 9)			Investment in debt securities (Note 11)		
	Stage 2	Stage 3		Stage 1	Stage 2		Stage 1	Stage 3		Stage 1	Stage 1	TOTAL
	Lifetime	Lifetime		12-month	12-month		12-month	Lifetime		12-month	ECL	
	ECL	ECL		ECL	ECL		ECL	ECL		ECL		
Gross amount as at 1 January 2023	25,106	95		7,037,855	82,603		1,843,596	34,017		2,688,621		11,711,893
- Transfer from stage 1	-	-		-	-		-	-		-		-
- Transfer from stage 2	-	-		70,679	(70,679)		-	-		-		-
- Transfer from stage 3	63	(63)		-	-		-	-		-		-
New assets issued or acquired	23,259	-		1,481,230	-		367,082	-		1,359,956		3,231,527
Matured or derecognized assets (except for write off)	(20,666)	(30)		(1,839,748)	(14,459)		(375,719)	(41)		(1,956,574)		(4,207,237)
Foreign exchange differences	-	-		215,980	2,535		(57,259)	3,326		11,087		175,669
Gross amount as at 31 December 2023	27,762	2		6,965,996	0		1,777,700	37,302		2,103,090		10,911,852

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	Credit commitments (Note 32)						Guarantees (Note 32)			Letters of credit (Note 32)		
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3	
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Gross amount as at 1 January 2023	339,144	50,554	1,886,666	3,092	30,139	16,580	1,559,031	173,394	963	4,059,563		
- Transfer from stage 1	(6,397)	3,626	(36,646)	2,771	-	36,646	(104,649)	104,649	-	-	-	-
- Transfer from stage 2	52	(119)	30,139	67	(30,139)	-	-	-	-	-	-	-
- Transfer from stage 3	55	-	-	(55)	-	-	-	-	-	-	-	-
New assets issued or acquired	736,739	3,825	369,757	1,420	-	9,801	2,474,254	-	-	3,595,796		
Matured or derecognized assets (except for write off)	(265,042)	(53,825)	(867,449)	(3,876)	(597)	(32,828)	(1,085,655)	(275,222)	(982)	(2,585,476)		
Foreign exchange differences	21,317	1,077	44,708	90	597	329	79,916	3,435	19	151,488		
Gross amount as at 31 December 2023	825,868	5,138	1,427,175	3,509	-	30,528	2,922,897	6,256	-	5,221,371		

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The tables below present information about the changes in the ECL amount of financial assets, commitments and other non-financial assets during 2024 and 2023:

	Other financial assets (Note 15)		Cash and cash equivalents (Note 8)		Due from other Banks (Note 9)		Investment in debt securities (Note 11)		TOTAL
	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 12-month ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 1 12-month ECL	
Loss allowance for ECL as at 1 January 2024	371	-	102	-	12,571	23,724	9,675		46,443
- Transfer from stage 1	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	(33)	33	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-	-
New assets issued or acquired	3,246	2,531	564	-	13,590	-	31,141		51,072
Matured or derecognized assets (except for write off)	(322)	-	(113)	-	(4,364)	-	(7,596)		(12,395)
Written off assets	-	-	-	-	-	(23,724)	-		(23,724)
Foreign exchange differences	-	-	30	-	1,437	-	13		1,480
Loss allowance for ECL as at 31 December 2024	3,262	2,564	583	-	23,234	-	33,233		62,876

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	Credit commitments (Note 32)						Guarantees (Note 32)						Letters of credit (Note 32)					
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	12-month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL
Loss allowance for ECL as at 1 January 2024	337	1	4	4,649	-	5,339	1,411	21	-	11,762								
- Transfer from stage 1	(54)	53	1	(9,769)	2,456	7,313	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	1	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	5,340	(5,340)	-	-	-	-	-	-	-	-	-	-	-	-
New assets issued or acquired	125	-	-	30,654	-	-	4,404	-	-	-	-	-	-	-	-	-	-	-
Matured or derecognized assets (except for write off)	(287)	(30)	(4)	(485)	(3,339)	-	(1,406)	(22)	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences	-	32	151	425	24	-	43	1	-	-	-	-	-	-	-	-	-	-
Loss allowance for ECL as at 31 December 2024	122	55	152	25,474	4,481	7,312	4,452	-	-	42,048								

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	Other financial assets (Note 15)			Cash and cash equivalents (Note 8)		Due from other Banks (Note 9)		Investment in debt securities (Note 11)	
	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 3 12-month ECL	Stage 1 12-month ECL	Stage 2 12-month ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	TOTAL
Loss allowance for ECL as at 1 January 2023	446	7	122	847	12,121	22,077	10,050	45,670	
- Transfer from stage 1	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	-	-	600	(600)	-	-	-	-	-
- Transfer from stage 3	5	(5)	-	-	-	-	-	-	-
New assets issued or acquired	301	-	28	-	2,870	-	4,466	7,665	
Matured or derecognized assets (except for write off)	(381)	(2)	(741)	(247)	(629)	(27)	(4,841)	(6,868)	
Foreign exchange differences	-	-	93	(1,791)	1,674	-	(24)		
Loss allowance for ECL as at 31 December 2023	371	-	102	-	12,571	23,724	9,675	46,443	

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	Credit commitments (Note 32)						Guarantees (Note 32)						Letters of credit (Note 32)					
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3	
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Loss allowance for ECL as at 1 January 2023	2,057	288	288	288	-	15,458	361	2,641	3,668	2,568	-	27,041						
- Transfer from stage 1	(48)	24	24	(438)	-	438	(789)	-	789	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	-	(26)	26	(361)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New assets issued or acquired	293	-	-	721	-	4,900	1,270	-	-	-	-	7,184						
Matured or derecognized assets (except for write off)	(2,010)	(294)	(46)	(11,551)	(11)	(2,641)	(2,894)	(3,414)	-	-	-	(22,861)						
Foreign exchange differences	45	9	-	98	11	1	156	78	-	-	-	398						
Loss allowance for ECL as at 31 December 2023	337	1	4	4,649	-	5,339	1,411	21	-	11,762	-	11,762						

31. EARNINGS PER SHARE

Basic earnings per share (EPS) are calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares. The preference shares are not included into the EPS calculation.

The Group has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal basic earnings per share.

According to the charter of the Group, and as described in Note 23, dividend payments per ordinary share cannot exceed the dividends per share on preferred shares for the same period and the minimum dividends payable to the owners of preference shares comprise not less than 20%. Therefore, net profit for the period is allocated to the ordinary shares and the preferred shares in accordance with their legal and contractual dividend rights to participate in undistributed earnings.

	2024	2023
Profit for the year attributable to ordinary shareholders	1,115,025	856,154
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	243,259	243,552
Total basic and diluted earnings per ordinary share (expressed in UZS per share)	4.58	3.52

32. COMMITMENTS AND CONTINGENCIES

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

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

The Management believes that its interpretation of the relevant legislation is appropriate and the Bank's tax, currency legislation and customs positions will be sustained. Accordingly, as at 31 December 2024 no provision for potential tax liabilities had been recorded (2023: Nil). The Group estimates that it has no potential obligations from exposure to other than remote tax risks.

Capital expenditure commitments. As at 31 December 2024 and 31 December 2023 the Group had contractual capital expenditure commitments for the total amount of UZS 230,262 million and UZS 160,258 million in respect of premises and equipment, respectively.

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

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	31 December 2024	31 December 2023
Guarantees issued	2,151,989	1,457,703
Letters of credit, non post-financing	1,673,453	2,065,635
Letters of credits, post-financing with commencement after reporting period end	693,466	863,518
Undrawn credit lines	2,222,715	834,515
Total gross credit related commitments	6,741,623	5,221,371
Less - Cash held as security against letters of credit and guarantees	(1,533,771)	(1,352,830)
Less – Provision for expected credit losses	(42,048)	(11,762)
Total credit related commitments net of cash collaterals and ECL	5,165,804	3,856,779

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

The credit quality of contingencies carried at amortized cost is as follows at 31 December 2024:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Issued financial guarantees				
- Standard	2,054,937	24,172	-	2,079,109
- Substandard	-	30,535	-	30,535
- Unsatisfactory	-	-	-	-
- Doubtful	-	-	-	-
- Loss	-	-	42,345	42,345
Gross carrying amount	2,054,937	54,707	42,345	2,151,989
Credit loss allowance	(25,474)	(4,481)	(7,312)	(37,267)
Net carrying amount	2,029,463	50,226	35,033	2,114,722
Letter of credit				
- Standard	2,317,736	134	-	2,317,870
- Substandard	-	49,049	-	49,049
- Unsatisfactory	-	-	-	-
- Doubtful	-	-	-	-
- Loss	-	-	-	-
Gross carrying amount	2,317,736	49,183	-	2,366,919
Credit loss allowance	(4,452)	-	-	(4,452)
Net carrying amount	2,313,284	49,183	-	2,362,467
Undrawn credit lines				
- Standard	2,107,274	29,762	42,415	2,179,451
- Substandard	-	38,622	3,326	41,948
- Unsatisfactory	-	-	831	831
- Doubtful	-	-	351	351
- Loss	-	-	134	134
Gross carrying amount	2,107,274	68,384	47,057	2,222,715
Credit loss allowance	(122)	(55)	(152)	(329)
Net carrying amount	2,107,152	68,329	46,905	2,222,386

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The credit quality of contingencies carried at amortized cost is as follows at 31 December 2023:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Issued financial guarantees				
- Standard	1,427,175	-	-	1,427,175
- Substandard	-	-	-	-
- Unsatisfactory	-	-	-	-
- Doubtful	-	-	-	-
- Loss	-	-	30,528	30,528
Gross carrying amount	1,427,175	-	30,528	1,457,703
Credit loss allowance	(4,649)	-	(5,339)	(9,988)
Carrying amount	1,422,526	-	25,189	1,447,715
Letter of credit				
- Standard	2,922,897	-	-	2,922,897
- Substandard	-	6,256	-	6,256
- Unsatisfactory	-	-	-	-
- Doubtful	-	-	-	-
- Loss	-	-	-	-
Gross carrying amount	2,922,897	6,256	-	2,929,153
Credit loss allowance	(1,411)	(21)	-	(1,432)
Carrying amount	2,921,486	6,235	-	2,927,721
Undrawn credit lines				
- Standard	825,868	2,782	3,192	831,842
- Substandard	-	2,356	32	2,388
- Unsatisfactory	-	-	238	238
- Doubtful	-	-	47	47
- Loss	-	-	-	-
Gross carrying amount	825,868	5,138	3,509	834,515
Credit loss allowance	(337)	(1)	(4)	(342)
Carrying amount	825,531	5,137	3,505	834,173

33. DERIVATIVE FINANCIAL INSTRUMENTS

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under foreign exchange forward and swap contracts entered into by the Group. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the end of the respective reporting period. The contracts are short term in nature:

	31 December 2024		31 December 2023	
	Contracts with		Contracts with	
	positive fair value	negative fair value	positive fair value	negative fair value
Foreign exchange swaps: fair values, at the end of the reporting period, of				
- RUB receivable on settlement (+)	-	749,665	1,211,810	-
- UZS payable on settlement (-)	-	(872,647)	(1,160,311)	-
-USD receivable on settlement (+)	1,051,865	-	-	-
-CNY payable on settlement (-)	(1,018,716)	-	-	-
Net fair value of foreign exchange swaps	33,149	(122,982)	51,499	-

Foreign exchange derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value measurements are analysed by level in the fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

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

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting year. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

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Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation model(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 December 2024	31 December 2023				
- Visa Inc.	23,738	18,676	Level 1	Quoted bid prices in an active market.	N/A	N/A
- Derivative financial assets	33,149	51,499	Level 3	Discounted cash flows. Discount rate estimated based on constructed build up curves	Discount rate	The greater discount-the smaller fair value
- Other equity securities	122,274	100,541	Level 3	Discounted cash flows. Discount rate estimated based on WACC	Discount rate, future cash flows	The greater discount-the smaller fair value
- Derivative financial liabilities	122,982	-	Level 3	Discounted cash flows. Discount rate estimated based on constructed build up curves	Discount rate	The greater discount-the smaller fair value

Other financial assets are those without quoted market prices in an active market, mainly represented by investment into LLC "Yashil Energiya" (19.2%) valued at UZS 69.9 billion, JSC "Mortgage Refinancing Company of Uzbekistan" (ownership 8%) valued at UZS 35.3 billion and JSC "Republican Currency Exchange" (ownership 11.1%) valued at UZS 14.9 billion.

The fair value of the equity instruments at fair value through other comprehensive income disclosed in Note 12 was determined as the present value of future dividends by assuming dividend growth rate of zero per annum. The Management built its expectation based on previous experience of dividends received on financial assets at fair value through other comprehensive income over multiple years and accordingly calculated the value of using the average rate of return on investments. A significant unobservable input used in determining the fair value of equity securities at FVTOCI is the Group's WACC. The higher the WACC the lower the fair value of the equity securities at FVTOCI. The Management believes that this approach accurately reflects the fair value of these securities, given they are not traded. Such financial instruments were categorised as Level 3.

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

Below is presented the fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required). Except as detailed in the following table, the Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	31 December 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
Loans and advances to customers including finance lease receivables				
- Corporate loans (Note 10)	42,885,032	42,730,559	35,637,888	35,663,950
- State and municipal organisations (Note 10)	14,001,289	13,910,135	14,456,385	14,466,957
- Loans to individuals (Note 10)	9,589,511	9,903,764	7,913,965	7,919,752
Due from other banks	1,707,029	1,755,336	1,778,707	1,590,323
Debt securities in issue				
- Eurobonds (Note 19)	9,055,263	9,068,878	4,970,366	4,910,894
Other borrowed funds	39,833,147	33,501,143	37,633,735	32,309,689
Subordinated debt	1,984,144	1,734,888	1,696,854	1,633,337

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	31 December 2024			Total
	Level 1	Level 2	Level 3	
Loans and advances to customers including finance lease receivables				
- Corporate loans	-	-	42,730,559	42,730,559
- State and municipal organisations	-	-	13,910,135	13,910,135
- Loans to individuals	-	-	9,903,764	9,903,764
Due from other banks	-	-	1,755,336	1,755,336
Debt securities in issue				
- Eurobonds (Note 19)	7,731,387	1,337,491	-	9,068,878
Other borrowed funds	-	-	33,501,143	33,501,143
Subordinated debt	-	-	1,734,888	1,734,888

	31 December 2023*			Total
	Level 1	Level 2	Level 3	
Loans and advances to customers including finance lease receivables	-	-	58,050,659	58,050,659
- Corporate loans	-	-	35,663,950	35,663,950
- State and municipal organisations	-	-	14,466,957	14,466,957
- Loans to individuals	-	-	7,919,752	7,919,752
Due from other banks	-	-	1,590,323	1,590,323
Debt securities in issue				
- Eurobonds (Note 19)	3,572,111	1,338,783	-	4,910,894
Other borrowed funds	-	-	32,309,689	32,309,689
Subordinated debt	-	-	1,633,337	1,633,337

* The table was revised to align with 31 December 2024 presentation.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

For those financial instruments where interest rates were not directly available in the CBU's Statistical bulletin, the Management uses discounted cash flow model by applying market interest rates based on the rates of the deals concluded towards the end of the reporting period. Due to the absence of an active market or observable inputs for instruments with characteristics similar to the Bank's financial instruments, the Management considered the latest rates as the most appropriate input from all available data for calculation of the fair value of financial assets and financial liabilities. Therefore, these long-term financial instruments that are not measured at fair value on a recurring basis but where fair value disclosures are required, are categorised within Level 3.

35. CAPITAL RISK MANAGEMENT

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

Under the current capital requirements set by the CBU, banks have to maintain a ratio of regulatory capital to risk weighted assets above a prescribed minimum level. Based on information provided internally to key management personnel the Bank's calculated ratios are as follows:

- Ratio of regulatory capital to risk weighted assets ("Regulatory capital ratio") above a prescribed minimum level of 13% (31 December 2023: 13%). Actual ratio as at 31 December 2024: 15.6% (31 December 2023: 16.1%);
 - Ratio of Group's tier 1 capital to risk weighted assets ("Capital adequacy ratio") above a prescribed minimum level of 10% (31 December 2023: 10%). Actual ratio as at 31 December 2024: 10.6% (31 December 2023: 11.0%); and
 - Ratio of Group's tier 1 capital to total assets less intangibles ("Leverage ratio") above a prescribed minimum level of 6% (31 December 2023: 6%). Actual ratio as at 31 December 2024: 9.1% (31 December 2023: 9.7%).
- The Group and the Bank have complied with all externally imposed capital requirements throughout 2024.

Total capital is based on the Group's reports prepared under Uzbekistan Accounting Legislation and related instructions and comprises:

	31 December 2024	31 December 2023
Tier 1 capital	8,709,078	7,802,768
Less: Deductions from capital	(122,398)	(72,859)
Tier 1 capital adjusted	8,586,680	7,729,909
Tier 2 capital	4,002,217	3,551,187
Total regulatory Capital	12,588,897	11,281,096

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, preference shares, retained earnings excluding current year profit and less intangible assets and investment into unconsolidated entities excluding investments made to green energy companies. The other component of regulatory capital is Tier 2 capital, which includes current year profit, general reserves created per regulatory requirements for assets classified as standard and subordinated debt balances adjusted based on remaining maturity.

The Group was in compliance with externally imposed capital requirements as at 31 December 2024 and 31 December 2023.

36. RISK MANAGEMENT POLICIES

The risk management function within the Group is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

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

Clients of the Group are segmented into five rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes.

Group's internal ratings scale:

Standard 1 Timely repayment of these loans is not in doubt. The borrower is a financially stable company, which has an adequate capital level, high level profitability and sufficient cash flow to meet its all existing obligations, including present debt. When estimating the reputation of the borrower such factors as the history of previous repayments, marketability of collateral (movable and immovable property guarantee) are taken into consideration.

Sub-standard 2 "Sub-standard" loans are loans, secured with a reliable source of secondary repayment (guarantee or collateral). On the whole, the financial situation of borrower is stable, but some unfavorable circumstances or tendencies are in the present, which raise doubts on the ability of the borrower to repay on time. "Standard" loans with insufficient information in the credit file or missed information on collateral could

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be also classified as "sub-standard" loans.

Unsatisfactory 3 Unsatisfactory loans have obvious deficiencies, which make for doubtful repayment of the loan on the conditions, envisaged by the initial agreement. As for "unsatisfactory" loans, the primary source of repayment is not sufficient and the Group has to seek additional loan repayment sources, which in case of non-repayment is a sale of collateral.

Doubtful 4 Doubtful loans are those loans, which have all the weaknesses inherent in those classified as "unsatisfactory" with the added characteristic that the weakness makes collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable.

Loss 5 Loans classified as "loss" are considered uncollectible and have such little value that their continuance as bankable assets of the Group is not warranted. This classification does not mean that the loans have absolutely no likelihood of recovery, but rather means that it is not practical or desirable to defer writing off these essentially worthless assets even though partial recovery may be effected in the future and the Group should make efforts on liquidation such debts through selling collateral or should apply all forces for its repayment.

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

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

Where appropriate, and in the case of most loans, the Group obtains collateral and corporate and personal guarantee. However, a significant portion of loans is personal lending, where no such facilities can be obtained. Such risks are monitored on a continuous basis and subject to annual or more frequent reviews.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below.

(a) Limits. 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.

Loan applications, along with financial analysis of loan applicant which includes liquidity, profitability, interest coverage and debt service coverage ratios, originated by the relevant client relationship managers are passed on to the relevant credit committee or Bank Council for approval of credit limit.

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

Collateral before being accepted by the Group is thoroughly analysed and physically verified, where applicable. Debt securities, treasury and other eligible bills are generally unsecured.

The principal collateral types for loans and advances as well as finance lease receivables are:

- State guarantees
- Cash deposits;
- Motor vehicle;
- Inventory;
- Letter of surety;
- Residential house;
- Equipment;
- Building; and
- Other assets

(c) Concentration of risks of financial assets with credit risk exposure. The Group's Management focuses on concentration risk:

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

The Bank is required to prepare and submit stand-alone financial information of the Bank to the Central Bank of Uzbekistan on a monthly basis. The consolidated financial statements are prepared under IFRS only once in a year.

In order to monitor credit risk exposures, weekly reports are produced by the credit department's officers based on a structured analysis focusing on the customer's business and financial performance, which includes overdue balances, disbursements and repayments, outstanding balances and maturity of loan and as well as grade of loan and collateral. Any significant exposures against customers with deteriorating creditworthiness are reported to and reviewed by the Management daily. The Management monitors and follows up past due balances.

Impairment and provisioning policies. The internal and external rating systems described above focus on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognised for financial reporting purposes only for losses incurred at the balance sheet date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and banking regulation purposes.

The Group's policy requires the review of individual financial assets that are above certain materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Collectively assessed impairment allowances are provided for: (i) portfolios of homogenous assets that are individually below materiality thresholds; and (ii) individual financial assets in stage 1 and 2 that are above certain materiality thresholds, by using the available empirical data, experienced judgment and statistical techniques.

The Group monitors the term to maturity of off-balance sheet contingencies because longer term commitments generally have a greater degree of credit risk than short-term commitments.

Commitments to extend credit represent unused portions of credit in the form of loans, guarantees or letters of credit. The credit risk on off-balance sheet financial instruments is defined as a probability of losses due to the inability of counterparty to comply with the contractual terms and conditions. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments.

However, the likely amount of the loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group applies the same credit policy to the contingent liabilities as it does to the balance sheet financial instruments, i.e. the one based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring.

Maximum exposure of credit risk. The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the consolidated statement of financial position. For guarantees and commitments to extend credit, the maximum exposure to credit risk is the amount of the commitment. The credit risk is mitigated by collateral and other credit enhancements.

Off-balance sheet risk. The Group applies fundamentally the same risk management policies for off-balance sheet risks as it does for its on-balance sheet risks. In the case of commitments to lend, customers and counterparties will be subject to the same credit management policies as for loans and advances. Collateral may be sought depending on the strength of the counterparty and the nature of the transaction.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group manages its market risk through risk-based limits established by the Bank Supervisory Board on the value of risk that may be accepted. The risk-based limits are subject to review by the Bank Council on a quarterly basis. Overall Group's position is split between Corporate and Retail banking positions. The exposure of Corporate and Retail banking operations to market risk is managed through the system of limits monitored by the Treasury Department on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. The Group takes on exposure to the effect of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. In respect of currency risk, the Council sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The Group's Treasury Department measures its currency risk by matching financial assets and liabilities denominated in same currency and analyses effect of actual annual appreciation/depreciation of that currency against Uzbekistan Soum to the profit and loss of the Group.

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The Group measures its currency risk by:

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

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of reporting periods 2024 and 2023:

31 December 2024	USD	EUR	RUB	Other currencies	UZS	Total
Cash and cash equivalents	2,826,809	596,910	49,672	900,985	2,151,484	6,525,860
Due from other banks	1,049,250	-	-	417	657,362	1,707,029
Loans and advances to customers including finance lease receivables	24,201,407	16,281,380	-	971,725	25,021,320	66,475,832
Investment in debt securities	633,429	-	-	-	3,731,290	4,364,719
Other financial assets	408	4,679	-	106,217	1,299	112,603
Total monetary assets	28,711,303	16,882,969	49,672	1,979,344	31,562,755	79,186,043
Due to other banks	1,079,381	153,733	696,715	-	889,881	2,819,710
Customer accounts	3,997,585	350,907	48,667	515,979	16,190,563	21,103,701
Debt securities in issue	6,609,609	-	-	-	2,445,654	9,055,263
Other borrowed funds	18,921,588	16,560,523	-	-	4,351,036	39,833,147
Other financial liabilities	144,166	20	-	-	39,962	184,148
Subordinated debt	789,408	-	-	-	1,194,736	1,984,144
Total monetary liabilities	31,541,737	17,065,183	745,382	515,979	25,111,832	74,980,113
Derivative instruments	1,051,865	-	749,665	(1,018,716)	(872,647)	(89,833)
Net Balance sheet position	(1,778,569)	(182,214)	53,955	444,649	5,578,276	4,116,097

As of the reporting date, the Group experienced a temporary shortfall in its USD net position, which led to a breach of the Single Currency Foreign Exchange Risk Ratio set under financing agreements with international lenders, including IFC, ADB and investors of private Eurobond placement. This breach was due to accounting adjustments related to expected credit losses, which reduced the carrying value of certain financial assets and, consequently, net forex position figures used in covenant calculations.

After the reporting date, the Group received formal waivers from all relevant lenders, confirming that no acceleration of repayment would be pursued. Therefore, this matter does not give rise to any concerns regarding the Group's ability to continue as a going concern or any risks to its funding structure.

The impact of the breach into other financial risk management disclosures has been presented in relevant sections below.

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31 December 2023*	USD	EUR	RUB	Other currencies	UZS	Total
Cash and cash equivalents	3,951,582	1,615,364	205,871	83,462	1,109,615	6,965,894
Due from other banks	780,218	-	-	16,293	982,196	1,778,707
Loans and advances to customers including finance lease receivables	25,483,464	12,673,843	-	-	19,850,931	58,008,238
Investment in debt securities	124,597	-	-	-	1,968,818	2,093,415
Other financial assets	9,831	6,330	-	-	11,232	27,393
Total monetary assets	30,349,692	14,295,537	205,871	99,755	23,922,792	68,873,647
Due to other banks	2,566,045	1,108,348	875,316	-	1,269,242	5,818,951
Customer accounts	4,745,697	391,558	65,112	59,065	9,067,250	14,328,682
Debt securities in issue	4,970,366	-	-	-	-	4,970,366
Other borrowed funds	18,102,943	13,137,941	456,266	-	5,936,585	37,633,735
Other financial liabilities	127,648	20	-	-	54,952	182,620
Subordinated debt	501,334	-	-	-	1,195,520	1,696,854
Total monetary liabilities	31,014,033	14,637,867	1,396,694	59,065	17,523,549	64,631,208
Derivative instruments	-	-	1,211,810	-	(1,160,311)	51,499
Net Balance sheet position	(664,341)	(342,330)	20,987	40,690	5,238,932	4,293,938

* The table was revised to align with 31 December 2024 presentation.

The Group hedged its currency risk by entering currency swaps. Information on derivative financial instruments is disclosed in Note 33

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Changes of the possible movement of the currency rates from 2023 to 2024 were associated with the increase in the volatility of the exchange rate. The following table presents sensitivities of profit and loss to reasonably possible changes in exchange rates applied at the end of reporting period, with all other variables held constant:

	As at 31 December 2024 Impact on profit or loss	As at 31 December 2023 Impact on profit or loss
US Dollars strengthening by 20% (31 December 2023: 20%)	(355,714)	(32,601)
US Dollars weakening by 20% (31 December 2023: 20%)	355,714	32,601
EUR strengthening by 20% (31 December 2023: 20%)	(36,443)	(68,466)
EUR weakening by 20% (31 December 2023: 20%)	36,443	68,466
RUB strengthening by 20% (31 December 2023: 20%)	10,791	4,197
RUB weakening by 20% (31 December 2023: 20%)	(10,791)	(4,197)

The above sensitivity analysis include limitations in terms of the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes, based on historical change in foreign currency rates, and which cannot be predicted with any certainty.

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

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

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

The table below presents the Group's financial assets and liabilities categorized according to the time remaining to their next contractual repricing date. The analysis provides insight into the Group's exposure to interest rate risk, reflecting the sensitivity of financial instruments to changes in market interest rates.

The classification is based on the earlier of the contractual repricing date or maturity date. Instruments are grouped into:

- **NB** – non-interest-bearing balances. These are financial instruments that do not carry any interest and are not sensitive to interest rate movements.
- **FB** – fixed interest rate instruments. These are instruments with fixed interest rates over the contractual term, and are subject to interest rate risk depending on their maturity dates.
- **FLB** – floating interest rate instruments. These instruments carry variable interest rates that are reset periodically, exposing them to changes in market interest rates.

This table is used for interest rate risk management purposes only and does not reflect the contractual maturity profile or expected liquidity behavior of financial instruments. As such, the figures presented here may differ from those disclosed in the liquidity risk and contractual maturity tables.

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31 December 2024	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	NIB 3,797,065	-	-	-	-	-	3,797,065
	FIB 2,728,795	-	-	-	-	-	2,728,795
Due from other banks	NIB 122,511	-	15,557	-	-	-	138,068
	FIB 19,766	82,894	110,931	828,136	481,662	45,572	1,568,961
Loans and advances to customers including finance lease receivables	NIB 13,302	176,494	179,113	572,847	509,477	40,800	1,492,033
	FIB 4,021,077	9,475,943	6,185,390	10,986,359	6,670,607	9,049,150	46,388,526
	FLIB 1,565,395	4,810,665	2,452,988	4,567,568	3,010,748	2,187,909	18,595,273
Derivative financial assets	FIB -	-	33,149	-	-	-	33,149
Investment in debt securities	NIB 444,009	142,753	-	-	-	-	586,762
	FIB -	124,156	74,043	2,727,201	817,596	34,961	3,777,957
Total financial assets	NIB 4,376,887	319,247	194,670	572,847	509,477	40,800	6,013,928
	FIB 6,769,638	9,682,993	6,403,513	14,541,696	7,969,865	9,129,683	54,497,388
	FLIB 1,565,395	4,810,665	2,452,988	4,567,568	3,010,748	2,187,909	18,595,273
Liabilities							
Due to other banks	NIB 1,516,152	10,836	-	1,533	-	-	1,528,521
	FIB 668,056	-	305,196	11,514	81,185	225,238	1,291,189
Customer accounts	NIB 1,316,764	926,764	1,230,944	6,972,640	557,435	2,633,113	13,637,660
	FIB 7,360,060	-	94,345	11,636	-	-	7,466,041
Debt securities in issue	NIB 368,923	31,841	-	-	-	-	400,764
	FIB -	-	-	2,250,000	5,112,451	-	7,362,451
	FLIB -	-	-	-	1,292,048	-	1,292,048
Other borrowed funds	NIB 565,881	4,903	6,928	27,711	27,711	53,995	687,129
	FIB 667,248	1,778,771	1,252,731	2,731,900	2,211,718	4,417,517	13,059,885
	FLIB 527,239	4,666,778	8,161,512	8,016,199	2,032,768	2,681,637	26,086,133
Derivative financial liabilities	FIB 122,982	-	-	-	-	-	122,982
Subordinated debt	NIB 9,254	3,165	-	-	-	-	12,419
	FIB -	-	-	276,238	1,104,474	74,194	1,454,906
	FLIB -	-	-	-	516,819	-	516,819
Total financial liabilities	NIB 3,776,974	977,509	1,237,872	7,001,884	585,146	2,687,108	16,266,493
	FIB 8,818,346	1,778,771	1,652,272	5,281,288	8,509,828	4,716,949	30,757,454
	FLIB 527,239	4,666,778	8,161,512	8,016,199	3,841,635	2,681,637	27,895,000
Net interest sensitivity gap	FLIB 1,038,156	143,887	(5,708,524)	(3,448,631)	(830,887)	(493,728)	(9,299,727)

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31 December 2023	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	NIB 82,713 FIB 6,883,181	-	-	-	-	-	82,713 6,883,181
Due from other banks	NIB 280,497 FIB 10,116	32,574 94,728	66,318 145,137	146,314	957,215	45,808	379,389 1,399,318
Loans and advances to customers including finance lease receivables	NIB 10,234 FIB 3,554,760 FLIB 928,921	51,168 8,132,082 3,310,818	84,090 5,441,449 2,544,988	89,495 9,844,321 4,157,193	76,962 6,515,605 3,380,969	49,399 8,244,636 1,591,148	361,348 41,732,853 15,914,037
Derivative financial assets	FIB -	51,499	-	-	-	-	51,499
Investment in debt securities	NIB 58,113 FIB -	- 1,101,353	- 691,278	- 207,817	- -	- 34,854	58,113 2,035,302
Total financial assets	NIB 431,557 FIB 10,448,057 FLIB 928,921	83,742 9,379,662 3,310,818	150,408 6,277,864 2,544,988	89,495 10,198,452 4,157,193	76,962 7,472,820 3,380,969	49,399 8,325,298 1,591,148	881,563 52,102,153 15,914,037
Liabilities							
Due to other banks	NIB 497,502 FIB 2,099,922	- 2,732,125	66,629 24,866	- 359,007	- 38,900	- -	564,131 5,254,820
Customer accounts	NIB 336,182 FIB 6,333,481	1,919,906 -	1,292,916 71,134	1,906,903 370,163	124,788 30	1,973,179 -	7,553,874 6,774,808
Debt securities in issue	NIB - FIB - FLIB -	42,123 - -	- 3,694,366 -	- -	- -	- -	42,123 3,694,366 1,233,877
Other borrowed funds	NIB 566,375 FIB 596,854 FLIB 220,017	5,773 1,608,795 2,887,037	6,928 2,357,538 5,050,645	26,841 2,744,373 7,645,914	27,711 1,762,540 4,819,117	67,851 3,741,221 3,498,205	701,479 12,811,321 24,120,935
Subordinated debt	NIB 3,080 FIB - FLIB -	3,949 - -	- -	- 6,452	- 264,382	- 1,172,216	7,029 1,443,050 246,775
Total financial liabilities	NIB 1,403,139 FIB 9,030,257 FLIB 220,017 708,904	1,971,751 4,340,920 2,887,037 423,781	1,366,473 6,147,904 5,050,645 (2,505,657)	1,933,744 3,479,995 7,645,914 (3,488,721)	152,499 2,065,852 6,135,252 (2,754,283)	2,041,030 4,913,437 3,662,722 (2,071,574)	8,868,636 29,978,365 25,601,587 (9,687,550)
Net interest sensitivity gap							

* The table was revised to align with 31 December 2024 presentation

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As at 31 December 2024, if interest rates at that date had been 165 basis points lower (2023: 165 basis points lower) with all other variables held constant, profit for the year would have been UZS 153,445 million higher (2023: UZS 70,355 million higher). If interest rates had been 165 basis points higher (2023: 165 basis points higher), with all other variables held constant, profit would have been UZS 153,445 million lower (2023: UZS 70,355 million lower).

Other price risk. The Group is exposed to prepayment risk through providing loans, including mortgages, which give the borrower the right to early repay the loans. The Group's current year profit or loss and equity at the current reporting date would not have been significantly impacted by changes in prepayment rates because such loans are carried at amortised cost and the prepayment right is at or close to the amortised cost of the loans and advances to customers including finance lease receivables. The Group has no significant exposure to equity price risk.

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

31 December 2024	Uzbekistan	OECD	Non-OECD	Russia	Total
Assets					
Cash and cash equivalents	3,640,506	2,109,998	37	775,319	6,525,860
Due from other banks	1,572,353	134,676	-	-	1,707,029
Loans and advances to customers including finance lease receivables	66,475,832	-	-	-	66,475,832
Investment in debt securities	4,338,681	26,038	-	-	4,364,719
Financial assets at fair value through other comprehensive income	122,272	23,740	-	-	146,012
Derivative financial assets	-	33,149	-	-	33,149
Other financial assets	112,590	13	-	-	112,603
Total financial assets	76,262,234	2,327,614	37	775,319	79,365,204
Liabilities					
Due to other banks	2,552,729	11,965	121,752	133,264	2,819,710
Customer accounts	21,103,701	-	-	-	21,103,701
Debt securities in issue	-	9,055,263	-	-	9,055,263
Other borrowed funds	5,490,998	24,608,410	9,047,397	686,342	39,833,147
Derivative financial liabilities	-	122,982	-	-	122,982
Other financial liabilities	50,264	84	133,800	-	184,148
Subordinated debt	1,460,407	523,737	-	-	1,984,144
Total financial liabilities	30,658,099	34,322,441	9,302,949	819,606	75,103,095
Net balance sheet position	45,604,135	(31,994,827)	(9,302,912)	(44,287)	4,262,109
Credit related commitments (Note 32)	6,741,623	-	-	-	6,741,623

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

31 December 2023*	Uzbekistan	OECD	Non-OECD	Russia	Total
Assets					
Cash and cash equivalents	4,237,428	2,568,635	57	159,774	6,965,894
Due from other banks	1,695,281	82,565	-	861	1,778,707
Loans and advances to customers including finance lease receivables	58,008,238	-	-	-	58,008,238
Derivative financial assets	-	51,499	-	-	51,499
Investment in debt securities	2,093,415	-	-	-	2,093,415
Financial assets at fair value through other comprehensive income	100,539	18,678	-	-	119,217
Other financial assets	21,392	62	5,939	-	27,393
Total financial assets	66,156,293	2,721,439	5,996	160,635	69,044,363
Liabilities					
Due to other banks	2,690,933	22,705	259,640	2,845,673	5,818,951
Customer accounts	14,328,682	-	-	-	14,328,682
Debt securities in issue	-	4,970,366	-	-	4,970,366
Other borrowed funds	5,577,817	23,166,246	7,129,869	1,759,803	37,633,735
Other financial liabilities	55,009	2,584	125,027	-	182,620
Subordinated debt	1,447,959	248,895	-	-	1,696,854
Total financial liabilities	24,100,400	28,410,796	7,514,536	4,605,476	64,631,208
Net balance sheet position	42,055,893	(25,689,357)	(7,508,540)	(4,444,841)	4,413,155
Credit related commitments (Note 32)	5,221,371	-	-	-	5,221,371

* The table was revised to align with 31 December 2024 presentation.

The Group maintains a correspondence account with Asia Invest Bank, which is located in the Russia and is a subsidiary of the National Bank of Uzbekistan. Asia Invest Bank is not subject to international sanctions, and there are no restrictions or limitations on transactions or operations conducted with this bank. The Group monitors geopolitical developments and assesses related risks; however, exposure to this counterparty is currently considered to have no material impact on the Group's operations.

The Group ensures full compliance with applicable sanctions regimes imposed by the European Union, the United Kingdom, and the United States. In its operations, the Group does not engage in transactions with entities or financial institutions subject to international sanctions and limits its operations in the Russia exclusively to non-sanctioned entities.

Liquidity risk. Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Resources Management Committee of the Group.

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

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

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

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

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

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

31 December 2024	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Liabilities							
Due to other banks	2,196,233	36,072	328,465	92,608	146,692	273,725	3,073,795
Customer accounts	8,891,130	1,712,450	2,394,832	8,242,947	2,182,469	6,743,829	30,167,657
Debt securities in issue	462,562	470,257	526,099	3,294,536	8,043,249	-	12,796,703
Other borrowed funds	2,186,514	8,256,144	11,239,231	15,001,810	6,549,697	12,819,107	56,052,503
Derivative financial liabilities	122,982	-	-	-	-	-	122,982
Insurance contract liabilities	670	9,255	65,554	97,202	57,001	40,227	269,909
Other financial liabilities	184,148	-	-	-	-	-	184,148
Subordinated debt	40,019	49,814	57,317	497,483	1,722,263	74,232	2,441,128
Undrawn credit lines	2,222,715	-	-	-	-	-	2,222,715
Guarantees issued	2,151,989	-	-	-	-	-	2,151,989
Letters of credit	2,366,919	-	-	-	-	-	2,366,919
Total potential future payments for financial obligations	20,825,881	10,533,992	14,611,498	27,226,586	18,701,371	19,951,120	111,850,448

This table shows the contractual future obligations based on the original repayment terms.

Although a covenant breach observed on 31 December 2024, formally triggered cross-default clauses, none of the lenders exercised their rights to demand early repayment and provided waivers.

The Group also assessed the impact of the breach into undiscounted maturity disclosure, and the Group would report total undiscounted liability of UZS 46,753,554 million in the "Demand and less than 1 month" bucket, followed by UZS 5,533,825 million in "From 1 to 6 months" period, UZS 8,091,835 million in "From 6 to 12 month" period, and UZS 16,240,971 million in "From 1 to 3 years" bucket, UZS 6,559,766 million in "From 3 to 5 years" range and UZS 14,820,652 million in "Over 5 years" range.

The Bank is subject to certain financial and other restrictive covenants under the terms of its indebtedness that impose certain requirements on the Bank to comply with financial ratios and tests and certain restrictions that limit the Bank's ability to, among others, obtain further financing and/or repay existing long-term indebtedness. In drawing up consolidated financial statements as at 31 December 2023, the Management undertook a detailed review of the Bank's debt agreements and identified that in one case there was a clause that the Bank did not comply with as at 31 December 2023. The implication of this was that this debt and a number of other facilities where there are conditions in the relevant facility agreements, together, totaling UZS 30,022,608 million, should no longer be considered, for financial reporting purposes, as long term as at 31 December 2023. Therefore, the Management took action and notified the transaction agent on 27 June 2024 to voluntarily prepay this debt and did so on 2 July 2024. Following the early repayment of the debt and having taken legal advice where it was considered appropriate and received any necessary additional loan covenant waivers, the expected maturity table below shows a positive short term liquidity gap after taking into account the early repayment of the above-mentioned debt and all other long term debt facilities being settled on their contractual settlement dates, as the Bank now has the right to defer settlement of the other respective debt liabilities to their settlement dates.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement.

The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

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The table on the following page shows the maturity analysis of non-derivative financial assets at their carrying amounts and based on their contractual maturities, except for assets that are readily saleable if it should be necessary to meet cash outflows on financial liabilities. Such financial assets are included in the maturity analysis based on their expected date of disposal. Impaired loans are included at their carrying amounts net of impairment provisions and based on the expected timing of cash inflows.

As of the reporting date, a breach of a financial covenant related to Single Currency Foreign Exchange Risk Ratio triggered cross-default clauses across several related contracts, giving lenders a legal right to request early repayment. However, none of the lenders exercised this right. To ensure transparency, the Group disclosed a conservative scenario where the affected liabilities are shown as payable on demand. This approach is purely accounting-driven and does not reflect the Group's actual liquidity situation. As a result of this presentation, the Group would report net negative liquidity gap of UZS 26,786,876 million in the "Demand and less than 1 month" bucket, followed by remaining positive gaps UZS 10,726,466 million in "From 1 to 6 months" period, UZS 2,710,252 million in "From 6 to 12 month" period, and UZS 6,587,706 million in "From 1 to 3 years" bucket, a gap of UZS 7,628,450 million in "From 3 to 5 years" range and UZS 3,396,111 million in "Over 5 years" range. Correspondingly, the cumulative liquidity gap to be reported would be net negative liquidity gap of UZS 26,786,876 million in the "Demand and less than 1 month" bucket, followed by cumulative negative gaps of UZS 16,060,410 million in "From 1 to 6 months" period, UZS 13,350,158 million in "From 6 to 12 month" period, and UZS 6,762,452 million in "From 1 to 3 years" bucket, a positive cumulative gap of UZS 865,998 million in "From 3 to 5 years" range and UZS 4,262,109 million in "Over 5 years" range. The breach was resulted from accounting adjustments related to expected credit losses, which reduced the carrying values of certain financial assets and net forex position used in covenant calculations. This had no impact on the Group's solvency, credit quality, or operational liquidity. The breach of Total Overdue Loans on Loan Portfolio Ratio as of 31 December led the related borrowing be presented as due on demand in the conservative scenario explained above as well.

To provide a complete picture, the Group has also presented an expected maturity profile based on management's assessment of actual repayment behavior. This reflects historical debt servicing patterns and the continued support of lenders. Following the reporting date, the Group received formal waivers from all affected creditors, confirming no early repayment would be required. Accordingly, the Group's funding structure remains stable and aligned with the original terms of borrowing.

The Group does not use the above undiscounted maturity analysis to manage liquidity. Instead, the Group monitors expected maturities which may be summarised as follows at 31 December 2024:

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31 December 2024	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	6,525,860	-	-	-	-	-	6,525,860
Due from other banks	164,706	82,894	104,059	828,136	481,662	45,572	1,707,029
Loans and advances to customers including finance lease receivables	5,599,776	14,463,101	8,817,491	16,126,773	10,190,832	11,277,859	66,475,832
Investment in debt securities	444,009	266,909	74,043	2,727,201	817,596	34,961	4,364,719
Financial assets at fair value through other comprehensive income	-	-	-	146,012	-	-	146,012
Derivative financial assets	-	-	33,149	-	-	-	33,149
- <i>inflows</i>	-	-	1,051,865	-	-	-	-
- <i>outflows</i>	-	-	(1,018,716)	-	-	-	-
Other financial assets	112,603	-	-	-	-	-	112,603
Total financial assets	12,846,954	14,812,904	9,028,742	19,828,122	11,490,090	11,358,392	79,365,204
Liabilities							
Due to other banks	2,184,208	10,836	305,196	13,047	81,185	225,238	2,819,710
Customer accounts	8,708,670	895,059	1,329,684	6,979,740	557,435	2,633,113	21,103,701
Debt securities in issue	368,923	31,841	-	2,250,000	6,404,499	-	9,055,263
Other borrowed funds	1,760,368	6,450,452	9,421,171	10,775,810	4,272,197	7,153,149	39,833,147
Derivative financial liabilities	122,982	-	-	-	-	-	122,982
- <i>inflows</i>	749,665	-	-	-	-	-	-
- <i>outflows</i>	(872,647)	-	-	-	-	-	-
Other financial liabilities	184,148	-	-	-	-	-	184,148
Subordinated debt	9,254	3,165	-	276,238	1,621,293	74,194	1,984,144
Total financial liabilities	13,338,553	7,391,353	11,056,051	20,294,835	12,936,609	10,085,694	75,103,095
Net liquidity gap	(491,599)	7,421,551	(2,027,309)	(466,713)	(1,446,519)	1,272,698	4,262,109
Cumulative liquidity gap	(491,599)	6,929,952	4,902,643	4,435,930	2,989,411	4,262,109	

Subsequent to the reporting date, the Group obtained formal waivers from all affected counterparties, fully resolving the covenant breach. Accordingly, the Group does not anticipate any going concern implications, nor any disruption to its financing structure or investor relationships.

The Bank remains in a strong liquidity position, supported by:

- UZS 6.5 trillion in cash and cash equivalents;
- Over 4.3 trillion in highly-liquid investment securities, including government bonds eligible for repo deals;
- Full access to interbank money and repo markets;
- Strategic institutional support from the Uzbekistan Fund for Reconstruction and Development (UFRD) and the Ministry of Finance.

This confirmation of post-reporting resolution reinforces the Group's financial stability and continued compliance with its funding obligations.

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The analysis by remaining contractual maturities may be summarised as follows at 31 December 2023:

31 December 2023	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	6,965,894	-	-	-	-	-	6,965,894
Due from other banks	290,613	127,302	211,455	146,314	957,215	45,808	1,778,707
Loans and advances to customers							
including finance lease receivables	4,403,325	11,584,658	8,070,527	14,091,009	9,973,536	9,885,183	58,008,238
Investment in debt securities	58,112	1,101,353	691,278	207,817	-	34,855	2,093,415
Financial assets at fair value through other comprehensive income	-	-	-	119,217	-	-	119,217
Derivative financial assets	-	51,499	-	-	-	-	51,499
- <i>inflows</i>	-	1,211,810	-	-	-	-	-
- <i>outflows</i>	-	(1,160,311)	-	-	-	-	-
Other financial assets	27,393	-	-	-	-	-	27,393
Total financial assets	11,745,337	12,864,812	8,973,260	14,564,357	10,930,751	9,965,846	69,044,363
Liabilities							
Due to other banks	2,597,424	2,732,125	91,495	359,007	38,900	-	5,818,951
Customer accounts	6,678,347	1,940,232	1,710,912	1,901,199	124,813	1,973,179	14,328,682
Debt securities in issue	-	42,123	3,694,366	-	1,233,877	-	4,970,366
Other borrowed funds	1,383,247	4,501,605	7,415,110	10,417,128	6,609,368	7,307,277	37,633,735
Derivative financial liabilities	-	-	-	-	-	-	-
Other financial liabilities	182,620	-	-	-	-	-	182,620
Subordinated debt	3,080	3,949	-	6,452	346,640	1,336,733	1,696,854
Total financial liabilities	10,844,718	9,220,034	12,911,883	12,683,786	8,353,598	10,617,189	64,631,208
Net liquidity gap	900,619	3,644,778	(3,938,623)	1,880,571	2,577,153	(651,343)	4,413,155
Cumulative liquidity gap	900,619	4,545,397	606,774	2,487,345	5,064,498	4,413,155	

The above analysis is based on remaining original contractual maturities.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the Management of the Group. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

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The Management believes that in spite of a substantial portion of customer accounts being on demand, the fact that significant portion of these customer accounts are of large state-controlled entities which are either the Group's shareholders or its entities under common control and the past experience of the Group, indicate that these customer accounts provide a long-term and stable source of funding for the Group.

As part of liquidity risk management, the Group maintains a contingency plan, periodically reviewed and adjusted, to be able to withstand any unexpected outflow of customers and to respond to financial stress. The contingency plan is developed primarily on the basis of the Group's ability to access the State resources due to its state ownership and strategic importance to the national banking system of the Republic of Uzbekistan.

As at 31 December 2024 the contingency plan of the Group consisted of the following:

- Attraction of long-term deposits of State funds under the Ministry of Finance – Pension Fund, State Deposit Insurance Fund and others;
- Attraction of budgetary funds up to one year through weekly electronic bidding platform run by the State Treasury under the Ministry of Finance;
- Utilization of the CBU's short-term liquidity loans;
- Attraction of deposits from inter-bank money markets within the limits set by the local commercial banks.

Insurance risk. The insurance risk management policy of the Group is designed to identify, assess, and control all material risks related to insurance contracts within the scope of IFRS 17, including underwriting, reinsurance, reserving, and investment risks that impact the measurement and disclosure of insurance liabilities.

Insurance risk management is overseen by the Insurance Committee, which includes executive and departmental heads. The Committee sets underwriting limits, approves tariff and reinsurance decisions, and monitors the adequacy of reserves, including IBNR and reported claims. Underwriting activities are supported by an automated system that enforces predefined limits and requires approvals when thresholds are exceeded. Tariff effectiveness is reviewed regularly, particularly in relation to IBNR reserves.

Reinsurance is actively used to reduce insurance and liquidity risks, with 28% of total insurance obligations reinsured at the end of 2024. Counterparty risks are managed through diversification and exposure limits.

Reserve management follows IFRS 17 requirements, with portfolio-based calculations of estimates of present value of future cash flows, risk adjustment for non-financial risk, contractual service margin, and liability for incurred claims. These are based on insurance accounting data and aligned with either the GMM or PAA model depending on the product characteristics.

The Group applies a moderate investment policy to ensure sufficient liquid assets to support insurance liabilities. At least 50% of the investment portfolio is held in highly liquid fixed-income instruments, with limits on riskier assets. Key financial and operational risks related to investments are regularly monitored, supporting the IFRS 17 risk adjustment for non-financial risk and liability measurement process.

Internal reporting ensures ongoing monitoring of risk exposures and reserve levels, with legal and compliance oversight to maintain alignment with local regulations and IFRS standards. This framework supports accurate consolidation of insurance financials under IFRS 17 and transparent disclosure of risk exposures.

Environmental, Social and Governance (ESG) matters. Accounting for Green Loans for classification and measurement of loans where contractual cash flows may change as a response to certain ESG metrics, such as compliance with emissions standards, energy efficiency metrics, or even a combination of different green measures. Climate change might affect a lender's exposure to credit losses for its financial assets. Climate change might affect the assumptions that are made by lenders to estimate ECL. It could also affect the risk ratings for individual borrowers or groups of borrowers, or their probability of default ('PD'). In some cases, it could result in moving loans between stages.

Borrowers could face a range of physical, regulatory and reputational risks that ultimately impact their credit risk and increase the likelihood that they might be unable to meet their debt obligations. Moreover, the value of assets against which loans are secured could fall in value, or even become inaccessible or uninsurable - affecting the value of collateral.

The Group and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks.

When considering the impacts on ECL Management approach is to:

Thinking separately about physical risk (for example, destruction or temporary disruption of physical assets from increased incidence of severe weather events) and transition risk (advancement or displacement as a result of moving to a 'greener' and more sustainable economy).

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Being mindful of duration - while change is happening fast, longer term exposures are likely to be more affected than short-term ones.

Recognizing that 'one size' doesn't fit all - different portfolios will have different risk exposures depending on duration, industry, geography etc and, in many cases, only top-down assessments of vulnerable geographies and industries will be possible.

Avoiding double counting risks, by considering the extent to which they might already be captured directly or indirectly through model inputs such as market credit spreads, expected default frequency and other factors.

Considering other arrangements such as insurance, guarantees, government subsidies (or other payments and policies) and other sources of recoveries, including how they are structured and how their providers are thinking about (and responding to) evolving ESG risks.

Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

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

Management believes that it is currently not possible to explicitly incorporate climate risk factors in the Group's risk framework, including ECL measurement. Existing scenarios, forecasts, and estimates are covering only the long-term horizon well beyond the maturity of the existing portfolios. Such scenarios are also high-level, and attribution to specific borrowers without additional data would be highly arbitrary.

To address the information gap for detailed, borrower-specific data, the Group is collecting information to perform a robust assessment of the risks specific of its borrowers. The Group is planning to enhance its credit risk scoring models to incorporate such information in the PD and LGD measurement in the future.

Management believes there is no ESG impact on ECL measurement of bank's financial assets as at 31 December 2024.

Assessment of ESG-related risks and opportunities: During 2024 the Group has made an assessment of the ESG-related risks and opportunities in the context of the sustainable development and the plans for environmental and governance factors are detailed below:

Environmental and safety (E&S):		
	Description of the current situation	Description of the target situation
	E&S policy updated in January 2023 to include an exclusion list, a categorized risk list and Environmental and Social assessment reports. The exclusion List is aligned with the International Financial Institutions' (IFI) requirements;	<i>Increasing lending to environmentally-friendly production. Primarily supporting entrepreneurs engaged in sustainable and renewable energy production;</i> <i>Financing water-efficient agriculture projects. Water-efficient agriculture projects aim to reduce water usage in farming while maintaining or even increasing productivity.</i>

Governance		
	The Code of Conduct was revised in May 2023 to reflect evolving best practices and ensure alignment with our corporate values	An individual responsible for ESG is to be appointed within the underwriting department of the Bank, bolstering the department's commitment to sustainable practices; Establishment of an ESG reporting system, facilitating structured documentation and communication of ESG metrics; Development of an ESG risk management policy, ensuring systematic identification, assessment, and mitigation of ESG-related risks;

37. RELATED PARTY TRANSACTIONS

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

- "Significant shareholders" – legal entities-shareholders which have a significant influence to the Group through Government;
- "Key management personnel" – members of the Management Board and the Council of the Bank;
- "Entities under common control" – entities that are controlled, jointly controlled or significantly influenced by the Government.

The Group applies the exemption in paragraph 25 of IAS 24. The table below presents the transactions with key management personnel and transactions with government-related entities which are individually significant or other transactions that are collectively, but not individually, significant.

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

	31 December 2024		31 December 2023*	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Cash and cash equivalents				
- entities under common control (contractual interest rate: 0% – 9%)	707,548	11%	285,995	4%
Due from other banks				
- entities under common control (contractual interest rate: 0% – 14%)	1,079,451	63%	1,334,385	75%
Loans and advances to customers including finance lease receivables				
- key management personnel (contractual interest rate: 16% – 27%)	406	0%	368	0%
- entities under common control (contractual interest rate: 0% – 28%)	14,274,010	21%	14,572,496	25%
Credit loss allowance				
- key management personnel	(8)	0%	(2)	0%
- entities under common control	(170,376)	5%	(116,111)	5%
Investment in debt securities				
- significant shareholders (contractual effective interest rate: 5.9% – 21%)	4,063,554	93%	2,090,103	100%
Other Assets				
- key management personnel	64	0%	12	0%
- significant shareholders	5,968	1%	2,089	1%
- entities under common control	173	0%	22,913	15%
Due to other banks				
- entities under common control (contractual interest rate: 0% – 16%)	976,274	35%	964,575	17%
Customer accounts				
- key management personnel (contractual interest rate: 0% – 22%)	2,132	0%	2,089	0%
- significant shareholders (contractual interest rate: 0% – 23%)	3,024,611	14%	3,732,455	26%
- entities under common control (contractual interest rate: 0% – 23%)	6,393,138	30%	2,175,907	15%
- associate (contractual interest rate: 0% – 0%)	170	0%	14	0%
Other borrowed funds				
- significant shareholders (contractual interest rate: 0% – 18%)	2,973,560	7%	2,513,306	7%
- entities under common control (contractual interest rate: 8% – 10%)	937,791	2%	1,583,855	4%
Other liabilities				
- significant shareholders (contractual interest rate: n/a %)	-	0%	45	0%
- entities under common control (contractual interest rate: n/a %)	381	0%	529	0%
Subordinated debt				
- significant shareholders (contractual interest rate: 5% – 9%)	1,460,406	74%	1,447,959	85%

* The table was revised to align with 31 December 2024 presentation.

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	2024		2023	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Interest income				
- key management personnel	96	0%	140	0%
- significant shareholders	484,896	5%	373,691	5%
- entities under common control	2,667,213	30%	2,021,088	28%
Interest expense				
- key management personnel	(3)	0%	(265)	0%
- significant shareholders	(1,349,409)	25%	(551,690)	14%
- entities under common control	(160,406)	3%	(172,891)	4%
Recovery of / (Provision for) credit losses on loans and advances to customers including finance lease receivables				
- key management personnel	(7)	0%	-	0%
- entities under common control	(51,067)	3%	19,355	2%
Fee and commission income				
- significant shareholders	11	0%	18	0%
- entities under common control	38,393	7%	57,271	11%
- associate	28	0%	-	-
Impact of below market loans issued under government instruction				
- significant shareholders	(267,663)	100%	-	0%
Net gain from trading in foreign currencies				
- entities under common control	164,290	16%	50,773	11%
Other operating income				
- entities under common control	2,338	8%	-	-
Administrative and other operating expenses				
- key management personnel	(17,710)	1%	(15,444)	1%

	2024		2023*	
	Related party off-balances	Total category as per financial statements caption	Related party off-balances	Total category as per financial statements caption
Guarantees issued				
- entities under common control	1,409,126	65%	807,634	55%
Import letters of credit				
- entities under common control	1,325,226	56%	1,471,935	50%
Other commitments				
- key management personnel	76	0%	126	0%
- entities under common control	174,834	8%	267,665	32%

* The table was added to align with 31 December 2024 presentation.

The Group enters into transaction with other government related entities in the normal course of business.

Key management compensation is presented below:

	31 December 2024	31 December 2023
Salaries and other benefits	10,729	10,851
Bonuses	5,049	2,889
Social security contributions (State Pension Fund)	1,933	1,704
Total	17,711	15,444

38. EVENTS AFTER THE END OF THE REPORTING PERIOD

On January 24, 2025, Sinosure recalculated the unused insurance coverage period of the Credit Suisse AG loan to finance the construction of the Bank's new building in the "Tashkent City" International Business Center and refunded USD 5,047 mln. (UZS 48,384 million) to the Bank.

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In accordance with Presidential Decree No. PP-357 dated October 14, 2024, on measures for the further development of the startup ecosystem and venture financing, the group established the venture fund SQB Ventures LLC in January 2025, with an initial investment of UZS 65,000 million. SQB Ventures aims to provide financial support and assistance in business strategy development, the creation of an effective management model, and market entry facilitation for startups.

Aktif Bank, a Turkish financial institution, disbursed 6.7 million EUR in January 2025. The funds were obtained with the possibility of an extension, and the initial tenor is three months. This facility was primarily secured to support the Bank's liquidity needs.

Al Ahli Bank of Kuwait K.S.C.P, a Kuwaiti bank, disbursed 44 million USD in February 2025 to finance a trade finance project with a tenor of one year. The funding carries an interest rate of 6-month SOFR + 2.9%. The principal repayment will be made in a bullet payment at the end of the period, while interest payments will be made on a semi-annual basis.

First Abu Dhabi Bank PJSC, a financial institution based in the United Arab Emirates, extended funding to Group, amounting to 55 million USD in 2024 and an additional 36.7 million dirhams (equivalent to 10 million USD) in February 2025. The funds secured in 2024 were obtained at SOFR + 2-3%, while the dirham-denominated funding was raised at EIBOR + 2.85%. These funds are designated for trade finance projects, with a tenor of one year. On January 2025 Abu Dhabi Commercial Bank has signed an agreement in the amount of USD 10 million on attracting the Credit line facility for trade finance. The loan maturity period is defined as 12 months.

On February 13, 2025, Sustainable Fitch assigned Bank an ESG rating of "3" with a total score of 59, recognizing the Bank's commitment to sustainable development.

On February 18, 2025, Uzbek Law #1091 "Guarantees of Protecting Individual Bank Deposits" has been amended to limit guaranteed volume of individual deposits at level of UZS 200 million per individual client in any bank.

On March 26, 2025, the Central Bank of Uzbekistan increased refinancing rate from 13.5% to 14%. The increase in refinancing rate would result in additional interest income of UZS 3,997 million from loans issued and additional interest expense of UZS 2,415 million from funds attracted.

None of the subsequent events mentioned above was an adjusting event.

39. ABBREVIATIONS

The list of the abbreviations used in these consolidated financial statements is provided below:

Abbreviation	Full name
AC	Amortised Cost
EAD	Exposure at Default
ECL	Expected Credit Loss
EIR	Effective Interest Rate
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX, Forex	Foreign Currency Exchange
GMM	General Measurement Model (under IFRS 17)
IASB	International Accounting Standards Board
IBNR	Incurring But Not Reported (claims)
IFRS	International Financial Reporting Standard
LGD	Loss Given Default
PAA	Premium Allocation Approach (simplified model under IFRS 17)
PD	Probability of Default
RBNS	Reported But Not Settled (claims)
SICR	Significant Increase in Credit Risk
SME	Small and Medium-sized Enterprises
UPR	Unearned Premium Reserve
NIB	Non-Interest Bearing
FIB	Fixed Interest Bearing
FLIB	Floating Interest Bearing
UFRD	Uzbekistan Fund for Reconstruction and Development

**JSCB “UZBEK INDUSTRIAL
AND CONSTRUCTION BANK”
AND ITS SUBSIDIARIES**

Consolidated Financial Statements
and Independent Auditor’s Report
For the Years Ended 31 December 2023,
2022 and 2021

**JOINT STOCK COMMERCIAL BANK
“UZBEK INDUSTRIAL AND CONSTRUCTION BANK” AND ITS SUBSIDIARIES**

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**JOINT STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION
AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023, 2022 AND 2021**

Management of Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank" ("the Bank") and its subsidiaries ("the Group") is responsible for the preparation of the consolidated financial statements that present fairly the financial position of the Group as at 31 December 2023, 31 December 2022, 31 December 2021, and the related consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and of significant accounting policies and notes to the consolidated financial statements (the "consolidated financial statements") in compliance with IFRS Accounting Standards.

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 IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

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

The consolidated financial statements of the Group for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 were approved by the Management on 22 May 2024.

On behalf of the Management Board:


Akbarjonov Aziz
Chairman of the Management Board

22 May 2024
Tashkent, Uzbekistan


Khujamuratov Abbos
Acting Chief Accountant

22 May 2024
Tashkent, Uzbekistan



Independent Auditor's Report

To the Shareholders and Supervisory Board of JSCB "Uzbek Industrial and Construction Bank":

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of JSCB "Uzbek Industrial and Construction Bank" (the "Bank") and its subsidiaries (together – the "Group") as at 31 December 2023, 31 December 2022, and 31 December 2021 and Group's consolidated financial performance and consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statements of financial position as at 31 December 2023, 31 December 2022 and 31 December 2021;
- the consolidated statements of profit or loss and other comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan and auditor's independence requirements that are relevant to our audit of the consolidated financial statements in the Republic of Uzbekistan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan.



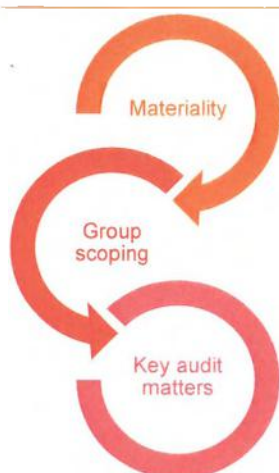
Suhrob Azimov
General Director



Otabek Abdukodirov
Certified Auditor

Our audit approach

Overview



- Overall Group materiality: UZS 53,554 million, which represents 5% of profit before tax.
- We performed full scope audit procedures on the financial statements of the Bank and selected audit procedures on the material balances and transactions of the subsidiaries included in the consolidated financial statements of the Group.
- Estimating the expected credit loss (ECL) allowance for loans and advances to customers in accordance with IFRS 9, Financial Instruments.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality


The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	UZS 53,554 million.
How we determined it	We determined overall materiality as being 5% of the profit before tax.
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% threshold as in our professional experience this is a widely accepted quantitative measure for this benchmark.



Suhrab Azimov
General Director

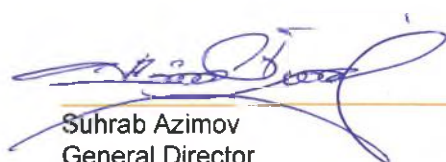


Otabek Abdukodirov
Certified Auditor

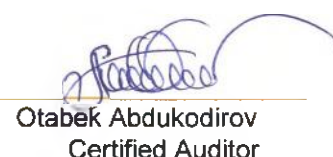
Key audit matters

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.

Key audit matter	How our audit addressed the key audit matter
<p>Estimating the expected credit losses (ECL) allowance for loans and advances to customers in accordance with IFRS 9, Financial Instruments</p> <p>We considered estimating the ECL allowance for loans and advances to customers as a key audit matter due to the significance of loans and advances to customers balance and a complexity of IFRS 9 ECL model, which requires significant judgment to determine the ECL allowance and is characterized by high estimation uncertainty.</p> <p>Key areas of judgement and sources of estimation uncertainty included:</p> <ul style="list-style-type: none"> • Classification of loans and advances to customers into stages in accordance with IFRS 9; • Key estimates and modelling assumptions used to estimate key risk parameters – probability of default and loss given default; • Estimated future cashflows for loans that were assessed on an individual basis. <p>Note 3 "Material Accounting Policy Information", Note 4 "Critical Accounting Judgements and Key Sources of Estimation Uncertainty", Note 9 "Loans and Advances to Customers" and Note 35 "Risk Management Policies" to the consolidated financial statements provide detailed information on the expected credit loss allowance.</p>	<p>Given the significance to the Group of the loans advanced by the Bank, the following relates to our procedures on the Bank.</p> <p>In assessing the ECL allowance we have performed, among others, the following audit procedures:</p> <ul style="list-style-type: none"> • We assessed the methodology and models for ECL provision assessment developed by the Bank in order to evaluate its compliance with IFRS 9 requirements. We focused our procedures on: default definition, factors for determining a "significant increase in credit risk", classification of the loans and advances to customers to stages, and estimation of key risk parameters. • On a sample basis we evaluated and tested the design and operational effectiveness of the controls on the processes that identify overdue loans. • On a sample basis we analysed the significant loans and advances to corporate clients, including state and municipal organisations, which had not been identified by management as either having had a significant increase in credit risk or defaulted and formed our own judgement as to whether that was appropriate. • On a sample basis we tested segmentation and allocation to stages of corporate loans and loans to individuals. • We involved auditor's expert to review Group's ECL methodology and models and assumptions used in ECL calculation. On a sample basis we tested the assumptions, inputs and formulas used in ECL models for collective provision assessment. This included assessing the appropriateness of model design and formulas used, and recalculating the probability of default and loss given default.



Suhrab Azimov
General Director



Otabek Abdukodirov
Certified Auditor

Key audit matter

How our audit addressed the key audit matter

- To verify data accuracy and quality, on a sample basis, we tested the data used in the ECL calculation by reconciling to source data, for example, loan portfolios, loan agreements, and collateral agreements
- We performed detailed analytical procedures over the ECL calculation disaggregated by stages, segments, currency and years to maturity.
- For loans assessed on an individual basis, on a sample basis, we assessed estimated by the Bank expected cash flows in various scenarios and key assumptions, including the timing of collateral collection and realisable value of collateral. We assessed the relevance of the scenarios used and their probability, and calculation of the present value of the cash flows.
- We critically assessed the appropriateness of incorporation of forward-looking information in the ECL by comparing forecasted macro-economic variables to the external sources.
- We assessed the accuracy and completeness of the disclosures in accordance with IFRS 7.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of the Bank and 11 subsidiaries and accounting records are maintained by a centralized accounting team for the entire Group. Our audit procedures included full scope audit of the Bank. The Bank represents more than 99% of the Group's total assets and the Group's total comprehensive income for the years ended at 31 December 2023, 31 December 2022 and 31 December 2021. In respect of subsidiaries, we focused our audit work on the balances and transactions of each subsidiary that were significant for the Group.

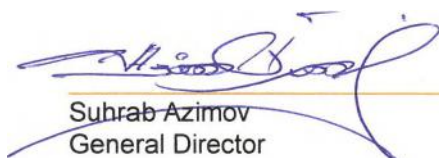
Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Suhrab Azimov
General Director



Otabek Abdukodirov
Certified Auditor

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 the 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.

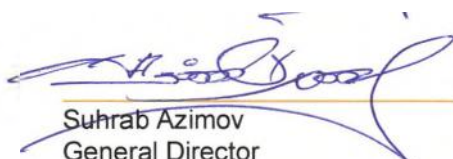
Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 scepticism throughout the audit. We also:

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


Suhrab Azimov
General Director
Otabek Abdukodirov
Certified Auditor

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 other legal and regulatory requirements

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

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

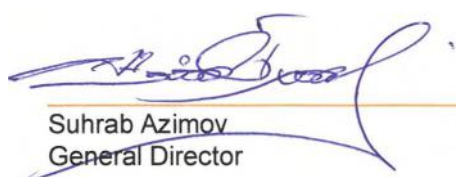
In accordance with Article 74 of the Law No. 580, dated 5 November 2019, On Banks and Banking Activity (the "Law"), we have performed procedures to check:

- the Bank's compliance with prudential ratios as at 31 December 2023 established by the Central Bank of the Republic of Uzbekistan;
- whether the elements of the Bank's internal control and organization of its risk management systems comply with the requirements established by the Central Bank of the Republic of Uzbekistan.

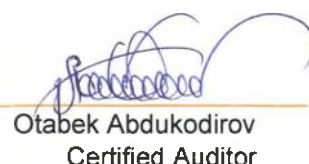
These procedures were selected based on our judgment, and were limited to the analysis, inspection of documents, comparison of the Bank's internal policies, procedures and methodologies with the applicable requirements established by the Central Bank of the Republic of Uzbekistan, and recalculations,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

We have not performed any procedures on the accounting records maintained by the Group, other than those which we considered necessary to enable us to express an opinion as to whether the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards. Our findings from the procedures performed are reported below.

Based on our procedures with respect to the Bank's compliance with the prudential ratios established by the Central Bank of the Republic of Uzbekistan, we found that the Bank's prudential ratios, as at 31 December 2023 were within the limits established by the Central Bank of the Republic of Uzbekistan.



Suhrab Azimov
General Director

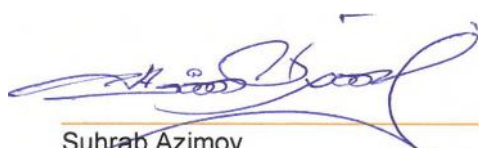


Otabek Abdukodirov
Certified Auditor


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

- as at 31 December 2023 the Bank's internal audit function was subordinated to, and reported to, the Supervisory Board, and the risk management function was not subordinated to, and did not report to, divisions taking relevant risks in accordance with the regulations and recommendations issued by the Central Bank of the Republic of Uzbekistan;
- the frequency of reports prepared by the Bank's internal audit function during 2023 was in compliance with the requirements of the Central Bank of the Republic of Uzbekistan. The reports were approved by the Bank's Supervisory Board and included observations made by the Bank's internal audit function in respect of internal control systems;
- as at 31 December 2023 the Bank has the established Information security function as required by the Central Bank of the Republic of Uzbekistan, and the information security policy was approved by the Bank's management board. Information security function was subordinated to, and reported directly to, the Chairman of the management board;
- reports by the Bank's Information security function to the Chairman of the management board during 2023 included assessment and analysis of information security risks, and results of actions to manage such risks;
- the Bank's internal documentation, effective on 31 December 2023 establishing the procedures and methodologies for identifying and managing the Bank's significant risks, and for stress-testing, was approved by the authorised management bodies of the Bank in accordance with the regulations and recommendations issued by the Central Bank of the Republic of Uzbekistan;
- as at 31 December 2023 the Bank maintained a system for reporting on the Bank's significant risks, and on the Bank's capital;
- the frequency of reports prepared by the Bank's risk management and internal audit functions during 2023 which cover the Bank's significant risks management, was in compliance with the Bank's internal documentation. The reports included observations made by the Bank's risk management and internal audit functions as to their assessment of the Bank's significant risks, risk management system and recommendations for improvement;
- as at 31 December 2023 the Supervisory Board and Executive Management of the Bank had responsibility for monitoring the Bank's compliance with the risk limits and capital adequacy ratios established in the Bank's internal documentation. In order to monitor the effectiveness of the Bank's risk management procedures and their consistent application during 2023 the Supervisory Board and Executive Management of the Bank periodically discussed the reports prepared by the risk management and internal audit functions, and considered the proposed corrective actions.


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



Suhrab Azimov
General Director



Otabek Abdukodirov
Certified Auditor



Suhrab Azimov
General Director
Certificate of auditor No. 05338
dated 7 November 2015 issued by
the Ministry of Finance of Uzbekistan



Otabek Abdukodirov
Certified Auditor
Certificate of auditor No. 05496
dated 28 July 2017 issued by the
Ministry of Finance of Uzbekistan

Certificate of auditor No. 28
dated 25 August 2023 issued by
the Central Bank of Uzbekistan

Certificate of auditor No. 29
dated 25 August 2023 issued by
the Central Bank of Uzbekistan

Audit Organization "PricewaterhouseCoopers" LLC
Audit Organization "PricewaterhouseCoopers" LLC

Tashkent, Uzbekistan

22 May 2024

**JOINT STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES**


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023, 2022 AND 2021
(in millions of Uzbek Soums)

	Notes	31 December 2023	31 December 2022 (restated)*	31 December 2021 (restated)*
ASSETS				
Cash and cash equivalents	7	6,965,894	7,119,489	8,196,652
Due from other banks	8	1,778,707	1,843,415	1,956,303
Investment securities measured at amortised cost	10	2,093,415	2,678,571	1,067,512
Financial assets at fair value through other comprehensive income	11	119,217	42,007	48,136
Loans and advances to customers	9	58,008,238	48,420,489	42,537,051
Investment in associates	12	77,814	35,834	29,726
Derivative financial assets	32	51,499	-	-
Reinsurance contract assets	26	20,334	17,671	7,546
Current income tax prepayment		238,871	251,647	45,778
Other assets	14	147,845	279,366	310,704
Deferred tax asset	28	203,571	194,962	202,125
Premises and equipment	13	3,340,418	2,007,056	1,211,359
Intangible assets	13	67,945	75,448	65,004
Non-current assets held for sale	15	179,555	223,345	48,602
TOTAL ASSETS		73,293,323	63,189,300	55,726,498
LIABILITIES				
Due to other banks	16	5,818,951	3,895,719	1,392,977
Customer accounts	17	14,328,682	15,328,819	13,561,540
Debt securities in issue	18	4,970,366	3,361,256	3,317,817
Other borrowed funds	19	37,633,735	32,241,760	30,130,776
Derivative financial liabilities	32	-	115,533	-
Insurance contract liabilities	26	157,745	94,171	71,989
Other liabilities	20	247,059	240,326	197,421
Subordinated debt	21	1,696,854	330,560	101,771
TOTAL LIABILITIES		64,853,392	55,608,144	48,774,291
EQUITY				
Share capital	22	4,634,438	4,640,011	4,640,011
Retained earnings		3,781,693	2,925,522	2,291,864
Revaluation reserve of financial assets at fair value through other comprehensive income		23,688	14,490	14,132
Net assets attributable to the Bank's owners		8,439,819	7,580,023	6,946,007
Non-controlling interest		112	1,133	6,200
TOTAL EQUITY		8,439,931	7,581,156	6,952,207
TOTAL LIABILITIES AND EQUITY		73,293,323	63,189,300	55,726,498

* Comparative information has been restated as described further in Note 3.

Approved for issue and signed on behalf of the Management Board on 22 May 2024.


Akbarjonov Aziz
Chairman of the Management Board


Khujamuratov Abbos
Acting Chief Accountant

**JOINT STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

(in millions of Uzbek Soums, except for earnings per share which are in Uzbek Soums)

	Notes	2023	2022 (restated*)	2021
Interest income calculated using the effective interest method	24	7,185,285	5,025,358	4,155,398
Other similar income	24	36,176	29,198	32,024
Interest expense	24	(4,080,099)	(2,626,371)	(2,067,905)
Net margin on interest and similar income		3,141,362	2,428,185	2,119,517
Provision for credit losses on loans and advances to customers	9	(1,133,383)	(925,158)	(420,937)
Net margin on interest and similar income after credit loss allowance on loans and advances to customers		2,007,979	1,503,027	1,698,580
Fee and commission income	25	515,905	443,690	386,074
Fee and commission expense	25	(132,060)	(126,413)	(110,483)
(Loss)/gain on initial recognition on interest bearing assets		(8,063)	(12,182)	8,119
Net losses from modification of financial assets measured at amortised cost, that did not lead to derecognition		-	-	(52,339)
Net gain (loss) on foreign exchange translation		98,311	185,776	(4,262)
Net gain from trading in foreign currencies		462,964	337,768	170,935
Gains less losses from financial derivatives		(233,476)	(100,848)	-
Insurance revenue (excluding reinsurance business)	26	90,867	68,459	80,881
Insurance service expenses (excluding reinsurance business)	26	(79,049)	(52,208)	(68,566)
Reinsurance business	26	(12,959)	1,150	-
Finance income (expenses) from insurance contracts (net)	26	(16,044)	(10,570)	-
Dividend income		11,251	4,741	4,920
Other operating income		27,371	11,180	40,866
Recovery of / (provision for) credit losses on other assets		14,879	8,521	(34,145)
Impairment of assets held for sale		(6,402)	(46,267)	(5,586)
Administrative and other operating expenses	27	(1,670,778)	(1,369,498)	(1,044,146)
Share of result from associates		381	703	722
Profit before tax		1,071,077	847,029	1,071,570
Income tax expense	28	(214,923)	(213,374)	(214,582)
PROFIT FOR THE PERIOD		856,154	633,655	856,988
Other comprehensive income:				
Items that will not be subsequently reclassified to profit or loss:				
Fair value gain on equity securities at fair value through other comprehensive income		11,497	448	935
Tax effect		(2,299)	(90)	(187)
Other comprehensive income		9,198	358	748
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		865,352	634,013	857,736
Profit/(loss) is attributable to:				
- Owners of the Bank		856,171	633,658	856,989
- Non-controlling interest		(17)	(3)	(1)
PROFIT FOR THE PERIOD		856,154	633,655	856,988
Total comprehensive income /(loss) is attributable to:				
- Owners of the Bank		865,369	634,016	857,737
- Non-controlling interest		(17)	(3)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		865,352	634,013	857,736
Total basic and diluted EPS per ordinary share attributable to the owners of the Bank (expressed in UZS per share)	30	3.52	2.60	3.52

* Comparative information has been restated as described further in Note 3.

Approved for issue and signed on behalf of the Management Board on 22 May 2024.

Akbarjonov Aziz
Chairman of the Management Board

Khujamuratov Abdos
Acting Chief Accountant

JOINT STOCK COMMERCIAL BANK "UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021
(in millions of Uzbek Soums)

	Attributable to owners of the Bank				Non-controlling interest	Total equity
	Share capital	Revaluation reserve of financial assets at fair value through other comprehensive income	Retained earnings	Total		
31 December 2020						
Effects of adoption of new or revised standards (Note 3)	4,640,011	13,384	1,427,469	6,080,864	-	6,080,864
1 January 2021	4,640,011	13,384	1,427,469	6,080,864	-	6,080,864
Profit for the period	-	-	856,989	856,989	(1)	856,988
Other comprehensive income for the period	-	748	-	748	-	748
Total comprehensive income for the period	-	748	856,989	857,737	-	857,736
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	6201	6,201
31 December 2021	4,640,011	14,132	2,284,458	6,938,601	6,200	6,944,801
Effects of adoption of new or revised standards (Note 3)	-	-	7,406	7,406	-	7,406
1 January 2022 (restated*)	4,640,011	14,132	2,291,864	6,946,007	6,200	6,952,207
Profit for the period	-	-	633,658	633,658	(3)	633,655
Other comprehensive income for the period	-	358	-	358	-	358
Total comprehensive income for the period	-	358	633,658	634,016	(3)	634,013
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	(5,064)	(5,064)
1 January 2023 (restated*)	4,640,011	14,490	2,925,522	7,580,023	1,133	7,581,156
Profit for the period	-	-	856,171	856,171	(17)	856,154
Other comprehensive income for the period	-	9,198	-	9,198	-	9,198
Total comprehensive income for the period	-	9,198	856,171	865,369	(17)	865,352
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	(1,004)	(1,004)
Acquisition of own shares (Note 22)	(5,573)	-	-	(5,573)	-	(5,573)
31 December 2023	4,634,438	23,688	3,781,693	8,439,819	112	8,439,931

* Comparative information has been restated as described further in Note 3

Approved for issue and signed on behalf of the Management Board on 22 May 2024.



Khujamuratov Abbos
Acting Chief Accountant

JOINT STOCK COMMERCIAL BANK
"UZBEK INDUSTRIAL AND CONSTRUCTION BANK" AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021
(in millions of Uzbek Soums)

	Notes	2023	2022 (restated)*	2021 (restated)*
Cash flows from operating activities				
Interest received		6,210,125	4,702,503	3,763,742
Interest paid		(4,476,779)	(3,091,478)	(2,015,843)
Fee and commission received		515,205	443,690	387,712
Fee and commission paid		(132,060)	(126,413)	(110,483)
Financial derivatives		(93,568)	68,139	-
Proceeds from customers from insurance activities		88,204	86,724	80,881
Payments made on insurance activities		(44,478)	(49,065)	(36,331)
Net gain from trading in foreign currencies		462,964	337,768	170,935
Other operating income received		17,021	10,756	47,066
Staff costs paid		(1,047,222)	(758,767)	(642,027)
Administrative and other operating expenses paid		(499,117)	(441,911)	(331,545)
Income tax paid		(213,055)	(410,229)	(236,674)
Cash flows from operating activities before changes in operating assets and liabilities		787,240	771,717	1,077,433
<i>Net (increase)/decrease in:</i>				
- due from other banks		(176,850)	(25,843)	(93,429)
- loans and advances to customers		(5,574,362)	(5,921,762)	(3,185,279)
- investment securities measured at amortised cost		633,368	(1,601,126)	(538,528)
- other assets		68,404	(17,990)	(13,302)
- non-current assets held for sale		37,388	11,178	(25,972)
<i>Net increase/(decrease) in:</i>				
- due to other banks		1,504,240	2,473,159	(127,211)
- customer accounts		(1,507,992)	1,780,630	1,731,312
- other liabilities		(36,897)	(14,207)	12,229
Net cash used in operating activities		(4,265,461)	(2,544,244)	(1,162,747)
Cash flows from investing activities				
Acquisition of financial assets at fair value through other comprehensive income		(67,067)	(1,077)	(7,593)
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	7,654	341
Acquisition of premises, equipment and intangible assets		(1,169,084)	(931,467)	(536,628)
Proceeds from disposal of premises, equipment and intangible assets		43,644	67,566	4,205
Acquisition of investment in associates		(41,599)	(5,405)	(28,011)
Dividend income received		9,269	4,741	4,920
Net cash used in investing activities		(1,224,837)	(857,988)	(562,766)
Cash flows from financing activities				
Proceeds from other borrowed funds		16,506,252	11,148,736	11,826,214
Repayment of other borrowed funds		(12,937,288)	(9,334,820)	(8,391,815)
Proceeds from debt securities in issue		1,286,100	-	10,000
Repayment of debt securities in issue		-	(82,690)	(81,310)
Proceeds from other subordinated debt		240,848	235,851	100,000
Dividends paid		(1,525)	(1,146)	-
Net cash from financing activities		5,094,387	1,965,931	3,463,089
Effect of exchange rate changes on cash and cash equivalents		242,316	359,138	857,890
Net increase/(decrease) in cash and cash equivalents		(153,595)	(1,077,163)	2,595,466
Cash and cash equivalents at the beginning of the period	7	7,119,489	8,196,652	5,601,186
Cash and cash equivalents at the end of the period	7	6,965,894	7,119,489	8,196,652

Comparative information has been restated as described further in Note 3.

Approved for issue and signed on behalf of the Management Board on 22 May 2024.


Akbarjonov Aziz
Chairman of the Management Board


Kpujamuratov Abbas
Acting Chief Accountant

The notes set out on pages 6 to 100 form an integral part of these consolidated financial statements

**JOINT STOCK COMMERCIAL BANK
“UZBEK INDUSTRIAL AND CONSTRUCTION BANK” AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

(in millions of Uzbek Soums, unless otherwise indicated)

1. INTRODUCTION

JSCB “Uzbek Industrial and Construction Bank” (“the Bank”) was incorporated in 1991 and is domiciled in the Republic of Uzbekistan. It is registered in Uzbekistan to carry out banking and foreign exchange activities and has operated under the banking license #17 issued by the Central bank of Uzbekistan (“the CBU”) on 21 December 2021 (succeeded the licenses #17 issued on 25 January 2003 and #25 issued on 29 January 2005 by the CBU for banking operations and general license for foreign currency operations, respectively).

Principal activity. The Bank’s principal activity is commercial banking, retail banking, operations with securities, foreign currencies and origination of loans and guarantees. The Bank accepts deposits from legal entities and individuals, extended loans, and transfer payments. The Bank conducts its banking operations from its head office in Tashkent and 90 banking service centers within Uzbekistan as of 31 December 2023 (2022 and 2021: 87 and 44 banking service centers respectively).

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

As at 31 December 2023, the number of Bank’s employees was 4,057 (2022 and 2021: 3,759 and 3,841 employees respectively).

Registered address and place of business. 3, Shakhrisabz street, Tashkent, 100000, Uzbekistan

At 31 December, the Bank consolidated the following companies in these consolidated financial statements (“The Group”):

Name Bank's direct interest in subsidiaries:	Country of incorporation	31 December 2023	31 December 2022	31 December 2021	Type of operation
		%	%	%	
SQB Capital, LLC	Uzbekistan	100	100	100	Asset management
SQB Insurance, LLC	Uzbekistan	100	100	100	Insurance
Bank's indirect interest in subsidiaries via SQB Capital, LLC					
SQB Securities, LLC	Uzbekistan	100	100	100	Asset management
SQB Construction, LLC	Uzbekistan	100	100	100	Construction
SQB Consulting, LLC	Uzbekistan	100	100	100	Consulting
“New Zomin Plaza” LLC	Uzbekistan	100	100	-	Hoteling
Bank's indirect interest in subsidiaries via SQB Construction, LLC					
“Radius Serebro and Capital LLC	Uzbekistan	99.76	99.76	99	Construction materials
“Big Peak 777 and Capital, LLC	Uzbekistan	100	100	99	Construction materials
Malik Muxammad Ali Fayz and Capital, LLC	Uzbekistan	100	100	99	Construction materials
Parizod Mexr and Capital, LLC	Uzbekistan	100	100	99	Construction materials
Penoplast Surkhon and Capital LLC	Uzbekistan	100	100	80	Construction materials
Yuksalish Fayz Farovon and Capital LLC	Uzbekistan	-	100	99	Construction materials
Go`zal Madina Omad LLC	Uzbekistan	-	99	-	Construction materials

During 2023, two subsidiaries have been disposed of by the Group, impact of discontinued operations is immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021

(in millions of Uzbek Soums, unless otherwise indicated)

Shareholders	31 December 2023	31 December 2022	31 December 2021
The Fund of Reconstruction and Development of the Republic of Uzbekistan	82.19%	82.09%	82.09%
Ministry of Economy and Finance of the Republic of Uzbekistan	13.48%	13.06%	13.06%
Other legal entities and individuals (individually hold less than 5%)	4.33%	4.85%	4.85%
Total	100%	100%	100%

Ultimate controlling party at the reporting date (and in the last two years) is the Government of Uzbekistan, represented by the Fund of Reconstruction and Development and the Ministry of Economy and Finance of the Republic of Uzbekistan (the Fund of Reconstruction and Development of the Republic of Uzbekistan and the Ministry of Finance of the Republic of Uzbekistan in previous year).

2. OPERATING ENVIRONMENT OF THE GROUP

Operating Environment. The Uzbekistan economy displays characteristics of an emerging market, including but not limited to, a low level of liquidity in debt and equity markets. Also, the banking sector in Uzbekistan is particularly impacted by local political, legislative, fiscal and regulatory developments. The largest Uzbek banks are state-controlled and act as an arm of the Government to develop the country's economy. The Government distributes funds from the country's budget, which flow through the banks to various government agencies, and other state and privately owned entities.

Uzbekistan experienced the following key economic indicators in 2023:

- Inflation: 8.8% (2022 and 2021 years 12.2% and 10.7% respectively)
- GDP growth 6% (2022: 5.4% and 2021 year 7.4%).
- Official exchange rates: 31 December 2023: USD 1 = UZS 12,338.77 (31 December 2022 and 2021: USD 1 = UZS 11,225.46 and 10,837.66 respectively)
- Central Bank refinancing rate: 14% (2022 and 2021 15% and 14% respectively)

In December 2023 Standard & Poor's international rating agency affirmed the Republic of Uzbekistan's long-term and short-term sovereign credit rating for foreign and local currency liabilities at the BB- level. The outlook was Stable.

The regulator pursues the inflation targeting policy aimed to reaching 5% by the end of 2025 and averaging around that level for an extended period. This is expected to be achieved in large part by imposing tighter requirements on liquidity, which should narrow down monetary base and loan portfolios of banks.

Influence of geopolitical events in the world. In February 2022, due to the conflict between the Russian Federation and Ukraine, numerous sanctions were announced against the Russian Federation by most Western countries. These sanctions are intended to have a negative economic impact on the Russian Federation. Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility in the currency markets, as well as a volatility of UZS against the US dollar and euro, however, this volatility stabilized by the end of 2022 and remained consistent throughout 2023.

In order to reduce the impact of the external environment on the economy of the Republic of Uzbekistan, on 17 March 2022, the Board of the Central Bank of the Republic of Uzbekistan increased the CBU refinancing rate from 14% to 17%. In June 2022 and then in July 2022, after some decrease in the degree of influence of the external environment on the economy, the Board of the Central Bank of Uzbekistan decreased the CBU refinancing rate to 15% respectively. On 17 March 2023, the Board of the Central Bank of the Republic of Uzbekistan decreased the CBU refinancing rate from 15% to 14%.

For the purpose of managing the country risk, the Bank controls transactions with counterparties within the limits set by the Bank's collegial body, which are reviewed regularly. The Group continues to assess the effect of these events and changes in economic conditions on its operations, financial position and financial performance. The future effects of the current economic situation taking into consideration the sanctions to the Russian government and the above measures are difficult to predict, and management's current expectations and estimates could differ from actual results.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards") under the historical cost convention except for certain financial instruments. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021

(in millions of Uzbek Soums, unless otherwise indicated)

The Group is required to maintain its records and prepare its financial statements for regulatory purposes in accordance with Uzbekistan Accounting Legislation and related instructions ("UAL") which are in the process of harmonisation to reflect IFRS Accounting Standards. These consolidated financial statements are based on the Group's UAL books and records, adjusted and reclassified in order to fully comply with IFRS Accounting Standards.

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

Basis of consolidation. Subsidiary is the investee, that the Group controls because the Group (i) has power to direct relevant activities of the investee that significantly affect its returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. Subsidiary is consolidated from the date on which control is transferred to the Group and is deconsolidated from the date on which control ceases.

Profit or loss and each component of OCI are attributed to the owners of the Bank and to the non-controlling interests (NCI). Total comprehensive income of the subsidiaries is attributed to the owners of the Bank and to the NCI even if this results in the NCI having a deficit balance.

Financial instruments – key measurement terms. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price. The price within the bid-ask spread that is most representative of fair value in the circumstances was used to measure fair value, which management considers is the last trading price on the reporting date. The quoted market price used to value financial assets is the current bid price; the quoted market price for financial liabilities is the current asking price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 32.

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories. The Group classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows"), or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL. Please refer to Note 4.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021

(in millions of Uzbek Soums, unless otherwise indicated)

assessment.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed. Refer to Note 4 for critical judgements applied by the Group in performing the SPPI test for its financial assets.

Financial assets impairment – credit loss allowance for ECL. The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability part of other liabilities in the consolidated statement of financial position.

The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 4 for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained further.

As an exception, for certain financial instruments, such as credit cards, that may include both a loan and an undrawn commitment component, the Group measures expected credit losses over the period that the Group is exposed to credit risk, that is, until the expected credit losses would be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. This is because contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to such contractual notice period.

An ECL measurement is based on four components used by the Group:

- Exposure at Default (EAD) - an estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.
- Probability of Default (PD) - an estimate of the likelihood of default to occur over a given time period.
- Loss Given Default (LGD) - an estimate of a loss arising on default. It is based on the difference between contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of EAD.
- Discount Rate - a tool to discount an expected loss from the present value at the reporting date. The discount rate represents the effective interest rate (EIR) for the financial instrument or an approximation thereof.

Calculation of financial assets impairment was made taking into account the following factors:

- In order to calculate the expected credit losses, the Group performs loan assessment on an individual basis and on a collective basis depending on general credit risk features.
- Expected credit losses represent estimates of expected credit losses weighted at probability of a default and calculated as present value of all expected losses in amounts due. Calculations are based on justified and verified information, which may be received without any significant costs or efforts. Calculation of the present value of the expected future cash flows of the secured financial asset reflects the cash flow that may result from foreclosure, less the cost of obtaining and selling collateral, regardless of whether the recovery is probable or not. The allowance is based on the Group's own experience in assessing losses and the Management assumptions about the level of losses likely to be recognised on assets in each category of a credit risk, based on debt servicing capabilities and borrower's credit track record.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

(in millions of Uzbek Soums, unless otherwise indicated)

- Impairment for treasury operations (investments in debt securities, reverse repurchase transactions, interbank loans and deposits, correspondent account transactions, accounts receivable under treasury transactions) is calculated taking into account the counterparty's rating, probability of default, duration of a transaction and the extent of loss in case of a default.
- Assets classified at fair value through profit or loss are not subject to impairment under IFRS 9.

The estimated credit losses for treasury operations are estimated on an individual basis (except for individual claims in the form of receivables).

ECL for collective assessment of credit losses

For collective assessment of credit losses, loans and advances to customers are segmented by dividing the portfolio of assets into segments based on their credit risk characteristics and are classified by criteria for determining the transition between Stages 1, 2 and 3. As of each reporting date, the Group assesses the significance of changes in credit risk for financial instruments from the moment of initial recognition and classifies them into the appropriate Stages depending on the level of credit risk.

- a) Stage 1 classifies financial instruments that, in accordance with with IFRS 9 (clause 5.5.10) upon initial recognition had no signs of impairment and the risk of which has not increased significantly since the date of acquisition.
- b) For financial instruments classified in Stage 1, expected losses are defined as the 12-month expected credit losses following the recognition date, or reporting date, in the absence of a significant increase in credit risk financial instrument from the moment of its initial recognition.
- c) Stage 2 classifies financial instruments for which there has been a significant increase in credit risk since initial recognition. The increase in credit risk is determined for each financial instrument individually according to the transition criteria, but not limited to them.
- d) Stage 3 classifies financial instruments for which one or more impairment events, that had a negative impact on the estimated future cash flows of such financial instrument, took place. In addition, acquired or originated credit-impaired loans are classified in stage 3 without the possibility of their reclassification into other Stages.

To achieve a greater level of detail in assessing credit risk, the Group uses a larger number of categories – 5 Buckets. In this case, 1 and 2 Buckets correspond Stages 1, 3 and 4 Buckets correspond to Stage 2, and 5 Bucket corresponds to Stage 3. Below is a list of criteria for determining classification and transition between Buckets. The presence of at least one criterion is sufficient to change the classification to reflect an increase in credit risk.

- a) Bucket 1: loans for which there is no SICR
 - All loans are classified into Bucket 1 upon initial recognition and remain in Bucket 1 unless a significant increase in the level of credit risk has been identified or until factors indicating a significant increase are identified, except for acquired or originated credit-impaired loans.
- b) Bucket 2: loans for which there is no SICR
 - Loans for which no significant increase in the level of credit risk has been identified, for which the maximum number of days overdue on the principal debt or by interest is from 16 days to 30 days, inclusive.
- c) Bucket 3: loans for which SICR occurred
 - Loans for which the maximum number of days of delay on the principal or interest is from 31 days to 60 days, inclusive;
 - Loans in the “substandard” category according to the Regulations on the CBU classification procedure;
 - Loans for which there were signs of loan loss as of the end the previous quarter due to the presence of one or more criteria moving to Bucket 3 or Bucket 4, and which as of the end of the current quarters (the “recovery” period is one quarter before the reporting quarter) do not have signs of credit quality deterioration.
- d) Bucket 4: loans for which SICR occurred
 - Loans for which the maximum number of days overdue on the principal debt or by interest is from 61 days to 90 days, inclusive.
- e) Bucket 5: Credit impaired loans
 - Loans for which the maximum number of days overdue on the principal debt or interest is more than 90 days;
 - Loans in the categories of “unsatisfactory”, “doubtful” and “hopeless” according to the Regulations on the classification procedure of the Central Bank of Uzbekistan;
 - If the Bucket 5 sign appears for other financial assets of a borrower;

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ECL for individually significant borrowers

An asset is assessed for impairment on an individual basis if the total debt of the borrower at the reporting date exceeds the materiality level. The level of materiality is determined as 1% of arithmetic average of the Group's total regulatory capital per National accounting standards for the last two years. The materiality level is analyzed at least once a year to assess its adequacy, as well as applicability, and based on the results of such analysis, the materiality level may be revised. At each reporting date, Risk Management Department determines a list of individually significant borrowers. For the purposes of determining this list, all debt owed by the borrower is considered in aggregate, that is, if the borrower has obligations under several loan agreements that were issued for different purposes, then the debt is defined as the sum of obligations under all of its agreements.

Risk Management Department (RMD), together with the relevant credit departments and the Loan Portfolio Monitoring Department, assesses whether there are signs of a significant increase in credit risk and impairment for each individually significant asset. Based on the results of the assessment at each reporting date, the RMD fills out a questionnaire for each individually significant borrower with the necessary explanations and comments to identify signs of a significant increase in credit risk. The questionnaire is being filled out based on the loan portfolio and information contained in monitoring reports and other information in the loan folder.

After determining whether there are signs of a significant increase in credit risk, as well as impairment, depending on the results of such analysis, the Group classifies the asset in question into one of the following stages:

Stage 1: “Loans with low credit risk”

- All loans are classified as Stage 1 upon initial recognition and remain in Stage 1, if no significant increase in the level of credit risk has been identified.

Stage 2: “Loans for which there has been an increase in credit risk”:

- if the borrower has an external credit rating, actual or expected (based on reasonable and verifiable information) reduction in external the borrower's credit rating by 2 or more notches;
- violations of the terms of the contract, such as late payment from 31 to 90 calendar days days as of the reporting date;
- loans in the “substandard” category according to the Regulations on the classification procedure CBU;
- according to the latest monitoring report, for a significant loan there is a significant (by more than 50% of the amount of collateral at the date of initial recognition) decrease in the value of collateral for the loan, not related to commercial reasons;
- prolongation or restructuring of the loan more than once (except for cases when restructuring occurs within the repayment schedule) since the origination of the loan and last restructuring was observed during last six months;
- availability of information from the Bank about overdue debts in other credit organizations (if the Bank has information) on the principal debt and/or accrued interest of borrower from 31 to 90 calendar days;
- if auditor's report on the borrower's financial statements includes paragraph on material uncertainty related to going concern;
- involvement in legal proceedings of the borrower (co-borrower), which may worsen his financial condition.

Stage 3: “Credit-Impaired Loans”:

- violation of the terms of the contract, such as default or late payment by 90 calendar days or more;
- availability of information from the Bank about overdue debts in other credit organizations (if the Bank has information) on the principal debt and/or accrued interest for 90 calendar days or more;
- event of default (i.e., cross default) on another financial asset of this borrower;
- loans in the categories of “unsatisfactory”, “doubtful” and “hopeless” according to the Regulations on the classification procedure of the Central Bank of Uzbekistan;
- if there is an external credit rating, the borrower's rating is reduced to the rating “CC” and below, assigned by rating agencies;
- write-off of part and/or the entire amount of debt of the borrower's principal debt during previous 2 years;
- presence of significant financial difficulties of the borrower. Examples include actual significant decrease in revenue (more than 60%) or margin (more than 40%);
- loans that have been restructured since initial recognition (more than 1 time), while the net present value of future cash flows according to the new terms, discounted using the original effective interest rate (EIR), differs by more than 10% compared to present value of future cash flows before restructuring (except the cases, where the financial condition of the borrower is stable and allows the borrower to repay the debt to the Bank, or when restructuring occurs by decision of higher authorities) until recovery lasting 6 months;
- lack of communication with the borrower, as well as lack of information allowing to determine the financial condition of the borrower over the past 12 months;
- availability of information about the death of an individual borrower;
- the borrower applies to the court to declare him bankrupt or files a claim

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- when a borrower is declared bankrupt according to Uzbekistan's laws or when there are loans with court decisions or ongoing legal proceedings (loans with court decision dates in the loan portfolio) by a third party;
- revocation of a license or other title document for the conducting activities;
- signs of impairment were present within the last six months (previous and reporting quarter).

The amount of expected credit losses for loans that are classified in Stage 1 and in Stage 2 is determined on a collective basis.

For each individually significant borrower in Stage 3, one of the following repayment strategies is determined:

- "Restructuring" strategy: restructuring the loan, revising credit conditions and developing an action plan that can allow the borrower to repay the loan;
- Strategy "Realization of collateral": liquidation of a loan by selling collateral.

The choice of the most appropriate strategy is determined based on the individual situation of the borrower, its availability and consent to cooperation, the availability of opportunities to restore activity, production or the possibility of eliminating the causes that caused losses and the inability to service the debt, the availability of funds from other business lines of the borrower, value, condition of pledges regarding debt and other factors.

In the event that the borrower incurs losses and the Group has no evidence of other sources of income and funds to service the debt, the strategy for selling collateral for the borrower is chosen.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Collateral. The Group obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of a lien over the customer's assets and gives the Group a claim on these assets for both existing and future customer liabilities.

Financial assets – derecognition. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability. Modifications of liabilities that do not result in extinguishment are accounted for using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

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

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

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

Investments in debt securities. Based on the business model and the cash flow characteristics, the Group classifies investments in debt securities as carried at AC. Debt securities are carried at AC if they are held for collection of contractual cash flows and where those cash flows represent SPPI, and if they are not voluntarily designated at FVTPL in order to significantly reduce an accounting mismatch.

Premises and equipment. Premises and equipment are stated at cost, less accumulated depreciation and provision for impairment, where required.

Construction in progress is carried at cost, less any recognised impairment loss. Such construction in progress is classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation. Depreciation of premises and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	<u>Useful lives in years</u>
Building and leasehold improvements	Lower of primary lease period and 33
Office and computer equipment	5-10

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

Intangible assets. Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Group's intangible assets primarily comprise capitalised computer software. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring them to use. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalised computer software is amortised on a straight line basis over expected useful lives of five years.

Finance lease receivables. Where the Group is a lessor in a lease which transfers substantially all the risks and rewards incidental to ownership to the lessee, the assets leased out are presented as a finance lease receivable and carried at the present value of the future lease payments

The difference between the gross receivable and the present value represents unearned finance income.

Credit loss allowance is recognised in accordance with the general ECL model, the same way as for loans and advances measured at AC.

Non-current assets held for sale. Non – current assets held for sale assets are mainly represented by repossessed collateral which represent financial and non-financial assets acquired by the Group in settlement of overdue loans, in the ordinary operating course of the Group business

Non-current assets are assets that include amounts expected to be recovered or collected more than twelve months after the end of the reporting period. If reclassification is required, both the current and non-current portions of an asset are reclassified.

Due to other banks. Due to banks are initially recognised at fair value. Subsequently, amounts due are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of profit or loss over the period of the borrowings, using the effective interest method as interest expense.

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

Debt securities in issue. Debt securities in issue include bonds and certificates of deposit issued by the Group. Debt securities are stated at amortised cost.

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Other borrowed funds. Other borrowed funds include borrowings from government and non-government funds and financial institutions. Other borrowed funds are carried at amortised cost.

Subordinated debt. Subordinated debt can only be paid in the event of a liquidation after the claims of other higher priority creditors have been met. Subordinated debt is carried at amortised cost.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Financial guarantees. Financial guarantees require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised balance of the amount at initial recognition. In addition, an ECL loss allowance is recognised for fees receivable that are recognised in the statement of financial position as an asset. Note 4 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

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

Preference shares which carry a mandatory coupon or are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised as interest expense on an amortised cost basis, using the effective interest method.

Interest income and expense recognition. Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Interest income on lease receivables calculated at nominal interest rate is presented within 'other similar income' line in profit or loss.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents. Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination.

Fee and commission income. Fee and commission income is recognised over time on a straight line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Group's performance. Such income includes recurring fees for account maintenance, account servicing fees, account subscription fees, etc. Variable fees are recognised only to the extent that management determines that it is highly probable that a significant reversal will not occur.

Other fee and commission income is recognised at a point in time when the Group satisfies its performance obligation, usually upon execution of the underlying transaction. 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, as well as, commissions and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses. Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part of the loan package for itself or retains a part at the same effective interest rate as for the other participants.

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Insurance activity. Insurance business is not material for the Group. Major insurance products are related to property insurance, transport insurance and credit insurance.

Non-life insurance operations. The Group considers the contract as the minimum unit of account, encompassing all insurance components, except in cases where the Group has made a reasonable decision to use a different level of detail as the minimum unit of account.

Insurance revenue. Total insurance revenue over the group of insurance contracts lifetime represents compensation for services rendered under the contract. It's the amount of premiums paid to the organization, adjusted for the effect of financing, and excluding all investment components. The amount of insurance revenue is recognized in a period to depict the transfer of promised services at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services.

Insurance service expenses are the costs incurred in fulfilling service obligations as per the contract in current and previous periods. These expenses may also include expected claims and their subsequent recoveries. Insurance service expenses encompass incurred insurance claims, other expenses related to insurance services (included in the liability for incurred insurance claims or paid upon occurrence) as a separate item in the income statement, reflecting the outcome of providing insurance services. Additionally, insurance service expenses include all other changes in the liability for incurred insurance claims, unless related to investment components or financial risk, including discounting, amounts recognized on initial recognition and subsequent changes to the loss component of the remaining coverage obligation, and expenses reflecting the amortization of acquisition cash flows.

aThe Group conducts the following types of analysis to fulfill the required expense allocation:

- Direct expense analysis within the insurance subsidiary's database to identify expense items partially or entirely related to the execution of insurance contracts.
- Regular analysis of departmental functions within the insurance subsidiary to allocate expenses according to following types:
 - acquisition cash flows;
 - expenses for policy administration and servicing;
 - expenses for settling insurance claims.

The liability for insurance contracts (or a positive value: asset for insurance contracts) consists of the following components: the liability for the remaining coverage (including the loss component recognized using General Measurement Model-GMM), and the liability for incurred insurance claims. If the sum of these components results in a negative value at the level of the group of insurance contracts, it represents an asset for insurance contracts, which must be presented separately from the liability for insurance contracts.

Liability for incurred claims (LIC) – An entity's obligation related to past service allocated to the group of insurance contracts being recognized at the reporting date as a sum of:

- (a) best estimate of present value future cash flows

risk adjustment to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk;

Liability for remaining coverage (LRC) - An entity's obligation related to future service allocated to the group of insurance contracts being recognized at the reporting date as a sum of:

- (a) best estimate of present value future cash flows;
- (b) risk adjustment to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk;

contractual service margin that represents the unearned profit the entity will recognize as it provides insurance contract services in the future;

Onerous contracts. An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow.

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

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

Segment reporting. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

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Presentation of statement of financial position in order of liquidity. The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Refer to Note 35 for analysis of financial instruments by their maturity. The following table provides information on amounts expected to be recovered or settled before and after twelve months of last two years and current year 's after the reporting period for items that are not analyzed in Note 35.

JOINT STOCK COMMERCIAL BANK
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	31 December 2023			31 December 2022			31 December 2021		
	Amounts expected to be recovered or settled			Amounts expected to be recovered or settled			Amounts expected to be recovered or settled		
31 December 2023	Within 12 months after the reporting period	After 12 months after the reporting period	Total	Within 12 months after the reporting period	After 12 months after the reporting period	Total	Within 12 months after the reporting period	After 12 months after the reporting period	Total
Assets									
Investment in associates	-	77,814	77,814	-	35,834	35,834	-	29,726	29,726
Premises and equipment	-	3,340,418	3,340,418	-	2,007,056	2,007,056	-	1,211,359	1,211,359
Intangible assets	-	67,945	67,945	-	75,448	75,448	-	65,004	65,004
Deferred tax asset	-	203,571	203,571	-	194,962	194,962	-	202,125	202,125
Reinsurance contract assets	-	20,334	20,334	-	17,671	17,671	-	7,546	7,546
Other assets	-	147,845	147,845	-	279,366	279,366	-	310,704	310,704
Non-current assets held for sale	179,555	-	179,555	223,345	-	223,345	48,602	-	48,602
Liabilities									
Insurance liabilities	-	157,745	157,745	-	94,171	94,171	-	71,989	71,989
Other liabilities	-	247,059	247,059	-	240,326	240,326	-	197,421	197,421

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

Monetary assets and liabilities are translated into Group's functional currency at the official exchange rate of the CBU at the end of respective reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into Group's functional currency at year-end official exchange rates of the CBU are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined.

As at 31 December 2023, the rate of exchange used for translating foreign currency balances was USD 1 = 12,338.77 (2022: USD 1 = UZS 11,225.46) (2021: USD 1 = 10,837.66) and EUR 1 = UZS 13,731.82 (2022: EUR 1 = UZS 11,961.85) (2021: EUR 1 = UZS 12,224.88).

Adoption of new or revised standards. The consolidated statement of financial position as at 31 December 2022 and 2021 and the corresponding consolidated statement of profit or loss for the year ended 31 December 2022 have been amended due to the application of IFRS 17 (see Note 3 for details on related accounting policies). The Group adopted a modified retrospective approach in the application of IFRS 17 and the transition resulted in cumulative increases to common shareholders' equity as of 1 January 2022 and 31 December 2022 for UZS 7,406 million and UZS 20,512 million respectively.

Changes in presentation. During the year, the Group reclassified "Proceeds from borrowings due to other banks" and "Repayment of borrowings due to other banks" from the financing activities to the operating activities section of the consolidated statement of cash flows, under the net change – "due to other banks" line. In addition, Group reclassified "Proceeds from disposal of repossessed assets" from "Cash flows from investing activities" to the operating activities section of the consolidated statement of cash flows, under the net change – "non-current assets held for sale" line. Management believes these classifications align with current market practice and provides more reliable and relevant information. These changes, made retrospectively in accordance with IAS 8, have resulted in reclassification of comparative figures for 31 December 2022 and 31 December 2021.

Restatements of prior year figures. In preparing the consolidated financial statements for the year ended 31 December 2023, the Group discovered the following errors which resulted in restatement of the prior year financial statements:

- a) In 2022, the Group has incorrectly presented interest income and "Gains less losses from modification of financial assets measured at amortised cost that did not lead to derecognition" line for the amount UZS 44,035 million that led to a restatement.
- b) In 2022, the Group has incorrectly classified other operating expenses which represented loss on disposal of non-current assets as "(Loss)/gain on initial recognition on interest bearing assets" totaling UZS 29,332 million that led to a restatement.
- c) In 2022, UZS 124,078 million was incorrectly presented in the cash flow statement as repossessed assets disposed of related to defaulted loans. The Group has restated the cash flow statement by reclassifying it to the cash flows from operating activities, presenting those amounts as part of net change in loans and advances to customers balances for the amount of UZS 135,256 million and the remaining UZS 11,178 million representing net change in repossessed assets balances to ensure consistency with the IFRS Accounting Standards.

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The effect of the changes on the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 is as follows:

		As originally presented	Effects of adoption of new or revised standards	Effects of error correction	As restated for the year ended 31 December 2022
<i>In millions of Uzbekistan Soums</i>					
Consolidated statement of financial position					
Reinsurance contract assets		20,336	(2,665)	-	17,671
Insurance contract liabilities		117,348	(23,177)	-	94,171
Retained earnings		2,905,010	20,512	-	2,925,522
Consolidated statement of profit or loss and other comprehensive income					
Interest income calculated using the effective interest method	a	5,069,393	-	(44,035)	5,025,358
Gains less losses from modification of financial assets measured at amortised cost, that did not lead to derecognition	a	(44,035)	-	44,035	-
(Loss)/gain on initial recognition on interest bearing assets	b	(41,514)	-	29,332	(12,182)
Insurance revenue (excluding reinsurance business)		86,724	(18,265)	-	68,459
Insurance service expenses (excluding reinsurance business)		(49,065)	(3,143)	-	(52,208)
Reinsurance business		-	1,150	-	1,150
Finance income (expenses) from insurance contracts (net)		-	(10,570)	-	(10,570)
Change in insurance reserves, net		(25,163)	25,163	-	-
Other operating income		16,482	(5,302)	-	11,180
Administrative and other operating expenses	b	(1,366,177)	26,011	(29,332)	(1,369,498)
Profit before tax		831,985	15,044	-	847,029
Income tax expense		(211,433)	(1,941)	-	(213,374)
Profit for the period		620,552	13,103	-	633,655

The effect of changes on the consolidated statement of cash flow for the year ended 31 December 2022 is as follows:

		As originally presented	Reclassifica- tions	Effect of error correction	As restated for the year ended 31 December 2022
<i>In millions of Uzbek Soums</i>					
Consolidated statements of cash flows					
<i>Cash flows from operating activities:</i>					
<i>Net (increase)/decrease in</i>					
- loans and advances to customers	c	(5,786,506)	-	(135,256)	(5,921,762)
-non-current assets held for sale	c	-	-	11,178	11,178
<i>Net increase/(decrease) in:</i>					
- due to other banks		359,978	2,113,181	-	2,473,159
Net cash used in operating activities		(4,533,347)	2,113,181	(124,078)	(2,544,244)
<i>Cash flows from investing activities:</i>					
Proceeds from disposal of repossessed assets	c	(124,078)	-	124,078	-
Net cash used in investing activities		(982,066)	-	124,078	(857,988)
<i>Cash flows from financing activities</i>					
Proceeds from borrowings due to other banks		2,447,336	(2,447,336)	-	-
Repayment of borrowings due to other banks		(334,155)	334,155	-	-
Net cash from financing activities		4,079,112	(2,113,181)	-	1,965,931

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The effect of the changes due to adoption of new standard on the consolidated statement of financial position for the year ended 31 December 2021 is as follows:

	As originally presented	Effects of adoption of new or revised standards	As restated for the year ended 31 December 2021
<i>In millions of Uzbekistan Soums</i>			
Consolidated statement of financial position			
Reinsurance contract assets	12,964	(5,418)	7,546
Insurance contract liabilities	84,813	(12,824)	71,989
Deferred tax asset	202,125	-	202,125
Retained earnings	2,284,458	7,406	2,291,864

The effect of changes on the consolidated statement of cash flow for the year ended 31 December 2021 is as follows:

	As originally presented	Reclassifications	As restated for the year ended 31 December 2021
<i>In millions of Uzbekistan Soums</i>			
Consolidated statements of cash flows			
<i>Cash flows from operating activities:</i>			
<i>Net (increase)/decrease in</i>			
-non-current assets held for sale	-	(25,972)	(25,972)
<i>Net increase/(decrease) in:</i>			
- due to other banks	(156,390)	29,179	(127,211)
- other liabilities	11,955	274	12,229
Net cash used in operating activities	(1,166,228)	3,481	(1,162,747)
<i>Cash flows from investing activities:</i>			
Proceeds from disposal of repossessed assets	(25,972)	25,972	-
Net cash used in investing activities	(588,738)	25,972	(562,766)
<i>Cash flows from financing activities</i>			
Proceeds from borrowings due to other banks	411,116	(411,116)	-
Repayment of borrowings due to other banks	(381,937)	381,937	-
Dividends paid	274	(274)	-
Net cash from financing activities	3,492,542	(29,453)	3,463,089

The amount of the effect of adoption of new standard for basic and diluted earnings per share for the period ended 2022 was an increase of UZS 0.06 per ordinary share (no change in 2021).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires the Management to make estimates and judgments that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting year. The Management evaluates its estimates and judgments on an ongoing basis. The Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following estimates and judgments are considered important to the portrayal of the Group's financial condition.

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. Details of ECL measurement methodology are disclosed in Note 3. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

For the purpose of measurement of ECL the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. The Group incorporates forward-looking information into a measurement of ECL when there is a statistically proven correlation between the macro-economic variables and defaults. As at the reporting date the Group has obtained quarterly values for macroeconomic variables: GDP growth rate, inflation,

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unemployment rates, aligned them with quarterly default rates across all loan portfolios and performed statistical tests for correlation considering different time lags. The Management analyzed forward-looking information and assessed that effect of macro was not significant as at 31 December 2023, 2022 and 2021. The Management updates its statistical tests for correlation as at each reporting date.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition.

The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Group considers all reasonable and supportable forward-looking information available without undue cost and effort, and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

As explained in Note 3, ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL assets for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

For treasury operations, the Group calculates ECL on a financial asset based not only on the current estimates of the credit quality of the counterparty/issuer at the reporting date, but also taking into account possible deterioration of the financial condition due to the adverse macroeconomic factors of the counterparty's/issuer's environment in the future. In particular, the level of ECL for treasury operations is affected by the rating outlook (positive, stable, negative) assigned by international rating agencies, which affects the probability of default ("PD").

For loans to customers, the calculation of ECL takes into account the possible estimated effects of changes in macroeconomic parameters on forecasted cash flows, migration of collective loans and collateral coverage. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

A 10% increase or decrease in PD estimates would result in an increase or decrease in total expected credit loss allowances of UZS 142,514 million at 31 December 2023 (31 December 2022: increase or decrease of UZS 519,821 million, 31 December 2021: increase or decrease of UZS 83,157 million). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of UZS 232,814 million at 31 December 2023 (31 December 2022: increase or decrease of UZS 639,319 million, 31 December 2021 increase or decrease of UZS 179,347 million).

Other borrowed funds. 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. The Management has considered whether gains or losses should arise on initial recognition of these instruments and its judgment is that these funds are at the market rates and no initial recognition gains or losses should arise. In making this judgment the Management also considered that these instruments are a separate market sector.

5. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The following amendments became effective from 1 January 2023:

IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023), including amendments (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023). The adoption of the standard had a immaterial impact on these consolidated financial statements. The Group has adopted IFRS 17 by applying the modified retrospective approach to all its portfolio of insurance contracts.

Insurance operations. The Group has determined that transactional level data and annual actuarial assumptions are available as far as three years prior to the IFRS 17 transition date. The Group has used that threshold to apply the modified retrospective approach to all groups of contracts in force as at transition and originated within five to three years prior to the transition date, where the full retrospective approach has not been applied as it was impracticable, but the closest possible outcome could have been achieved using reasonable and supportable information. The modified retrospective approach was applied as follows:

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Aggregation of contracts	A group of insurance contracts (GIC) is defined as a single contract. For each GIC it was determined whether it is onerous (IFRS17.16a) or non-onerous (IFRS17.16.c) at the initial recognition. Since GIC is defined at the level of individual contracts, their further division into cohorts (grouping contracts according to the date of commencement of coverage) does not apply.
Risk adjustment for non-financial risk	<p>Similar to the cash flow simplification above, the risk adjustment for non-financial risk was estimated at the transition date by adjusting the risk adjustment for non-financial risk at the transition date by the expected release of risk before the transition date. In estimating the release of risk, reference was made to the release of risk for similar insurance contracts that were issued at the transition date.</p> <p>The non-financial risk adjustment for GIC determines the compensation size that the Group would require for assuming uncertainties regarding the amount and timing of cash flows arising from non-financial risk. The following risks are considered in the non-financial risk adjustment: insurance risk, termination risk, and risk of increased claims settlement expenses. For calculating the non-financial risk adjustment, the Group applies a confidence level-based method. Chosen confidence level is equal to 75%.</p>
Discount rates	<p>The Group applied the modification for discount rates determination. The Group estimated the discount rates by determining an average spread between an observable yield curve and the yield curve estimated applying IFRS 17 requirements, and applied that spread to an observable yield curve. That spread is an average over at least three years immediately before the transition date.</p> <p>The yield curves that were used to discount the estimates of future cash flows that do not vary, are based on the returns of the underlying items. For insurance contracts without direct participation conditions discounts rates for UZB are as follows:</p> <ul style="list-style-type: none"> -13% - 14% for January 1, 2022 - 13% - 15% for December 31, 2022 - 14% - 16 % for December 31, 2023

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments resulted in changes in presentation of these consolidated financial statements, primarily by removing accounting policies that do not represent material accounting policy information.

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). The adoption of the amendments did not have a material impact on these consolidated financial statements.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). The adoption of the amendments did not have a material impact on these consolidated financial statements.

Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023).

The application of the above amendments had no significant impact on the Group's consolidated financial statements except for IFRS 17 Insurance Contracts.

New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024 or later, and which the Group has not early adopted.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).

Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier

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Finance Arrangements (Issued on 25 May 2023).

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

6. SEGMENT REPORTING

Operating segments are components of the Group that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision makers (CODM) and for which discrete financial information is available. The CODM of the group is the Management Board. The Management Board regularly uses financial information based on IFRS for operational decision-making and resource allocation.

The main measure of the profit or loss of a segment corresponds to the IFRS based financial information, adjusted for any relevant items that are specifically identified with the segment and are included in the measurement of profit or loss in accordance with IFRS.

The Group operates solely in Uzbekistan and its consolidated revenue comprises interest income, fee and commission income and other operating income which are concentrated on the domestic market, as such, does not have separate geographical segments.

(a) Description of products and services from which each reportable segment derives its revenue.

The Group is organized on the basis of two main business segments – corporate banking which represents direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products and retail banking which represents private banking services, private customer current accounts, savings, deposits and debit cards, consumer loans. The Group does not have a single customer which Group earns over 10% its income.

(b) Information about reportable segment profit or loss, assets, and liabilities

Segment information for the reportable segments for the period ended 31 December 2023 is set out below:

	31 December 2023		
	Corporate	Individuals	Total
Assets			
Cash and cash equivalents	6,811,546	154,348	6,965,894
Loans and advances to customers	50,094,273	7,913,965	58,008,238
Due from other banks	1,778,707	-	1,778,707
Investment securities measured at amortised cost	2,093,415	-	2,093,415
Total reportable segment assets	60,777,941	8,068,313	68,846,254
Liabilities			
Due to other banks	5,818,951	-	5,818,951
Customer accounts	9,825,132	4,503,550	14,328,682
Other borrowed funds	37,628,622	5,113	37,633,735
Debt securities in issue	4,970,366	-	4,970,366
Total reportable segment liabilities	58,243,071	4,508,663	62,751,734

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Segment information for the reportable segments for the year ended 31 December 2022 is set out below:

	31 December 2022		
	Corporate	Individuals	Total
Assets			
Cash and cash equivalents	7,004,220	115,269	7,119,489
Loans and advances to customers	42,913,084	5,507,405	48,420,489
Due from other banks	1,843,415	-	1,843,415
Investment securities measured at amortised cost	2,678,571	-	2,678,571
Total reportable segment assets	54,439,290	5,622,674	60,061,964
Liabilities			
Due to other banks	3,895,719	-	3,895,719
Customer accounts	11,097,447	4,231,372	15,328,819
Other borrowed funds	32,232,397	9,363	32,241,760
Debt securities in issue	3,361,256	-	3,361,256
Total reportable segment liabilities	50,586,819	4,240,735	54,827,554

Segment information for the reportable segments for the year ended 31 December 2021 is set out below:

	31 December 2021		
	Corporate	Individuals	Total
Assets			
Cash and cash equivalents	8,138,305	58,347	8,196,652
Loans and advances to customers	38,370,977	4,166,074	42,537,051
Due from other banks	1,956,303	-	1,956,303
Investment securities measured at amortised cost	1,067,512	-	1,067,512
Total reportable segment assets	49,533,097	4,224,421	53,757,518
Liabilities			
Due to other banks	1,392,977	-	1,392,977
Customer accounts	10,257,754	3,303,786	13,561,540
Other borrowed funds	30,120,024	10,752	30,130,776
Debt securities in issue	3,317,817	-	3,317,817
Total reportable segment liabilities	45,088,572	3,314,538	48,403,110

The cash management is performed by Treasury Department to support liquidity of the Bank as a whole.

	31 December 2023		
	Corporate	Individuals	Total
Interest income			
Interest on Loans and advances to customers	5,192,646	1,249,917	6,442,563
Interest on balances Due from other banks	375,019	-	375,019
Interest on balances Cash and cash equivalents	11,417	-	11,417
Interest on investment securities measured at amortised cost	392,462	-	392,462
Interest expense			
Interest on balances Due to other banks	(396,344)	-	(396,344)
Interest on Customer accounts	(501,170)	(641,281)	(1,142,451)
Interest on Other borrowed funds	(2,232,828)	-	(2,232,828)
Interest on Debt securities in issue	(259,206)	-	(259,206)
Interest on subordinated debt	(49,270)	-	(49,270)
Segment results	2,532,726	608,636	3,141,362

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	31 December 2022		
	Corporate	Individuals	Total
Interest income			
Interest on Loans and advances to customers	3,830,323	670,526	4,500,849
Interest on balances Due from other banks	274,806	-	274,806
Interest on balances Cash and cash equivalents	4,115	-	4,115
Interest on investment securities measured at amortised cost	274,786	-	274,786
Interest expense			
Interest on balances Due to other banks	(71,274)	-	(71,274)
Interest on Customer accounts	(373,743)	(414,107)	(787,850)
Interest on Other borrowed funds	(1,532,566)	-	(1,532,566)
Interest on Debt securities in issue	(218,324)	-	(218,324)
Interest on subordinated debt	(16,357)	-	(16,357)
Segment results	2,171,766	256,419	2,428,185

	31 December 2021		
	Corporate	Individuals	Total
Interest income			
Interest on Loans and advances to customers	3,311,860	578,566	3,890,426
Interest on balances Due from other banks	140,444	-	140,444
Interest on balances Cash and cash equivalents	2,326	-	2,326
Interest on investment securities measured at amortised cost	154,226	-	154,226
Interest expense			
Interest on balances Due to other banks	(70,794)	-	(70,794)
Interest on Customer accounts	(252,500)	(317,863)	(570,363)
Interest on Other borrowed funds	(1,219,611)	-	(1,219,611)
Interest on Debt securities in issue	(201,107)	-	(201,107)
Interest on subordinated debt	(6,030)	-	(6,030)
Segment results	1,858,814	260,703	2,119,517

(c) Reconciliation of income and expenses, assets, and liabilities for reportable segments:

	31 December 2023	31 December 2022 (restated)*	31 December 2021 (restated)*
Total reportable segment assets	68,846,254	60,061,964	53,757,518
Financial assets at fair value through other comprehensive income	119,217	42,007	48,136
Investment in associates	77,814	35,834	29,726
Premises and equipment	3,340,418	2,007,056	1,211,359
Intangible assets	67,945	75,448	65,004
Current income tax prepayment	238,871	251,647	45,778
Derivative financial assets	51,499	-	-
Deferred tax asset	203,571	194,962	202,125
Reinsurance contract assets	20,334	17,671	7,546
Other assets	147,845	279,366	310,704
Non-current assets held for sale	179,555	223,345	48,602
Total assets	73,293,323	63,189,300	55,726,498
Total reportable segment liabilities	62,751,734	54,827,554	48,403,110
Deferred tax liability	-	-	-
Derivative financial liabilities	-	115,533	-
Insurance liabilities	157,745	94,171	71,989
Other liabilities	247,059	240,326	197,421
Subordinated debt	1,696,854	330,560	101,771
Total liabilities	64,853,392	55,608,144	48,774,291

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	2023	2022	2021
Segment results	3,141,362	2,428,185	2,119,517
Provision for credit losses on loans and advances to customers	(1,133,383)	(925,158)	(420,937)
Gain / (loss) on initial recognition on interest bearing assets	(8,063)	(12,182)	8,119
Net losses from modification of financial assets measured at amortised cost, that did not lead to derecognition	-	-	(52,339)
Fee and commission income	515,905	443,690	386,074
Fee and commission expense	(132,060)	(126,413)	(110,483)
Gains less losses from financial derivatives	(233,476)	(100,848)	-
Net (loss) gain on foreign exchange translation	98,311	185,776	(4,262)
Net gain from trading in foreign currencies	462,964	337,768	170,935
Insurance revenue (excluding reinsurance business)	90,867	68,459	80,881
Insurance service expenses (excluding reinsurance business)	(79,049)	(52,208)	(68,566)
Reinsurance business	(12,959)	1,150	-
Finance income (expenses) from insurance contracts (net)	(16,044)	(10,570)	-
Dividend income	11,251	4,741	4,920
Other operating income	27,371	11,180	40,866
Recovery of / (provision for) credit losses on other assets	14,879	8,521	(34,145)
Impairment of assets held for sale	(6,402)	(46,267)	(5,586)
Administrative and other operating expenses	(1,670,778)	(1,369,498)	(1,044,146)
Share of result from associates	381	703	722
Profit before tax	1,071,077	847,029	1,071,570
Income tax expense	(214,923)	(213,374)	(214,582)
PROFIT FOR THE PERIOD	856,154	633,655	856,988

7. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022	31 December 2021
Correspondent accounts and placements with other banks with original maturities of less than three months	3,057,468	4,280,246	5,154,254
Cash balances with the CBU (other than mandatory reserve deposits)	2,413,511	1,318,006	2,181,792
Cash on hand	1,495,017	1,522,206	861,313
Less: Allowance for expected credit losses	(102)	(969)	(707)
Total cash and cash equivalents	6,965,894	7,119,489	8,196,652

As at 31 December 2023, the Group had two correspondent accounts with aggregate loan amounts which exceeded 10% of the Group's equity (31 December 2022 and 2021: two banks).

Cash balances with the CBU are maintained at a level to ensure compliance with the CBU liquidity ratio. The credit quality of cash and cash equivalents at 31 December 2023 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and placements with other banks with original maturities of less than three months	Total
- Central Bank of Uzbekistan	2,413,511	-	2,413,511
- Rated Aa1 to Aa3	-	1,234,500	1,234,500
- Rated A1 to A3	-	1,331,758	1,331,758
- Rated Baa1 to Baa3	-	2,475	2,475
- Rated Ba1 to Ba3	-	488,727	488,727
- Rated B1 to B3	-	3	3
- Unrated	-	5	5
Less: Allowance for expected credit losses	(53)	(49)	(102)
Total cash and cash equivalents, excluding cash on hand	2,413,458	3,057,419	5,470,877

As at 31 December 2023 cash and cash equivalents balances with Russian banks are classified as “Unrated”, under the category Correspondent accounts and placements with other banks with original maturities of less than three

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months, since their rating was withdrawn by all rating agencies. As at 31 December 2023 for the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. Refer to Note 29 for the ECL movement. The credit rating is based on the rating agency Moody's (if available) or the rating agencies Standard & Poor's and Fitch, which are converted to the nearest equivalent value on the Moody's rating scale.

The credit quality of cash and cash equivalents at 31 December 2022 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and placements with other banks with original maturities of less than three months	Total
- Central Bank of Uzbekistan	1,318,006	-	1,318,006
- Rated Aa1 to Aa3	-	2,410,338	2,410,338
- Rated A1 to A3	-	1,679,585	1,679,585
- Rated Baa1 to Baa3	-	37,064	37,064
- Rated Ba1 to Ba3	-	70,656	70,656
- Rated B1 to B3	-	-	-
- Unrated	-	82,603	82,603
Less: Allowance for expected credit losses	(28)	(941)	(969)
Total cash and cash equivalents, excluding cash on hand	1,317,978	4,279,305	5,597,283

The credit quality of cash and cash equivalents at 31 December 2021 is as follows:

	Cash balances with the CBU (other than mandatory reserve deposits)	Correspondent accounts and placements with other banks with original maturities of less than three months	Total
- Central bank of Uzbekistan	2,181,792	-	2,181,792
- Rated AA to A-	-	4,022,030	4,022,030
- Rated Baa	-	56,186	56,186
- Rated Ba	-	1,076,038	1,076,038
Less: Allowance for expected credit losses	(50)	(657)	(707)
Total cash and cash equivalents, excluding cash on hand	2,181,742	5,153,597	7,335,339

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

As at 31 December 2023, 2022 and 2021, for the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. Interest rate analysis of cash and cash equivalents is disclosed in Note 35. Information on related party balances is disclosed in Note 36.

8. DUE FROM OTHER BANKS

	31 December 2023	31 December 2022	31 December 2021
Placements with other banks with original maturities of more than three months	1,557,826	1,659,444	1,688,653
Mandatory cash balances with CBU	173,697	192,572	184,209
Restricted cash	83,479	25,597	118,888
Less: Allowance for expected credit losses	(36,295)	(34,198)	(35,447)
Total due from other banks	1,778,707	1,843,415	1,956,303

Mandatory deposits with the CBU include non-interest-bearing reserves against client deposits. The Group does not have the right to use these deposits for the purposes of funding its own activities.

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Restricted cash represents balances on correspondent accounts with foreign banks placed by the Group on behalf of its customers. The Group does not have the right to use these funds for the purpose of funding its own activities. Analysis by credit quality of due from other banks outstanding at 31 December 2023 is as follows:

	Mandatory cash balances with CBU	Placements with other banks with original maturities of more than three months	Restricted cash	Total
- Central Bank of Uzbekistan	173,697	-	-	173,697
- Rated A1 to A3	-	-	82,568	82,568
- Rated Ba3	-	1,275,355	50	1,275,405
- Rated B1	-	82,690	-	82,690
- Rated B2	-	162,081	-	162,081
- Rated B3	-	398	-	398
- Unrated	-	37,302	861	38,163
Less: Allowance for expected credit losses	(116)	(36,177)	(2)	(36,295)
Total due from other banks	173,581	1,521,649	83,477	1,778,707

At 31 December 2023 the Group had balances with ten counterparty banks (31 December 2022: ten counterparty banks, 31 December 2021: twelve banks) with aggregated amounts above UZS 20,000 million. The total aggregate amount of these deposits was UZS 1,523,310 million (31 December 2022: UZS 1,614,152 million, 31 December 2021: UZS 1,771,978 million) or 84% of the total amount due from other banks (31 December 2022: 86%, 31 December 2021: 89%). Analysis by credit quality of due from other banks outstanding at 31 December 2022 is as follows:

	Mandatory cash balances with CBU	Placements with other banks with original maturities of more than three months	Restricted cash	Total
- Central Bank of Uzbekistan	192,572	-	-	192,572
- Rated Aa1 to Aa3	-	1,566	-	1,566
- Rated Baa1	-	-	25,597	25,597
- Rated Ba3	-	1,114,311	-	1,114,311
- Rated B1	-	450,109	-	450,109
- Rated B2	-	48,033	-	48,033
- Rated B3	-	11,407	-	11,407
- Unrated	-	34,018	-	34,018
Less: Allowance for expected credit losses	(125)	(34,052)	(21)	(34,198)
Total due from other banks	192,447	1,625,392	25,576	1,843,415

Analysis by credit quality of due from other banks outstanding at 31 December 2021 is as follows:

	Mandatory cash balances with CBU	Placements with other banks with original maturities of more than three months	Restricted cash	Total
- Central Bank of Uzbekistan	184,209	-	-	184,209
- Rated BBB+	-	-	117,257	117,257
- Rated BB-	-	1,119,053	-	1,119,053
- Rated B1	-	101,141	-	101,141
- Rated B2	-	2,641	-	2,641
- Rated B3	-	2,662	-	2,662
- Rated B	-	418,386	-	418,386
- Rated B-	-	36,419	-	36,419
- Rated C	-	8,351	1,631	9,982
Less: Allowance for expected credit losses	-	(35,406)	(41)	(35,447)
Total due from other banks	184,209	1,653,247	118,847	1,956,303

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As at 31 December 2023, 2022 and 2021 for the purpose of ECL measurement, due from other bank balances are included in Stage 1 apart from Turkiston bank and Hi-Tech Bank balances which were classified under Stage 3 as Unrated (31 December 2021 – all stage 1), since both banks went bankrupt in 2023.

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

Refer to Note 33 for the disclosure of the fair value of due from banks and interest rate analysis is disclosed in Note 35. Information on related party balances is disclosed in Note 36. Refer to Note 29 for the ECL movement.

9. LOANS AND ADVANCES TO CUSTOMERS

The Bank uses the following classification of loans:

- Loans to state and municipal organisations - loans issued to clients wholly owned by the Government of the Republic of Uzbekistan and budget organisations;
- Corporate loans - loans issued to clients other than government entities and private entrepreneurs;
- Loans to individuals - loans issued to individuals for consumption purposes, for the purchase of residential houses and flats and loans issued to private entrepreneurs without forming legal entity.

Loans and advances to customers comprise:

	31 December 2023	31 December 2022	31 December 2021
Corporate loans	37,814,200	31,362,398	25,902,022
State and municipal organisations	14,572,496	14,368,999	14,278,451
Loans to individuals	8,021,079	5,566,991	4,349,321
Total loans and advances to customers, gross	60,407,775	51,298,388	44,529,794
Less: Allowance for expected credit losses	(2,399,537)	(2,877,899)	(1,992,743)
Total loans and advances to customers	58,008,238	48,420,489	42,537,051

As at 31 December 2023, the Group had 16 borrowers (31 December 2022 and 2021: 14 and 13 respectively) with aggregate loan amounts which exceeded 10% of the Group's equity. The total aggregate amount of these loans was UZS 20,498,189 million (31 December 2022: UZS 17,320,728 million, 31 December 2021: UZS 15,577,715 million).

The table below represents loans and advances to customer's classification by stages:

	31 December 2023	31 December 2022	31 December 2021
Originated loans to customers	60,275,550	51,117,332	44,273,101
Overdrafts	132,225	181,056	256,693
Total loans and advances to customers, gross	60,407,775	51,298,388	44,529,794
Stage 1	47,967,352	39,971,908	32,680,532
Stage 2	9,536,058	7,542,437	9,071,322
Stage 3	2,904,365	3,784,043	2,777,940
Total loans and advances to customers, gross	60,407,775	51,298,388	44,529,794
Less: Allowance for expected credit losses	(2,399,537)	(2,877,899)	(1,992,743)
Total loans and advances to customers	58,008,238	48,420,489	42,537,051

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The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans and advances presented by classifications between the beginning and the end of the reporting period:

	Credit Loss Allowance			Gross Carrying Amount		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	12-month ECL	Lifetime ECL	Lifetime ECL	12-month ECL	Lifetime ECL	Lifetime ECL
Corporate loans						
As at 1 January 2023	312,367	273,865	1,840,048	22,016,654	5,672,749	31,362,398
<i>Movements with impact on credit loss allowance charge for the period:</i>						
Changes in the gross carrying amount						
- Transfer from stage 1	(69,422)	55,893	13,529	(4,229,054)	3,485,974	743,080
- Transfer from stage 2	51,411	(84,616)	33,205	873,121	(1,454,794)	581,673
- Transfer from stage 3	97,266	141,001	(238,267)	198,302	305,326	(503,628)
- Changes in EAD and risk parameters*	(334,130)	302,357	1,374,894	(3,928,860)	1,662,449	(14,391)
New assets issued or acquired	254,566	-	-	15,788,726	-	-
Matured or derecognized assets (except for write off)	(82,940)	(54,462)	(104,857)	(6,519,422)	(1,302,607)	(316,682)
Total movements with impact on credit loss allowance charge for the period	(83,249)	360,173	1,078,504	2,182,813	2,696,348	490,052
<i>Movements without impact on credit loss allowance charge for the period:</i>						
Written off assets	-	-	(1,668,397)	-	-	(1,668,397)
Foreign exchange differences	8,111	7,111	47,779	1,931,214	497,591	322,181
Loss allowance for ECL and Gross Carrying as at 31 December 2023	237,229	641,149	1,297,934	26,130,681	8,866,688	37,814,200

*The line “Changes in EAD and risk parameters” under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during 2023 and transfers of new issued loans between stages.

*The line “Changes in EAD and risk parameters” under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
State and municipal organisations								
As at 1 January 2023	108,869	273,773	9,391	392,033	12,615,316	1,741,219	12,464	14,368,999
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(1,020)	1,020	-	-	(214,886)	214,886	-	-
- Transfer from stage 2	269,768	(269,768)	-	-	1,655,737	(1,655,737)	-	-
- Transfer from stage 3	-	9,391	(9,391)	-	-	12,464	(12,464)	-
- Changes in EAD and risk parameters*	(271,926)	(4,168)	14,659	(261,435)	(2,481,412)	44,566	13,835	(2,423,011)
New assets issued or acquired	23,630			23,630	4,795,577			4,795,577
Matured or derecognized assets (except for write off)	(19,635)	(4,005)	-	(23,640)	(3,038,109)	(70,818)	-	(3,108,927)
Total movements with impact on credit loss allowance charge for the period	817	(267,530)	5,268	(261,445)	716,907	(1,454,639)	1,371	(736,361)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Written off assets			(14,663)	(14,663)	838,025	115,668	(14,663)	(14,663)
Foreign exchange differences	52	130	4	186			828	954,521
Loss allowance for ECL and Gross Carrying as at 31 December 2023	109,738	6,373	-	116,111	14,170,248	402,248	-	14,572,496

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	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
Loans to individuals								
As at 1 January 2023	29,012	8,738	21,836	59,586	5,339,938	128,469	98,584	5,566,991
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(1,043)	861	182	-	(191,869)	158,379	33,490	-
- Transfer from stage 2	4,374	(5,788)	1,414	-	67,031	(83,098)	16,067	-
- Transfer from stage 3	5,257	4,152	(9,409)	-	33,611	19,838	(53,449)	-
- Changes in EAD and risk parameters*	(26,237)	13,469	27,536	14,768	(657,205)	55,457	(1,540)	(603,288)
New assets issued or acquired	37,346			37,346	3,757,917			3,757,917
Matured or derecognized assets (except for write off)	(3,712)	(864)	(8,138)	(12,714)	(683,000)	(11,923)	(13,746)	(708,669)
Total movements with impact on credit loss allowance charge for the period	15,985	11,830	11,585	39,400	2,326,485	138,653	(19,178)	2,445,960
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Written off assets	-	-	-	-	-	-	-	-
Foreign exchange differences	-	-	8,128	8,128	-	-	8,128	8,128
Loss allowance for ECL and Gross Carrying as at 31 December 2023	44,997	20,568	41,549	107,114	7,666,423	267,122	87,534	8,021,079

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The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances to customers between the 1 January 2022 and 31 December 2022:

	Credit Loss Allowance			Gross Carrying Amount		
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Corporate loans*						
As at 1 January 2022	193,862	481,544	1,017,625	14,556,470	8,884,835	2,460,717
<i>Movements with impact on credit loss allowance charge for the period:</i>						
Changes in the gross carrying amount						
- Transfer from stage 1	(28,739)	13,434	15,305	(2,131,550)	995,508	1,136,042
- Transfer from stage 2	185,461	(283,968)	98,507	3,460,426	(4,828,537)	1,368,111
- Transfer from stage 3	103,450	197,158	(300,608)	275,721	610,152	(885,873)
- Changes in EAD and risk parameters*	(369,766)	(46,402)	1,441,444	(1,785,497)	1,928,731	269,946
New assets issued or acquired	259,646			12,022,158		
Matured or derecognized assets (except for write off)	(61,493)	(96,278)	(360,987)	(4,688,413)	(1,997,998)	(630,241)
Total movements with impact on credit loss allowance charge for the period	88,559	(216,056)	893,661	7,152,845	(3,292,144)	1,257,985
Loss allowance for ECL and Gross Carrying as at 31 December 2022	312,367	273,865	1,840,048	22,016,654	5,672,749	3,672,995
			2,426,280			31,362,398
<i>Movements without impact on credit loss allowance charge for the period:</i>						
Written off assets	-	-	(92,136)	-	-	(92,136)
Foreign exchange differences	29,946	8,377	20,898	307,339	80,058	46,429
Loss allowance for ECL and Gross Carrying as at 31 December 2022	312,367	273,865	1,840,048	22,016,654	5,672,749	3,672,995
			2,426,280			31,362,398

*The line “Changes in EAD and risk parameters” under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during 2022 and transfers of new issued loans between stages.

*The line “Changes in EAD and risk parameters” under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

*The table was revised to align with 2023 presentation

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	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
State and municipal organisations								
As at 1 January 2022	111,428	-	5,037	116,465	14,246,280	-	32,171	14,278,451
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(13,250)	13,250	-	-	(1,843,922)	1,843,922	-	-
- Transfer from stage 2	-	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-
- Changes in EAD and risk parameters*	(4,656)	259,008	7,372	261,724	(1,779,502)	(148,981)	(2,562)	(1,931,045)
New assets issued or acquired	33,900			33,900	4,363,517			4,363,517
Matured or derecognized assets (except for write off)	(25,878)	-	(3,018)	(28,896)	(2,641,140)	-	(17,145)	(2,658,285)
Total movements with impact on credit loss allowance charge for the period	(9,884)	272,258	4,354	266,728	(1,901,047)	1,694,941	(19,707)	(225,813)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Written off assets	-	-	-	-	-	-	-	-
Foreign exchange differences	7,325	1,515	-	8,840	270,083	46,278	-	316,361
Loss allowance for ECL and Gross Carrying as at 31 December 2022	108,869	273,773	9,391	392,033	12,615,316	1,741,219	12,464	14,368,999

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	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
Loans to individuals*								
As at 1 January 2022	34,193	10,554	138,500	183,247	3,877,782	186,487	285,052	4,349,321
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(1,013)	629	384	-	(114,848)	71,340	43,508	-
- Transfer from stage 2	6,766	(8,061)	1,295	-	114,386	(137,357)	22,971	-
- Transfer from stage 3	39,595	20,221	(59,816)	-	92,739	36,548	(129,287)	-
- Changes in EAD and risk parameters*	(58,171)	(13,278)	14,856	(56,593)	(291,744)	(128,016)	(87,083)	(506,843)
New assets issued or acquired	12,419			12,419	2,203,335	128,469	98,584	2,430,388
Matured or derecognized assets (except for write off)	(4,777)	(1,327)	(57,456)	(63,560)	(541,712)	(29,002)	(119,234)	(689,948)
Total movements with impact on credit loss allowance charge for the period	(5,181)	(1,816)	(100,737)	(107,734)	1,462,156	(58,018)	(170,541)	1,233,597
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Written off assets	-	-	(15,927)	(15,927)	-	-	(15,927)	(15,927)
Foreign exchange differences	-	-	-	-	-	-	-	-
Loss allowance for ECL and Gross Carrying as at 31 December 2022	29,012	8,738	21,836	59,586	5,339,938	128,469	98,584	5,566,991

*The table was revised to align with 2023 presentation

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The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances to corporate customers between the 1 January 2021 and 31 December 2021:

Corporate loans	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1	Stage 2	Stage 3	TOTAL	Stage 1	Stage 2	Stage 3	TOTAL
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
As at 1 January 2021	113,170	134,583	1,302,461	1,550,214	14,751,901	4,950,505	2,235,765	21,938,171
<i>Movements with impact on credit loss allowance</i>								
<i>charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(29,292)	20,152	9,140	-	(3,863,755)	2,686,846	1,176,909	-
- Transfer from stage 2	31,101	(59,515)	28,414	-	934,919	(1,699,391)	764,472	-
- Transfer from stage 3	75,976	761,008	(836,984)	-	112,400	1,230,420	(1,342,820)	-
- Changes in EAD and risk parameters*	(252,694)	(377,789)	1,082,857	452,374	(4,168,431)	2,608,458	538,287	(1,021,686)
New assets issued or acquired	273,146	-	-	273,146	9,933,457	-	-	9,933,457
Matured or derecognized assets (except for write off)	(21,367)	(11,064)	(263,708)	(296,139)	(3,218,934)	(915,822)	(577,873)	(4,712,629)
Total movements with impact on credit loss allowance charge for the period	76,870	332,792	19,719	429,381	(270,344)	3,910,511	558,975	4,199,142
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Written off assets	-	-	(340,403)	(340,403)	-	-	(340,403)	(340,403)
Foreign exchange differences	3,822	14,169	35,848	53,839	74,913	23,819	6,380	105,112
Loss allowance for ECL and Gross Carrying as at 31 December 2021	193,862	481,544	1,017,625	1,693,031	14,556,470	8,884,835	2,460,717	25,902,022

*The line “Changes in EAD and risk parameters” under columns related to Gross Carrying Amount represents changes in the gross carrying amount of loans issued in prior periods which have not been fully repaid during 2022 and transfers of new issued loans between stages.

*The line “Changes in EAD and risk parameters” under columns related to Credit Loss Allowance represents changes in risk parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages, as well as transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

*The table was revised to align with 2023 presentation

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State and municipal organisations	Credit Loss Allowance				Gross Carrying Amount			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
As at 1 January 2021	57,409	61,835	9,713	128,957	7,866,977	6,658,143	37,412	14,562,532
<i>Movements with impact on credit loss allowance</i>								
<i>charge for the period:</i>								
Changes in the gross carrying amount								
- Transfer from stage 1	(19)	-	19	-	(25,941)	-	25,941	-
- Transfer from stage 2	51,435	(51,435)	-	-	5,327,666	(5,327,666)	-	-
- Transfer from stage 3	1,309	-	(1,309)	-	1,674	-	(1,674)	-
- Changes in EAD and risk parameters *	(22,458)	(1,260)	4,413	(19,305)	(1,104,933)	(73,172)	(14,545)	(1,192,650)
New assets issued or acquired	27,164	-	-	27,164	3,258,046	-	-	3,258,046
Matured or derecognized assets (except for write off)	(4,990)	(10,400)	(7,799)	(23,189)	(1,307,340)	(1,330,477)	(34,563)	(2,672,380)
Total movements with impact on credit loss allowance charge for the period	52,441	(63,095)	(4,676)	(15,330)	6,149,172	(6,731,315)	(24,841)	(606,984)
<i>Movements without impact on credit loss allowance</i>								
<i>charge for the period:</i>								
Modification of contractual cash flows	(382)	-	-	(382)	(52,339)	-	-	(52,339)
Written off assets	-	-	-	-	-	-	-	-
Foreign exchange differences	1,960	1,260	-	3,220	282,470	73,172	19,600	375,242
Loss allowance for ECL and Gross Carrying as at 31 December 2021	111,428	-	5,037	116,465	14,246,280	-	32,171	14,278,451

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Loans to individuals*	Credit Loss Allowance					Gross Carrying Amount				
	Stage 1		Stage 2		Stage 3	Stage 1		Stage 2		Stage 3
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	Lifetime ECL
As at 1 January 2021	21,179	19,047	19,047	183,318	223,544	3,582,749	361,561	417,660	4,361,970	
<i>Movements with impact on credit loss allowance charge for the period:</i>										
Changes in the gross carrying amount										
- Transfer from stage 1	(1,278)	616		662	-	(215,002)	103,543	111,459	-	-
- Transfer from stage 2	11,377	(15,290)		3,913	-	217,446	(285,998)	68,552	-	-
- Transfer from stage 3	53,719	19,413		(73,132)	-	124,708	45,260	(169,968)	-	-
- Changes in EAD and risk parameters*	(70,210)	(12,026)		138,413	56,177	(374,211)	(8,641)	58,303	(324,549)	
New assets issued or acquired	23,930	-	-	-	23,930	1,303,052	-	-	1,303,052	
Matured or derecognized assets (except for write off)	(4,524)	(1,206)		(67,491)	(73,221)	(760,960)	(29,238)	(153,771)	(943,969)	
Total movements with impact on credit loss allowance charge for the period	13,014	(8,493)		2,365	6,886	295,033	(175,074)	(85,425)	34,534	
<i>Movements without impact on credit loss allowance charge for the period:</i>										
Written off assets	-	-	-	(47,183)	(47,183)	-	-	(47,183)	(47,183)	
Foreign exchange differences	-	-	-	-	-	-	-	-	-	-
Loss allowance for ECL and Gross Carrying as at 31 December 2021	34,193	10,554	10,554	138,500	183,247	3,877,782	186,487	285,052	4,349,321	

*The table was revised to align with 2023 presentation

The written off balance represents the loan balances transferred to off balance, since no recovery was expected by the Group. According to Local legislation all the written off balances are legally enforceable and only can be eliminated on the basis of Shareholders approval if there were no off-balance repayment for more than 5 years period.

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Economic sector risk concentrations within the loans and advances to customer are as follows:

	31 December 2023		31 December 2022		31 December 2021	
	Amount	%	Amount	%	Amount	%
Manufacturing	22,529,199	37%	18,207,559	36%	15,849,755	36%
Oil and gas & chemicals	11,052,861	18%	10,885,326	21%	10,704,331	24%
Individuals	8,021,079	13%	5,566,991	11%	4,349,321	10%
Trade and Services	7,342,466	12%	5,554,150	11%	4,441,329	10%
Agriculture	3,572,134	6%	3,460,679	7%	3,745,481	8%
Transport and communication	3,269,401	5%	2,883,334	6%	2,367,542	5%
Energy	2,982,969	5%	3,114,928	6%	2,176,801	5%
Construction	1,637,666	3%	1,625,421	3%	895,234	2%
Total loans and advances to customers, gross	60,407,775	100%	51,298,388	100%	44,529,794	100%
Less: Allowance for expected credit losses	(2,399,537)		(2,877,899)		(1,992,743)	
Total loans and advances to customers	58,008,238		48,420,489		42,537,051	

Information about loans and advances to individuals as at year end are as follows:

	31 December 2023	31 December 2022	31 December 2021
Mortgage	5,260,581	3,685,578	3,314,059
Microloan	1,819,198	744,719	464,727
Car Loan	661,671	982,316	448,949
Consumer Loans	279,497	73,449	110,161
Other	132	80,929	11,425
Total loans and advances to individuals, gross	8,021,079	5,566,991	4,349,321
Less: Allowance for expected credit losses	(107,114)	(59,586)	(183,247)
Total loans and advances to individuals	7,913,965	5,507,405	4,166,074

Information about collateral as at 31 December 2023 are as follows:

	State and municipal organisations	Corporate loans	Loans to individuals	31 December 2023
Loans with other credit enhancement:				
Letter of surety	2,206,185	11,975,511	1,781,668	15,963,364
State guarantee	6,565,131	-	-	6,565,131
Loans collateralised by:				
Real estate	588,838	11,360,294	4,806,715	16,755,847
Insurance policy	8,273	5,906,771	1,111,379	7,026,423
Equipment	586,425	5,795,847	-	6,382,272
Inventory and other receivables	3,426,705	2,360,679	1,062	5,788,446
Cash deposits	1,031,961	53,748	2,161	1,087,870
Vehicles	30,066	360,361	313,527	703,954
Equity securities	128,912	-	-	128,912
Not collateralised	-	989	4,567	5,556
Total loans and advances to customers, gross	14,572,496	37,814,200	8,021,079	60,407,775
Less: Allowance for expected credit losses	(116,111)	(2,176,312)	(107,114)	(2,399,537)
Total loans and advances to customers	14,456,385	35,637,888	7,913,965	58,008,238

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Information about collateral as at 31 December 2022 are as follows:

31 December 2022	State and municipal organisations	Corporate loans	Loans to individuals	31 December 2022
Loans with other credit enhancement:				
Letter of surety	2,458,999	12,094,239	1,351,316	15,904,554
State guarantee	6,840,288	-	-	6,840,288
Loans collateralised by:				
Real estate	134,311	8,750,980	3,227,074	12,112,365
Equipment	700,259	5,169,125	1,049	5,870,433
Inventory and receivables	2,662,393	1,558,028	-	4,220,421
Insurance policy	9,271	3,254,185	632,134	3,895,590
Cash deposits	1,092,147	454	-	1,092,601
Vehicles	49,579	387,457	173,130	610,166
Equity securities	136,818	147,925	-	284,743
Not collateralised	284,934	5	182,288	467,227
Total loans and advances to customers, gross	14,368,999	31,362,398	5,566,991	51,298,388
Less: Allowance for expected credit losses	(392,033)	(2,426,280)	(59,586)	(2,877,899)
Total loans and advances to customers	13,976,966	28,936,118	5,507,405	48,420,489

Information about collateral as at 31 December 2021 are as follows:

31 December 2021	State and municipal organisations	Corporate loans	Loans to individuals	31 December 2021
Loans with other credit enhancement:				
Letter of surety	2,504,049	8,983,059	599,578	12,086,686
State guarantee	7,314,269	-	-	7,314,269
Loans collateralised by				
Real estate	136,130	7,334,729	2,844,909	10,315,768
Equipment	679,990	4,459,284	-	5,139,274
Inventory and receivables	2,213,930	1,657,871	181,650	4,053,451
Insurance policy	11,817	3,040,375	263,635	3,315,827
Cash deposits	993,410	22,440	3,246	1,019,096
Vehicles	88,134	404,264	135,967	628,365
Equity securities	150,973	-	-	150,973
Not collateralised	185,749	-	320,336	506,085
Total loans and advances to customers, gross	14,278,451	25,902,022	4,349,321	44,529,794
Less: Allowance for expected credit losses	(116,465)	(1,693,031)	(183,247)	(1,992,743)
Total loans and advances to customers	14,161,986	24,208,991	4,166,074	42,537,051

The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at amortised cost that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset (“over-collateralised assets”) and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset (“under-collateralised assets”). As at 31 December 2023, (2022 and 2021), the Group did not have loans, for which the Group did not recognise any expected credit loss allowance because of significant excess of collateral value over the gross carrying value of these loans.

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The credit quality of loans to customers carried at amortized cost is as follows at 31 December 2023:

31 December 2023	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total
Corporate loans				
Standard	26,130,681	2,440,295	823,972	29,394,948
Substandard	-	6,426,393	503,235	6,929,628
Unsatisfactory	-	-	560,899	560,899
Doubtful	-	-	883,814	883,814
Loss	-	-	44,911	44,911
Gross carrying amount	26,130,681	8,866,688	2,816,831	37,814,200
Credit loss allowance	(237,229)	(641,149)	(1,297,934)	(2,176,312)
Carrying amount	25,893,452	8,225,539	1,518,897	35,637,888
State and municipal organisations				
Standard	14,170,248	396,473	-	14,566,721
Substandard	-	5,775	-	5,775
Unsatisfactory	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	14,170,248	402,248	-	14,572,496
Credit loss allowance	(109,738)	(6,373)	-	(116,111)
Carrying amount	14,060,510	395,875	-	14,456,385
Loans to individuals				
Standard	7,666,423	127,981	24,855	7,819,259
Substandard	-	139,141	15,352	154,493
Unsatisfactory	-	-	20,278	20,278
Doubtful	-	-	27,003	27,003
Loss	-	-	46	46
Gross carrying amount	7,666,423	267,122	87,534	8,021,079
Credit loss allowance	(44,997)	(20,568)	(41,549)	(107,114)
Carrying amount	7,621,426	246,554	45,985	7,913,965

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31 December 2022	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total
Corporate loans				
Standard	22,016,653	4,294,785	222,219	26,533,657
Substandard	-	1,377,965	818,208	2,196,173
Unsatisfactory	-	-	464,900	464,900
Doubtful	-	-	969,171	969,171
Loss	-	-	1,198,497	1,198,497
Gross carrying amount	22,016,653	5,672,750	3,672,995	31,362,398
Credit loss allowance	(312,366)	(273,866)	(1,840,048)	(2,426,280)
Carrying amount	21,704,287	5,398,884	1,832,947	28,936,118
State and municipal organisations				
Standard	12,615,317	1,369,382	-	13,984,699
Substandard	-	371,837	12,463	384,300
Unsatisfactory	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	12,615,317	1,741,219	12,463	14,368,999
Credit loss allowance	(108,870)	(273,773)	(9,390)	(392,033)
Carrying amount	12,506,447	1,467,446	3,073	13,976,966
Loans to individuals				
Standard	5,339,939	68,124	16,071	5,424,134
Substandard	-	60,345	29,409	89,754
Unsatisfactory	-	-	25,563	25,563
Doubtful	-	-	19,748	19,748
Loss	-	-	7,792	7,792
Gross carrying amount	5,339,939	128,469	98,583	5,566,991
Credit loss allowance	(29,013)	(8,738)	(21,835)	(59,586)
Carrying amount	5,310,926	119,731	76,748	5,507,405

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The credit quality of loans to customers carried at amortized cost is as follows at 31 December 2021:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
31 December 2021				
Corporate loans				
Standard	14,556,470	6,984,900	138,149	21,679,519
Substandard	-	1,899,935	741,772	2,641,707
Unsatisfactory	-	-	890,792	890,792
Doubtful	-	-	187,119	187,119
Loss	-	-	502,885	502,885
Gross carrying amount	14,556,470	8,884,835	2,460,717	25,902,022
Credit loss allowance	(193,862)	(481,544)	(1,017,625)	(1,693,031)
Carrying amount	14,362,608	8,403,291	1,443,092	24,208,991
State and municipal organisations				
Standard	14,246,280	-	4,414	14,250,694
Substandard	-	-	-	-
Unsatisfactory	-	-	22,256	22,256
Doubtful	-	-	4,136	4,136
Loss	-	-	1,365	1,365
Gross carrying amount	14,246,280	-	32,171	14,278,451
Credit loss allowance	(111,428)	-	(5,037)	(116,465)
Carrying amount	14,134,852	-	27,134	14,161,986
Loans to individuals				
Standard	3,877,782	106,616	49,809	4,034,207
Substandard	-	79,871	55,966	135,837
Unsatisfactory	-	-	40,105	40,105
Doubtful	-	-	34,015	34,015
Loss	-	-	105,157	105,157
Gross carrying amount	3,877,782	186,487	285,052	4,349,321
Credit loss allowance	(34,193)	(10,554)	(138,500)	(183,247)
Carrying amount	3,843,589	175,933	146,552	4,166,074

The effect of collateral on credit impaired assets at 31 December 2023, 31 December 2022 and 31 December 2021 are as follows.

	Over-collateralised		Under-collateralised	
	Carrying Value of the Assets	Value of Collateral	Carrying Value of the Assets	Value of Collateral
31 December 2023				
Credit Impaired Assets				
Loans to Corporate and State Companies carried at AC				
Manufacturing	1,421,375	4,454,912	9,274	8,958
Agriculture	593,131	1,822,592	-	-
Trade and services	481,276	1,843,412	19,209	16,640
Construction	186,594	467,673	-	-
Transport and communication	98,788	213,721	-	-
Oil and gas & Chemicals	7,184	18,750	-	-
Loans to Individuals carried at AC				
Mortgage	63,017	114,649	3,533	3,109
Microloan	15,712	21,960	2,395	2,345
Car Loan	2,070	5,336	-	-
Consumer Loans	786	1,073	-	-
Other	21	38	-	-
Student Loan	-	-	-	-
Total	2,869,954	8,964,116	34,411	31,052

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	Over-collateralised		Under-collateralised	
	Carrying Value of the Assets	Value of Collateral	Carrying Value of the Assets	Value of Collateral
31 December 2022				
Credit Impaired Assets				
Loans to Corporate and State Companies carried at AC				
Trade and services	251,869	775,301	400,798	2,316
Agriculture	170,326	571,935	275,837	3,056
Manufacturing	757,899	1,787,140	413,792	2,855
Construction	79,906	193,305	136,579	14,393
Transport and communication	37,049	82,936	49,562	-
Oil and gas & Chemicals	8,193	36,424	1,103,649	-
Loans to Individuals carried at AC				
Mortgage	64,479	96,001	22,584	4,548
Car Loan	-	-	3,665	-
Microloan	-	-	4,137	-
Consumer Loans	428	1,044	2,171	-
Other	-	-	998	-
Student Loan	50	329	72	-
Total	1,370,199	3,544,415	2,413,844	27,168

	Over-collateralised		Under-collateralised	
	Carrying Value of the Assets	Value of Collateral	Carrying Value of the Assets	Value of Collateral
31 December 2021				
Credit Impaired Assets				
Loans to Corporate and State Companies carried at AC				
Manufacturing	-	-	1,180,611	625,964
Agriculture	-	-	472,300	210,571
Trade	-	-	278,063	187,710
Services	-	-	229,670	81,102
Oil and gas & Chemicals	-	-	142,065	120,948
Construction	-	-	129,769	68,944
Transport and communication	-	-	60,411	44,826
Loans to Individuals carried at AC				
Mortgage	-	-	212,408	165,451
Microloan	-	-	28,729	2
Consumer Loans	-	-	26,616	2,917
Car Loan	-	-	16,346	6,768
Other	-	-	953	348
Total	-	-	2,777,941	1,515,551

The outstanding contractual amounts of loans and advances to customers written off that are still subject to enforcement activity was as follows at 31 December 2023 UZS 922,910 million (31 December 2022 UZS 300,907 million and 31 December 2021 8,507 million).

The Group's policy is to complete legal enforcement steps that were initiated even though the loans were written off as there is no reasonable expectation of recovery.

As of 31 December 2021, the Group had loans with amortised cost including lifetime ECL equaled to UZS 1,721,797 million immediately before contractual modification that was not a derecognition event and the Group recognised losses in the consolidated statement of profit or loss on modifications of loans with lifetime ECL that did not lead to derecognition that amounted to UZS 52,339 million. (2023 and 2022: nil).

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The components of net investment in finance lease as at 31 December 2023, 2022 and 2021 years are as follows:

	31 December 2023	31 December 2022	31 December 2021
Not later than one year	64,291	111,869	165,948
From one year to five years	230,782	267,085	351,752
More than five years	229,227	-	-
Minimum lease payments	524,300	378,954	517,700
Less: unearned finance income	(121,092)	(40,019)	(67,402)
	403,208	338,935	450,298
Less: Allowance for expected credit losses	(26,756)	(5,769)	(8,002)
Net investment in finance lease	376,452	333,166	442,296
Current portion	14,219	87,809	125,532
Long-term portion	362,233	245,357	316,764
Net investment in finance lease	376,452	333,166	442,296

As at 31 December 2023, finance lease receivables include two lease agreements for the total amount of UZS 403,208 million (31 December 2022: UZS 353,622 million, 31 December 2021: UZS 527,297 million) with one-year grace period for repayment of principal amounts. Credit quality of those finance lease were stage 2 and stage 1 in 31 December 2023 included in corporate loans (2022 stage 1, 2021 stage 1). The finance lease receivables were presented under the Corporate Loans classification for the purpose of disclosure.

Refer to Note 33 for the disclosure of the fair value of loans and advances to customers. Interest rate analysis of loans and advances to customers is disclosed in Note 35. Information on related party balances is disclosed in Note 36.

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10. INVESTMENT SECURITIES MEASURED AT AMORTISED COST

	Currency	Annual coupon/ interest rate %	EIR %	Maturity date month/year	31 December 2023	31 December 2022	31 December 2021
Government Bonds	USD/UZS	4,8-18	4,8-18	Dec 2023 - Jul 2032	2,090,103	2,069,871	289,361
CBU Bonds	UZS	16-17	17-18	Jan 2023 – Feb 2023	-	610,315	771,384
Corporate bonds	UZS	20 - 22	20 - 22	October –July 2026	12,987	8,435	8,400
Less: Allowance for expected credit losses					(9,675)	(10,050)	(1,633)
Total investment securities measured at amortised cost					2,093,415	2,678,571	1,067,512

At 31 December 2023, the Group holds government bonds of the Ministry of Finance of the Republic of Uzbekistan in the quantity of 1,923,405 (31 December 2022: 2,015,770, 31 December 2021: 288,970) with nominal value of UZS 1,000,000 and in the quantity of 50 with nominal value of USD 200,000 and coupon rate of 4.8-19.9 % p.a. (31 December 2022: 5-18 %, 31 December 2021: 14-16% p.a). At 31 December 2023, the subsidiary PSB Insurance LLC holds corporate bonds of JSCB “Asia Alliance Bank” in quantity 2,500 with nominal value of UZS 1,000,000 and coupon rate of CBU refinancing rate (14%) + 4% p.a. The maturity date of the bonds is July 2026.

31 December 2023	CBU Bonds	Government Bonds	Corporate Bonds	Total
- Rated BB-	-	2,090,103	10,380	2,100,483
- Rated B2	-	-	2,607	2,607
Less: Allowance for expected credit losses	-	(9,544)	(131)	(9,675)
Total investment securities measured at amortised cost	-	2,080,559	12,856	2,093,415

31 December 2022	CBU Bonds	Government Bonds	Corporate Bonds	Total
- Rated BB-	610,315	2,069,871	-	2,680,186
- Rated B2	-	-	2,610	2,610
- Unrated	-	-	5,825	5,825
Less: Allowance for expected credit losses	(570)	(9,394)	(86)	(10,050)
Total investment securities measured at amortised cost	609,745	2,060,477	8,349	2,678,571

31 December 2021	CBU Bonds	Government Bonds	Corporate Bonds	Total
- Rated BB-	289,361	771,384	5,789	1,066,534
- Rated B2	-	-	2,611	2,611
- Unrated	-	-	-	-
Less: Allowance for expected credit losses	(1,071)	(453)	(109)	(1,633)
Total investment securities measured at amortised cost	288,290	770,931	8,291	1,067,512

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The credit rating is based on the rating agency Moody's (if available) or the rating agencies Standard & Poor's and Fitch, which are converted to the nearest equivalent value on the Moody's rating scale. As at 31 December 2023, 31 December 2022 and 31 December 2021 for the purpose of ECL measurement investment in debt securities measured at amortised cost balances are included in Stage 1. There were no transitions between stages in 2023, 2022 and 2021. Refer to Note 29 for the ECL measurement approach. Refer to Note 33 for the disclosure of the fair value of investment securities measured at amortised cost. Interest rate analysis of investment securities measured at amortised cost is disclosed in Note 35. Information on related party balances is disclosed in Note 36.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Ownership	31 December 2023	Ownership	31 December 2022	Ownership	31 December 2021
LLC Yashil Energiya	19.2%	67,067	-	-	-	-
Visa Inc.	0.0%	18,676	0.0%	13,460	0.0%	13,613
JSC "Mortgage Refinancing Company of Uzbekistan"	8.0%	13,263	8.0%	8,788	8.0%	8,000
JSC "Republican Currency Exchange"	11.1%	10,018	11.1%	7,375	11.1%	6,109
JSC "O'zbekiston pochtasi"	4.4%	5,791	4.4%	5,648	4.4%	7,500
JSC "Qurilishmashlizing"	6.5%	2,880	6.5%	4,493	6.5%	5,842
LLC "Credit Information Analytical Cen	3.2%	1,447	3.2%	2,120	3.2%	1,695
Other	8.3%	75	3.0%	123	3.0%	265
LLC "Yagona Umumrespublika Protse	0.0%	-	-	-	5.9%	2,530
LLC "Credit information Service CRIF"	0.0%	-	-	-	8.7%	2,081
JSC "Tashkent" Stock Exchange	0.0%	-	-	-	6.7%	501
Total financial assets at FVTOCI		119,217		42,007		48,136

Financial assets at FVTOCI as at December 2023, other than Visa Inc., include equity securities registered in Uzbekistan and not actively traded. The Group elects at initial recognition to irrevocably designate the above disclosed equity investments at FVTOCI which is in line with the Group accounting policy. As at 31 December 2023, 2022 and 2021, Visa Inc. is measured using level 1 hierarchy and investment securities other than Visa Inc. are measured using level 3 hierarchy of fair value measurement. Starting from 1 January 2018, the fair value of the financial assets at fair value through other comprehensive income was determined as the present value of future dividends by assuming dividend growth rate of zero per annum. The management built its expectation based on previous experience of dividends received on financial assets at fair value through other comprehensive income over multiple years, and accordingly calculated the value using the average rate of return on investments. The Management believes that this approach accurately reflects the fair value of these securities. A significant unobservable input used in determining the fair value of financial assets at FVTOCI is WACC. The higher the WACC the lower the fair Value of the financial assets at FVTOCI. Investments to which the dividends valuation approach is not applicable, i.e. dividends were not paid during the period, management may use the Assets based valuation approach focused on the investment company's net assets value (NAV), or fair market value of its total assets minus its total liabilities, to determine what would cost to recreate the business. The Management believes that such approach accurately reflects the fair value of these securities.

According to Presidential decree "On measures to improve the effectiveness of reforms aimed at the transition of the Republic of Uzbekistan to a "green" economy until 2030" the Group has made an investment in the amount of UZS 67,066 millions to LLC "Yashil Energiya". As at 31 December 2023, 2022 and 2021, none of the financial assets at FVTOCI were pledged.

The table below represents the movement of financial instruments at FVTOCI for the year ended 31 December 2023, 2022 and 2021:

	31 December 2022	Additions	Disposal	FV Adjustments	31 December 2023
Financial assets at FVTOCI	42,007	69,049	-	8,161	119,217
	31 December 2021	Additions	Disposal	FV Adjustments	31 December 2022
Financial assets at FVTOCI	48,136	1,077	(7,654)	448	42,007
	31 December 2020	Additions	Disposal	FV Adjustments	31 December 2021
Financial assets at FVTOCI	38,024	7,593	(341)	2,860	48,136

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12. INVESTMENT IN ASSOCIATES

Name	Principal activity	Country	31 December 2023	31 December 2022	31 December 2021
LLC "Zomin Miracle Mountains"	Catering	Uzbekistan	34% 39,868	-	-
LLC "Khorezm Invest Project"	Asset management	Uzbekistan	34% 37,731	35,534	29,726
LLC "Kattaqurgon Business Services"	Asset management	Uzbekistan	33% 215	300	-
Total investment in associates			77,814	35,834	29,726

31 December 2023	LLC "Khorezm Invest Project"	LLC "Kattaqurgon Business Services"	LLC "Zomin miracle mountains"	Total associates
Current assets	20,096	1,182	118,951	140,229
Non-current assets	91,995	9,375	2,199	103,569
Current liabilities	(1,052)	(9,896)	(2,142)	(13,090)
Non-current liabilities	-	-	-	-
Revenue	14,889	39	-	14,928
Net (loss)/ profit for the year	10,421	(239)	(391)	9,791
Total comprehensive (loss)/ income for the year	10,421	(239)	(391)	9,791
Dividends received from the associate during the year	1,050	-	-	1,050
Net assets of the associate	111,039	661	119,008	230,708
Proportion of the Group's ownership interest	34%	33%	34%	
Carrying amount of the Group's Interest in Associate	37,731	215	39,868	77,814

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During the first half of 2023 the Group invested to "Zomin Miracle Mountains" LLC in partnership with "TURON PLAZA HOTEL" LLC" and "Asaka Capital Invest" LLC for developing business environment in Jizzakh region in accordance with the government instruction No 91-8 from March 6, 2023.

31 December 2022	"Khorezm Invest Project" LLC	"Kattaqurgon Business Services" LLC	Total associates
Current assets	13,341	4,908	18,249
Non-current assets	91,544	238	91,782
Current liabilities	(371)	(4,246)	(4,617)
Revenue	11,190	-	11,190
Net (loss)/ profit for the year	2,151	(89)	2,062
Total comprehensive (loss)/ income for the year	2,151	(89)	2,062
Net assets of the associate	104,514	900	105,414
Proportion of the Group's ownership interest	34%	33%	
Carrying amount of the Group's Interest in Associate	35,534	300	35,834

31 December 2021	"Khorezm Invest Project" LLC
Current assets	34,635
Non-current assets	53,041
Current liabilities	(245)
Revenue	(3,961)
Net (loss)/ profit for the year	2,140
Total comprehensive (loss)/ income for the year	2,140
Net assets of the associate	87,431
Proportion of the Group's ownership interest	34%
Carrying amount of the Group's Interest in Associate	29,726

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13. PREMISES, EQUIPMENT AND INTANGIBLE ASSETS

	Buildings and Premises	Office and computer equipment	Construction in progress	Total premises and equipment	Intangible assets	Total
Carrying amount as at 31 December 2020	200,008	254,211	265,766	719,985	27,247	747,232
Additions	-	115,163	451,076	566,239	39,757	605,996
Disposals (net of depreciation)	(29)	(1,555)	(2,023)	(3,607)	(598)	(4,205)
Transfers	84,334	(64,914)	(19,420)	-	-	-
Depreciation/amortization charge	(9,915)	(61,343)	-	(71,258)	(1,402)	(72,660)
Carrying amount as at 31 December 2021	274,398	241,562	695,399	1,211,359	65,004	1,276,363
Cost as at 31 December 2021	327,798	442,618	695,399	1,465,815	76,284	1,542,099
Accumulated depreciation/amortisation	(53,400)	(201,056)	-	(254,456)	(11,280)	(265,736)
Carrying amount as at 31 December 2021	274,398	241,562	695,399	1,211,359	65,004	1,276,363
Additions	14,853	41,409	853,221	909,483	16,035	925,518
Capitalised borrowing costs	-	-	38,340	38,340	-	38,340
Disposals (net of depreciation)	(1,306)	(4,152)	(61,328)	(66,786)	(780)	(67,566)
Transfers	3,998	1,608	(5,606)	-	-	-
Depreciation/amortization charge	(11,376)	(73,964)	-	(85,340)	(4,811)	(90,151)
Carrying amount as at 31 December 2022	280,567	206,463	1,520,026	2,007,056	75,448	2,082,504
Cost as at 31 December 2022	345,343	481,483	1,520,026	2,346,852	91,539	2,438,391
Accumulated depreciation/amortisation	(64,776)	(275,020)	-	(339,796)	(16,091)	(355,887)
Carrying amount as at 31 December 2022	280,567	206,463	1,520,026	2,007,056	75,448	2,082,504
Additions	141,104	131,390	1,026,325	1,298,819	17,997	1,316,816
Capitalised borrowing costs	-	-	145,680	145,680	-	145,680
Disposals (net of depreciation)	(5,759)	(2,158)	(371)	(8,288)	(16,818)	(25,106)
Transfers	86,270	7,763	(94,033)	-	-	-
Depreciation/amortization charge	(13,234)	(89,615)	-	(102,849)	(8,682)	(111,531)
Carrying amount as at 31 December 2023	488,948	253,843	2,597,627	3,340,418	67,945	3,408,363
Cost as at 31 December 2023	566,958	618,478	2,597,627	3,783,063	92,718	3,875,781
Accumulated depreciation/amortisation	(78,010)	(364,635)	-	(442,645)	(24,773)	(467,418)
Carrying amount as at 31 December 2023	488,948	253,843	2,597,627	3,340,418	67,945	3,408,363

The increase in PPE was mainly driven by increase in construction in progress. In 2019, the Group has arranged a contract with construction company Shanghai Construction Group Co. Ltd on design and construction of the Headquarters for Group in the amount of USD 136.5 million. In July 2023, the Group has signed additional agreement with construction company Shanghai Construction Group Co. Ltd on design and construction of the Headquarters for Group as a result of which, the initial construction agreement amount was increased to 217.6 million USD (2,367,817 million UZS, including VAT).

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As at 31 December 2022, in accordance with the contract, the Group invested USD 126.391 million, equivalent to UZS 1,549,652 million, (2021: UZS 63.414 million, equivalent to UZS 703,091 million) of which UZS 1,354,601 million (2021: UZS 589,849 million) was recorded in construction in progress.

In 2023, the Group capitalized the borrowing cost related to the commission and interest expense on loan borrowed from Credit Suisse for Tashkent city office construction funding in the amount of UZS 145,680 million (2022: UZS 38,340 million, 2021: UZS 5,165 million).

As at 31 December 2023, 2022 and 2021, premises and equipment of the Group were not pledged.

14. OTHER ASSETS

	31 December 2023	31 December 2022	31 December 2021
Other financial assets			
Commission income receivable	18,886	18,186	9,386
Security deposit on money transfer systems	6,051	5,403	10,017
Other receivables	2,827	1,612	1,057
Less: Allowance for expected credit losses	(371)	(453)	(211)
Total other financial assets	27,393	24,748	20,249
Other non-financial assets			
Prepaid expenses and advances	63,815	82,532	95,299
Prepayment for construction of building	16,464	126,664	171,256
Tax settlements, other than income tax	27,494	13,221	4,116
Inventory	8,317	11,130	7,108
Prepayments for equipment and property	4,001	19,506	7,305
Reposessed collateral	-	617	770
Other	361	948	4,601
Total other non-financial assets	120,452	254,618	290,455
Total other assets	147,845	279,366	310,704

As at 31 December 2023, the prepayment for construction of building comprises prepayment to Shanghai Construction company in the amount of UZS 16,424 million (equivalent USD 6.428 million) (31 December 2022: UZS 35,255 million (equivalent USD 3.701 million) (31 December 2021: UZS 107,131 million) (equivalent USD 9.88 million) for construction of Head office in Tashkent city in accordance with the Decree of Cabinet of Ministers #961 dated 27 November 2018. The construction works have started on 20 June 2019.

15. NON-CURRENT ASSETS HELD FOR SALE

	31 December 2023	31 December 2022	31 December 2021
Reposessed assets:			
- Buildings held for sale	134,930	177,688	48,602
- Equipment held for sale	44,625	45,657	-
Total reposessed assets	179,555	223,345	48,602
Total non-current assets (or disposal groups) held for sale	179,555	223,345	48,602

As of 31 December 2023, buildings held for sale include the reposessed property of six clients on the amount of UZS 102,208 million (nine clients reposessed property on the amount of UZS 178,234 million in 2022), at 31 December 2021, buildings held for sale include the reposessed property of “Namanganulgurjisavdoinvest” LLC (UZS 25,303 million) and “Beltepa Master Story” LLC (UZS 18,944 million). The assets received were measured at the lower of their carrying amount and fair value less costs to sell.

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16. DUE TO OTHER BANKS

	31 December 2023	31 December 2022	31 December 2021
Short term placements of other banks	2,500,576	1,750,362	613,405
Long term placements of other banks	1,778,393	1,617,476	492,583
Payable to the CBU under repo agreement	816,807	-	-
Correspondent accounts and overnight placements of other banks	723,175	527,881	286,989
Total due to other banks	5,818,951	3,895,719	1,392,977

Refer to Note 33 for the disclosure of the fair value of due to other banks. Interest rate analysis of due to other banks is disclosed in Note 35. Information on related party balances is disclosed in Note 36.

17. CUSTOMER ACCOUNTS

	31 December 2023	31 December 2022	31 December 2021
State and public organisations			
- Current/settlement accounts	2,006,528	3,844,463	4,148,013
- Term deposits	3,901,834	3,614,656	3,019,115
Other legal entities			
- Current/settlement accounts	2,812,289	2,814,593	2,378,852
- Term deposits	1,104,481	823,735	711,774
Individuals			
- Current/demand accounts	1,512,885	1,305,546	949,191
- Term deposits	2,990,665	2,925,826	2,354,595
Total customer accounts	14,328,682	15,328,819	13,561,540

Economic sector concentrations within customer accounts are as follows:

	31 December 2023		31 December 2022		31 December 2021	
	Amount	%	Amount	%	Amount	%
Individuals	4,503,550	31%	4,231,372	28%	3,303,786	24%
Public administration	3,808,491	27%	3,503,390	23%	3,120,451	23%
Manufacturing	1,599,498	11%	2,051,712	13%	1,592,246	12%
Oil and gas	1,494,550	10%	2,393,554	16%	2,615,793	19%
Trade	712,118	5%	976,760	6%	291,532	2%
Energy	705,081	5%	1,097,149	7%	768,794	6%
Services	453,820	3%	276,907	2%	336,840	2%
Finance	401,932	3%	314,223	2%	631,942	5%
Construction	274,907	2%	198,880	1%	299,667	2%
Communication	133,196	1%	28,527	0%	261,931	2%
Transportation	92,428	1%	76,367	1%	52,233	1%
Engineering	46,525	1%	93,099	1%	135,083	1%
Mining	40,439	0%	29,234	0%	48,056	0%
Agriculture	25,960	0%	21,842	0%	79,929	1%
Medicine	24,519	0%	26,524	0%	17,679	0%
Other	11,668	0%	9,279	0%	5,578	0%
Total customer accounts	14,328,682	100%	15,328,819	100%	13,561,540	100%

As at 31 December 2023, the Group had two (31 December 2022 and 2021: two) customers with a total balance UZS 4,375,575 million UZS (31 December 2022 and 2021: 4,965,415 million and 4,208,043 million respectively), which individually exceeded 10% of the Group's equity.

Information on related party balances is disclosed in Note 36.

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18. DEBT SECURITIES IN ISSUE

	31 December 2023			31 December 2022			31 December 2021		
	Amount	Nominal interest, %	Maturity, year	Amount	Nominal interest, %	Maturity, year	Amount	Nominal interest, %	Maturity, year
Eurobonds (LSE public)	3,706,295	5.75	2019-2024	3,361,256	5.75	2019-2024	3,235,127	5.75	2019-2024
Eurobonds (LSE private)	1,264,071	9.43	2023-2028	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	58,749	14-16	2021-2024
Bonds	-	-	-	-	-	-	23,941	14-16	2020-2022
Total debt securities issued	4,970,366			3,361,256			3,317,817		

In December 2019, the Group has issued Eurobonds in London Stock Exchange with nominal value of USD 300,000 thousand with a discount of USD 3,198 thousand and five years maturity which is to be paid in 2024.

In August 2023, the Group has issued Eurobonds (LSE private) in London Stock Exchange with nominal value of USD 100,000 thousand with five years maturity. The present value calculation includes all costs directly associated with the issuance and form an integral part of the effective interest rate.

The debt securities issued do not stipulate financial covenants except for Eurobonds, which stipulate the Group is required to comply with certain financial covenants, non-compliance of which may give the lender a right to demand repayment.

As of 31 December 2023, 31 December 2022 and 31 December 2021 the Group was in compliance with all Eurobond covenants.

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19. OTHER BORROWED FUNDS

	31 December 2023	31 December 2022	31 December 2021
International financial institutions			
China EXIMBANK	4,879,750	4,921,786	5,102,508
Cargill Financial Services International Inc	4,300,945	1,213,728	-
CREDIT Suisse	2,289,684	3,521,090	2,912,645
Landesbank Baden-Wuerttemberg	1,922,190	1,716,009	833,390
International Bank of Reconstruction and Development	1,930,490	2,099,169	1,430,444
Commerzbank AG	1,661,374	1,476,741	1,480,096
JPMorgan Chase	1,400,208	89,495	67,802
Daryo Finance B.V.	1,290,891	965,102	965,082
European Bank for Reconstruction and Development	1,208,070	1,099,941	1,112,670
ICBC (London) plc	1,030,290	663,986	1,482,801
International Finance Corporation	961,178	848,223	1,603
MFT XXI LLC	878,556	903,254	-
Banca Popolare di Sondrio	897,886	409,978	-
Citibank N.A. ADGM	513,064	114,146	442,321
Asian Development Bank	624,642	622,999	631,199
Raiffeisen Bank International AG	623,745	614,692	495,013
International Development Association of World Bank	590,901	580,063	592,900
China Development Bank	460,771	559,158	715,507
UniCredit	445,907	446,184	216,711
Kamcombank LLC	456,266	-	-
Citibank Europe PLC	419,179	525,606	-
Petersburg technology Center	397,457	-	-
Japan International Cooperation Agency (JICA)	395,735	359,992	347,869
European Investment Bank	372,978	334,728	-
DZ BANK HONG KONG BRANCH	370,837	-	-
OPEC Fund for International Development	372,053	382,293	131,115
Korea EXIMBANK	279,873	54,837	94,936
Mashreqbank PSC	249,190	-	-
KfW IPEX-Bank	237,010	36,973	48,516
Turk EXIMBANK	116,746	157,741	218,224
Baobab Securities Limited	112,088	112,088	166,135
AKA Ausfuhrkredit-Gesellschaft mbH	91,015	50,721	195,044
Agence Française de Développement	77,880	-	-
ODDO BHF	98,551	40,179	28,247
Helaba (Landesbank Hessen-Thüringen)	30,975	-	-
Gazprombank	27,524	33,249	255,774
The Export-Import Bank of the Republic of China	23,359	29,321	35,699
JSC "BANK CENTERCREDIT" KZ	18,283	-	-
EURASIAN BANK	11,477	-	-
John Deere	6,648	17,286	29,389
International Fund for Agricultural Development	1,758	1,934	2,138
AK Bars Bank	-	869,491	291,701
Promsvyazbank PJSC	-	350,846	1,122,664
Halyk Savings Bank of Kazakhstan JSC	-	219,417	74,637
Jusan Bank	-	68,280	-
JSC Bereke bank	-	62,308	7,183
Vitabank PJSC	-	50,907	-
Russia EXIMBANK	-	-	986,473
VTB BANK EUROPE	-	-	990,079
Credit Bank of Moscow	-	-	472,254
Sberbank Europe AG	-	-	108,598
OJSB Transcapitalbank	-	-	108,402
PJSC Sovcombank	-	-	44,692
European Merchant Bank UAB	-	-	25,066
Financial institutions of Uzbekistan	-	-	-
Agriculture Support Fund under the Ministry of Economy and Finance	1,583,855	1,555,746	1,032,944
Fund for Reconstruction and Development of Uzbekistan	1,417,471	1,289,092	1,778,851
Long term borrowings from Ministry of Economy and Finance	1,095,835	1,969,094	2,465,758

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Uzbekistan Mortgage Refinancing Company (UzMRC)	653,284	416,619	225,058
Export Promotion Agency under MIFT	368,720	233,949	174,623
KDB Bank Uzbekistan	199,604	103,780	93,197
Long term borrowings from CBU	187,389	-	63,314
Young Entrepreneurs Support Fund under MIFT	30,455	28,003	7,538
Preference Shares	11,219	9,363	10,752
Khokimiyat of Tashkent Region	5,113	6,471	5,793
Inter-Network Energy Conservation Fund under the Ministry of Energy	3,365	-	-
Other	1	5,702	5,421
Total other borrowed funds	37,633,735	32,241,760	30,130,776

On 20 July 2023, the Group executed a Loan Agreement for EUR 64 million with Cargill Financial Services International Inc. The further agreement was signed on 21 December 2023, in the amount of EUR 95 million. In accordance with the terms of this Agreements, the Group assumes sole responsibility for directing the Loans exclusively towards financing the export and/or import of various commodities.

On 1 June 2023, the Fund for Reconstruction and Development of Uzbekistan and the Group entered into an agreement for the financing of textile export projects. The agreement stipulated the attraction of funds starting from August 2023.

On 7 July 2023, Raiffeisen Bank International AG and the Group entered into a Loan Agreement for a total amount of EUR 15 million. The agreement includes a 100% Export Credit Agency (ECA) Guarantee Charge of EUR 527 thousands.

On 5 July 2023, the Group and the Central Bank of Uzbekistan (CBU) signed an agreement to finance the Green Efficiency Project.

On 31 August 2023, KDB Bank Uzbekistan and the Group entered into an Agreement to jointly finance the new Uzbekneftgaz project for a total sum of USD 10 million.

On 11 October 2023, the Group and the Fund for Reconstruction and Development of Uzbekistan entered into Agreement which provides financing for a project in the Republic of Karakalpakstan on a total amount of USD 33,3 million.

As of 31 December 2023, 2022 and 2021 and throughout the years then ended, the Group was in compliance with all covenants on the above loan facilities.

The maturity analysis is disclosed in Note 33 Refer for disclosure of the fair value of other borrowed funds and Note 36 for information on related party balances.

20. OTHER LIABILITIES

	31 December 2023	31 December 2022	31 December 2021
Other financial liabilities			
Trade payables	140,638	118,611	102,958
Provision for Bank's guarantees, letters of credit and undrawn credit lines	11,762	27,040	43,203
Payable to other creditors	29,859	21,998	6,562
Dividends payable	361	1,886	3,032
Total other financial liabilities	182,620	169,535	155,755
Other non-financial liabilities			
Payable to employees	10,240	2,306	1,070
Taxes payable other than income tax	41,902	64,769	25,408
Unearned income	9,899	707	1,366
Other	2,398	3,009	13,822
Total other non-financial liabilities	64,439	70,791	41,666
Total other liabilities	247,059	240,326	197,421

As at 31 December 2023, trade payables constitute of UZS 125,027 million (2022: UZS 41,653 million, 2021: UZS 61,906 million) to Shanghai Construction Group, building the Tashkent City office for the Group.

The Group pays income tax on a consolidated basis as a single tax payer at a single rate of 20%. Thus, income tax payable and prepayment for income tax are presented on a net basis as at 31 December 2023.

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21. SUBORDINATED DEBT

	Currency	Maturity date	Nominal interest rate %	Effective interest rate %	31 December 2023	31 December 2022	31 December 2021
Subordinated debt of Fund for Reconstruction and Development of Uzbekistan	UZS	2041	9%	9.4%	100,626	101,989	101,771
Subordinated debt of Ministry of Economy and Finance	USD	2028	5%	5.7%	252,439	228,571	-
Subordinated debt of IFC	UZS	2042	5%	5.0%	1,094,894	-	-
	USD	2029	12%	11.2%	248,895	-	-
Total subordinated debt					1,696,854	330,560	101,771

The first Subordinated debt issued by the Fund for Reconstruction and Development of Uzbekistan of UZS 100,000 million on 9 April 2021 carries an interest rate of 10,3 % and matures on 15 April 2041.

The second Subordinated debt issued by the Fund for Reconstruction and Development of Uzbekistan of USD 20,381 million on 18 August 2021 carries an interest rate of 5,7 % and matures on 16 July 2027.

The third Subordinated debt issued by the IFC of USD 40 million on 18 October 2023 carries an interest rate of 6M SOFR +6.4 % and matures on 15 September 2029. All Subordinated debts rank after all other creditors' claims are fully settled in the case of liquidation.

Refer to Note 33 for the disclosure of the fair value of subordinated debt and Note 36 for information on related party balances.

22. SHARE CAPITAL

	Number of outstanding shares	Ordinary shares	Total
1 January 2021	243,552	4,640,011	4,640,011
31 December 2021	243,552	4,640,011	4,640,011
31 December 2022	243,552	4,640,011	4,640,011
1 January 2023	243,552	4,640,011	4,640,011
Acquisition of own shares	(293)	(5,573)	(5,573)
31 December 2023	243,259	4,634,438	4,634,438

As at 31 December 2023, the total authorised number of ordinary shares is 243,259 million (2022 and 2021: 243,552 million) with a par value of UZS 19 per share. Each share carries one vote. Dividends on preference shares will not be less than dividends on ordinary shares. The authorised number of shares decreased by 293 million shares due to cancellation of treasury shares during 2023.

In 2023, on the basis of Presidential Decree No. 168 dated 18 March 2022, the owners decided to exchange their shares in the Bank for the Bank's 6,25% and 6% investments in equity instruments in JSC "Tashkent" Stock Exchange and LLC "Yagona Umumrespublika Protsessing Markazi" (also known as "Uzcard") respectively for the total amount of UZS 5,573 million. The fair value the instruments approximates the nominal amount of these shares acquired by the Bank.

The number of ordinary shares issued but not fully paid in 2023 was nil (31 December 2022 and 2021: nil).

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23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out movement in the Group's liabilities from financing activities for each of periods presented. The items of these liabilities are those that are reported as financing activities in the consolidated statement of cash flows.

<i>In million Uzbekistan Soums</i>	Liabilities from financing activities			Total*
	Other borrowed funds	Debt securities issue	Subordinated debt	
Net debt at 1 January 2021	25,683,457	3,273,048	-	28,956,505
Proceeds from the issue	11,826,214	10,000	100,000	11,936,214
Redemption	(8,391,815)	(81,310)	-	(8,473,125)
Foreign currency translation	992,957	126,637	-	1,119,594
Other non-cash movements	19,963	(10,558)	1,771	11,176
Net debt at 31 December 2021	30,130,776	3,317,817	101,771	33,550,364
Proceeds from the issue	11,148,736	-	235,851	11,384,587
Redemption	(9,334,820)	(82,690)	-	(9,417,510)
Foreign currency translation	334,227	117,466	-	451,693
Other non-cash movements	(37,159)	8,663	(7,062)	(35,558)
Net debt at 31 December 2022	32,241,760	3,361,256	330,560	35,933,576
Proceeds from the issue	16,506,252	1,286,100	240,848	18,033,200
Redemption	(12,937,288)	-	-	(12,937,288)
Reclassification of other borrowed funds to subordinated debt	2,963,617	371,174	43,649	3,378,440
Foreign currency translation	(1,091,571)	-	1,091,571	-
Other non-cash movements	(49,035)	(48,164)	(9,774)	(106,973)
Net debt at 31 December 2023	37,633,735	4,970,366	1,696,854	44,300,955

* Comparative information has been restated in accordance with Note 3.

24. INTEREST INCOME AND EXPENSE

	2023	2022 (restated)	2021
Interest income calculated using the effective interest method			
Interest income on assets recorded at amortised cost comprises:			
Interest on loans and advances to customers	6,406,387	4,471,651	3,858,402
Interest on investment securities measured at amortised cost	392,462	274,786	154,226
Interest on balances due from other banks	375,019	274,806	140,444
Interest on balances cash and cash equivalents	11,417	4,115	2,326
Total interest income calculated using the effective interest method	7,185,285	5,025,358	4,155,398
Other similar income			
Finance lease receivables	36,176	29,198	32,024
Total other similar income	36,176	29,198	32,024
Interest expense			
Interest expense on liabilities recorded at amortised cost comprises:			
Interest on other borrowed funds	(2,232,828)	(1,532,566)	(1,219,611)
Interest on customer accounts	(1,142,451)	(787,850)	(570,363)
Interest on debt securities in issue	(259,206)	(218,324)	(201,107)
Interest on balances due to other banks	(396,344)	(71,274)	(70,794)
Interest on subordinated debt	(49,270)	(16,357)	(6,030)
Total interest expense	(4,080,099)	(2,626,371)	(2,067,905)
Net interest income before provision on loans and advances to customers	3,141,362	2,428,185	2,119,517

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25. FEE AND COMMISSION INCOME AND EXPENSE

	2023	2022	2021
Fee and commission income			
Settlement transactions	337,118	286,724	220,904
International money transfers	88,626	118,598	56,071
Guarantees issued	50,187	30,371	30,058
Consulting services	28,213	42	3,727
Foreign currency exchange	7,002	2,730	64,946
Letters of credit	4,759	5,225	10,368
Other	-	-	-
Total fee and commission income	515,905	443,690	386,074
Fee and commission expense			
Settlement transactions	(58,698)	(52,737)	(60,567)
Transactions with plastic cards	(52,086)	(29,260)	(31,877)
Foreign currency exchange	(14,420)	(36,117)	(13,217)
Cash collection	(5,922)	(4,985)	(2,760)
Other	(934)	(3,314)	(2,062)
Total fee and commission expense	(132,060)	(126,413)	(110,483)
Net fee and commission income	383,845	317,277	275,591

26. INSURANCE OPERATIONS

The following disclosures provide an analysis of the insurance service results and reconciliations from opening to closing balances for insurance contract balances measured under IFRS 17 for period ended 31 December 2023:

	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
Opening assets	15,782	-	1,889	17,671
Opening liabilities	84,045	-	10,126	94,171
Net opening balance	(68,263)	-	(8,237)	(76,500)
Total changes in the statement of profit or loss	(791)	-	(16,394)	(17,185)
Total cash flows	56,744	-	(13,018)	43,726
Net closing balance	(125,798)	-	(11,613)	(137,411)
Closing assets	17,652	-	2,682	20,334
Closing liabilities	143,450	-	14,295	157,745

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM Contracts under modified retrospective approach	Liability for incurred claims	Total
Opening assets	11,092	2,350	2,340	1,889	17,671
Opening liabilities	22,139	6,274	55,632	10,126	94,171
Net opening balance	(11,047)	(3,924)	(53,292)	(8,237)	(76,500)
Total changes in the statement of profit or loss	11,726	4,165	(16,682)	(16,394)	(17,185)
Total cash flows	46,136	10,608	-	(13,018)	43,726
Net closing balance	(45,457)	(10,367)	(69,974)	(11,613)	(137,411)
Closing assets	7,152	1,882	8,618	2,682	20,334
Closing liabilities	52,609	12,249	78,592	14,295	157,745

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The following disclosures provide an analysis of the insurance service results and reconciliations from opening to closing balances for insurance contract balances measured under IFRS 17 for period ended 31 December 2022:

	Liability for remaining coverage		Liability for	Total
	Excluding loss component	Loss component	incurred claims	
Opening assets	4,953	-	2,593	7,546
Opening liabilities	64,371	-	7,618	71,989
Net opening balance	(59,418)	-	(5,025)	(64,443)
Total changes in the statement of profit or loss	18,269	-	(11,438)	6,831
Total cash flows	27,114	-	(8,226)	18,888
Net closing balance	(68,263)	-	(8,237)	(76,500)
Closing assets	15,782	-	1,889	17,671
Closing liabilities	84,045	-	10,126	94,171

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM Contracts under modified retrospective approach	Liability for incurred claims	Total
Opening assets	801	721	3,431	2,593	7,546
Opening liabilities	15,596	4,635	44,140	7,618	71,989
Net opening balance	(14,795)	(3,914)	(40,709)	(5,025)	(64,443)
Total changes in the statement of profit or loss	24,398	6,454	(12,583)	(11,438)	6,831
Total cash flows	20,650	6,464	-	(8,226)	18,888
Net closing balance	(11,047)	(3,924)	(53,292)	(8,237)	(76,500)
Closing assets	11,092	2,350	2,340	1,889	17,671
Closing liabilities	22,139	6,274	55,632	10,126	94,171

27. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	2023	2022	2021
Staff costs	909,825	710,573	607,612
Social security costs	145,331	115,563	68,335
Total staff costs	1,055,156	826,136	675,947
Depreciation and amortisation	111,531	90,151	72,660
Taxes other than income tax	103,486	52,074	30,029
Communication and software maintenance	71,559	25,796	11,243
Security services	66,485	53,625	41,210
Membership fees	57,496	44,105	26,390
Charity expenses	55,539	74,503	56,517
Stationery and other low value items	25,236	22,129	28,167
Repair and maintenance of buildings	24,857	20,405	11,021
Rent expenses	16,576	11,167	9,971
Travel expenses	14,523	9,814	7,040
Consultancy fee	10,769	8,311	7,785
Legal and audit fees	10,419	11,837	8,394
Representation and entertainment	7,263	4,907	2,617
Advertising expenses	7,016	8,713	9,286
Utilities expenses	6,440	5,599	5,844
Fuel	3,872	3,306	2,230
Loss on sale or disposition of fixed assets	219	85,110	210
Medical, Dental and Hospitalization	164	236	1,079
Other operating expenses	22,172	11,574	36,506
Total administrative and other operating expenses	1,670,778	1,369,498	1,044,146

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Social security costs include state pension contributions amounting UZS 105,202 million, UZS 82,959 million and UZS 58,696 million for the periods ended 31 December 2023, 2022 and 2021, respectively. The substantial rise in staff costs is primarily attributed to a change in the calculation approach. The Group introduced Key Performance Indicators (KPIs) and eliminated the bonus system, which previously assessed branch performance rather than individual employee contributions based on assigned tasks. This increase in staff costs is predominantly associated with Group regional branches. Besides, the significant increase in communication and software maintenance is due to the program support of current software. The fee for the non-audit services provided by the auditor's of the Group's for 2023 is UZS 966 million, net of VAT (2022: UZS 121,9 million; 2021: UZS 348,9 million). The legal and audit fees in the table above include expenses for audit services in the amount of UZS 2,751 million (2022: UZS 2,576 million; 2021: UZS 2,560 million), including the audits and reviews of the Group's consolidated financial statements.

28. INCOME TAXES

Reconciliation between the expected and the actual taxation charge is provided below:

	2023	2022 (restated)	2021
Current income tax expense	224,786	206,300	249,660
Deferred tax (benefit)/expense:			
- <i>Deferred tax (benefit)/expense</i>	(9,863)	7,074	(35,078)
- <i>Deferred tax expense relating to the components of other comprehensive income</i>	1,254	90	572
Total income tax expense through profit or loss and other comprehensive income	216,177	213,464	215,154

	2023	2022 (restated)	2021
IFRS profit before tax	1,071,077	847,029	1,071,570
Theoretical tax charge at the applicable statutory rate - 20% (2022 and 2021: 20%)	214,215	169,406	214,314
- Non deductible expenses (employee compensation, representation and other non-deductible expenses)	122,201	115,077	21,865
- Tax exempt income	(125,480)	(58,902)	(28,251)
- Other	3,987	(12,207)	6,654
Income tax expense	214,923	213,374	214,582
Net income tax expense relating to the components of other comprehensive income	1,254	90	572
Income tax expense through profit or loss and other comprehensive income	216,177	213,464	215,154

Non-deductible expenses in the table include 20% of the statutory ECL charge for UZS 90,865 million (2022: UZS 82,636 million, 2021: nil), additionally, non-deductible charity and donation expenses exceeding the tax code regulation limit make up the rest.

Tax-exempt income in the table above consists of interest income from government bonds and CBU bonds, totaling UZS 82,659 million (2022: UZS 58,902 million and 2021: UZS 28,251 million), and 20% of the recovery of statutory ECL provisions, amounting to UZS 41,668 million in 2023 (nil in 2022 and 2021).

Differences between IFRS and Uzbekistan statutory taxation regulations give rise to certain temporary differences between the carrying amount of certain assets and liabilities for financial reporting purposes and for their tax bases. The tax effect of the movements on these temporary differences is detailed below, and is recorded at the rate of 20% (2022 and 2021: 20%).

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	31 December 2023	(Debited)/ credited to profit or loss	Charged to other comprehensive income	31 December 2022	(Debited)/ credited to profit or loss	Charged to other comprehensive income	31 December 2021
Tax effect of deductible/(taxable) temporary differences							
Cash and cash equivalents	27	(167)	-	194	53	-	141
Due from other banks	241,773	67,164	-	174,609	174,082	-	527
Loans and advances to customers	174,887	(24,802)	-	199,689	3,327	-	196,362
Financial assets at fair value through other comprehensive income	(5,197)	(320)	(1,254)	(3,623)	-	(90)	(3,533)
Property, equipment and intangible assets	(13,730)	(20,226)	-	6,496	10,979	-	(4,483)
Investments in associates and subsidiaries	(1,750)	(451)	-	(1,299)	597	-	(1,896)
Investment securities measured at amortised cost	2,413	1,169	-	1,244	792	-	452
Derivative financial assets	(10,300)	(10,300)	-	-	-	-	-
Other assets	41,961	(8,330)	-	50,291	34,133	-	16,158
Non-current assets held for sale	11,413	56,082	-	(44,669)	(34,948)	-	(9,721)
Due to other banks	(231,928)	(24,446)	-	(207,482)	(207,482)	-	-
Debt securities in issue	(4,328)	(2,686)	-	(1,642)	559	-	(2,201)
Other borrowed funds	224	13,054	-	(12,830)	(8,840)	-	(3,990)
Derivative financial liabilities	-	(23,107)	-	23,107	23,107	-	-
Other liabilities	190	(11,840)	-	12,030	(2,300)	-	14,330
Subordinated debt	(2,084)	(931)	-	(1,153)	(1,132)	-	(21)
Net deferred tax asset/(liability)	203,571	9,863	(1,254)	194,962	(7,072)	(90)	202,124
Recognised deferred tax asset	472,888	137,469	-	467,660	247,629	-	227,969
Recognised deferred tax liability	(269,317)	(127,606)	(1,254)	(272,698)	(254,702)	(90)	(25,844)
Net deferred tax asset/(liability)	203,571	9,863	(1,254)	194,962	(7,073)	(90)	202,125

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	31 December 2021	(Debited)/ credited to profit or loss	Charged to other comprehensive income	31 December 2020
Tax effect of deductible/(taxable) temporary differences				
Cash and cash equivalents	141	145	-	(4)
Due from other banks	527	(3,159)	-	3,686
Loans and advances to customers	196,362	31,703	-	164,659
Financial assets at fair value through other comprehensive income	(3,533)	-	(572)	(2,961)
Property, equipment and intangible assets	(4,483)	(9,967)	-	5,484
Investments in associates and subsidiaries	(1,896)	(472)	-	(1,424)
Investment securities measured at amortised cost	452	(2,603)	-	3,055
Other assets	16,158	12,284	-	3,874
Non-current assets held for sale	(9,721)	(10,579)	-	858
Customer accounts	-	-	-	-
Debt securities in issue	(2,201)	337	-	(2,538)
Other borrowed funds	(3,990)	7,653	-	(11,643)
Other liabilities	14,330	9,757	-	4,573
Subordinated debt	(21)	(21)	-	-
Net deferred tax asset/(liability)	202,125	35,078	(572)	167,619
Recognised deferred tax asset	227,970	61,879	-	186,189
Recognised deferred tax liability	(25,845)	(26,801)	(572)	(18,570)
Net deferred tax asset/(liability)	202,125	35,078	(572)	167,619

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29. ALLOWANCES FOR IMPAIRMENT LOSSES

The tables below present information about the changes in the gross amount of financial assets excluding loans and advances to customers, commitments and other non-financial assets during 2023, 2022 and 2021:

	Other financial assets (Note 14)			Cash and cash equivalents (Note 7)			Due from other Banks (Note 8)			Investment securities at amortised cost (Note 10)
	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	95	Stage 1 12-month ECL	Stage 2 12-month ECL		Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	
Gross amount as at 1 January 2023	25,106		95	7,037,855	82,603		1,843,596	34,017	2,688,621	
- Transfer from stage 1	-	-	-	-	-	-	-	-	-	
- Transfer from stage 2	-	-	-	70,679	(70,679)	-	-	-	-	
- Transfer from stage 3	63	(63)	-	-	-	-	-	-	-	
New assets issued or acquired	23,259	-	-	1,481,230	-	-	367,082	-	1,359,956	
Matured or derecognized assets (except for write off)	(20,666)	(30)	(30)	(1,839,748)	(14,459)	(375,719)	(41)	(41)	(1,956,574)	
Foreign exchange differences	-	-	-	215,980	2,535	(57,259)	3,326	3,326	11,087	
Gross amount as at 31 December 2023	27,762	2	2	6,965,996	0	1,777,700	37,302	2,103,090	10,911,852	
									175,669	
									3,231,527	
									(4,207,237)	
									175,669	
									11,087	
									2,103,090	
									10,911,852	

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“UZBEK INDUSTRIAL AND CONSTRUCTION BANK” AND ITS SUBSIDIARIES

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(in millions of Uzbek Soums, unless otherwise indicated)

	Credit commitments (Note 31)						Guarantees (Note 31)						Letters of credit (Note 31)					
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3	
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Gross amount as at 1 January 2023*	339,144	50,554	50,554	3,093	1,886,666	30,139	16,580	1,559,031	173,394	963	4,059,563							
- Transfer from stage 1	(6,397)	3,626	(36,646)	2,771	(36,646)	-	36,646	(104,649)	104,649	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	52	(118)	30,139	67	(30,139)	(30,139)	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 3	55	-	-	(55)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New assets issued or acquired	736,739	3,825	369,757	1,420	(867,449)	(597)	(32,828)	(1,085,655)	(275,222)	(982)	(2,585,476)							
Matured or derecognized assets (except for write off)	(265,042)	(53,825)	(867,449)	(3,877)	(867,449)	(597)	(32,828)	(1,085,655)	(275,222)	(982)	(2,585,476)							
Foreign exchange differences	21,317	1,077	44,708	89	44,708	597	329	79,915	3,436	19	151,488							
Gross amount as at 31 December 2023	825,868	5,138	1,427,175	3,509	2,922,896	6,256	30,528	2,922,896	6,256	0	5,221,371							

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(in millions of Uzbek Soums, unless otherwise indicated)

	Other financial assets (Note 14)			Cash and cash equivalents (Note 7)			Due from other Banks (Note 8)			Investment securities at amortised cost (Note 10)	
	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 12-month ECL	Stage 1 12-month ECL	Stage 2 12-month ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 1 12-month ECL	TOTAL
Gross amount as at 1 January 2022*	19,964	496	8,197,359	-	-	1,958,937	32,813	1,069,145	11,278,714		
- Transfer from stage 1	-	-	(64,631)	64,631	-	-	-	-	-	-	-
- Transfer from stage 2	(1)	1	-	-	-	-	-	-	-	-	-
- Transfer from stage 3	237	(237)	-	-	-	-	-	-	-	-	-
New assets issued or acquired	14,049	92	2,506,565	1,644	1,642,226	-	-	2,556,932	6,721,508		
Matured or derecognized assets (except for write off)	(9,143)	(257)	(3,942,604)	-	(1,613,343)	-	-	(938,250)	(6,503,597)		
Foreign exchange differences	-	-	341,166	16,328	(144,224)	1,204	794	215,268			
Gross amount as at 31 December 2022	25,106	95	7,037,855	82,603	1,843,596	34,017	2,688,621	11,711,893			

*The table was revised to align with 2023 presentation

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(in millions of Uzbek Soums, unless otherwise indicated)

	Credit commitments (Note 31)						Guarantees (Note 31)			Letters of credit (Note 31)		
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3	
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Gross amount as at 1 January 2022*	831,079	181	155	1,166,781	667,433	-	1,677,839	229,866	-	4,573,333		
- Transfer from stage 1	(116)	33	83	-	-	-	(2,048)	-	2,048	-	-	-
- Transfer from stage 2	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-	-	-	-	-
New assets issued or acquired	328,496	50,580	3,037	1,152,012	30,139	16,580	1,360,904	173,394	-	3,115,141		
Matured or derecognized assets (except for write off)	(814,836)	-	(167)	(428,639)	(667,433)	-	(1,463,306)	(227,960)	(1,086)	(3,603,427)		
Foreign exchange differences	(5,479)	(240)	(15)	(3,488)	-	-	(14,358)	(1,905)	-	(25,485)		
Gross amount as at 31 December 2022	339,144	50,554	3,093	1,886,666	30,139	16,580	1,559,031	173,394	963	4,059,563		

*The table was revised to align with 2023 presentation

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	Other financial assets (Note 14)		Cash and cash equivalents (Note 7)		Due from other Banks (Note 8)		Investment securities at amortised cost (Note 10)		TOTAL
	Stage 2	Stage 3	Stage 1	Stage 1	Stage 1	Stage 3	Stage 1	Stage 1	
	Lifetime ECL	Lifetime ECL	12-month ECL	12-month ECL	12-month ECL	Lifetime ECL	12-month ECL	12-month ECL	
Gross amount as at 31 December 2020*	15,779	1,838	5,601,347	1,877,621	-	-	541,911	-	8,038,496
- Transfer from stage 1	-	-	-	(25,731)	-	25,731	-	-	-
- Transfer from stage 2	(81)	81	-	-	-	-	-	-	-
- Transfer from stage 3	806	(806)	-	-	-	-	-	-	-
New assets issued or acquired	17,673	72	2,839,884	1,022,524	779	-	1,016,879	-	4,897,811
Matured or derecognized assets (except for write off)	(14,213)	(689)	(1,102,299)	(890,645)	-	-	(489,645)	-	(2,497,491)
Foreign exchange differences	-	-	858,427	(24,832)	6,303	-	-	-	839,898
Gross amount as at 31 December 2021	19,964	496	8,197,359	1,958,937	32,813	-	1,069,145	-	11,278,714

*The table was revised to align with 2023 presentation

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	Credit commitments (Note 31)						Guarantees (Note 31)						Letters of credit (Note 31)						TOTAL
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	
Gross amount as at 31 December 2020*	387,632	82,041	48,832	1,573,333	850,710	-	794,189	-	-	-	-	-	-	-	-	-	-	-	3,736,736
- Transfer from stage 1	(216)	124	92	-	-	-	(42,601)	42,601	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	446	(450)	4	15,017	(15,017)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 3	554	-	(554)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New assets issued or acquired	823,877	104	105	457,311	494,905	-	1,554,053	187,265	-	-	-	-	-	-	-	-	-	-	3,517,620
Matured or derecognized assets (except for write off)	(381,214)	(81,637)	(48,325)	(874,110)	(660,004)	-	(622,285)	-	-	-	-	-	-	-	-	-	-	-	(2,667,575)
Foreign exchange differences	-	-	-	(4,770)	(3,161)	-	(5,517)	-	-	-	-	-	-	-	-	-	-	-	(13,448)
Gross amount as at 31 December 2021	831,079	181	155	1,166,781	667,433	-	1,677,839	229,866	-	-	-	-	-	-	-	-	-	-	4,573,333

*The table was revised to align with 2023 presentation

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“UZBEK INDUSTRIAL AND CONSTRUCTION BANK” AND ITS SUBSIDIARIES

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The tables below present information about the changes in the ECL amount of financial assets, commitments and other non-financial assets during 2023, 2022 and 2021:

	Other financial assets (Note 14)			Cash and cash equivalents (Note 7)			Due from other Banks (Note 8)			Investment securities at amortised cost (Note 10)	
	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 3 12-month ECL	Stage 1 12-month ECL	Stage 2 12-month ECL	Stage 1 12-month ECL	Stage 1 12-month ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 1 12-month ECL	TOTAL
Loss allowance for ECL as at 1 January 2023	446	7	122	847	12,121	22,077	10,050	45,670			
- Transfer from stage 1	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	-	-	600	(600)	-	-	-	-	-	-	-
- Transfer from stage 3	5	(5)	-	-	-	-	-	-	-	-	-
New assets issued or acquired	301	-	28	-	2,870	-	4,466	-	7,665		
Matured or derecognized assets (except for write off)	(381)	(2)	(741)	(247)	(629)	(27)	(4,841)		(6,868)		
Foreign exchange differences	-	-	93		(1,791)	1,674	-		(24)		
Loss allowance for ECL as at 31 December 2023	371	-	102	-	12,571	23,724	9,675	46,443			

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	Credit commitments (Note 31)			Guarantees (Note 31)			Letters of credit (Note 31)			TOTAL
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12- month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12- month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance for ECL as at 1 January 2023	2,057	288	-	15,458	361	2,641	3,668	2,568	-	27,041
- Transfer from stage 1	(48)	24	24	(438)	-	438	(789)	789	-	-
- Transfer from stage 2	-	(26)	26	361	(361)	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-	-	-
New assets issued or acquired	293	-	-	721	-	4,900	1,270	-	-	7,184
Matured or derecognized assets (except for write off)	(2,010)	(294)	(46)	(11,551)	(11)	(2,641)	(2,894)	(3,414)	-	(22,861)
Foreign exchange differences	50	8	-	99	11	-	151	79	-	398
Loss allowance for ECL as at 31 December 2023	342	-	4	4,650	-	5,338	1,406	22	-	11,762

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	Other financial assets (Note 14)			Cash and cash equivalents (Note 7)			Due from other Banks (Note 8)			Investment securities at amortised cost (Note 10)		
	Stage 2	Stage 3	Lifetime	Stage 1	Stage 2	Lifetime	Stage 1	Stage 2	Stage 3	Stage 1	Stage 1	TOTAL
	ECL	ECL	ECL	12-month ECL	12-month ECL	ECL	12-month ECL	12-month ECL	Lifetime ECL	12-month ECL	12-month ECL	
Loss allowance for ECL as at 1 January 2022*	184	27		707	-		14,779	20,668		1,633		37,998
- Transfer from stage 1	-	-		(3)	3		-	-		-		-
- Transfer from stage 2	-	-		-	-		-	-		-		-
- Transfer from stage 3	13	(13)		-	-		-	-		-		-
New assets issued or acquired	337	7		449	822		12,191	-		9,056		22,862
Matured or derecognized assets (except for write off)	(88)	(14)		(1,042)	-		(13,479)	-		(639)		(15,262)
Foreign exchange differences	-	-		11	22		(1,370)	1,409		-		72
Loss allowance for ECL as at 31 December 2022	446	7		122	847		12,121	22,077		10,050		45,670

*The table was revised to align with 2023 presentation

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	Credit commitments (Note 31)						Guarantees (Note 31)			Letters of credit (Note 31)			TOTAL
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance for ECL as at 1 January 2022*	17,230	-	-	7,179	10,369	-	4,824	3,600	-	-	-	-	43,202
- Transfer from stage 1	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 2	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
New assets issued or acquired	1,990	288	-	10,467	361	2,641	3,419	2,568	-	-	-	-	21,734
Matured or derecognized assets (except for write off)	(17,142)	-	-	(2,182)	(10,369)	-	(4,567)	(3,593)	-	-	-	-	(37,853)
Foreign exchange differences	(21)	-	-	(6)	-	-	(8)	(7)	-	-	-	-	(42)
Loss allowance for ECL as at 31 December 2022	2,057	288	-	15,458	361	2,641	3,668	2,568	-	-	-	-	27,041

*The table was revised to align with 2023 presentation

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	Other financial assets (Note 14)		Cash and cash equivalents (Note 7)		Due from other Banks (Note 8)		Investment securities at amortised cost (Note 10)		
	Stage 2	Stage 3	Stage 1	Stage 1	Stage 3	Stage 1	Stage 1	Stage 1	TOTAL
	Lifetime ECL	Lifetime ECL	12-month ECL	12-month ECL	Lifetime ECL	12-month ECL	12-month ECL	12-month ECL	
Loss allowance for ECL as at 1 January 2021*	306	1,103	161	18,429	-	1,689	21,688		
- Transfer from stage 1	-	-	-	(14,149)	14,149	-	-	-	-
- Transfer from stage 2	(2)	2	-	-	-	-	-	-	-
- Transfer from stage 3	550	(550)	-	-	-	-	-	-	-
New assets issued or acquired	147	6	654	23,935	519	1,540	26,801		
Matured or derecognized assets (except for write off)	(817)	(534)	(116)	(8,390)	-	(1,596)	(11,453)		
Foreign exchange differences	-	-	8	(5,046)	6,000	-	962		
Loss allowance for ECL as at 31 December 2021	184	27	707	14,779	20,668	1,633	37,998		

*The table was revised to align with 2023 presentation

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	Credit commitments (Note 31)						Guarantees (Note 31)			Letters of credit (Note 31)			TOTAL
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	12- month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance for ECL as at 1 January 2021*	275	2,579	-	11,240	7,194	-	4,411	-	-	-	-	-	25,699
- Transfer from stage 1	-	-	-	-	-	-	(358)	-	-	-	358	-	-
- Transfer from stage 2	45	(45)	-	55	(55)	-	-	-	-	-	-	-	-
- Transfer from stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
New assets issued or acquired	17,184	-	-	2,203	8,059	-	4,453	3,242	-	-	-	-	35,141
Matured or derecognized assets (except for write off)	(274)	(2,534)	-	(6,269)	(4,823)	-	(3,660)	-	-	-	-	-	(17,560)
Foreign exchange differences	-	-	-	(50)	(6)	-	(22)	-	-	-	-	-	(78)
Loss allowance for ECL as at 31 December 2021	17,230	-	-	7,179	10,369	-	4,824	3,600	-	-	-	-	43,202

*The table was revised to align with 2023 presentation

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30. EARNINGS PER SHARE

Basic earnings per share (EPS) are calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares. The preference shares are not included into the EPS calculation.

The Group has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal basic earnings per share.

According to the charter of the Group, and as described in Note 22, dividend payments per ordinary share cannot exceed the dividends per share on preferred shares for the same period and the minimum dividends payable to the owners of preference shares comprise not less than 20%. Therefore, net profit for the period is allocated to the ordinary shares and the preferred shares in accordance with their legal and contractual dividend rights to participate in undistributed earnings.

	2023	2022 (restated)	2021
Profit for the year attributable to ordinary shareholders	856,171	633,658	856,989
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	243,552	243,552	243,552
Total basic and diluted earnings per ordinary share (expressed in UZS per share)	3.52	2.60	3.52

31. COMMITMENTS AND CONTINGENCIES

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

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

The Management believes that its interpretation of the relevant legislation is appropriate and the Bank's tax, currency legislation and customs positions will be sustained. Accordingly, as at 31 December 2023, no provision for potential tax liabilities had been recorded (2022 and 2021: Nil). The Group estimates that it has no potential obligations from exposure to other than remote tax risks.

Capital expenditure commitments. As at 31 December 2023 and 31 December 2022 and 31 December 2021 the Group had contractual capital expenditure commitments for the total amount of UZS 160,258 million, UZS 315,253 million and UZS 1,033,849 million in respect of premises and equipment, respectively.

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

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	31 December 2023	31 December 2022	31 December 2021
Guarantees issued	1,457,703	1,933,385	1,834,214
Letters of credit, non post-financing	2,065,635	682,811	398,886
Letters of credits, post-financing with commencement after reporting period end	863,518	1,050,576	1,508,819
Undrawn credit lines	834,515	392,791	831,415
Total gross credit related commitments	5,221,371	4,059,563	4,573,334
Less - Cash held as security against letters of credit and guarantees	(1,352,830)	(669,149)	(275,863)
Less – Provision for expected credit losses	(11,762)	(27,040)	(43,203)
Total credit related commitments	3,856,779	3,363,374	4,254,268

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

32. DERIVATIVE FINANCIAL INSTRUMENTS

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under foreign exchange forward and swap contracts entered into by the Group. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the end of the respective reporting period. The contracts are short term in nature:

	31 December 2023		31 December 2022		31 December 2021	
	Contracts with		Contracts with		Contracts with	
	positive fair value	negative fair value	positive fair value	negative fair value	positive fair value	negative fair value
Foreign exchange swaps: fair values, at the end of the reporting period, of						
- RUB receivable on settlement (+)	1,211,810	-	-	872,823	-	-
- USD payable on settlement (-)	-	-	-	(230,138)	-	-
- UZS payable on settlement (-)	(1,160,311)	-	-	(758,218)	-	-
Net fair value of foreign exchange swaps	51,499	-	-	(115,533)	-	-

Foreign exchange derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value measurements are analysed by level in the fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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The Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

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

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting year. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

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Financial assets/financial liabilities	Fair value as at			Fair value hierarchy	Valuation model(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 December 2023	31 December 2022	31 December 2021				
- Visa Inc.	18,676	13,460	13,613	Level 1	Quoted bid prices in an active market.	N/A	N/A
- Derivative financial assets	51,499	-	-	Level 3	Discounted cash flows. Discount rate estimated based on constructed build up curves	Discount rate	The greater discount-the smaller fair value
- Other equity securities	100,541	28,547	34,523	Level 3	Discounted cash flows. Discount rate estimated based on WACC	Discount rate, future cash flows	The greater discount-the smaller fair value
- Derivative financial liabilities	-	115,533	-	Level 3	Discounted cash flows. Discount rate estimated based on constructed build up curves	Discount rate	The greater discount-the smaller fair value

The fair value of the equity instruments at fair value through other comprehensive income disclosed in Note 11 was determined as the present value of future dividends by assuming dividend growth rate of zero per annum. The Management built its expectation based on previous experience of dividends received on financial assets at fair value through other comprehensive income over multiple years, and accordingly calculated the value of using the average rate of return on investments. A significant unobservable input used in determining the fair value of equity securities at FVTOCI is the Group's WACC. The higher the WACC the lower the fair value of the equity securities at FVTOCI. The Management believes that this approach accurately reflects the fair value of these securities, given they are not traded. Such financial instruments were categorised as Level 3.

Investments to which the dividends valuation approach is not applicable, i.e. dividends were not paid during the period, Management may use the Assets based valuation approach focused on the investment company's net assets value (NAV), or fair market value of its total assets minus its total liabilities, to determine what would cost to recreate the business.

The Management believes that such approach accurately reflects the fair value of these securities. Below is presented the fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required). Except as detailed in the following table, the Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	31 December 2023		31 December 2022		31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Loans and advances to customers	58,008,238	58,050,659	48,420,489	46,278,898	42,537,051	39,773,366
Due from other banks	1,778,707	1,590,323	1,843,415	1,785,429	1,956,303	1,726,508
Debt securities in issue						
- Eurobonds (Note 18)	4,970,366	4,910,894	3,361,256	3,039,068	3,235,127	3,280,385
Other borrowed funds	37,633,735	32,309,689	32,241,760	34,012,003	30,130,776	31,751,605
Subordinated debt	1,696,854	1,633,337	330,560	325,161	101,771	97,338

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	31 December 2023			
	Level 1	Level 2	Level 3	Total
Loans and advances to customers	-	-	58,050,659	58,050,659
Due from other banks	-	-	1,590,323	1,590,323
Debt securities in issue				
- Eurobonds (Note 18)	4,910,894	-	-	4,910,894
Other borrowed funds	-	-	32,309,689	32,309,689
Subordinated debt	-	-	1,633,337	1,633,337

	31 December 2022			
	Level 1	Level 2	Level 3	Total
Loans and advances to customers	-	-	46,278,898	46,278,898
Due from other banks	-	-	1,785,429	1,785,429
Debt securities in issue				
- Eurobonds (Note 18)	3,039,068	-	-	3,039,068
Other borrowed funds	-	-	34,012,003	34,012,003
Subordinated debt	-	-	325,161	325,161

	31 December 2021			
	Level 1	Level 2	Level 3	Total
Loans and advances to customers	-	-	39,773,366	39,773,366
Due from other banks	-	-	1,726,508	1,726,508
Debt securities in issue				
- Eurobonds (Note 18)	3,280,385	-	-	3,280,385
Other borrowed funds	-	-	31,751,605	31,751,605
Subordinated debt	-	-	97,338	97,338

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

For those financial instruments where interest rates were not directly available in the CBU's Statistical bulletin, the Management uses discounted cash flow model by applying market interest rates based on the rates of the deals concluded towards the end of the reporting period. Due to the absence of an active market or observable inputs for instruments with characteristics similar to the Bank's financial instruments, the Management considered the latest rates as the most appropriate input from all available data for calculation of the fair value of financial assets and financial liabilities. Therefore, these long-term financial instruments that are not measured at fair value on a recurring basis but where fair value disclosures are required, are categorised within Level 3.

34. CAPITAL RISK MANAGEMENT

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

Under the current capital requirements set by the CBU, banks have to maintain a ratio of regulatory capital to risk weighted assets above a prescribed minimum level. Based on information provided internally to key management personnel the Bank's calculated ratios are as follows:

- Ratio of regulatory capital to risk weighted assets ("Regulatory capital ratio") above a prescribed minimum level of 13% (31 December 2022 and 2021: 13%). Actual ratio as at 31 December 2023: 16.1% (31 December 2022 and 2021: 15.3% and 15.8%, respectively);
- Ratio of Group's tier 1 capital to risk weighted assets ("Capital adequacy ratio") above a prescribed minimum level of 10% (31 December 2022 and 2021: 10%). Actual ratio as at 31 December 2023: 11.0% (31 December 2022 and 2021: 12.1% and 11.9%, respectively); and
- Ratio of Group's tier 1 capital to total assets less intangibles ("Leverage ratio") above a prescribed minimum level of 6% (31 December 2022 and 2021: 6%). Actual ratio as at 31 December 2023: 9.7% (31 December 2022 and 2021: 10.3% and 10%, respectively). The Group and the Bank have complied with all externally imposed capital requirements throughout 2023, 2022 and 2021.

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Total capital is based on the Group's reports prepared under Uzbekistan Accounting Legislation and related instructions and comprises:

	31 December 2023	31 December 2022	31 December 2021
Tier 1 capital	7,802,768	7,223,851	6,223,703
Less: Deductions from capital	(72,859)	(249,725)	(149,023)
Tier 1 capital adjusted	7,729,909	6,974,126	6,074,680
Tier 2 capital	3,551,187	1,874,573	2,024,893
Total regulatory Capital	11,281,096	8,848,699	8,099,573

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, preference shares, retained earnings excluding current year profit and less intangible assets. The other component of regulatory capital is Tier 2 capital, which includes current year profit.

35. RISK MANAGEMENT POLICIES

The risk management function within the Group is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

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

Clients of the Group are segmented into five rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes.

Group's internal ratings scale:

Standard	1	Timely repayment of these loans is not in doubt. The borrower is a financially stable company, which has an adequate capital level, high level profitability and sufficient cash flow to meet its all existing obligations, including present debt. When estimating the reputation of the borrower such factors as the history of previous repayments, marketability of collateral (movable and immovable property guarantee) are taken into consideration.
Sub-standard	2	"Sub-standard" loans are loans, secured with a reliable source of secondary repayment (guarantee or collateral). On the whole, the financial situation of borrower is stable, but some unfavorable circumstances or tendencies are in the present, which raise doubts on the ability of the borrower to repay on time. "Standard" loans with insufficient information in the credit file or missed information on collateral could be also classified as "sub-standard" loans.
Unsatisfactory	3	Unsatisfactory loans have obvious deficiencies, which make for doubtful repayment of the loan on the conditions, envisaged by the initial agreement. As for "unsatisfactory" loans, the primary source of repayment is not sufficient and the Group has to seek additional loan repayment sources, which in case of non-repayment is a sale of collateral.
Doubtful	4	Doubtful loans are those loans, which have all the weaknesses inherent in those classified as "unsatisfactory" with the added characteristic that the weakness makes collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable.
Loss	5	Loans classified as "loss" are considered uncollectible and have such little value that their continuance as bankable assets of the Group is not warranted. This classification does not mean that the loans have absolutely no likelihood of recovery, but rather means that it is not practical or desirable to defer writing off these essentially worthless assets even though partial recovery may be effected in the future and the Group should make efforts on liquidation such debts through selling collateral or should apply all forces for its repayment.

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

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

Where appropriate, and in the case of most loans, the Group obtains collateral and corporate and personal guarantee. However, a significant portion of loans is personal lending, where no such facilities can be obtained. Such risks are monitored on a continuous basis and subject to annual or more frequent reviews.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below.

(a) *Limits.* 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.

Loan applications, along with financial analysis of loan applicant which includes liquidity, profitability, interest coverage and debt service coverage ratios, originated by the relevant client relationship managers are passed on to the relevant credit committee or Bank Council for approval of credit limit.

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

Collateral before being accepted by the Group is thoroughly analysed and physically verified, where applicable. Debt securities, treasury and other eligible bills are generally unsecured.

The principal collateral types for loans and advances as well as finance lease receivables are:

- State guarantees
- Cash deposits;
- Motor vehicle;
- Inventory;
- Letter of surety;
- Residential house;
- Equipment;
- Building; and
- Other assets

(c) *Concentration of risks of financial assets with credit risk exposure.* The Group's Management focuses on concentration risk:

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

The Bank is required to prepare and submit stand-alone financial information of the Bank to the Central Bank of Uzbekistan on a monthly basis. The consolidated financial statements are prepared under IFRS only once in a year.

In order to monitor credit risk exposures, weekly reports are produced by the credit department's officers based on a structured analysis focusing on the customer's business and financial performance, which includes overdue balances, disbursements and repayments, outstanding balances and maturity of loan and as well as grade of loan and collateral. Any significant exposures against customers with deteriorating creditworthiness are reported to and reviewed by the Management daily. The Management monitors and follows up past due balances.

Impairment and provisioning policies. The internal and external rating systems described above focus on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognised for financial reporting purposes only for losses incurred at the balance sheet date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and banking regulation purposes.

The Group's policy requires the review of individual financial assets that are above certain materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

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Collectively assessed impairment allowances are provided for: (i) portfolios of homogenous assets that are individually below materiality thresholds; and (ii) individual financial assets in stage 1 and 2 that are above certain materiality thresholds, by using the available empirical data, experienced judgment and statistical techniques.

The Group monitors the term to maturity of off balance sheet contingencies because longer term commitments generally have a greater degree of credit risk than short-term commitments.

Commitments to extend credit represent unused portions of credit in the form of loans, guarantees or letters of credit. The credit risk on off-balance sheet financial instruments is defined as a probability of losses due to the inability of counterparty to comply with the contractual terms and conditions. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments.

However, the likely amount of the loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group applies the same credit policy to the contingent liabilities as it does to the balance sheet financial instruments, i.e. the one based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring.

Maximum exposure of credit risk. The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the consolidated statement of financial position. For guarantees and commitments to extend credit, the maximum exposure to credit risk is the amount of the commitment. The credit risk is mitigated by collateral and other credit enhancements.

Off-balance sheet risk. The Group applies fundamentally the same risk management policies for off-balance sheet risks as it does for its on-balance sheet risks. In the case of commitments to lend, customers and counterparties will be subject to the same credit management policies as for loans and advances. Collateral may be sought depending on the strength of the counterparty and the nature of the transaction.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group manages its market risk through risk-based limits established by the Bank Supervisory Board on the value of risk that may be accepted. The risk-based limits are subject to review by the Bank Council on a quarterly basis. Overall Group's position is split between Corporate and Retail banking positions. The exposure of Corporate and Retail banking operations to market risk is managed through the system of limits monitored by the Treasury Department on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. The Group takes on exposure to the effect of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. In respect of currency risk, the Council sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The Group's Treasury Department measures its currency risk by matching financial assets and liabilities denominated in same currency and analyses effect of actual annual appreciation/depreciation of that currency against Uzbekistan Soum to the profit and loss of the Group.

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The Group measures its currency risk by:

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

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of reporting periods 2023, 2022 and 2021:

	USD	EUR	Other currencies	UZS	Total
31 December 2023					
Cash and cash equivalents	3,951,582	1,615,364	289,333	1,109,615	6,965,894
Due from other banks	780,218	-	16,293	982,196	1,778,707
Loans and advances to customers	25,483,464	12,673,843	-	19,850,931	58,008,238
Investment securities measured at amortised cost	124,597	-	-	1,968,818	2,093,415
Other financial assets	9,831	6,330	-	11,232	27,393
Total monetary assets	30,349,692	14,295,537	305,626	23,922,792	68,873,647
Due to other banks	2,566,045	1,108,348	875,316	1,269,242	5,818,951
Customer accounts	4,745,697	391,558	124,177	9,067,250	14,328,682
Debt securities in issue	4,970,366	-	-	-	4,970,366
Other borrowed funds	18,102,943	13,137,941	456,266	5,936,585	37,633,735
Other financial liabilities	127,648	20	-	54,952	182,620
Subordinated debt	-	-	-	1,696,854	1,696,854
Total monetary liabilities	30,512,699	14,637,867	1,455,759	18,024,883	64,631,208
Derivative instruments	-	-	1,211,810	(1,160,311)	51,499
Net Balance sheet position	(163,007)	(342,330)	61,677	4,737,598	4,293,938

	USD	EUR	Other currencies	UZS	Total
31 December 2022					
Cash and cash equivalents	5,576,148	94,127	189,044	1,260,170	7,119,489
Due from other banks	838,355	6,024	21,120	977,916	1,843,415
Loans and advances to customers	21,925,729	8,583,707	-	17,911,053	48,420,489
Investment securities measured at amortised cost	107,199	-	-	2,571,372	2,678,571
Other financial assets	9,237	8,323	-	7,188	24,748
Total monetary assets	28,456,668	8,692,181	210,164	22,727,699	60,086,712
Due to other banks	3,538,540	27,555	30,687	298,937	3,895,719
Customer accounts	5,774,731	591,341	94,249	8,868,498	15,328,819
Debt securities in issue	3,361,256	-	-	-	3,361,256
Other borrowed funds	16,224,230	8,399,150	869,491	6,748,889	32,241,760
Other financial liabilities	120,472	2,713	401	45,949	169,535
Subordinated debt	-	-	-	330,560	330,560
Total monetary liabilities	29,019,229	9,020,759	994,828	16,292,833	55,327,649
Derivative instruments	(225,256)	-	900,042	(790,319)	(115,533)
Net Balance sheet position	(787,817)	(328,578)	115,378	5,644,547	4,643,530

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31 December 2021	USD	EUR	Other currencies	UZS	Total
Cash and cash equivalents	5,058,478	480,056	130,815	2,527,303	8,196,652
Due from other banks	843,913	43,387	65,131	1,003,872	1,956,303
Loans and advances to customers	20,739,057	6,883,573	3,305	14,911,116	42,537,051
Investment securities measured at amortised cost	-	-	-	1,067,512	1,067,512
Other financial assets	10,766	6,175	-	3,308	20,249
Total monetary assets	26,652,214	7,413,191	199,251	19,513,111	53,777,767
Due to other banks	1,012,647	44,171	-	336,159	1,392,977
Customer accounts	6,411,546	424,540	114,676	6,610,778	13,561,540
Debt securities in issue	3,235,127	-	-	82,690	3,317,817
Other borrowed funds	16,014,520	7,179,169	3,443	6,933,644	30,130,776
Other financial liabilities	101,305	399	4	54,047	155,755
Subordinated debt	-	-	-	101,771	101,771
Total monetary liabilities	26,775,145	7,648,279	118,123	14,119,089	48,660,636
Net Balance sheet position	(122,931)	(235,088)	81,128	5,394,022	5,117,131

Other currencies category includes Russian Rouble, Japanese Yen, British Pound, Swiss Franc. Other borrowed funds as exposure to Russian Rouble in the amount of UZS 456,266 millions (2022: UZS 869,491 millions, 2021: UZS 3,443 millions). Bank hedged its currency risk by entering currency swaps. Information on derivative financial instruments is disclosed in Note 32.

Changes of the possible movement of the currency rates from 2023 to 2022 were associated with the increase in the volatility of the exchange rate. The following table presents sensitivities of profit and loss to reasonably possible changes in exchange rates applied at the end of reporting period, with all other variables held constant:

	As at 31 December 2023 Impact on profit or loss	As at 31 December 2022 Impact on profit or loss	As at 31 December 2021 Impact on profit or loss
US Dollars strengthening by 20% (31 December 2022 and 2021: 20%)	(32,601)	(157,563)	(24,586)
US Dollars weakening by 20% (31 December 2022 and 2021: 20%)	32,601	157,563	24,586
EUR strengthening by 20% (31 December 2022 and 2021: 20%)	(68,466)	(65,716)	(47,018)
EUR weakening by 20% (31 December 2022 and 2021: 20%)	68,466	65,716	47,018
RUB strengthening by 20% (31 December 2022 and 2021: 20%)	4,197	18,466	1,392
RUB weakening by 20% (31 December 2022 and 2021: 20%)	(4,197)	(18,466)	(1,392)

The above sensitivity analysis include limitations in terms of the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes, based on historical change in foreign currency rates, and which cannot be predicted with any certainty.

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

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

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

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

31 December 2023	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	6,965,894	-	-	-	-	-	6,965,894
Due from other banks	290,613	127,302	211,455	146,314	957,215	45,808	1,778,707
Loans and advances to customers	3,447,964	25,049,841	5,815,234	9,432,874	6,112,404	8,149,921	58,008,238
Derivative financial assets	-	51,499	-	-	-	-	51,499
- inflows	-	1,211,810	-	-	-	-	-
- outflows	-	(1,160,311)	-	-	-	-	-
Investment securities measured at amortised cost	58,112	1,101,353	691,278	207,817	-	34,855	2,093,415
Total financial assets	10,762,583	26,329,995	6,717,967	9,787,005	7,069,619	8,230,584	68,897,753
Liabilities							
Due to other banks	2,597,424	2,732,125	91,495	359,007	38,900	-	5,818,951
Customer accounts	6,678,347	1,940,232	1,710,912	1,901,199	124,813	1,973,179	14,328,682
Debt securities in issue	-	1,276,000	3,694,366	-	-	-	4,970,366
Other borrowed funds	1,333,895	24,208,115	3,083,158	3,183,122	1,918,841	3,906,604	37,633,735
Subordinated debt	960	252,844	-	6,452	264,382	1,172,216	1,696,854
Total financial liabilities	10,610,626	30,409,316	8,579,931	5,449,780	2,346,936	7,051,999	64,448,588
Net interest sensitivity gap	151,957	(4,079,321)	(1,861,964)	4,337,225	4,722,683	1,178,585	4,449,165

JOINT STOCK COMMERCIAL BANK
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31 December 2022*	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	7,119,489	-	-	-	-	-	7,119,489
Due from other banks	217,021	36,985	399,357	46,882	807,174	335,996	1,843,415
Loans and advances to customers	2,615,829	17,909,337	6,326,036	9,031,658	5,999,174	6,538,455	48,420,489
Investment securities measured at amortised cost	606,131	1,122,044	230,799	676,119	2,437	41,041	2,678,571
Total financial assets	10,558,470	19,068,366	6,956,192	9,754,659	6,808,785	6,915,492	60,061,964
Liabilities							
Due to other banks	882,171	842,350	562,950	1,548,270	39,275	20,703	3,895,719
Customer accounts	8,266,679	756,711	2,467,866	2,325,921	500,459	1,011,183	15,328,819
Debt securities in issue	15,598	-	-	3,345,658	-	-	3,361,256
Other borrowed funds	972,464	18,471,926	2,545,913	2,732,997	2,117,247	5,401,213	32,241,760
Derivative financial liabilities	-	115,533	-	-	-	-	115,533
- <i>inflows</i>	-	872,823	-	-	-	-	-
- <i>outflows</i>	-	(988,356)	-	-	-	-	-
Subordinated debt	-	1,772	-	-	241,691	87,097	330,560
Total financial liabilities	10,136,912	20,188,292	5,576,729	9,952,846	2,898,672	6,520,196	55,273,647
Net interest sensitivity gap	421,558	(1,119,926)	1,379,463	(198,187)	3,910,113	395,296	4,788,317

*The table was revised to align with 2023 presentation

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31 December 2021*	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	8,196,652	-	-	-	-	-	8,196,652
Due from other banks	208,322	24,092	877,224	208,950	257,745	379,970	1,956,303
Loans and advances to customers	1,965,128	10,640,174	4,961,583	10,352,495	7,031,055	7,586,616	42,537,051
Investment securities measured at amortised cost	446,005	493,401	-	125,664	2,442	-	1,067,512
Total financial assets	10,816,107	11,157,667	5,838,807	10,687,109	7,291,242	7,966,586	53,757,518
Liabilities							
Due to other banks	467,396	435,292	2,469	42,430	401,151	44,239	1,392,977
Customer accounts	7,588,430	1,897,559	2,264,066	877,011	216,880	717,594	13,561,540
Debt securities in issue	3,002	33,801	70,000	3,211,014	-	-	3,317,817
Other borrowed funds	549,059	13,157,317	3,217,577	6,886,500	2,020,291	4,300,032	30,130,776
Subordinated debt	-	1,771	-	-	3,226	96,774	101,771
Total financial liabilities	8,607,887	15,525,740	5,554,112	11,016,955	2,641,548	5,158,639	48,504,881
Net interest sensitivity gap	2,208,220	(4,368,073)	284,695	(329,846)	4,649,694	2,807,947	5,252,637

*The table was revised to align with 2023 presentation

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As at 31 December 2023, if interest rates at that date had been 165 basis points lower (2022 and 2021: 165 basis points lower) with all other variables held constant, profit for the year would have been UZS 70,355 million higher (2022: UZS 115,505 million and UZS 114,093 million higher).

If interest rates had been 165 basis points higher (2022 and 2021: 165 basis points higher), with all other variables held constant, profit would have been UZS 70,355 million lower (2022 and 2021: UZS 115,505 million and UZS 114,093 million lower).

Other price risk. The Group is exposed to prepayment risk through providing loans, including mortgages, which give the borrower the right to early repay the loans. The Group's current year profit or loss and equity at the current reporting date would not have been significantly impacted by changes in prepayment rates because such loans are carried at amortised cost and the prepayment right is at or close to the amortised cost of the loans and advances to customers. The Group has no significant exposure to equity price risk.

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

31 December 2023	Uzbekistan	OECD	Non-OECD	Russia	Total
Assets					
Cash and cash equivalents	4,237,428	2,568,635	57	159,774	6,965,894
Due from other banks	1,695,281	82,565	861	-	1,778,707
Loans and advances to customers	58,008,238	-	-	-	58,008,238
Investment securities measured at amortised cost	2,093,415	-	-	-	2,093,415
Financial assets at fair value through other comprehensive income	100,539	18,678	-	-	119,217
Other financial assets	21,392	62	5,939	-	27,393
Total financial assets	66,156,293	2,669,940	6,857	159,774	68,992,864
Liabilities					
Due to other banks	2,690,933	22,705	259,640	2,845,673	5,818,951
Customer accounts	14,324,966	3,716	-	-	14,328,682
Debt securities in issue	-	4,970,366	-	-	4,970,366
Other borrowed funds	5,577,817	23,166,246	7,129,869	1,759,803	37,633,735
Derivative financial liabilities	-	-	-	-	-
Other financial liabilities	55,009	2,584	125,027	-	182,620
Subordinated debt	1,696,854	-	-	-	1,696,854
Total financial liabilities	24,345,579	28,165,617	7,514,536	4,605,476	64,631,208
Net balance sheet position	41,810,714	(25,495,677)	(7,507,679)	(4,445,702)	4,361,656
Credit related commitments (Note 31)	3,856,779	-	-	-	3,856,779

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The geographical concentration of the Group's financial assets and liabilities at 31 December 2022 is set out below:

31 December 2022	Uzbekistan	OECD	Non-OECD	Russia	Total
Assets					
Cash and cash equivalents	2,910,840	4,126,893	-	81,756	7,119,489
Due from other banks	1,816,272	27,143	-	-	1,843,415
Loans and advances to customers	48,420,489	-	-	-	48,420,489
Investment securities measured at amortised cost	2,678,571	-	-	-	2,678,571
Financial assets at fair value through other comprehensive income	28,545	13,462	-	-	42,007
Other financial assets	18,814	5,934	-	-	24,748
Total financial assets	55,873,531	4,173,432	-	81,756	60,128,719
Liabilities					
Due to other banks	847,982	27,245	153,461	2,867,031	3,895,719
Customer accounts	15,265,614	46,040	17,165	-	15,328,819
Debt securities in issue	-	3,361,256	-	-	3,361,256
Other borrowed funds	5,617,819	17,818,782	6,597,414	2,207,745	32,241,760
Derivative financial liabilities	-	115,533	-	-	115,533
Other financial liabilities	49,005	2,253	118,277	-	169,535
Subordinated debt	330,560	-	-	-	330,560
Total financial liabilities	22,110,980	21,371,109	6,886,317	5,074,776	55,443,182
Net balance sheet position	33,762,551	(17,197,677)	(6,886,317)	(4,993,020)	4,685,537
Credit related commitments (Note 31)	3,363,374	-	-	-	3,363,374

The geographical concentration of the Group's financial assets and liabilities at 31 December 2021 is set out below:

31 December 2021	Uzbekistan	OECD	Non-OECD	Russia	Total
Assets					
Cash and cash equivalents	4,007,434	4,124,590	-	64,628	8,196,652
Due from other banks	1,837,456	117,215	1,632	-	1,956,303
Loans and advances to customers	42,537,051	-	-	-	42,537,051
Investment securities measured at amortised cost	1,067,512	-	-	-	1,067,512
Financial assets at fair value through other comprehensive income	34,523	13,613	-	-	48,136
Other financial assets	10,270	9,979	-	-	20,249
Total financial assets	49,494,246	4,265,397	1,632	64,628	53,825,903
Liabilities					
Due to other banks	1,050,532	271,622	70,410	413	1,392,977
Customer accounts	13,171,330	-	390,210	-	13,561,540
Debt securities in issue	82,690	3,235,127	-	-	3,317,817
Other borrowed funds	5,863,247	13,976,515	7,009,055	3,281,959	30,130,776
Other financial liabilities	54,452	-	101,303	-	155,755
Subordinated debt	101,771	-	-	-	101,771
Total financial liabilities	20,324,022	17,483,264	7,570,978	3,282,372	48,660,636
Net balance sheet position	29,170,224	(13,217,867)	(7,569,346)	(3,217,744)	5,165,267
Credit related commitments (Note 31)	4,254,268	-	-	-	4,254,268

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Liquidity risk. Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Resources Management Committee of the Group.

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

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

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

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

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

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

31 December 2023	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Liabilities							
Due to other banks	2,626,625	2,763,038	110,894	389,200	42,731	-	5,932,488
Customer accounts	6,766,265	2,275,282	2,006,795	2,462,755	1,172,437	4,664,437	19,347,971
Debt securities in issue	27,438	179,313	3,845,396	58,206	1,543,018	-	5,653,371
Other borrowed funds	1,601,332	5,500,653	8,415,173	12,970,152	7,811,694	10,036,703	46,335,707
Derivative financial liabilities	-	-	-	-	-	-	-
Other financial liabilities	182,620	-	-	-	-	-	182,620
Subordinated debt	10,319	38,978	42,969	176,927	517,115	1,757,167	2,543,475
Undrawn credit lines	834,515	-	-	-	-	-	834,515
Guarantees issued	1,457,703	-	-	-	-	-	1,457,703
Letters of credit	152,627	1,548,487	901,622	326,417	-	-	2,929,153
Total potential future payments for financial obligations	13,659,444	12,305,751	15,322,849	16,383,657	11,086,995	16,458,307	85,217,003

The undiscounted maturity analysis of financial instruments at 31 December 2022 is as follows:

31 December 2022*	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Liabilities							
Due to other banks	894,464	894,628	612,651	1,629,691	46,904	21,655	4,099,993
Customer accounts	8,351,445	1,178,018	2,881,680	2,695,357	861,706	1,812,813	17,781,019
Debt securities in issue	31,940	79,058	96,978	3,523,803	-	-	3,731,779
Other borrowed funds	1,159,307	6,366,823	4,994,038	7,332,836	6,986,453	9,730,021	36,569,478
Derivative financial liabilities	-	115,533	-	-	-	-	115,533
- inflows	-	872,823	-	-	-	-	-
- outflows	-	(988,356)	-	-	-	-	-
Other financial liabilities	169,535	-	-	-	-	-	169,535
Subordinated debt	-	10,753	10,686	42,938	283,601	148,111	496,089
Undrawn credit lines	392,791	-	-	-	-	-	392,791
Guarantees issued	1,933,385	-	-	-	-	-	1,933,385
Letters of credit	63,185	1,389,191	281,011	-	-	-	1,733,387
Total potential future payments for financial obligations	12,996,052	10,034,004	8,877,044	15,224,625	8,178,664	11,712,600	67,022,989

*The table was revised to align with 2023 presentation

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The undiscounted maturity analysis of financial instruments at 31 December 2021 is as follows:

31 December 2021*	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Liabilities							
Due to other banks	473,736	460,908	28,335	142,257	437,562	48,173	1,590,971
Customer accounts	7,628,416	1,989,658	2,312,751	917,524	219,074	721,434	13,788,857
Debt securities in issue	20,964	120,246	174,614	3,593,482	-	-	3,909,306
Other borrowed funds	664,752	4,185,661	5,449,195	13,934,192	3,305,437	6,493,697	34,032,934
Other financial liabilities	155,755	-	-	-	-	-	155,755
Subordinated debt	-	-	-	18,025	21,472	164,089	203,586
Undrawn credit lines	831,415	-	-	-	-	-	831,415
Guarantees issued	1,834,214	-	-	-	-	-	1,834,214
Letters of credit	64,036	1,730,467	52,938	60,264	-	-	1,907,705
Total potential future payments for financial obligations	11,673,288	8,486,940	8,017,833	18,665,744	3,983,545	7,427,393	58,254,743

*The table was revised to align with 2023 presentation

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement.

The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

The table below shows the maturity analysis of non-derivative financial assets at their carrying amounts and based on their contractual maturities, except for assets that are readily saleable if it should be necessary to meet cash outflows on financial liabilities. Such financial assets are included in the maturity analysis based on their expected date of disposal. Impaired loans are included at their carrying amounts net of impairment provisions, and based on the expected timing of cash inflows.

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The Group does not use the above undiscounted maturity analysis to manage liquidity. Instead, the Group monitors expected maturities which may be summarised as follows at 31 December 2023:

31 December 2023	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	6,965,894	-	-	-	-	-	6,965,894
Due from other banks	290,613	127,302	211,455	146,314	957,215	45,808	1,778,707
Loans and advances to customers	4,403,325	11,584,658	8,070,527	14,091,009	9,973,536	9,885,183	58,008,238
Investment securities measured at amortised cost	58,112	1,101,353	691,278	207,817	-	34,855	2,093,415
Financial assets at fair value through other comprehensive income	-	-	-	119,217	-	-	119,217
Derivative financial assets	-	51,499	-	-	-	-	51,499
- inflows	-	1,211,810	-	-	-	-	-
- outflows	-	(1,160,311)	-	-	-	-	-
Other financial assets	27,393	-	-	-	-	-	27,393
Total financial assets	11,745,337	12,864,812	8,973,260	14,564,357	10,930,751	9,965,846	69,044,363
Liabilities							
Due to other banks	2,597,424	2,732,125	91,495	359,007	38,900	-	5,818,951
Customer accounts	6,678,347	1,940,232	1,710,912	1,901,199	124,813	1,973,179	14,328,682
Debt securities in issue	-	42,123	3,694,366	-	1,233,877	-	4,970,366
Other borrowed funds	1,383,247	4,501,605	7,415,110	10,417,128	6,609,368	7,307,277	37,633,735
Derivative financial liabilities	-	-	-	-	-	-	-
Other financial liabilities	182,620	-	-	-	-	-	182,620
Subordinated debt	3,080	3,949	-	6,452	346,640	1,336,733	1,696,854
Total financial liabilities	10,844,718	9,220,034	12,911,883	12,683,786	8,353,598	10,617,189	64,631,208
Net liquidity gap	900,619	3,644,778	(3,938,623)	1,880,571	2,577,153	(651,343)	4,413,155
Cumulative liquidity gap	900,619	4,545,397	606,774	2,487,345	5,064,498	4,413,155	

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The analysis by remaining contractual maturities may be summarised as follows at 31 December 2022:

31 December 2022	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	7,119,489	-	-	-	-	-	7,119,489
Due from other banks	217,021	36,985	399,357	46,882	807,174	335,996	1,843,415
Loans and advances to customers	3,263,577	9,559,364	6,856,191	12,254,893	8,530,568	7,955,896	48,420,489
Investment securities measured at amortised cost	606,131	1,122,044	230,799	676,119	2,437	41,041	2,678,571
Financial assets at fair value through other comprehensive income	-	-	-	42,007	-	-	42,007
Other financial assets	24,748	-	-	-	-	-	24,748
Total financial assets	11,230,966	10,718,393	7,486,347	13,019,901	9,340,179	8,332,933	60,128,719
Liabilities							
Due to other banks	882,171	842,350	562,950	1,548,270	39,275	20,703	3,895,719
Customer accounts	8,266,679	756,711	2,467,866	2,325,921	500,459	1,011,183	15,328,819
Debt securities in issue	15,598	-	-	3,345,658	-	-	3,361,256
Other borrowed funds	1,048,485	5,951,679	4,629,458	6,232,075	6,230,015	8,150,048	32,241,760
Derivative financial liabilities	-	115,533	-	-	-	-	115,533
- inflows	-	872,823	-	-	-	-	-
- outflows	-	(988,356)	-	-	-	-	-
Other financial liabilities	169,535	-	-	-	-	-	169,535
Subordinated debt	-	1,772	-	-	241,691	87,097	330,560
Total financial liabilities	10,382,468	7,668,045	7,660,274	13,451,924	7,011,440	9,269,031	55,443,182
Net liquidity gap	848,498	3,050,348	(173,927)	(432,023)	2,328,739	(936,098)	4,685,537
Cumulative liquidity gap	848,498	3,898,846	3,724,919	3,292,896	5,621,635	4,685,537	

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The analysis by remaining contractual maturities may be summarised as follows at 31 December 2021:

31 December 2021	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Assets							
Cash and cash equivalents	8,196,652	-	-	-	-	-	8,196,652
Due from other banks	208,322	24,092	877,224	208,950	257,745	379,970	1,956,303
Loans and advances to customers	2,303,397	7,692,692	5,415,340	11,550,168	7,910,452	7,665,002	42,537,051
Investment securities measured at amortised cost	446,005	493,401	-	125,664	2,442	-	1,067,512
Financial assets at fair value through other comprehensive income	-	-	-	48,136	-	-	48,136
Other financial assets	20,249	-	-	-	-	-	20,249
Total financial assets	11,174,625	8,210,185	6,292,564	11,932,918	8,170,639	8,044,972	53,825,903
Liabilities							
Due to other banks	467,396	435,292	2,469	42,430	401,151	44,239	1,392,977
Customer accounts	7,588,430	1,897,559	2,264,066	877,011	216,880	717,594	13,561,540
Debt securities in issue	3,002	33,801	70,000	3,211,014	-	-	3,317,817
Other borrowed funds	560,328	3,670,762	4,931,885	12,437,283	2,875,810	5,654,708	30,130,776
Other financial liabilities	155,755	-	-	-	-	-	155,755
Subordinated debt	-	1,771	-	-	3,226	96,774	101,771
Total financial liabilities	8,774,911	6,039,185	7,268,420	16,567,738	3,497,067	6,513,315	48,660,636
Net liquidity gap	2,399,714	2,171,000	(975,856)	(4,634,820)	4,673,572	1,531,657	5,165,267
Cumulative liquidity gap	2,399,714	4,570,714	3,594,858	(1,039,962)	3,633,610	5,165,267	

The above analysis is based on remaining contractual maturities.

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

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the Management of the Group. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

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The Management believes that in spite of a substantial portion of customer accounts being on demand, the fact that significant portion of these customer accounts are of large state-controlled entities which are either the Group's shareholders or its entities under common control and the past experience of the Group, indicate that these customer accounts provide a long-term and stable source of funding for the Group.

As part of liquidity risk management, the Group maintains a contingency plan, periodically reviewed and adjusted, to be able to withstand any unexpected outflow of customers and to respond to financial stress. The contingency plan is developed primarily on the basis of the Group's ability to access the State resources due to its state ownership and strategic importance to the national banking system of the Republic of Uzbekistan.

As at 31 December 2023, 2022 and 2021 the contingency plan of the Group consisted of the following:

- Attraction of long-term deposits of State funds under the Ministry of Finance – Pension Fund, State Deposit Insurance Fund and others;
- Attraction of budgetary funds up to one year through weekly electronic bidding platform run by the State Treasury under the Ministry of Finance;
- Utilization of the CBU's short-term liquidity loans;
- Attraction of deposits from inter-bank money markets within the limits set by the local commercial banks.

The Management of the Group is of the view that through their contingency plans the Group will be able to attract resources sufficient to cover any potential negative liquidity gap as at 31 December 2022.

Environmental, Social and Governance (ESG) matters. Accounting for Green Loans for classification and measurement of loans where contractual cash flows may change as a response to certain ESG metrics, such as compliance with emissions standards, energy efficiency metrics, or even a combination of different green measures. Climate change might affect a lender's exposure to credit losses for its financial assets. Climate change might affect the assumptions that are made by lenders to estimate ECL. It could also affect the risk ratings for individual borrowers or groups of borrowers, or their probability of default ('PD'). In some cases, it could result in moving loans between stages.

Borrowers could face a range of physical, regulatory and reputational risks that ultimately impact their credit risk and increase the likelihood that they might be unable to meet their debt obligations. Moreover, the value of assets against which loans are secured could fall in value, or even become inaccessible or uninsurable - affecting the value of collateral.

When considering the impacts on ECL Management approach is to:

Thinking separately about physical risk (for example, destruction or temporary disruption of physical assets from increased incidence of severe weather events) and transition risk (advancement or displacement as a result of moving to a 'greener' and more sustainable economy).

Being mindful of duration - while change is happening fast, longer term exposures are likely to be more affected than short-term ones.

Recognizing that 'one size' doesn't fit all - different portfolios will have different risk exposures depending on duration, industry, geography etc and, in many cases, only top-down assessments of vulnerable geographies and industries will be possible.

Avoiding double counting risks, by considering the extent to which they might already be captured directly or indirectly through model inputs such as market credit spreads, expected default frequency and other factors.

Considering other arrangements such as insurance, guarantees, government subsidies (or other payments and policies) and other sources of recoveries, including how they are structured and how their providers are thinking about (and responding to) evolving ESG risks.

Management believes there is no ESG impact on ECL measurement of bank's financial assets as at 31 December 2023.

Assessment of ESG-related risks and opportunities: During 2023 the Group has made an assessment of the ESG-related risks and opportunities in the context of the sustainable development and the plans for environmental and governance factors are detailed below:

Environmental and safety (E&S):		
	Description of the current situation	Description of the target situation
	E&S policy updated in January 2023 to include an exclusion list, a categorized risk list and Environmental and Social assessment reports. The exclusion List is aligned with the International Financial Institutions' (IFI) requirements;	<i>Increasing lending to environmentally-friendly production.</i> Primarily supporting entrepreneurs engaged in sustainable and renewable energy production; <i>Financing water-efficient agriculture projects.</i> Water-efficient agriculture projects aim to reduce water usage in farming while maintaining or even increasing productivity.

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Governance		
	The Code of Conduct was revised in May 2023 to reflect evolving best practices and ensure alignment with our corporate values	An individual responsible for ESG is to be appointed within the underwriting department of the Bank, bolstering the department's commitment to sustainable practices; Establishment of an ESG reporting system, facilitating structured documentation and communication of ESG metrics; Development of an ESG risk management policy, ensuring systematic identification, assessment, and mitigation of ESG-related risks;

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

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

36. RELATED PARTY TRANSACTIONS

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

- “Significant shareholders” – legal entities-shareholders which have a significant influence to the Group through Government;
- “Key management personnel” – members of the Management Board and the Council of the Bank;
- “Entities under common control” – entities that are controlled, jointly controlled or significantly influenced by the Government.

The Group applies the exemption in paragraph 25 of IAS 24. The table below presents the transactions with key management personnel and transactions with government-related entities which are individually significant or other transactions that are collectively, but not individually, significant.

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

	31 December 2023		31 December 2022*		31 December 2021*	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Cash and cash equivalents						
- entities under common control (contractual interest rate: 0% – 0%)	285,995	4%	35,908	1%	1,746,320	24%
Due from other banks						
- entities under common control (contractual interest rate: 0% – 22%)	1,334,385	87%	1,235,199	74%	1,483,268	76%
Loans and advances to customers						
- key management personnel (contractual interest rate: 36% – 42%)	368	0%	198	0%	1,176	0%
- significant shareholders (contractual interest rate: n/a %)	-	-	-	-	3,678,666	9%
- entities under common control (contractual interest rate: 2% – 26 %)	14,572,496	24%	14,368,999	28%	14,278,451	32%
Credit loss allowance						
- significant shareholders	-	-	-	-	(16,865)	1%
- entities under common control	(116,111)	5%	(392,033)	14%	(116,465)	6%
Investment securities measured at amortised cost						
- significant shareholders (contractual interest rate: 4, 75% – 18 %)	2,090,103	99%	2,060,476	38%	288,290	27%
- entities under common control (contractual interest rate: n/a %)	-	-	-	770,932	72%	
Other Assets						
- key management personnel (contractual interest rate: n/a %)	12	0%				
Due to other banks						
- entities under common control (contractual interest rate: 0% – 21 %)	964,575	16%	661,191	17%	963,175	69%
Customer accounts						
- key management personnel (contractual interest rate: 0% – 20%)	2,089	0%	1,347	0%	63	0%
- significant shareholders (contractual interest rate: 0% – 23.5 %)	3,732,455	26%	3,383,672	22%	4,258,100	31%
- entities under common control (contractual interest rate: 0% – 6 %)	2,175,907	15%	4,075,447	27%	2,909,028	21%

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Other borrowed funds						
- significant shareholders (contractual interest rate: 0% – 12 %)	2,513,306	7%	4,813,932	11%	5,277,553	18%
- entities under common control (contractual interest rate: 8 %)	1,588,968	4%	-	-	476	0%
Subordinated debt						
- entities under common control (contractual interest rate: 5% – 9 %)	1,447,959	85%	330,560	100%	101,771	100%

*The table was revised to align with 2023 presentation

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	2023		2022		2021	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Interest income						
- key management personnel	140	0%	34	0%	48	0%
- significant shareholders	373,691	5%	1,079	0%	226,419	5%
- entities under common control	2,021,088	28%	350,369	7%	332,970	8%
Interest expense						
- key management personnel	(265)	0%	(216)	0%	(1)	0%
- significant shareholders	(551,690)	14%	(547,782)	16%	(364,671)	18%
- entities under common control	(172,891)	4%	(84,300)	-3%	(85,088)	4%
Recovery of/(Provision for) credit losses on loans and advances to customers						
- entities under common control	275,922	24%	(275,568)	30%	12,492	3%
- key management personnel	-	-	(6)	0%	-	-
Fee and commission income						
- significant shareholders	18	0%	29	0%	15,332	4%
- entities under common control	57,721	11%	26	0%	15,163	4%
Net gain from trading in foreign currencies						
- entities under common control	50,523	11%	63,051	6%	-	-
Other operating income						
- significant shareholders	-	-	-	-	246	1%
- entities under common control	-	-	12	0%	78	0%
Administrative and other operating expenses						
- key management personnel	(15,444)	1%	(12,574)	27%	(10,465)	1%
- entities under common control	-	-	-	-	(110,189)	11%

The Group enters into transaction with other government related entities in the normal course of business.

Key management compensation is presented below:

	31 December 2023	31 December 2022	31 December 2021
Salaries and other benefits	10,851	7,496	5,813
Bonuses	2,889	3,715	2,519
Social security contributions (State Pension Fund)	1,704	1,363	2,133
Total	15,444	12,574	10,465

37. EVENTS AFTER THE END OF THE REPORTING PERIOD

According to the decision of the Shareholders Meeting held on 26 January 2024, Odilbek Isakov has been appointed as a Chairman to the Supervisory Board.

On 27 February 2024, Group established new subsidiaries Miraki Town Plaza LLC and Miraki Hostel LLC with 99.99% ownership each. The new subsidiaries were established to develop construction of hoteling in the territory of the tourist center, in accordance with Presidential Decree No 376 dated 28 November 2023 on "Additional measures to be taken to further develop construction of modern services and tourism facilities in the mountainous-recreational areas of Kashkadarya region".

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