

**«Mortgage Refinancing Company of Uzbekistan» JSC**

**Consolidated Financial Statements  
for the year ended 31 December 2025  
and Independent Auditors' Report**

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# Independent auditors' report

## To the Shareholders of Joint Stock Company «Mortgage refinancing company of Uzbekistan »

### Opinion

We have audited the consolidated financial statements of Joint Stock Company «Mortgage refinancing company of Uzbekistan» (the «Company») and its subsidiary (the «Group»), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements in the Republic of Uzbekistan. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Key Audit Matters

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

### Expected credit losses ("ECL") on loans to banks

Please refer to the Notes 3 and 12 in the consolidated financial statements.

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Loans to banks comprise more than 78% of total assets and are stated net of ECL allowance, which is estimated on a regular basis and is sensitive to the assumptions used.</p> <p>The Group applies ECL model that requires management to exercise professional judgment and make assumptions about the following key areas:</p> <ul style="list-style-type: none"><li>- Timely identification of a significant increase in credit risk and default events on loans to banks (assignment to Stages 1, 2 and 3 in accordance with IFRS 9).</li><li>- Assessment of the probability of default (PD), the amount of loss in case of default (LGD) and the amount at risk in case of default (EAD).</li></ul> <p>Due to the significant volume of loans to banks, as well as the uncertainty inherent in estimating the amount of ECL allowance, this area is a key audit matter.</p>	<p>We analyzed the main aspects of the Group's methodology and policies regarding the assessment of ECL for compliance with the requirements of IFRS 9, including involvement of our own financial risk management specialists.</p> <p>To analyze the adequacy of the professional judgment applied by management and the assumptions made in calculating the ECL allowance, we performed an independent expectation of ECL allowance based on publicly available information on PD and LGD applicable to the relevant external credit ratings of banks.</p> <ul style="list-style-type: none"><li>- For all loans to banks we assessed the appropriateness of their classification in Stage 1 assigned by the Group. This included evaluating the initial external ratings assigned to banks with the ones as at the year, and financial information of the banks.</li></ul> <p>We assessed whether the disclosures in the consolidated financial statements adequately reflect the Group's exposure to credit risk.</p>

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

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

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

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

### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditors' report is:

Kuznetsov A. A.  
Engagement Partner  
AO «KPMG Audit» LLC

Qualification certificate of bank auditor  
№ 35 issued on 28 November 2023 by  
the Central Bank of the Republic of  
Uzbekistan

Saidov S. K.  
General Director  
AO «KPMG Audit» LLC



Tashkent, Uzbekistan  
4 May 2026

**“Mortgage Refinancing Company of Uzbekistan” JSC**  
**Consolidated Statement of Financial Position as at 31 December 2025**


<i>In millions of UZS</i>	Notes	31 December 2025	31 December 2024
<b>ASSETS</b>			
Cash and cash equivalents	10	9,111	2,231
Deposits in banks	11	601,668	465,156
Loans to banks	12	5,758,440	4,475,949
Investment securities	13	970,407	593,368
Property, equipment and intangible assets	14	13,543	1,178
Right-of-use assets	14	-	4,963
Deferred income tax assets	9	4,328	4,386
Other assets	15	3,436	11,541
<b>TOTAL ASSETS</b>		<b>7,360,933</b>	<b>5,558,772</b>
<b>LIABILITIES</b>			
Borrowed funds	16	4,552,200	3,868,505
Debt securities issued	17	1,219,744	615,299
Lease liabilities	18	-	5,613
Other liabilities	19	9,360	9,708
<b>TOTAL LIABILITIES</b>		<b>5,781,304</b>	<b>4,499,125</b>
<b>EQUITY</b>			
Share capital	20	1,396,227	966,427
Retained earnings		183,402	93,220
<b>TOTAL EQUITY</b>		<b>1,579,629</b>	<b>1,059,647</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,360,933</b>	<b>5,558,772</b>

The consolidated financial statements as set out on pages 11 to 48 were approved by the Management on 04 May 2026 and signed on its behalf by:


**Murodjon Farmanov**  
 General Director

**Marat Nurmamatov**  
 Deputy  
 General Director

  
**Baxtiyor Shoymardanov**  
 Chief Accountant

**“Mortgage Refinancing Company of Uzbekistan” JSC**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 31 December 2025**


<i>In millions of UZS</i>	Notes	2025	2024
Interest income calculated using the effective interest method	5	910,790	585,058
Interest expense	5	(656,097)	(437,684)
<b>Net interest income before allowance for expected credit losses on interest bearing assets</b>		<b>254,693</b>	<b>147,375</b>
Allowance for expected credit losses on interest bearing assets	6	(5,239)	(11,457)
<b>Net interest income after allowance for expected credit losses on interest bearing assets</b>		<b>249,454</b>	<b>135,918</b>
Fee and commission expense	7	(2,621)	(3,175)
Net foreign exchange (loss)/gain		(2,267)	608
Other operating income		2,711	11
Administrative and other operating expenses	8	(36,116)	(26,364)
<b>Profit before income tax</b>		<b>211,161</b>	<b>106,998</b>
Income tax expense	9	(14,977)	(8,442)
<b>PROFIT FOR THE YEAR</b>		<b>196,184</b>	<b>98,556</b>
Other comprehensive income for the year		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>196,184</b>	<b>98,556</b>

The consolidated financial statements as set out on pages 11 to 48 were approved by the Management on 04 May 2026 and signed on its behalf by:

  
 Murodjon Farmanov  
 General Director

  
 Marat Nurmamatov  
 Deputy  
 General Director



  
 Baxtiyor Shoymardanov  
 Chief Accountant


**“Mortgage Refinancing Company of Uzbekistan” JSC**  
**Consolidated Statement of Changes in Equity for the year ended 31 December 2025**


<i>In millions of UZS</i>	Share capital	Retained earnings	Total equity
<b>Balance at 1 January 2024</b>	<b>112,223</b>	<b>18,876</b>	<b>131,099</b>
<b>Total comprehensive income</b>			
Profit for the year	-	98,556	98,556
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>98,556</b>	<b>98,556</b>
<b>Operations with the owners of the Group</b>			
Ordinary shares issue	808,056	-	808,056
Dividends capitalised	25,581	(26,928)	(1,347)
<b>Total operations with the owners of the Group</b>	<b>833,637</b>	<b>(26,928)</b>	<b>806,709</b>
<b>Balance at 31 December 2024</b>	<b>966,427</b>	<b>93,220</b>	<b>1,059,647</b>
<b>Total comprehensive income</b>			
Profit for the year	-	196,184	196,184
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>196,184</b>	<b>196,184</b>
<b>Operations with the owners of the Group</b>			
Ordinary shares issue	429,800	-	429,800
Dividends distributed	-	(106,076)	(106,076)
Other movements	-	74	74
<b>Total operations with the owners of the Group</b>	<b>429,800</b>	<b>(106,002)</b>	<b>323,798</b>
<b>Balance at 31 December 2025</b>	<b>1,396,227</b>	<b>183,402</b>	<b>1,579,629</b>

The consolidated financial statements as set out on pages 11 to 48 were approved by the Management on 04 May 2026 and signed on its behalf by:

  
**Murodjon Farmanov**  
 General Director



  
**Marat Nurmatov**  
 Deputy  
 General Director

  
**Baxtiyor Shoymardanov**  
 Chief Accountant

**“Mortgage Refinancing Company of Uzbekistan” JSC**  
**Consolidated Statement of Cash Flows for the year ended 31 December 2025**

In millions of UZS	Notes	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest receipts		846,421	449,629
Interest payments		(626,510)	(355,439)
Fee and commission payments		(2,621)	(3,175)
Other income receipts		(1,945)	619
Personnel expenses		(18,224)	(12,685)
Administrative and other operating expenses		(8,035)	(2,920)
<b>(Increase)/decrease in operating assets:</b>			
- deposits in banks		(137,047)	(307,035)
- loans to banks		(1,256,858)	(1,187,537)
- other assets		(67)	(6,447)
<b>Increase/(decrease) in operating liabilities:</b>			
- other liabilities		(7,248)	(4,499)
<b>Net cash flow used in operating activities before income tax paid</b>		<b>(1,212,134)</b>	<b>(1,429,489)</b>
Income tax paid		(14,479)	(10,528)
<b>Net cash flow used in operating activities</b>		<b>(1,226,613)</b>	<b>(1,440,017)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of investment securities at amortised cost		(476,016)	(724,307)
Redemption of investment securities at amortised cost		131,000	219,512
Purchases of property, equipment and intangible assets		(3,418)	(802)
Proceeds from sale of property, equipment and intangible assets		293	-
<b>Cash flows from/ (used in) investing activities</b>		<b>(348,141)</b>	<b>(505,597)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of additional shares		429,800	508,056
Receipt of borrowed funds	16.2	801,880	945,188
Repayment of borrowed funds	16.2	(142,563)	-
Placement of debt securities issued	16.2	600,000	450,000
Repayment of lease liabilities		(1,399)	(687)
Dividends paid		(106,076)	-
<b>Cash flows from financing activities</b>		<b>1,581,642</b>	<b>1,902,557</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>6,888</b>	<b>(43,057)</b>
Cash and cash equivalents at the beginning of the year	10	2,234	45,242
Effect of changes in ECL on cash and cash equivalents		(11)	46
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>9,111</b>	<b>2,231</b>

The consolidated financial statements as set out on pages 11 to 48 were approved by the Management on 04 May 2026 and signed on its behalf by:

  <b>Murodjon Farmanov</b> General Director	 <b>Marat Nurmamatov</b> Deputy General Director	 <b>Baxtiyor Shoymardanov</b> Chief Accountant
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## 1 Reporting entity

### (a) Principal activity

The Company was established on 4 November 2019 as a Joint Stock Company in accordance with Presidential Decree No. PD-5715 dated 13 May 2019, in Tashkent, Republic of Uzbekistan.

The Company was registered to conduct mortgage refinancing activities in accordance with the Resolution of the Banking Supervision Committee of the Central Bank of the Republic of Uzbekistan (hereinafter referred to as the “CBU”) No. 224/1 dated 1 June 2020.

The Company is a commercial entity whose primary objective is to provide refinancing of banks’ mortgage loans through the provision of long-term funding sourced from banks and other financial institutions, including funds from international financial institutions and foreign governmental financial organizations. The Company also aims to support the stable development of the mortgage market in Uzbekistan.

The legal and actual address of the Company is: 100084, Republic of Uzbekistan, Tashkent, Amir Temur Avenue, 107-B.

As at 31 December 2025, the Company has subsidiary “UMRC SPV” LLC, incorporated in the Republic of Uzbekistan. “UMRC SPV” LLC was established on 1 April 2025 with charter capital of UZS 1 billion. The primary business activity of “UMRC SPV” LLC is issuance of mortgage-backed securities secured by pools of mortgage loans.

As at 31 December 2025 (31 December 2024: none) the share of ownership of the Company in “UMRC SPV” LLC comprises 100% of share capital.

These consolidated financial statements are presented in millions of Uzbek Soum (“UZS”), unless otherwise stated.

### (b) Shareholders

As at 31 December 2025 and 2024, the Company’s ownership structure was as follows:

Shareholders	Ownership share	
	31 December 2025	31 December 2024
Ministry of Economy and Finance of the Republic of Uzbekistan	34.4	-
State Asset Management Agency of the Republic of Uzbekistan	-	35.4
JSC “NBU”	10.0	10.9
JCS “Xalq Bank”	9.7	9.1
JSCB “Agrobank”	7.5	7.8
JSCB “Business Development Bank”	6.4	6.6
JSC “Asakabank”	6.2	6.5
JSCB “Uzpromstroybank”	4.5	3.3
JSCB “Turonbank”	4.0	3.9
JSCB “Aloqabank”	4.0	3.8
JSCB “Mikrokreditbank”	3.7	3.8
PJSCB “Orient Finance”	3.1	2.8
JSCMB “Ipoteka Bank”	3.0	3.4
JSCB “Hamkorbank”	2.9	2.6
JSCB “Kapitalbank”	-	0.1
JSC “InFinBank”	0.3	0.1
PJSB “Trustbank”	0.3	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

According to the Presidential Decree No. PD-26 dated 21 February 2025, the share capital of the Company was increased (Note 20), and the shares previously held by the State Asset Management Agency of the Republic of Uzbekistan were transferred to the Ministry of Economy and Finance of the Republic of Uzbekistan, which now exercises shareholder rights over the state-owned interest in the Company.

## **2 Operating environment in which the Group operates**

**Republic of Uzbekistan.** The economy of the Republic of Uzbekistan exhibits certain characteristics typical of emerging markets. Among these are the lack of free convertibility of the national currency outside Uzbekistan and the limited liquidity of local debt and equity markets. The prospects for economic stability in the Republic of Uzbekistan largely depend on the effectiveness of economic policies implemented by the government, as well as on the development of the legal and regulatory framework and the political environment, all of which are beyond the Group’s control. The Group’s financial position and results of operations will continue to be influenced by political and economic developments in the Republic of Uzbekistan, including the implementation of current and future legislation and tax regulations, which have a significant impact on the country’s financial markets and overall economy.

The Group’s management cannot predict all changes that may affect the sector or the extent to which such changes, if any, may impact the Group’s future financial position. Key macroeconomic indicators include:

- Inflation rate: 7.3% (2024 r.: 9.8%)<sup>1</sup>
- Official exchange rate: as at 31 December 2025 – USD 1 = UZS 12,025.33 (31 December 2024: USD 1 = UZS 12,920.48)<sup>2</sup>
- GDP growth: 7.7% (2024: 6.5%)<sup>3</sup>
- Central Bank policy rate – 14.0% (2024: 13.5%)<sup>4</sup>

The long-term consequences of the current economic environment are difficult to predict, and current expectations and estimates made by management may differ from actual results.

In estimating expected credit losses, the Group uses verifiable forward-looking information, including macroeconomic forecasts. However, as with any economic forecasts, assumptions and the likelihood of their realisation are inherently subject to a high degree of uncertainty, and therefore, actual outcomes may differ significantly from those forecasted.

**Geopolitical developments.** In February 2022, due to the conflict between the Russian Federation and Ukraine, numerous sanctions were imposed on the Russian Federation by most Western countries. These sanctions were intended to have a negative economic impact on the Russian Federation. Since February 2022, increased geopolitical tensions have led to heightened volatility in foreign exchange markets, including volatility in the Uzbek Soum against the US dollar and the euro.

To mitigate the impact of external factors on the economy of the Republic of Uzbekistan, on 17 March 2022, the Board of the Central Bank of the Republic of Uzbekistan raised the CBU refinancing rate by 3% to 17%. In June and subsequently in July 2022, following a decrease in external pressures on the economy, the CBU Board reduced the refinancing rate to 16% and 15%, respectively. As of 31 December 2025, the refinancing rate stood at 14.0%.

### **Assumptions and estimation uncertainty**

Information on assumptions and estimation uncertainties that involve a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the consolidated financial statements for the year ended 31 December 2025 is disclosed in the following notes:

- Impairment of financial instruments: determination of input data used in the ECL model – Notes 12 and 21
- Fair value measurement of financial assets and liabilities – Notes 3 and 26.

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<sup>1</sup> Socio-economic situation of the Republic of Uzbekistan for 2025, National Statistics Committee of the Republic of Uzbekistan, source link: [https://stat.uz/img/news/4\\_-talil-2025-j\\_-yanvar-dekabr-angl- p47537.pdf](https://stat.uz/img/news/4_-talil-2025-j_-yanvar-dekabr-angl- p47537.pdf)

<sup>2</sup> Exchange rates, Central Bank of the Republic of Uzbekistan, source link: <https://cbu.uz/en/>

<sup>3</sup> Socio-economic situation of the Republic of Uzbekistan for 2025, National Statistics Committee of the Republic of Uzbekistan, source link: [https://stat.uz/img/news/4\\_-talil-2025-j\\_-yanvar-dekabr-angl- p47537.pdf](https://stat.uz/img/news/4_-talil-2025-j_-yanvar-dekabr-angl- p47537.pdf)

<sup>4</sup> Policy rate, Central Bank of the Republic of Uzbekistan, source link: <https://cbu.uz/en/monetary-policy/refinancing-rate/>

## **2 Operating environment in which the Group operates (continued)**

### ***Use of Professional Judgments***

Information about the judgments made in applying the accounting policies that had the most significant effect on the amounts recognised in the consolidated financial statements is disclosed in the following notes:

Fair value assessment – Notes 3, 16.

## **3 Material accounting policies**

### **(a) Basis of preparation**

These financial statements are the consolidated financial statements of “Mortgage refinancing company of Uzbekistan” JSC (“the Company”) and its subsidiary company “UMRC SPV” LLC (together referred to as “the Group”).

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards), on a historical cost basis, except for the initial recognition of financial instruments measured at fair value.

The accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented in these consolidated financial statements, unless otherwise stated.

### **(b) Basis of consolidation**

#### **(i) Subsidiaries**

The consolidated financial statements incorporate the financial statements of the Company and an entity controlled by the Company (its subsidiary) made up to 31 December each year. Control is achieved when the Company:

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

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

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

Where necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies used into line with the Group’s accounting policies.

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

### **(c) Financial instruments – key measurement approaches**

Purchases and sales of financial assets and liabilities under regular way contracts are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset or liability. A regular way purchase or sale is one under a contract whose terms require delivery of the asset or liability within the time frame established by regulation or convention in the marketplace concerned.

### **Fair value measurement**

Fair value is defined 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 the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place:

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

### **3 Material accounting policies (continued)**

The Group must have access to the principal or the most advantageous market. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their best economic interest. Fair value measurement of a non-financial asset considers a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use it in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the following fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

#### *Fair value measurement of loans issued under the Mortgage Market Development Program*

Loans provided by the Group to banks under the mortgage market development program do not have directly comparable market instruments. Due to their unique nature and the specific features of the lending program and borrowers’ profile, such loans represent a separate market segment. Therefore, Management considers the contractual interest rates to be market rates for these loans. As such, the Group initially recognise these loans at fair value, which is equal to their nominal value.

#### *Fair value measurement of financial liabilities borrowed under the Mortgage Market Development Program*

The Group obtains financing under the mortgage market development program of Uzbekistan (Note 16). Management believes that due to the specific nature of this program, these financial instruments form a distinct market segment. Accordingly, upon initial recognition, these financial instruments are measured at fair value, which is equal to their nominal value.

#### **(ii) Classification and subsequent measurement of financial assets: measurement categories**

At initial recognition, a financial asset is classified as measured at either amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

#### *Balances with banks, loans to banks, and investment securities measured at amortised cost*

The Group measures balances with banks, loans to banks, and other financial investments at amortised cost only when both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

#### **(iii) Classification and subsequent measurement of financial assets: business model assessment**

The Group assesses the objective of the business model in which the asset is held at the level of a portfolio of financial instruments, as this best reflects how the business is managed and how information is provided to management. The following factors are considered by the Group in making the assessment:

### **3 Material accounting policies (continued)**

- Policies and objectives for the portfolio, as well as the practical implementation of those policies—such as whether the management strategy focuses on earning contractual interest income, maintaining a certain interest rate profile, matching the maturity of financial assets to financial liabilities used for funding, or realising cash flows through the sale of assets;
- How the performance of the portfolio is evaluated and reported to the Group’s management;
- The risks that affect the performance of the business model (and the financial assets held within that model) and how those risks are managed;
- How managers of the portfolios are compensated (e.g., whether remuneration depends on the fair value of the assets or on the contractual cash flows collected);
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales, and expectations about future sales activity. Sales information is not considered in isolation but as part of an overall assessment of how the Group’s stated objective for managing financial assets is achieved and how cash flows are realised.

#### **(iv) Classification and subsequent measurement of financial assets: contractual cash flow characteristics**

For the purpose of this assessment, “principal” is defined as the fair value of the financial asset at initial recognition. “Interest” is defined as consideration for the time value of money, for credit risk associated with the principal amount outstanding during a particular period, and for other basic lending risks and costs (such as liquidity risk and administrative costs), as well as a profit margin.

In evaluating whether the contractual cash flows are solely payments of principal and interest (the SPPI criterion), the Group considers the contractual terms of the financial instrument. This includes assessing whether the financial asset contains any contractual terms that could change the timing or amount of the contractual cash flows such that it would not meet the SPPI criteria. The Group considers:

- contingent events that would change the timing or amount of cash flows;
- leverage features;
- terms that allow prepayment or extension;
- terms that restrict the Group’s claim to cash flows from specified assets (e.g., non-recourse financial assets); and
- features that modify consideration for the time value of money, such as periodic interest rate resets not consistent with the tenor of the rat.

#### **(v) Reclassification of financial assets**

The classification of financial assets after initial recognition is not changed unless the Group changes its business model for managing those financial assets. Reclassifications are applied prospectively from the beginning of the first reporting period following the change in the business model that triggers the reclassification. Changes in contractual cash flows are assessed in accordance with the accounting policy set out in the section “Modification and Derecognition of Financial Assets.”

#### **(vi) Impairment of financial assets**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered impaired if one or more loss events have occurred after initial recognition and those events have a reliably estimable impact on the asset’s expected future cash flows.

For debt instruments measured at amortised cost the Group applies the expected credit loss (ECL) model in accordance with IFRS 9. Impairment losses are recognised in profit or loss and reflected as a reduction in the carrying amount of the financial asset through a loss allowance account.

The Group writes off a financial asset when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

#### **(vii) Expected Credit Loss (ECL) allowances**

The Group measures expected credit losses based on shortfalls in expected cash flows, discounted using the effective interest rate (EIR). A cash shortfall is the difference between contractual cash flows due to the Group and cash flows the Group expects to receive. The ECL model includes the following key elements:

### **3 Material accounting policies (continued)**

- Probability of Default (PD): An estimate of the likelihood of default occurring within a given timeframe. A default may occur at a specific point in time, provided that the asset has not been derecognised and remains part of the portfolio.
- Loss Given Default (LGD): The Group estimates LGD based on market-implied recovery rates, differentiated by instrument seniority and debt class.
- Exposure at Default (EAD): The EAD represents the expected exposure to credit risk at the time of default. For a financial asset, EAD is the gross carrying amount at the default date. For loan commitments, it is the expected drawdown amount based on historical behaviour and forward-looking assumptions.

The Group has developed a policy to assess, at the end of each reporting period, whether there has been a significant increase in credit risk (SICR) since initial recognition, by considering changes in the risk of default over the remaining life of the financial instrument. Based on the outcome, financial assets are classified into the following stages:

- Stage 1: At initial recognition, a loss allowance is recognised equal to 12-month ECL. Assets in Stage 1 also include those that have been reclassified from Stage 2 due to an improvement in credit risk.
- Stage 2: If credit risk has significantly increased since initial recognition, a lifetime ECL is recognised. Assets in Stage 2 also include those reclassified from Stage 3 after an improvement in credit quality.
- Stage 3: Credit-impaired financial assets. A lifetime ECL is recognised.
- POCI: These are financial assets that were credit-impaired at initial recognition. At initial recognition, POCI assets are recorded at fair value, and interest income is recognised using a credit-adjusted EIR. An ECL allowance is recognised or derecognised only to the extent there is a change in the expected lifetime credit losses after initial recognition.

#### **(viii) Significant Increase in Credit Risk (SICR)**

The Group assesses at each reporting date whether there has been a significant increase in credit risk since initial recognition. When determining whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This assessment includes both quantitative and qualitative information, as well as forward-looking analysis based on historical experience, expert credit risk assessment, and forward-looking indicators. The assessment of significant increase in credit risk depends on the nature of the financial instrument, type of borrower, and geographic region. Management applies judgment in assessing SICR criteria, particularly for loans whose terms have been renegotiated. The assessment considers whether such modifications are due to temporary financial difficulties or indicate a deterioration in the borrower's financial condition, such as declining operating results or non-compliance with repayment terms.

The objective is to identify whether a significant increase in credit risk has occurred by comparing:

- the remaining lifetime probability of default (PD) at the reporting date, and
- the remaining lifetime PD at the time of initial recognition, based on initial contractual terms.

The Group applies the following criteria to identify a significant increase in credit risk:

- A quantitative criteria based on the change in probability of default (PD) - a downgrade of the borrower's external credit rating by 2 or more notches taking into consideration the initial credit rating;
- a 30-day past-due backstop criteria (7 days for financial institutions);
- the Group may evaluate loan restructurings to determine whether they represent a “good” or “bad” restructuring. If a loan was subject to a “bad” restructuring within the 12 months preceding the reporting date, it is considered credit-impaired (Stage 3). Conversely, “good” restructurings are classified based on other quantitative and qualitative factors;
- qualitative indicators, such as the blocking of correspondent accounts, absence of regular financial reporting, imposition of material penalties by the regulator, adverse information about the financial position and/or payment processing difficulties, rating withdrawal, cancellation of securities issuance (if the counterparty is an issuer), etc.

### 3 Material accounting policies (continued)

An increase in credit risk may be considered significant even if it is not yet captured by quantitative metrics, provided qualitative indicators related to the Group’s credit risk management processes suggest elevated risk. These include, for example, inclusion on a watchlist. The evaluation of such qualitative factors is based on professional judgment and historical experience.

#### **(ix) Definition of default and recovery**

The Group considers a financial instrument to be in default and consequently classified as Stage 3 (credit-impaired) for expected credit loss (ECL) purposes when the borrower is more than 90 days past due on any contractual payment.

As part of the qualitative assessment of default, the Group also reviews various events that may indicate the borrower is unlikely to pay. When such events occur, the Group assesses whether they constitute a default and whether the asset should be moved to Stage 3 or remain in Stage 2. These events include:

- classification of the exposure as “unsatisfactory,” “doubtful,” or “loss” after initial recognition under the Central Bank of Uzbekistan’s classification system;
- absence of up-to-date financial information on the borrower for the past 12 months;
- bankruptcy filing or declaration of insolvency by the borrower.

According to the Group’s policy, financial instruments are considered “recovered” and reclassified out of Stage 3 when none of the default criteria have been present for a continuous period of at least six months. Whether the asset is moved to Stage 1 or Stage 2 upon recovery depends on the reassessed credit rating and whether a significant increase in credit risk remains relative to the original recognition.

#### *Treasury and Interbank Relationships*

The Group’s treasury and interbank operations include relationships with counterparties such as financial service providers, banks, broker-dealers, exchanges, and clearing houses. When evaluating such relationships, the Group relies on publicly available information, including financial statements, and other external data sources such as credit ratings from rating agencies.

<b>Rating of an external international rating agency (Moody’s)</b>	<b>Description of the internal rating level</b>	<b>PD</b>
Aa1 to Aaa	High rating	0–0.04%
Aa2		
A2 to Aa3		
A3	Standard rating	0.07–16.48%
Baa1		
Baa2		
Baa3		
Ba1		
Ba3 to Ba2	Below standard	1.13–64.47%
B3 to B1		
Caa1		
Caa3	Impaired	100%
C		

#### **(x) Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred to another party, or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Upon derecognition of a financial asset, the difference between the asset’s carrying amount (or the carrying amount allocated to the portion of the asset that is derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

### **3 Material accounting policies (continued)**

The Group may enter into transactions in which it transfers financial assets recognised on the statement of financial position but retains substantially all the risks and rewards of ownership, in whole or in part. In such cases, the transferred assets are not derecognised. Examples of such transactions include securities lending and repurchase agreements ("repos").

In transactions where the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset and retains control over the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement. Continuing involvement is measured by the extent to which the Group remains exposed to changes in the value of the transferred asset.

#### **(xi) Derecognition of financial liabilities**

A financial liability is derecognised when it is extinguished – i.e., when the obligation specified in the contract is discharged, cancelled, or expires.

The Group also derecognises a financial liability when the terms of the liability are modified and the cash flows under the modified terms are substantially different. In such cases, a new financial liability is recognised at fair value, and the difference between the carrying amount of the original financial liability and the fair value of the new financial liability is recognised in profit or loss. Consideration paid includes any non-financial assets transferred and liabilities assumed, including the new modified financial liability.

#### **(xii) Modification of financial assets**

When the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the changes are substantial (“substantial modification”), it is considered that the contractual rights to the cash flows of the original financial asset have expired. In such cases, the original financial asset is derecognised, and a new financial asset is recognised at fair value plus any eligible transaction costs.

Fees received as part of the modification are accounted for as follows:

- fees that are part of the fair value measurement of the new asset or represent reimbursement of transaction costs are included in the initial measurement of the new asset; and
- other fees are recognised in profit or loss as part of the gain or loss on derecognition.

Changes in cash flows of existing financial assets or liabilities are not considered modifications when they arise from contractual terms, such as interest rate changes resulting from movements in the Central Bank’s policy rate, provided the loan agreement permits such changes.

The Group performs both qualitative and quantitative assessments to determine whether a modification is substantial – i.e., whether the cash flows of the original financial asset differ significantly from those of the modified or replacement asset. This assessment considers both qualitative and quantitative factors and their combined effect. If the cash flows differ significantly, it is concluded that the contractual rights to the original asset have expired, and derecognition is applied by analogy with the derecognition guidance for financial liabilities.

To assess whether the modified terms are substantially different from the original contractual terms, the Group evaluates various qualitative and quantitative aspects, including whether the modified cash flows no longer meet the SPPI (solely payments of principal and interest) test, changes in currency or counterparty, or new covenants.

If the modification is due to the borrower’s financial difficulties, the asset is considered credit-impaired (Stage 3) until credit quality improvement is confirmed. If the Group plans to modify a financial asset in a way that results in forgiveness of a portion of contractual cash flows, it assesses whether a partial write-off should be recognised prior to the modification (see write-off policy below). This may affect the quantitative assessment, and in such cases, the criteria for derecognition of the financial asset may not be met. The Group also performs a qualitative assessment of the significance of the modification.

### **3 Material accounting policies (continued)**

If a modification of a financial asset measured at amortised cost or at fair value through other comprehensive income does not result in derecognition, the Group recalculates the gross carrying amount of the asset using the original effective interest rate and recognises the difference as a modification gain or loss in profit or loss. For floating rate financial assets, the effective interest rate is adjusted to reflect current market conditions at the time of modification. Any transaction costs, fees paid, or fees received as part of the modification are adjusted in the gross carrying amount of the modified asset and amortised over the remaining term of the modified financial asset.

Modification gains or losses are presented in the statement of profit or loss and other comprehensive income as “modification gain/loss.”

For fixed-rate loans that allow the borrower to prepay at par without significant penalties, any revision of the interest rate to reflect market rates in response to market changes is accounted for similarly to floating rate instruments — i.e., the effective interest rate is revised on a prospective basis.

#### **(d) Cash and cash equivalents**

Cash and cash equivalents include balances held with the Central Bank of the Republic of Uzbekistan and other banks, as well as highly liquid financial assets with original maturities of less than three months, which are not subject to significant risk of changes in fair value and are used by the Group to settle short-term obligations. Cash and cash equivalents are measured at amortised cost.

#### **(e) Deposits in banks**

Deposits in banks are recognised when the Group provides funds to counterparty banks in the form of deposits or advance payments with original maturities exceeding three months. These deposits are measured at amortised cost.

#### **(f) Loans to banks**

The item “Loans to banks” in the statement of financial position includes loans disbursed to banks that are measured at amortised cost. Such loans are initially measured at fair value plus directly attributable transaction costs and subsequently at amortised cost using the effective interest method.

#### **(g) Investment securities measured at amortised cost**

The item “Investment securities measured at amortised cost” in the statement of financial position includes investments in debt securities measured at amortised cost. These instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

#### **(h) Borrowed funds**

Borrowed funds represent loans raised by the Group on financial markets as well as trade finance transactions. Borrowed funds are recognised at amortised cost.

#### **(i) Debt securities issued**

Debt securities issued include bonds. These instruments represent obligations of the issuer to the bondholder. While bondholders do not have a right to share in the Group’s profits, they are entitled to receive interest payments in addition to the principal amount. Bonds are measured at amortised cost.

#### **(j) Trade and other payables**

Trade and other payables are recognised when a counterparty has fulfilled its contractual obligations and are measured at amortised cost.

#### **(k) Income tax**

Income tax comprises of current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current income tax is calculated based on the estimated taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and includes adjustments for prior period taxes.

### **3 Material accounting policies (continued)**

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax is not recognised for: temporary differences; temporary differences on the initial recognition of assets and liabilities in transactions that do not affect accounting or taxable profit; and temporary differences related to investments in subsidiaries where the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax reflects the tax consequences of how the Group expects to recover or settle the carrying amount of assets and liabilities at the end of the reporting period. Deferred tax is measured at the tax rates expected to apply when the asset is realised or the liability is settled, based on tax laws that are enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available to utilize deductible temporary differences, tax losses, and credits (in accordance with IAS 12). Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **(l) Share capital**

Ordinary shares and non-redeemable shares are classified as equity. Incremental costs directly attributable to the issuance of new shares, other than in a business combination, are deducted from equity, net of tax, from the proceeds of the issuance. The excess of the fair value of the consideration received over the nominal value of the issued shares is recognised as additional paid-in capital.

#### **(m) Dividends**

Dividends are recognised as a liability and deducted from equity only when declared before or on the reporting date. If dividends are declared after the reporting date, the related information is disclosed in the notes as an event after the reporting period. Dividend distribution is based on the current year's net profit as reported in the statutory financial statements prepared in accordance with the legislation of the Republic of Uzbekistan.

Once approved at the general shareholders' meeting, dividends are recognised in the consolidated financial statements as a distribution of profits.

#### **(n) Interest income and expenses using the Effective Interest Rate method**

Interest income and expense for all interest-bearing financial instruments measured at amortised cost or at fair value through other comprehensive income (FVOCI) are recognised using the effective interest method. This calculation includes all fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and any other premiums or discounts.

Fees that are considered part of the effective interest rate include fees received or paid by the Group related to the origination or acquisition of a financial asset or the issuance of a financial liability (e.g., fees for credit assessment, collateral appraisal, structuring, or documentation).

Fees that form part of the effective interest rate include fees received or paid by the Group in connection with the origination or acquisition of a financial asset or the issuance of a financial liability (e.g., fees for credit assessment, valuation or registration of guarantees or collateral, negotiation of the instrument's terms, and processing of transaction documentation).

For purchased or originated credit-impaired (POCI) financial assets, the effective interest rate is the rate that discounts expected future cash flows (including expected credit losses) to the fair value at initial recognition (normally the purchase price). As a result, the effective interest rate incorporates credit risk.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

### **3 Material accounting policies (continued)**

- financial assets that have become credit-impaired (Stage 3), for which interest income is calculated by applying the effective interest rate to the amortised cost (i.e., net of expected credit loss allowance);
- purchased or originated credit-impaired financial assets, for which the credit-adjusted effective interest rate is applied to the amortised cost.

#### **(o) Non-interest income and expenses**

Fees and commissions that are integral to the effective interest rate of a financial instrument are included in the effective interest calculation.

The Group recognises other fee and commission income and expense when (or as) it satisfies its performance obligations under the contract by providing or receiving the related services.

#### **(p) Personnel expenses and related contributions**

In the Republic of Uzbekistan, the Group contributes to the social tax, which includes payments to the Pension Fund. These contributions are recognised on an accrual basis. The Group does not operate its own pension plan.

Employee benefit expenses, including salaries, social contributions to the state pension and social insurance funds, annual paid leave, sick leave, bonuses, and non-monetary benefits are recognised as the services are rendered by employees.

### **4 Adoption of new or revised standards and interpretations**

The Group has applied certain amendments to standards that became effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective as of the reporting date.

#### **Amendments to IAS 21 – Lack of exchangeability**

In August 2023, the IASB issued amendments to IAS 21 “The effects of changes in foreign exchange rates to address a gap in the standard where it previously did not specify how to determine the exchange rate when a currency is not exchangeable into another currency on a non-temporary basis. The key changes require entities to:

- apply a consistent approach to assessing whether a currency is exchangeable into another currency for a specified purpose at a measurement date;
- when a currency is not exchangeable, estimate the spot exchange rate using an observable rate or another estimation technique, with the objective of determining the rate at which an orderly exchange transaction would take place at that date;
- provide additional disclosures about the nature and financial impact of the currency not being exchangeable, including the exchange rate used and the estimation technique applied.

These amendments became effective for reporting periods beginning on or after 1 January 2025. The Group evaluated the impact of these amendments and determined that they did not have a material effect on its consolidated financial statements.

Several new standards and amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. However, the Group has not early adopted any of the new or amended standards in preparation of these consolidated financial statements. The following forthcoming amendments and interpretations are not expected to have a material impact on the Group’s consolidated financial statements:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 “Financial instruments” and IFRS 7 “Financial instruments: disclosures”), issued in May 2024 and effective for annual periods beginning on or after 1 January 2026. The amendments clarify the assessment of contractual cash flows for financial assets including those with ESG-linked features, introduce guidance on non-recourse assets and contractually linked instruments, provide an optional accounting policy to derecognise financial liabilities settled via electronic payment systems before the settlement date, and introduce additional disclosure requirements in relation to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

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- Annual Improvements to IFRS Accounting Standards – Volume 11, issued in July 2024 and effective for annual periods beginning on or after 1 January 2026. The improvements include narrow-scope amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.
- IFRS 18 “Presentation and disclosure in financial statements”. IFRS 18 will replace IAS 1 “Presentation of financial statements” and will be effective for annual reporting periods beginning on or after 1 January 2027. The standard introduces new required subtotals in the statement of profit or loss, requires disclosure of management-defined performance measures with reconciliation to IFRS line items, and introduces new principles for aggregation and disaggregation of financial information.
- IFRS 19 “Subsidiaries without public accountability: disclosures”, issued in May 2024 and effective for annual periods beginning on or after 1 January 2027. IFRS 19 permits eligible subsidiaries that have no public accountability and whose parent prepares full IFRS consolidated financial statements to apply reduced disclosure requirements.

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**5 Interest income and expenses**

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
<b>Interest income calculated using the effective interest method</b>		
Loans to banks	701,761	473,760
Investment securities	119,279	55,920
Deposits in banks	88,102	55,379
Reverse REPO operations	1,648	-
<b>Total interest income calculated using the effective interest method</b>	<b>910,790</b>	<b>585,058</b>
<b>Interest expense</b>		
Borrowed funds	(512,938)	(389,012)
Debt securities issued	(142,388)	(48,127)
Lease liabilities	(771)	(545)
<b>Total interest expense</b>	<b>(656,097)</b>	<b>(437,684)</b>
<b>Net interest income</b>	<b>254,693</b>	<b>147,375</b>

**6 Allowance for expected credit losses on debt instruments**

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
<b>(Allowance for)/ recovery of expected credit losses on interest-bearing assets</b>		
Loans to banks	(3,093)	(9,902)
Investment securities	(1,603)	(2,525)
Deposits in banks	(535)	924
Cash and cash equivalents	(8)	46
<b>Total allowance for expected credit losses on debt instruments</b>	<b>(5,239)</b>	<b>(11,457)</b>

**7 Fee and commission expense**

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
<b>Fee and commission expense</b>		
- Fees and commission to the securities depository	(1,013)	(1,543)
- Fees and commission for brokerage services	(934)	(738)
- Fees and commission paid to international financial institutions	(365)	(677)
- Other fees and commissions	(309)	(217)
<b>Total fee and commission expense</b>	<b>(2,621)</b>	<b>(3,175)</b>

**8 Administrative and other operating expenses**

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
<b>Administrative and other operating expenses</b>		
Personnel expenses	(24,757)	(21,188)
Depreciation costs	(3,324)	(1,309)
Representation costs	(1,991)	(287)
Audit fees	(1,802)	(1,315)
IT maintenance	(1,627)	-
Professional services	(1,452)	(1,156)
Travel and transportation costs	(505)	(132)
Administrative expenses	(310)	(130)
Insurance expenses	(184)	(88)
Rent and maintenance expenses	(117)	(88)
Fines and penalties	(1)	(29)
Taxes (other than income tax)	-	(5)
Other expenses	(46)	(637)
<b>Total administrative and other operating expenses</b>	<b>(36,116)</b>	<b>(26,364)</b>

The accompanying notes on pages 11 to 48 are an integral part of these consolidated financial statements

**9 Income tax**

**(a) Components of income tax expense / (income)**

Income tax expense recognised in profit or loss for the year comprises the following components:

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
Current income tax expense	14,919	10,815
Deferred tax (income) / expense	58	(2,373)
<b>Total income tax expense for the year</b>	<b>14,977</b>	<b>8,442</b>

**(b) Reconciliation of income tax expense with accounting profit multiplied by the applicable tax rate**

The table below provides a reconciliation of the theoretical income tax expense to the actual income tax expense recognised in profit or loss:

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
<b>Profit before tax</b>	<b>211,161</b>	<b>106,998</b>
Theoretical income tax at the statutory rate (2025: 15%; 2024: 15%)	31,674	16,050
Tax effects of non-deductible or non-taxable items:		
- Non-taxable income from government securities	(17,360)	(8,388)
- Non-deductible expenses	663	780
<b>Total income tax expense for the year</b>	<b>14,977</b>	<b>8,442</b>

**(c) Deferred tax analysis by type of temporary differences**

Differences between IFRS and the tax legislation of the Republic of Uzbekistan result in temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases. The table below provides a detailed breakdown of movements in these temporary differences and their tax effects:

<i>In millions of UZS</i>	<b>1 January 2024</b>	<b>Recognised in profit or loss</b>	<b>1 January 2025</b>	<b>Recognised in profit or loss</b>	<b>31 December 2025</b>
<b>Deferred tax assets related to:</b>					
Allowance for expected credit losses	1,594	1,719	3,312	786	4,098
Other accruals	419	654	1,074	(844)	230
<b>Net deferred tax asset</b>	<b>2,013</b>	<b>2,373</b>	<b>4,386</b>	<b>(58)</b>	<b>4,328</b>

**10 Cash and cash equivalents**

<i>In millions of UZS</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Balances on accounts with the CBU with credit ratings of Ba3	9,122	2,234
Less allowance for expected credit losses	(11)	(3)
<b>Total cash and cash equivalents</b>	<b>9,111</b>	<b>2,231</b>

## 10 Cash and cash equivalents (continued)

The tables below disclose the changes in the allowance for credit losses and the gross carrying amount of cash and cash equivalents measured at amortised cost that occurred between the beginning and end of the reporting and comparative periods.

<i>In millions of UZS</i>	Allowance for expected credit losses (ECL)		Gross carrying value	
	Stage 1 (12-month ECL)	Total	Stage 1 (12-month ECL)	Total
<b>Cash and cash equivalents</b>				
As at 1 January 2025	3	3	2,234	2,234
<i>Changes during the period:</i>				
Originated during the period, net	8	8	6,888	6,888
<b>Total changes during the period</b>	<b>8</b>	<b>8</b>	<b>6,888</b>	<b>6,888</b>
<b>As at 31 December 2025</b>	<b>11</b>	<b>11</b>	<b>9,122</b>	<b>9,122</b>

<i>In millions of UZS</i>	Allowance for expected credit losses (ECL)		Gross carrying value	
	Stage 1 (12-month ECL)	Total	Stage 1 (12-month ECL)	Total
<b>Cash and cash equivalents</b>				
As at 1 January 2024	49	49	45,291	45,291
<i>Changes during the period:</i>				
Derecognised during the period, net	(46)	(46)	(43,057)	(43,057)
<b>Total changes during the period</b>	<b>(46)</b>	<b>(46)</b>	<b>(43,057)</b>	<b>(43,057)</b>
<b>As at 31 December 2024</b>	<b>3</b>	<b>3</b>	<b>2,234</b>	<b>2,234</b>

## 11 Deposits in banks

<i>In millions of UZS</i>	31 December 2025	31 December 2024
Deposits in other banks with an original maturity of more than three months with a credit rating of Ba3	494,156	467,109
Deposits in other banks with an original maturity of more than three months with a credit rating of B1	110,000	-
Less allowance for expected credit losses	(2,488)	(1,953)
<b>Total deposits in banks</b>	<b>601,668</b>	<b>465,156</b>

As at 31 December 2025, the largest deposit balances, collectively representing over 70% of total deposits, were held with four local banks: JSCB "Uzpromstroybank" (UZS 155,000 million, 26%); JSCB "Agrobank" (UZS 132,000 million, 22%); JSC "Asakabank" (UZS 95,000 million, 16%); JSCB "Aloqabank" (UZS 80,000 million, 13%).

As at 31 December 2024, the largest deposit balances, collectively representing over 70% of total deposits, were held with three local banks: JSCB "Agrobank" (UZS 132,000 million, 28%); JSCB "Uzpromstroybank" (UZS 124,900 million, 27%); JSC "Xalq Bank" (UZS 95,000 million, 20%).

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**11 Deposits in banks (continued)**

The tables below disclose the changes in the allowance for credit losses and the gross carrying amount of deposits in banks measured at amortised cost that occurred between the beginning and end of the reporting and comparative periods.

	Allowance for expected credit losses (ECL)		Gross carrying value	
	Stage 1 (12-month ECL)	Total	Stage 1 (12-month ECL)	Total
<i>In millions of UZS</i>				
<b>Deposits in banks</b>				
<b>As at 1 January 2025</b>	<b>1,953</b>	<b>1,953</b>	<b>467,109</b>	<b>467,109</b>
<i>Changes during the period:</i>				
Decreases due to change in credit risk	(811)	(811)	-	-
New financial assets originated	1,794	1,794	384,811	384,811
Financial assets that have been derecognised	(448)	(448)	(249,781)	(249,781)
Other changes	-	-	2,017	2,017
<b>Total changes during the period</b>	<b>535</b>	<b>535</b>	<b>137,047</b>	<b>137,047</b>
<b>As at 31 December 2025</b>	<b>2,488</b>	<b>2,488</b>	<b>604,156</b>	<b>604,156</b>

	Allowance for expected credit losses (ECL)		Gross carrying value	
	Stage 1 (12-month ECL)	Total	Stage 1 (12-month ECL)	Total
<i>In millions of UZS</i>				
<b>Deposits in banks</b>				
<b>As at 1 January 2024</b>	<b>2,877</b>	<b>2,877</b>	<b>160,074</b>	<b>160,074</b>
<i>Changes during the period:</i>				
Decreases due to change in credit risk	(445)	(445)	-	-
New financial assets originated	1,939	1,939	490,400	490,400
Financial assets that have been derecognised	(2,418)	(2,418)	(183,500)	(183,500)
Other changes	-	-	135	135
<b>Total changes during the period</b>	<b>(924)</b>	<b>(924)</b>	<b>307,035</b>	<b>307,035</b>
<b>As at 31 December 2024</b>	<b>1,953</b>	<b>1,953</b>	<b>467,109</b>	<b>467,109</b>

**12 Loans to banks**

	31 December 2025	31 December 2024
<i>In millions of UZS</i>		
Gross carrying value of loans to banks measured at amortised cost	5,778,585	4,493,001
Less allowance for expected credit losses	(20,145)	(17,052)
<b>Total carrying amount of loans to banks measured at amortised cost</b>	<b>5,758,440</b>	<b>4,475,949</b>

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**12 Loans to banks (continued)**

The following is an analysis of the credit quality of loans to banks measured at amortised cost as at:

	31 December 2025			31 December 2024		
	Gross carrying value	Allowance for expected credit losses	Net carrying amount	Gross carrying value	Allowance for expected credit losses	Net carrying amount
<i>In millions of UZS</i>						
Loans to banks with a credit rating of Ba3	3,835,400	(11,640)	3,823,760	3,059,408	(10,476)	3,048,932
Loans to banks with a credit rating of B1	1,705,929	(6,401)	1,699,528	1,186,985	(4,225)	1,182,760
Loans to banks with a credit rating of B2	237,256	(2,104)	235,152	246,608	(2,351)	244,257
<b>Total loans to banks measured at amortised cost</b>	<b>5,778,585</b>	<b>(20,145)</b>	<b>5,758,440</b>	<b>4,493,001</b>	<b>(17,052)</b>	<b>4,475,949</b>

The tables below disclose the changes in the allowance for credit losses and the gross carrying value of loans to banks measured at amortised cost that occurred between the beginning and end of the reporting and comparative periods.

	Allowance for expected credit losses (ECL)		Gross carrying value	
	Stage 1 (12-month ECL)	Total	Stage 1 (12-month ECL)	Total
	<i>In millions of UZS</i>			
<b>Loans to banks</b>				
<b>As at 1 January 2025</b>	<b>17,052</b>	<b>17,052</b>	<b>4,493,001</b>	<b>4,493,001</b>
<i>Changes during the period:</i>				
New financial assets originated	4,863	4,863	1,723,337	1,723,337
Financial assets that have been derecognised	(1,770)	(1,770)	(466,479)	(466,479)
Other changes	-	-	28,726	28,726
<b>Total changes during the period</b>	<b>3,093</b>	<b>3,093</b>	<b>1,285,584</b>	<b>1,285,584</b>
<b>As at 31 December 2025</b>	<b>20,145</b>	<b>20,145</b>	<b>5,778,585</b>	<b>5,778,585</b>

	Allowance for expected credit losses (ECL)		Gross carrying value	
	Stage 1 (12-month ECL)	Total	Stage 1 (12-month ECL)	Total
	<i>In millions of UZS</i>			
<b>Loans to banks</b>				
<b>As at 1 January 2024</b>	<b>7,149</b>	<b>7,149</b>	<b>3,212,522</b>	<b>3,212,522</b>
<i>Changes during the period:</i>				
New financial assets originated	10,623	10,623	1,489,428	1,489,428
Financial assets that have been derecognised	(721)	(721)	(301,891)	(301,891)
Other changes	-	-	92,941	92,941
<b>Total changes during the period</b>	<b>9,902</b>	<b>9,902</b>	<b>1,280,479</b>	<b>1,280,479</b>
<b>As at 31 December 2024</b>	<b>17,052</b>	<b>17,052</b>	<b>4,493,001</b>	<b>4,493,001</b>

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**12 Loans to banks (continued)**

The allowance for expected credit losses on loans to banks recognised during the period is influenced by various factors. Information regarding the estimation of expected credit losses is presented in Note 21.

The following provides an analysis of collateral for loans to banks measured at amortised cost as at 31 December 2025:

<i>In millions of UZS</i>	<b>Collateral</b>			<b>Total</b>
	<b>Loan portfolios</b>	<b>Government securities</b>	<b>Deposits</b>	
Carrying amount of loans to banks measured at amortised cos	5,043,763	613,489	101,188	5,758,440
Fair value of collateral – for collateral measured as of the reporting date	-	613,489	101,188	714,677
Fair value at the recognition date / Fair value not determined as of the reporting date	5,043,763	-	-	5,043,763

The following provides an analysis of collateral for loans to banks measured at amortised cost as at 31 December 2024:

<i>In millions of UZS</i>	<b>Collateral</b>			<b>Total</b>
	<b>Loan portfolios</b>	<b>Government securities</b>	<b>Deposits</b>	
Carrying amount of loans to banks measured at amortised cos	3,673,690	782,878	19,381	4,475,949
Fair value of collateral – for collateral measured as of the reporting date	-	782,878	19,381	802.259
Fair value at the recognition date / Fair value not determined as of the reporting date	3,673,690	-	-	3,673,690

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**13 Investment securities**

<i>In millions of UZS</i>	31 December 2025	31 December 2024
Gross carrying amount of investments in Government securities measured at amortised cost with credit rating Ba3	975,083	596,443
Less allowance for expected credit losses	(4,676)	(3,075)
<b>Total carrying amount of debt securities measured at amortised cost</b>	<b>970,407</b>	<b>593,368</b>

The table below discloses the changes in the allowance for credit losses and the gross carrying amount of investment debt securities measured at amortised cost that occurred between the beginning and end of the reporting and comparative periods.

<i>In millions of UZS</i>	Allowance for expected credit losses (ECL)		Gross carrying value	
	Stage 1 (12-month ECL)	Total	Stage 1 (12-month ECL)	Total
<b>Investment debt securities</b>				
<b>As at 1 January 2025</b>	<b>3,075</b>	<b>3,075</b>	<b>596,443</b>	<b>596,443</b>
<i>Changes during the period:</i>				
Decreases due to change in credit risk	(976)	(976)	-	-
New financial assets originated	2,825	2,825	476,015	476,015
Financial assets that have been derecognised	(248)	(248)	(131,000)	(131,000)
Other changes	-	-	33,625	33,625
<b>Total changes during the period</b>	<b>1,601</b>	<b>1,601</b>	<b>378,640</b>	<b>378,640</b>
<b>As at 31 December 2025</b>	<b>4,676</b>	<b>4,676</b>	<b>975,083</b>	<b>975,083</b>

<i>In millions of UZS</i>	Allowance for expected credit losses (ECL)		Gross carrying value	
	Stage 1 (12-month ECL)	Total	Stage 1 (12-month ECL)	Total
<b>Investment debt securities</b>				
<b>As at 1 January 2024</b>	<b>549</b>	<b>549</b>	<b>49,294</b>	<b>49,294</b>
<i>Changes during the period:</i>				
New financial assets originated	3,075	3,075	724,307	724,307
Financial assets that have been derecognised	(549)	(549)	(219,512)	(219,512)
Other changes	-	-	42,354	42,354
<b>Total changes during the period</b>	<b>2,525</b>	<b>2,525</b>	<b>547,149</b>	<b>547,149</b>
<b>As at 31 December 2024</b>	<b>3,075</b>	<b>3,075</b>	<b>596,443</b>	<b>596,443</b>

**“Mortgage Refinancing Company of Uzbekistan” JSC**  
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**14 Property, equipment and intangible assets and Right-of-use assets**

	Furniture and fittings	Office and computer equipment	Motor vehicles	Intangible assets	Total property, plant and equipment and intangible assets	Right-of-use assets (office premises)
<i>In millions of UZS</i>						
<b>Balance at 1 January 2024</b>	<b>414</b>	<b>786</b>	<b>325</b>	<b>181</b>	<b>1,706</b>	<b>5,499</b>
Additions	308	415	-	100	823	1,134
Modification	-	-	-	-	-	(204)
Disposals	(35)	(15)	-	-	(50)	-
<b>Balance at 31 December 2024</b>	<b>688</b>	<b>1,186</b>	<b>325</b>	<b>281</b>	<b>2,479</b>	<b>6,430</b>
<b>Depreciation and amortisation</b>						
<b>Balance at 1 January 2024</b>	<b>(125)</b>	<b>(459)</b>	<b>(214)</b>	<b>-</b>	<b>(797)</b>	<b>(790)</b>
Depreciation for the year	(68)	(349)	(65)	(41)	(524)	(677)
Disposals	13	7	-	-	19	-
<b>Accumulated depreciation at 31 December 2024</b>	<b>(180)</b>	<b>(801)</b>	<b>(279)</b>	<b>(41)</b>	<b>(1,302)</b>	<b>(1,467)</b>
<b>Carrying amount at 1 January 2024</b>	<b>290</b>	<b>328</b>	<b>111</b>	<b>181</b>	<b>909</b>	<b>4,709</b>
<b>At 31 December 2024</b>	<b>507</b>	<b>385</b>	<b>46</b>	<b>240</b>	<b>1,178</b>	<b>4,963</b>
<b>Balance at 1 January 2025</b>						
<b>Balance at 1 January 2025</b>	<b>687</b>	<b>1,186</b>	<b>325</b>	<b>281</b>	<b>2,479</b>	<b>6,430</b>
Additions	110	1,269	639	12,865	14,883	-
Modification	-	-	-	-	-	-
Disposals	(27)	-	(325)	-	(352)	(6,430)
<b>Balance at 31 December 2025</b>	<b>770</b>	<b>2,455</b>	<b>639</b>	<b>13,146</b>	<b>17,010</b>	<b>-</b>
<b>Depreciation and amortisation</b>						
<b>Balance at 1 January 2025</b>	<b>(180)</b>	<b>(801)</b>	<b>(279)</b>	<b>(41)</b>	<b>(1,301)</b>	<b>(1,467)</b>
Depreciation for the year	(128)	(657)	(145)	(1,568)	(2,498)	(827)
Disposals	15	-	317	-	332	2,294
<b>Accumulated depreciation at 31 December 2025</b>	<b>(293)</b>	<b>(1,458)</b>	<b>(107)</b>	<b>(1,609)</b>	<b>(3,467)</b>	<b>-</b>
<b>Carrying amount at 1 January 2025</b>	<b>507</b>	<b>385</b>	<b>46</b>	<b>240</b>	<b>1,178</b>	<b>4,963</b>
<b>At 31 December 2025</b>	<b>477</b>	<b>997</b>	<b>532</b>	<b>11,537</b>	<b>13,543</b>	<b>-</b>

**“Mortgage Refinancing Company of Uzbekistan” JSC**  
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**15 Other assets**

<i>In millions of UZS</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
<i>Other non-finance assets</i>		
Prepaid upfront fee	2,091	-
Prepaid service expenses	965	796
Prepayments to suppliers	237	9,981
Low value inventory in use	35	-
Corporate card account balances	12	10
Other	96	19
Prepaid taxes (excluding income tax)	-	735
<b>Total other non-financial assets</b>	<b>3,436</b>	<b>11,541</b>
<b>Total other assets</b>	<b>3,436</b>	<b>11,541</b>

**16 Borrowed funds**

**16.1 Borrowed funds**

The table below provides information on borrowings as at 31 December 2025 and 31 December 2024:

<i>In millions of UZS</i>	<b>Maturity date</b>	<b>Interest rate</b>	<b>Currency</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
MEF/ADB loan No. L3870	15/11/2039	11.5% - 12.0%	UZS	1,519,270	1,627,790
MEF/ADB loan No. L4245	15/08/2042	11.0% - 11.5%	UZS	1,908,881	1,906,410
IFC loan No. 48606 - Tranche 1	15/08/2027	20.5%	UZS	339,007	334,305
IFC loan No. 48606 - Tranche 2	15/08/2027	13.7%	UZS	246,956	-
ADB loan No. 2276	07/05/2031	17.2%	UZS	362,339	-
EBRD loan No. 55671 - Tranche 1	17/12/2029	15.3%	UZS	153,942	-
MEF loan No. KD/07-20-25/02	14/07/2045	15.0%	UZS	18,902	-
MEF loan No. KL/07-20-25/01	06/01/2045	16.5%	UZS	2,903	-
<b>Total borrowed funds</b>				<b>4,552,200</b>	<b>3,868,505</b>

**Ministry of Economy and Finance of the Republic of Uzbekistan (MEF) and Asian Development Bank (ADB)**

The Company received two rounds of financing from the Ministry of Economy and Finance of the Republic of Uzbekistan under the ADB's Uzbekistan Mortgage Market Development Program.

The "Mortgage Market Development Programme" aims to establish a new institutional framework and financing mechanism to promote market-based mortgage financing in Uzbekistan, expand the accessibility of mortgage products to broader segments of the population, and transform the government's role and responsibilities in shaping housing finance policy and regulations.

On 12 December 2019 and 14 November 2022, the Asian Development Bank and the Republic of Uzbekistan entered into two loan agreements worth USD 150 million each under the Mortgage Market Development Programme, with maturities of up to 20 years and floating interest rates. The Republic of Uzbekistan and the Company signed refinancing agreements for the two ADB credit lines on 8 May 2020 and 16 March 2023, with the obligation of the Ministry of Economy and Finance of the Republic of Uzbekistan to disburse funds to the Company in local currency by converting the ADB credit line, at a fixed interest rate. The ADB and the Company entered into project agreements on 12 December 2019 and 14 November 2022, under which the Company acts as the implementing agency for projects under the ADB Mortgage Market Development Programme, specifically as the organisation disbursing programme funds to eligible commercial banks in Uzbekistan.

Management believes that no other financial instruments similar to the borrowed funds received from the MEF and international financial institutions exist and that, due to the specific nature of these transactions, these products represent a distinct market. The borrowed funds were obtained through an ordinary transaction and, as such, were recognised at fair value on the initial recognition date, which equals their nominal value.

Under the project agreements between the Company and the ADB, the Company is required to comply with financial covenants, which are reviewed and agreed upon by both parties quarterly and annually.

The Company was in compliance with all specified covenants as of 31 December 2025 and 31 December 2024.

## **16 Borrowed funds (continued)**

### **The Company and the International Finance Corporation (IFC)**

On 26 July 2024, the Company entered into a loan agreement with the International Finance Corporation for USD 45 million in local currency at a fixed interest rate, with a 3-year term and an option to extend for an additional 3 years.

The first tranche of USD 25 million was received by the Company on 04 September 2024 and the second tranche of USD 20 million was received on 16 October 2025.

The purpose of the loan agreement is to provide the Company with financing that will be used to refinance eligible retail mortgage portfolios of qualifying commercial banks.

The borrowed funds were received from the IFC on market terms. The borrowing was recognised at fair value on the initial recognition date, which equals their nominal value.

### **The Company and the Asian Development Bank (ADB)**

On 01 April 2025, the Company entered into a loan agreement with the Asian Development Bank for USD 30 million in local currency at a fixed interest rate, with a 6-year term.

The purpose of the loan agreement is to provide the Company with financing that will be used to refinance eligible retail mortgage portfolios of qualifying commercial banks.

The borrowed funds were received from the ADB on market terms. The funds were recognised at fair value on the initial recognition date, which equals their nominal value.

### **The Company and the European Bank for Reconstruction and Development (EBRD)**

On 27 November 2025, the Company entered into a loan agreement with the European Bank for Reconstruction and Development for USD 40 million in local currency at a fixed interest rate, with a 4-year term.

As at 31 December 2025, the Company received the first tranche of USD 13 million with the outstanding committed but undisbursed amount of USD 20 million.

The purpose of the loan agreement is to provide the Company with financing that will be used to refinance eligible retail mortgage portfolios of qualifying commercial banks.

The borrowed funds were received from the EBRD on market terms. The borrowing was recognised at fair value on the initial recognition date, which equals their nominal value.

### **Covenants and compliance requirements**

Under the terms of the loan agreements with the IFC, ADB, and EBRD, the Company is required to adhere to a comprehensive framework of financial and negative covenants. These covenants require the Company to comply with specific requirements throughout the duration of the agreements.

The Company is subject to specific financial covenants, primarily focused on:

- Capital adequacy ratios requiring the maintenance of a robust capital base relative to the Company’s risk-weighted assets.
- Liquidity management ratios ensuring sufficient liquid assets are available to cover short-term liabilities and operational requirements.
- Asset quality covenants requiring adherence to standards regarding the performance and risk profile of the lending operations.
- Leverage and profitability ratios requiring the maintenance of sustainable levels of total indebtedness and operational efficiency.

The agreements include negative covenants and restrictive provisions. These restrict the Company from performing certain actions without prior written consent from the lenders, including:

- Restrictions on dividends requiring payments be made from net income and no event of default has occurred.
- Restrictions on redemptions of the Company’s own shares or other issued securities.
- Restrictions on creating or permitting liens or encumbrances on the Company’s assets.
- Limitations on the sale or transfer of substantial parts of the Company’s business or assets.
- Restrictions on mergers or significant changes to the nature of the Company’s business.
- Requirements on transactions ensuring they are conducted on an arm’s-length basis.

A breach of any covenant, if not waived by the lenders, constitutes an event of default. Such an event may grant the lenders the right to accelerate the repayment of all outstanding principal and interest, or terminate the facilities.

As at 31 December 2025 and 31 December 2024, the Company was in full compliance with all financial and negative covenants stipulated in the agreements with the IFC, ADB, and EBRD. The Company continues to monitor these requirements to ensure ongoing compliance.

**“Mortgage Refinancing Company of Uzbekistan” JSC**  
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**16 Borrowed funds (continued)**

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

<i>In millions of UZS</i>	Liabilities			Total
	Borrowed funds	Debt securities issued	Lease liabilities	
<b>Balance at 1 January 2025</b>	<b>3,868,505</b>	<b>615,299</b>	<b>5,613</b>	<b>4,489,417</b>
<b>Changes from financing cash flows</b>				
Proceeds from borrowed funds	801,880	-	-	801,880
Repayment of borrowed funds	(142,563)	-	-	(142,563)
Placements of debt securities issued	-	600,000	-	600,000
Recognition of lease liabilities	-	-	-	-
Repayment of lease liabilities	-	-	(1,399)	(1,399)
Other changes	7	-	(4,985)	(4,978)
<b>Total changes from financing cash flows</b>	<b>4,527,829</b>	<b>1,215,299</b>	<b>(771)</b>	<b>5,742,357</b>
<b>Other changes</b>				
Interest expense	512,938	142,388	771	656,097
Interest paid	(488,567)	(137,943)	-	(626,510)
<b>Balance at 31 December 2025</b>	<b>4,552,200</b>	<b>1,219,744</b>	<b>-</b>	<b>5,771,944</b>

<i>In millions of UZS</i>	Liabilities			Total
	Borrowed funds	Debt securities issued	Lease liabilities	
<b>Balance at 1 January 2024</b>	<b>2,860,887</b>	<b>145,539</b>	<b>5,315</b>	<b>3,011,741</b>
<b>Changes from financing cash flows</b>				
Proceeds from borrowed funds	947,937	-	-	947,937
Repayment of borrowed funds	-	-	-	-
Placements of debt securities issued	-	450,000	-	450,000
Recognition of lease liabilities	-	-	931	931
Repayment of lease liabilities	-	-	(687)	(687)
Other changes	(2,750)	-	-	(2,750)
<b>Total changes from financing cash flows</b>	<b>3,806,074</b>	<b>595,539</b>	<b>5,558</b>	<b>4,407,171</b>
<b>Other changes</b>				
Interest expense	389,012	48,127	545	437,684
Interest paid	(326,581)	(28,367)	(491)	(355,438)
<b>Balance at 31 December 2024</b>	<b>3,868,505</b>	<b>615,299</b>	<b>5,613</b>	<b>4,489,417</b>

**17 Debt securities issued**

<i>In millions of UZS</i>	31 December 2025	31 December 2024
Bonds	1,190,000	590,000
Accrued interest	29,744	25,299
<b>Total</b>	<b>1,219,744</b>	<b>615,299</b>

**“Mortgage Refinancing Company of Uzbekistan” JSC**  
**Notes to the Consolidated Financial Statements for the year ended 31 December 2025**

**17 Debt securities issued (continued)**

<i>In millions of UZS</i>	Issue registration date	Maturity date	Fixed coupon rate	Currency	Interest payment terms	31 December 2025	31 December 2024
Bonds of the 1st issue	21/09/2023	17/10/2026	19.0%	UZS	Semi-annually	145,539	145,539
Bonds of the 2nd issue	26/06/2024	10/07/2027	19.0%	UZS	Semi-annually	163,821	163,664
Bonds of the 3rd issue	11/09/2024	18/09/2029	18.0%	UZS	Quarterly	50,370	50,370
Bonds of the 4th issue	08/11/2024	18/11/2027	19.0%	UZS	Quarterly	255,856	255,726
Bonds of the 5th issue	14/03/2025	19/03/2028	18.0%	UZS	Quarterly	201,282	-
Bonds of the 6th issue	20/11/2025	09/12/2030	17.5%	UZS	Quarterly	202,110	-
Bonds of the 7th issue	05/12/2025	23/12/2030	17.5%	UZS	Quarterly	200,766	-
						<b>1,219,744</b>	<b>615,299</b>

The Company made its initial listing on the Republic of Uzbekistan Stock Exchange in 2023.

In June, September and November 2024, the Company registered its second, third and fourth bond issues totalling 450,000 bonds (with a PAR value of UZS 1,000,000 each). Through these bond issuances, the Company placed bonds with an aggregate nominal value equal to the issue amounts, carrying a coupon rate of 18-19% per annum and maturities of 3-5 years.

In March and December 2025, the Company registered its fifth, sixth and seventh bond issues totalling 600,000 bonds (with a PAR value of UZS 1,000,000 each). Through these bond issuances, the Company placed bonds with an aggregate nominal value equal to the issue amounts, carrying a coupon rate of 17.5-18% per annum and maturities of 3-5 years.

The Company's issued bonds are unsecured and traded in non-documentary form. During the years ended 31 December 2025 and 31 December 2024, the Company experienced no defaults or other breaches of repayment schedules or bond issuance terms regarding principal or interest payments.

All of the Company's bond issues are listed on the Republican Stock Exchange "Toshkent".

**18 Lease liabilities**

<i>In millions of UZS</i>	31 December 2025	31 December 2024
<b>Maturity analysis</b>		
Year 1	-	1,399
Year 2	-	1,399
Year 3	-	1,399
Year 4	-	1,399
Year 5	-	1,399
Onward	-	1,399
<b>Total</b>	<b>-</b>	<b>8,395</b>
Less: Unearned interest	-	(2,782)
<b>Lease liability</b>	<b>-</b>	<b>5,613</b>

The following table demonstrates movements in lease liabilities

<i>In millions of UZS</i>	2025	2024
<b>Balance at 1 January</b>	<b>5,613</b>	<b>5,315</b>
Additions and modifications	-	931
Interest accrued	771	390
Payments made	(1,399)	(1,023)
Derecognised on termination	(4,985)	-
<b>Balance at 31 December</b>	<b>-</b>	<b>5,613</b>

The accompanying notes on pages 11 to 48 are an integral part of these consolidated financial statements

## 18 Lease liabilities (continued)

### Change in lease term assessment and derecognition in 2025

In December 2025, the Company terminated the previous lease agreement and entered into a new lease agreement for office premises extending occupancy for five months only (through May 2026). Given this significantly shortened contractual commitment, management reassessed the lease term in accordance with IFRS 16 and concluded that the remaining lease term of five months qualified for the short-term lease exemption under IFRS 16.

As a result of this reassessment, the Company derecognised both the lease liability and the ROU asset that had been recognised based on the previously estimated five-year term. The derecognition resulted in a net gain recognised in profit or loss, calculated as follows:

<i>In millions of UZS</i>	<b>2025</b>
<b>Lease liability derecognised</b>	<b>4,985</b>
ROU asset derecognised – gross carrying amount	(6,430)
ROU asset derecognised – accumulated depreciation	2,294
<b>Net carrying amount of ROU asset derecognised</b>	<b>(4,136)</b>
<b>Gain on termination of lease recognised in profit or loss</b>	<b>849</b>

## 19 Other liabilities

Other liabilities comprise the following items:

<i>In millions of UZS</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
<i>Other financial liabilities measured at amortised cost</i>		
Provision for employee leave liability	1,342	1,083
Accrued administrative expenses	919	1,255
Other financial liabilities	154	124
<b>Total other financial liabilities measured at amortised cost</b>	<b>2,415</b>	<b>2,462</b>
<i>Other non-financial liabilities</i>		
Provisions for remuneration to employees	5,191	5,800
Income tax liabilities	971	532
Other taxes payable	783	815
Other non-financial liabilities	-	99
<b>Total other non-financial liabilities</b>	<b>6,945</b>	<b>7,246</b>
<b>Total other liabilities</b>	<b>9,360</b>	<b>9,708</b>

## 20 Share capital

### Share capital

<i>In Uzbek Soums, except for the number of shares</i>	<b>Number of shares in circulation, thousand</b>	<b>PAR value</b>	<b>Ordinary shares, thousand</b>
As at 1 January 2023	112,223	1,000	112,223
As at 31 December 2023	132,790	1,000	132,790
As at 31 December 2024	966,427	1,000	966,427
As at 31 December 2025	1,396,227	1,000	1,396,227

**20 Share capital (continued)**

On 18 December 2023, the President of the Republic of Uzbekistan issued Resolution No. PP-394 “On measures for the financial support of the activities of the “Mortgage refinancing company of Uzbekistan” JSC”. In accordance with this Resolution, the Company’s share capital was required to be increased by UZS 808,100 million by 1 June 2024.

The increase in authorised and issued capital by UZS 808,100 million was made through contributions from existing and new shareholders amounting to UZS 508,100 million, and through the reallocation of a budget loan received in 2022 in the amount of UZS 300,000 million to increase the state’s share in the Company’s share capital.

On 21 February 2025 the Decree of the President of the Republic of Uzbekistan "On additional measures for the further development of housing and mortgage markets" No. PD-26 was issued. According to this Decree, the share capital of the Company had to be increased for UZS 433,600 million by 1 July 2025.

Increasing of the authorised and issued capital for the amount of UZS 429,800 million was performed on the account of the deposits from existing and new shareholders.

The Company’s shares are listed on the Republican Stock Exchange “Toshkent”.

**Dividends**

Dividends payable are restricted to the maximum retained earnings of the Company, which are determined according to the legislation of the Republic of Uzbekistan. In 2025, the Company declared and distributed dividends among its shareholders in the form of cash for the amount of UZS 106,075 million (2024: UZS 26,927 million were distributed by issuing additional shares).

## **21 Risk management**

Risk management is carried out with respect to financial, operational, and legal risks. Financial risks include market risk (comprising currency risk, interest rate risk, and other price risks), credit risk, and liquidity risk. The main objective of risk management is to establish risk limits and ensure ongoing compliance with those limits. Operational and legal risk management aims to ensure appropriate adherence to internal policies and procedures in order to minimise operational and legal risks.

**Credit risk.** The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

*Credit risk management.* Credit risk is one of the most significant risks for the Group's business. Accordingly, management pays particular attention to the control and management of credit risk.

*Credit risk classification system.* For the purpose of assessing credit risk and classifying financial instruments by credit risk level, the Group applies a unified approach based on the credit ratings assigned by international rating agencies (Standard & Poor's – “S&P”, Fitch, Moody's) to cash and cash equivalents, bank deposits, loans to banks, and investments in debt securities.

External credit ratings are assigned to counterparties by independent international credit rating agencies such as S&P, Moody's, and Fitch. These ratings are publicly available.

**Expected Credit Loss (ECL) assessment.** *Expected credit losses* represent the present value of future cash shortfalls, weighted by the probability of default (i.e., the weighted average of credit losses using the respective default probabilities as weights). The assessment of ECL is objective and determined through the calculation of a range of possible outcomes.

The assessment of expected credit losses on an individual basis is conducted by weighting estimated losses for various potential outcomes by the likelihood of each outcome. For each loan under review, the Group identifies at least two possible scenarios, one of which results in a credit loss, even if such a scenario has a low probability. The individual ECL assessment is primarily based on the expert judgement of experienced staff within the Risk Management Department.

**External credit rating-based assessment principles.** Certain instruments are assigned external credit ratings, which are used to assess the parameters of “probability of default” and “loss given default” based on default and recovery statistics published by the respective rating agencies.

**Forward-looking information in ECL models.** The assessment of a significant increase in credit risk and the calculation of expected credit losses require the inclusion of verifiable forward-looking information. The Group estimates expected credit losses incorporating forward-looking macroeconomic information. The key macroeconomic variables identified as correlated with changes in credit risk in the Uzbekistan banking sector are the UZS/USD exchange rate dynamics and the inflation rate. ECL calculations incorporate probability-weighted macroeconomic scenarios.

As with any economic forecast, assumptions and the likelihood of their realisation are inherently subject to a high degree of uncertainty; therefore, actual results may differ significantly from those projected.

The Group regularly reviews its methodology and assumptions to minimise variances between projected and actual credit losses. Such back-testing is performed at least annually.

The results of back-testing of the expected credit loss assessment methodology are communicated to the Group's management, and further steps for refinement of the models and assumptions are determined following discussions with authorised persons.

**Maximum exposure to credit risk.** The maximum exposure to credit risk is generally represented by the carrying amount of financial assets in the statement of financial position and the amount of unrecognised contractual commitments.

**21 Risk management (continued)**

The maximum exposure to credit risk in respect of financial assets as at the reporting date is presented as follows:

<i>In millions of UZS</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Cash and cash equivalents	9,111	2,231
Deposits in banks	601,668	465,156
Loans to banks	5,758,440	4,475,949
Investment securities	970,407	593,368
<b>Total maximum exposure to credit risk</b>	<b>7,339,626</b>	<b>5,536,704</b>

**Market risk.** The Group is exposed to market risk, primarily related to interest rate risk. Management sets limits on the level of risk undertaken and monitors compliance with these limits on a daily basis. However, the application of this approach cannot prevent losses exceeding these limits in the event of more significant market fluctuations.

**Interest rate risk.** The Group is exposed to risk arising from the impact of fluctuations in market interest rates on its financial position and cash flows. Such fluctuations may increase interest margin levels; however, unexpected interest rate movements could lead to a reduction in interest margins or result in losses. Management establishes limits on acceptable interest rate mismatches and monitors adherence to these limits on a daily basis.

The table below provides a summary analysis of the Group’s interest rate risk:

<i>In millions of UZS</i>	<b>On demand and less than 1 month</b>	<b>1 to 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>31 December 2025</b>						
Total financial assets	118,466	140,299	660,822	3,086,719	3,324,209	7,330,515
Total financial liabilities	14,844	120,668	348,091	2,815,151	2,473,190	5,771,944
<b>Net interest rate gap as of 31 December 2025</b>	<b>103,622</b>	<b>19,631</b>	<b>312,731</b>	<b>271,568</b>	<b>851,019</b>	<b>1,558,571</b>
<b>31 December 2024</b>						
Total financial assets	25,114	203,198	359,615	1,970,002	2,976,544	5,534,473
Total financial liabilities	13,721	104,219	136,881	1,578,177	2,656,419	4,489,417
<b>Net interest rate gap as of 31 December 2024</b>	<b>11,393</b>	<b>98,979</b>	<b>222,734</b>	<b>391,826</b>	<b>320,125</b>	<b>1,045,056</b>

**Interest rate sensitivity analysis**

The management of interest rate risk, based on the analysis of interest rate repricing periods, is supplemented by monitoring the sensitivity of financial assets and liabilities.

A sensitivity analysis of profit or loss and equity (net of tax) to interest rate changes (*interest rate repricing risk*) has been prepared using a simplified scenario of a parallel shift in yield curves by 100 basis points, either upwards or downwards, and the repricing positions of interest-bearing assets and liabilities as at 31 December 2025 and 2024. The results are presented below:

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
100 bp parallel fall	223,925	174,731
100 bp parallel rise	(223,925)	(174,731)

**“Mortgage Refinancing Company of Uzbekistan” JSC**  
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**21 Risk management (continued)**

The table below outlines weighted average interest rates on the Group’s financial instruments:

<i>% p.a.</i>	<b>2025</b>	<b>2024</b>
	<b>UZS</b>	<b>UZS</b>
<b>Assets</b>		
Deposits in banks	19.6%	20.0%
Loans to banks	15.2%	14.0%
Investment securities	16.2%	17.3%
<b>Liabilities</b>		
Borrowed funds	13.1%	12.3%
Debt securities issued	18.3%	18.9%
Lease liabilities	-	15.8%

**Geographical risk concentration.** The geographical concentration of financial assets and financial liabilities as at 31 December 2025 is set out below:

<i>In millions of UZS</i>	<b>Republic of Uzbekistan</b>	<b>Other countries</b>	<b>OECD</b>	<b>Total</b>
<b>Financial assets</b>				
Cash and cash equivalents	9,111	-	-	9,111
Deposits in banks	601,668	-	-	601,668
Loans to banks	5,758,440	-	-	5,758,440
Investment securities	970,407	-	-	970,407
<b>Total financial assets</b>	<b>7,339,626</b>	<b>-</b>	<b>-</b>	<b>7,339,626</b>
<b>Financial liabilities</b>				
Borrowed funds	21,805	3,790,490	739,905	4,552,200
Debt securities issued	1,219,744	-	-	1,219,744
Other financial liabilities	2,415	-	-	2,415
<b>Total financial liabilities</b>	<b>7,339,626</b>	<b>-</b>	<b>-</b>	<b>7,339,626</b>
<b>Net position on non-derivative financial instruments</b>	<b>7,339,626</b>	<b>-</b>	<b>-</b>	<b>7,339,626</b>

**21 Risk management (continued)**

The geographical concentration of financial assets and financial liabilities as at 31 December 2024 is set out below:

<i>In millions of UZS</i>	<b>Republic of Uzbekistan</b>	<b>Other countries</b>	<b>OECD</b>	<b>Total</b>
<b>Financial assets</b>				
Cash and cash equivalents	2,231	-	-	2,231
Deposits in banks	465,156	-	-	465,156
Loans to banks	4,475,949	-	-	4,475,949
Investment securities	593,368	-	-	593,368
<b>Total financial assets</b>	<b>5,536,704</b>	<b>-</b>	<b>-</b>	<b>5,536,704</b>
<b>Financial liabilities</b>				
Borrowed funds	-	3,534,200	334,306	3,868,505
Debt securities issued	615,299	-	-	615,299
Other financial liabilities	8,075	-	-	8,075
<b>Total financial liabilities</b>	<b>623,374</b>	<b>3,534,200</b>	<b>334,306</b>	<b>,4,491,879</b>
<b>Net position on non-derivative financial instruments</b>	<b>4,913,303</b>	<b>(3,534,200)</b>	<b>(334,306)</b>	<b>1,044,825</b>

Assets and liabilities are generally classified according to the country of residence of the counterparty.

**Liquidity risk.** Liquidity risk is the risk that the Group may encounter difficulties in meeting its financial obligations. The Group's Assets and Liabilities Committee is responsible for managing liquidity risk.

The Group maintains a stable funding base, primarily comprising borrowings from international financial institutions and issued bonds. It invests in diversified portfolios and holds liquid assets to ensure it can meet unexpected liquidity demands promptly and without constraint.

The Group's liquidity management involves assessing the level of liquid assets required to settle maturing obligations; maintaining access to diverse funding sources; implementing contingency funding plans; monitoring compliance with statutory liquidity requirements. The Group calculates liquidity ratios monthly in accordance with the Central Bank of the Republic of Uzbekistan (CBU) regulations. These ratios are computed under the National Accounting Standards of the Republic of Uzbekistan.

The Treasury monitors financial assets and liabilities. It maintains an adequate portfolio of short-term liquid assets, predominantly comprising liquid government securities, to preserve sufficient overall liquidity. The Treasury conducts monthly liquidity position reviews and regular stress testing under various scenarios, including both normal and adverse market conditions.

The table below presents the maturity profile of liabilities based on remaining contractual terms. The amounts represent undiscounted contractual cash flows. These undiscounted cash flows differ from amounts reported in the statement of financial position, which are based on discounted cash flows.

Where payment amounts are not fixed, figures reflect conditions existing at the end of the reporting period.

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**21 Risk management (continued)**

The table below provides an analysis of undiscounted cash flows for financial assets and liabilities by contractual maturity as at 31 December 2025:

<i>In millions of UZS</i>	On demand and less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total cash flows	Carrying value
<b>Assets</b>							
Cash and cash equivalents	9,111	-	-	-	-	9,111	9,111
Deposits in banks	50,156	5,175	325,484	337,589	-	718,404	601,668
Loans to banks	31,477	343,828	819,038	4,974,551	5,594,393	11,763,287	5,758,440
Investment securities	49,553	1,018	196,691	925,916	-	1,173,178	970,407
<b>Total potential future receipts from financial assets</b>	<b>140,297</b>	<b>350,021</b>	<b>1,341,213</b>	<b>6,238,056</b>	<b>5,594,393</b>	<b>13,663,980</b>	<b>7,339,626</b>
<b>Liabilities</b>							
Borrowed funds	1,064	132,326	513,353	3,489,343	4,238,638	8,374,724	4,552,200
Debt securities issued	28,120	50,744	308,549	1,475,960	-	1,863,373	1,219,744
Other financial liabilities	2,415	-	-	-	-	2,415	2,415
<b>Total potential future payments on financial obligations</b>	<b>31,599</b>	<b>183,070</b>	<b>821,902</b>	<b>4,965,303</b>	<b>4,238,638</b>	<b>10,240,512</b>	<b>5,774,359</b>
<b>Liquidity gap in financial instruments</b>	<b>108,698</b>	<b>166,951</b>	<b>519,311</b>	<b>1,272,753</b>	<b>1,355,755</b>	<b>3,423,468</b>	<b>1,565,267</b>

The table below provides an analysis of undiscounted cash flows for financial assets and liabilities by contractual maturity as at 31 December 2024:

<i>In millions of UZS</i>	On demand and less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total cash flows	Carrying value
<b>Assets</b>							
Cash and cash equivalents	2,231	-	-	-	-	2,231	2,231
Deposits in banks	-	40,863	156,073	381,085	-	578,020	465,156
Loans to banks	40,096	270,152	573,075	3,342,768	5,109,223	9,335,315	4,475,949
Investment securities	-	50,000	81,122	603,931	-	735,053	593,368
<b>Total potential future receipts from financial assets</b>	<b>42,327</b>	<b>361,015</b>	<b>810,270</b>	<b>4,327,784</b>	<b>5,109,223</b>	<b>10,650,619</b>	<b>5,536,704</b>
<b>Liabilities</b>							
Borrowed funds	-	231,954	451,950	2,563,891	4,561,319	7,809,115	3,868,505
Debt securities issued	14,220	14,223	83,176	802,333	-	913,952	615,299
Lease liabilities	117	350	933	5,596	1,399	8,395	5,613
Other financial liabilities	2,462	-	-	-	-	2,462	2,462
<b>Total potential future payments on financial obligations</b>	<b>16,730</b>	<b>246,527</b>	<b>536,059</b>	<b>3,371,820</b>	<b>4,562,718</b>	<b>8,733,924</b>	<b>4,491,879</b>
<b>Liquidity gap in financial instruments</b>	<b>25,528</b>	<b>114,488</b>	<b>274,211</b>	<b>955,964</b>	<b>546,505</b>	<b>1,916,695</b>	<b>1,044,825</b>

The Company calculates mandatory liquidity ratios in accordance with the requirements of the CBU.

The Liquidity Coverage Ratio (LCR) is calculated monthly and must not fall below 100%. As at 31 December 2025, the LCR stood at 24,079.98% (2024: 16,168.43%).

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**21 Risk management (continued)**

The Net Stable Funding Ratio (NSFR) is calculated monthly and must not fall below 100%. As at 31 December 2025, the NSFR stood at 106.33% (2024: 105.53%).

The table below analyses the maturity profile of non-derivative financial assets and liabilities carried at amortised cost, based on contractual maturity dates. Impaired loans and advances are included at carrying amount (net of impairment provisions) according to expected cash inflow timing.

The table below shows an analysis by contractual maturities as at 31 December 2025:

<i>In millions of UZS</i>	On demand and less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Assets</b>						
Cash and cash equivalents	9,111	-	-	-	-	9,111
Deposits in banks	49,995	4,996	284,319	262,358	-	601,668
Loans to banks	15,614	134,249	189,049	2,095,319	3,324,209	5,758,440
Investment securities	52,857	1,054	187,454	729,042	-	970,407
Deferred income tax assets	4,328	-	-	-	-	4,328
<b>Total financial assets</b>	<b>131,905</b>	<b>140,299</b>	<b>660,822</b>	<b>3,086,719</b>	<b>3,324,209</b>	<b>7,343,954</b>
<b>Liabilities</b>						
Borrowed funds	1,024	110,283	202,552	1,765,151	2,473,190	4,552,200
Debt securities issued	13,820	10,385	145,539	1,050,000	-	1,219,744
Lease liabilities	-	-	-	-	-	-
Other financial liabilities	2,415	-	-	-	-	2,415
<b>Total financial liabilities</b>	<b>17,259</b>	<b>120,668</b>	<b>348,091</b>	<b>2,815,151</b>	<b>2,473,190</b>	<b>5,774,359</b>
<b>Liquidity gap in financial instruments</b>	<b>114,646</b>	<b>19,631</b>	<b>312,731</b>	<b>271,568</b>	<b>851,019</b>	<b>1,569,595</b>

The table below shows an analysis by contractual maturities as at 31 December 2024:

<i>In millions of UZS</i>	On demand and less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Assets</b>						
Cash and cash equivalents	2,231	-	-	-	-	2,231
Deposits in banks	-	39,874	139,579	285,704	-	465,156
Loans to banks	25,114	114,428	144,911	1,214,952	2,976,544	4,475,949
Investment securities	-	48,896	75,125	469,347	-	593,368
Deferred income tax assets	4,386	-	-	-	-	4,386
<b>Total financial assets</b>	<b>31,731</b>	<b>203,198</b>	<b>359,615</b>	<b>1,970,002</b>	<b>2,976,544</b>	<b>5,541,090</b>
<b>Liabilities</b>						
Borrowed funds	-	98,013	130,826	984,556	2,655,110	3,868,505
Debt securities issued	13,674	6,102	5,523	590,000	-	615,299
Lease liabilities	48	104	532	3,620	1,310	5,613
Other financial liabilities	2,462	-	-	-	-	2,462
<b>Total financial liabilities</b>	<b>16,183</b>	<b>104,219</b>	<b>136,881</b>	<b>1,578,176</b>	<b>2,656,419</b>	<b>4,491,880</b>
<b>Liquidity gap in financial instruments</b>	<b>15,548</b>	<b>98,979</b>	<b>222,734</b>	<b>391,826</b>	<b>320,125</b>	<b>1,049,210</b>

## 22 Capital management

In accordance with existing capital requirements established by the CBU, the Company shall maintain:

- A ratio of capital to risk-weighted assets ("capital adequacy ratio") above the mandatory minimum level
- A ratio of Tier 1 capital to total assets less intangible assets (Leverage) above the mandatory minimum level

As at 31 December 2025 and 31 December 2024, the Company complied with the above capital requirements.

The table below shows the total capital based on the Company's reports prepared in accordance with the accounting legislation of the Republic of Uzbekistan and relevant regulations:

<i>In millions of UZS</i>	<b>31 December 2025</b>	<b>31 December 2024</b>
Total Adjusted Tier 1 Capital	1,393,156	959,752
Adjusted Tier 2 Capital	204,397	115,635
<b>Total Regulatory Capital</b>	<b>1,597,553</b>	<b>1,075,387</b>
<b>Risk Weighted Assets</b>	<b>841,582</b>	<b>585,780</b>
<b>Regulatory Capital Ratio</b>	<b>189.83%</b>	<b>183.58%</b>

## 23 Contingent liabilities

**Legal matters.** In the ordinary course of business, the Group is subject to legal claims and disputes. Management believes that any probable liabilities (if any) arising from such claims or disputes will not have a material adverse effect on the Group's financial position or future operating results.

**Tax legislation.** The tax, customs and foreign exchange regulations of the Republic of Uzbekistan are subject to varying interpretations and frequent changes. Moreover, regulatory acts issued by different government bodies may contradict each other. Management's interpretation of the legislation as applied to the Group's transactions and operations may be challenged by the relevant authorities. Uzbek tax authorities may take a stricter position when interpreting legislation and assessing tax charges, and there is a possibility that transactions and activities not previously challenged may be disputed. As a result, significant additional taxes, fines and penalties could be assessed. Tax periods remain open for review by the relevant tax authorities for five calendar years preceding the year under review. In certain cases, audits may cover longer periods.

Management believes that its interpretation of the relevant legislation is correct and that the Group's tax, foreign exchange and customs positions will be sustained. Accordingly, as at 31 December 2025 and 31 December 2024, management has not recognised a provision for potential tax liabilities. The Group estimates that there are no potential tax liabilities, except for those that are remote.

## 24 Presentation of financial instruments by measurement categories

In accordance with IFRS 9 "Financial Instruments", the Group classifies its financial assets into the following categories: (a) Financial assets at fair value through profit or loss; (b) Financial assets at fair value through other comprehensive income; (c) Financial assets at amortised cost. The "financial assets at fair value through profit or loss" category has two subcategories: (i) Assets mandatorily measured at fair value through profit or loss; (ii) Assets designated into this category upon initial recognition. Additionally, finance lease receivables are presented as a separate category.

As at 31 December 2025 and 31 December 2024, all of the Group's financial assets and financial liabilities were measured at amortised cost.

## 25 Related party transactions

Parties are considered related if they are under common control, or one party has the ability to control the other or can exercise significant influence over the financial and operating decisions of the other party. When assessing whether a relationship constitutes a related party relationship, consideration is given to the substance of the relationship, not merely its legal form.

The Ministry of Economy and Finance of the Republic of Uzbekistan, as well as the majority of the Group's shareholders, are controlled by the Republic of Uzbekistan. The ultimate controlling party of the Group is the Government of the Republic of Uzbekistan.

### Transactions with the Supervisory Board and Executive Management members

Total compensation included in the "Personnel expenses" item (see Note 8):

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
Supervisory Board Members	1,907	1,637
Executive Management members	6,186	4,593
<b>Total</b>	<b>8,093</b>	<b>6,230</b>

Balances with Supervisory Board and Executive Management members as at the end of the reporting period are presented below:

<i>In millions of UZS</i>	<b>2025</b>	<b>2024</b>
Provisions for remuneration	1,056	2,116

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### Transactions with other related parties

Other related parties under control of the Republic of Uzbekistan and relatives of the management. Below are the carrying amounts and corresponding weighted average interest rates as at 31 December 2025 and 31 December 2024, along with related profit or loss amounts from transactions with other related parties for the years ended 31 December 2025 and 31 December 2024.

**25 Related party transactions (continued)**

The outstanding balances and the related average interest rates as at 31 December 2025 and 31 December 2024 and related profit or loss amounts of transactions for the years ended 31 December 2025 and 31 December 2024 with organizations under control of the Republic of Uzbekistan are as follows:

<i>In millions of UZS</i>	2025		2024	
	Amount	Average interest rate	Amount	Average interest rate
<b>Statement of financial position</b>				
<b>Assets</b>				
Cash and cash equivalents	9,122	-	2,234	-
Deposits in banks	514,081	19.9%	372,109	20.0%
Loans to banks	2,796,155	14.6%	2,482,330	13.8%
Investment securities	975,083	15.0%	596,443	17.3%
<b>Liabilities</b>				
Borrowed funds	3,449,956	11.6%	3,534,200	11.5%
Debt securities issued	950,508	18.5%	574,826	18.9%
Other financial liabilities	-	-	-	-
<b>Profit/ (loss)</b>				
Interest income	527,464		360,245	
Interest expense	(517,431)		(413,239)	
Allowance for expected credit losses on interest-bearing assets	(1,780)		(7,109)	
Fee and commission expense	(1,107)		(1,664)	
Administrative and other operating expenses	(71)		(54)	

**26 Fair value of financial instruments**

The fair value measurement results are analysed and categorised into the fair value hierarchy levels as follows: (i) Level 1 comprises valuations using quoted (unadjusted) prices in active markets for identical assets or liabilities; (ii) Level 2 includes valuations using measurement techniques where all significant inputs used are directly or indirectly observable for the asset or liability (e.g., prices); and (iii) Level 3 valuations, which are measurements not based on observable market data (i.e., based on unobservable inputs). Management exercises professional judgement when categorising financial instruments within the fair value hierarchy. If observable inputs requiring significant adjustments are used in the fair value measurement, such measurement is classified as Level 3. The significance of inputs used is assessed in the context of the entire fair value measurement.

**26 Fair value of financial instruments (continued)**

**Assets and liabilities not measured at fair value for which fair value disclosures are provided**

The following presents an analysis of fair value by hierarchy level and the carrying amounts of assets not measured at fair value:

<i>In millions of UZS</i>	<b>31 December 2025</b>				<b>31 December 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>
<b>ASSETS</b>								
Cash and cash equivalents	-	9,111	-	9,111	-	2,231	-	<b>2,231</b>
Deposits in banks	-	601,668	-	601,668	-	465,156	-	<b>465,156</b>
Loans to banks	-	-	5,758,440	5,758,440	-	-	4,475,949	<b>4,475,949</b>
Investment securities	-	970,407	-	970,407	-	593,368	-	<b>593,368</b>
<b>TOTAL ASSETS</b>	<b>-</b>	<b>1,581,186</b>	<b>5,758,440</b>	<b>7,339,626</b>	<b>-</b>	<b>1,060,755</b>	<b>4,475,949</b>	<b>5,536,704</b>
<b>LIABILITIES</b>								
Borrowed funds	-	-	4,552,200	4,552,200	-	-	3,868,505	<b>3,868,505</b>
Debt securities issued	-	1,219,744	-	1,219,744	-	615,299	-	<b>615,299</b>
Lease liabilities	-	-	-	-	-	-	5,613	<b>5,613</b>
Other financial liabilities	-	-	2,415	2,415	-	-	2,462	<b>2,462</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>1,219,744</b>	<b>4,554,615</b>	<b>5,774,359</b>	<b>-</b>	<b>615,299</b>	<b>3,876,580</b>	<b>4,491,879</b>

**27 Segment information**

The Group 's operations constitute a single reportable segment.

The Group primarily provides banking lending services in the Republic of Uzbekistan. The Group defines its segment in accordance with the criteria set out in IFRS 8 "Operating segments", based on how the Group 's performance is regularly reviewed by the Chief Operating Decision Maker for performance assessment and resource allocation across business units.

The Group's General Director has been designated as the Chief Operating Decision Maker. This responsible officer reviews internal management reports to evaluate performance and allocate resources. Based on these internal reports, management has identified a single operating segment – banking services.

## 28 Abbreviations

The following is a list of abbreviations used in these financial statements:

<b>Abbreviations</b>	<b>Descriptions</b>
AC	Amortised cost
CCF	Credit conversion factor
CBU	Central Bank of the Republic of Uzbekistan
EAD	Exposure at default
ECL	Expected credit losses
EIR	Effective interest rate
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
FX, Forex	Foreign exchange differences
IFRS, IAS	International Financial Reporting Standards
Loans and AR	Loans and receivables
LGD	Loss given default
PD	Probability of default
POCI assets	Purchased or originated credit-impaired financial assets
ROU assets	Right-of-use assets
SICR	Significant increase in credit risk
SPPI	Solely payments of principal and interest
SPPI test	Assessment of whether the contractual cash flows of financial instruments are solely payments of principal and interest

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