

Joint stock commercial mortgage bank “Ipoteka-bank” and its subsidiaries

Consolidated Financial Statements
and Independent Auditors' Report



For the Year Ended 31 December 2025

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries

CONTENTS

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2025

INDEPENDENT AUDITOR’S REPORT

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2025

Consolidated statement of financial position	1
Consolidated statement of profit or loss and other comprehensive income	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	5

Notes to the Consolidated Financial Statements

1. Introduction	6
2. Operating Environment of the Group	7
3. Material accounting policy information	7
4. Critical Accounting Estimates and Judgements in Applying Accounting Policies	11
5. Changes in accounting policies and disclosures	17
6. Provisions for Expected Credit Losses	20
7. Cash and Cash Equivalents	22
8. Due from Other Banks	22
9. Loans and Advances to Customers	23
10. Debt Securities at Amortized Cost	36
11. Financial Assets at Fair Value through Other Comprehensive Income	37
12. Premises, Equipment and Intangible Assets	37
13. Non-current assets held for sale	38
14. Other Financial Assets	38
15. Other Non-Financial Assets	38
16. Due to Other Banks	38
17. Customer Accounts	39
18. Debt Securities in Issue	39
19. Borrowings from Government, State and International Financial Institutions	40
20. Subordinated debt	41
21. Other Liabilities	41
22. Changes in liabilities arising from financing activities	42
23. Share Capital	42
24. Earnings/(Loss) per share	43
25. Interest Income and Expense	43
26. Fee and Commission Income and Expense	44
27. Other Operating Income	44
28. Administrative and Other Operating Expenses	44
29. Income Taxes	45
30. Segment Reporting	47
31. Financial Risk Management	47
32. Management of Capital	63
33. Contingencies and Commitments	64
34. Fair Value of Financial Instruments	65
35. Insurance activities	67
36. Related Party Transactions	68
37. Subsequent Events	69

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of JSCMB "Ipoteka Bank" ("the Bank") and its subsidiaries (collectively – "the Group") as at 31 December 2025 and the related consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Uzbekistan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved by the Management Board on 30 April 2026.

On behalf of the Management Board:



Adam Szentpeteri
Deputy Chairman of the Management Board

30 April 2026
Tashkent, Uzbekistan

Elyor Normetov
Chief Accountant

30 April 2026
Tashkent, Uzbekistan



Audit Company
"Ernst & Young" LLC
Inconel Business Center, 3rd floor
75 Mustaqillik ave.
Tashkent, 100000
Republic of Uzbekistan
Tel.: +998 (78) 140 6482
ey.com/uz

"Ernst & Young"
MChJ Auditorlik tashkiloti
O'zbekiston Respublikasi
100000, Toshkent shahar
Mustaqillik shox ko'chasi, 75
Inkonel Biznes Markazi, 3 qavat
Tel.: +998 (78) 140 6482

ООО «Ernst & Young»
Аудиторская организация
Республика Узбекистан
100000, Ташкент
Проспект Мустакиллик, 75
Бизнес-центр Инконель, 3 этаж
Тел.: +998 (78) 140 6482

Independent auditor's report

To the Shareholders and the Supervisory Board of JSCMB "Ipoteka-Bank"

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of JSCMB Ipoteka-Bank (hereinafter, the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit 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.



Shape the future
with confidence

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Expected credit losses on loans to customers</p> <p>Assessment of expected credit losses ("ECL") on loans to customers based on the requirements of IFRS 9 Financial Instruments ("IFRS 9") is a key area of management's judgment.</p> <p>The assessment of such indicators as probability of default and loss given default, macroeconomic indicators, as well as identification of defaults or significant increase in credit risk since initial recognition of loan to customers involve significant professional judgment and use of assumptions.</p> <p>The calculation of ECL involves the use of estimation methods with unobservable inputs, including the determination of the probability of default, the exposure at default and loss given default on the basis of available historical data, adjusted for forecast information, including forecast macroeconomic parameters.</p> <p>The use of different models and assumptions can lead to significantly different estimates of the allowance for ECL for loans to customers. Due to the significance of the carrying amount of loans to customers for the Group's financial position, as well as the complexities and judgments associated with the assessment of ECL, we considered this area a key audit matter.</p>	<p>Our audit procedures included evaluating the methodology developed by the Group for the calculation of ECL on loans to customers, testing of input data used for the calculation of ECL, testing controls over the customer lending process, including testing design and operating effectiveness of internal controls, including IT general controls and controls over identification of overdue debts and procedures for assessing events that cause a significant increase in credit risk for borrowers. We have analysed the consistency of judgments applied by the Group's management in calculating the allowance for ECL in different periods.</p> <p>We tested information produced by the Group and used in development of assumptions in the calculation of ECL. We analysed indicators such as default, significant increase in credit risk, probability of default, loss given defaults, recoveries and macroeconomic indicators, which directly affect the amounts of ECL on loans and advances to customers.</p> <p>For allowance calculated on a portfolio basis, we evaluated, with the support of our internal specialists, the underlying models, key inputs and assumptions used by the Group to calculate ECL, as well as the allocation of loans to the stages. We assessed the management's judgement in relation to the determination of whether significant increase in credit risk has</p>



Shape the future
with confidence

Information on the allowance for ECL and the management's approach to assessing the allowance and managing credit risk is disclosed in Notes 6 and 9 to the consolidated financial statements.

occurred on an individual basis. For the selected sample of credit impaired loans, we have analysed the expected cash flows from the sale of collateral and cash repayment. We recalculated the allowance for ECL.

We assessed the completeness and accuracy of the disclosures in the consolidated financial statements on the allowance for ECL on loans to customers including disclosures related to significant estimates, credit risk and judgements.

Other information included in The Group's 2025 Annual Report

Other information consists of the information included in The Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and the Supervisory Board 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.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on findings from procedures performed in accordance with the requirements of Law No. LRU-580 dated 5 November 2019 On Banks and Banking Activity

Management of the Group is responsible for the Bank's compliance with prudential ratios and for maintaining internal controls and organizing risk management systems in accordance with the requirements established by the Central Bank of the Republic of Uzbekistan.

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

- whether as at 31 December 2025 the Bank complied with prudential ratios established by the Central Bank of the Republic of Uzbekistan;
- whether the elements of the Bank's internal control and organization of its risk management systems comply with the requirements established by the Central Bank of the Republic of Uzbekistan.

These procedures were selected based on our judgment, and were limited to the analysis, inspection of documents, comparison of the Bank's internal policies, procedures and methodologies with the applicable requirements established by the Central Bank of the Republic of Uzbekistan, and recalculations, comparisons and reconciliations of numerical data and other information.

Our findings from the procedures performed are reported below.

Based on our procedures with respect to the Bank's compliance with the prudential ratios established by the Central Bank of the Republic of Uzbekistan, we found that the Bank's prudential ratios, as at 31 December 2025, were within the limits established by the Central Bank of the Republic of Uzbekistan.

We have not performed any procedures on the accounting records maintained by the Group, other than those which we considered necessary to enable us to express an opinion as to whether the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Based on our procedures with respect to the compliance of the elements of the Group's internal control and organization of its risk management systems with the requirements established by the Central Bank of the Republic of Uzbekistan, we found that:

- as at 31 December 2025, the Bank's internal audit function was subordinated to, and reported to, the Supervisory Board, and the risk management function was not subordinated to, and did not report to, divisions taking relevant risks;
- the frequency of reports prepared by the Bank's internal audit function during 2025 was in compliance with the requirements of the Central Bank of the Republic of Uzbekistan. The reports were approved by the Supervisory Board and included observations made by the Bank's internal audit function in respect of internal control systems;
- as at 31 December 2025, the Bank established Information security function, and the information security policy was approved by the Bank's management board. Information security function was subordinated to and reported directly to the Chairman of the management board;
- reports by the Bank's Information security function to the Chairman of the management board during 2025 included assessment and analysis of information security risks, and results of actions to manage such risks;
- the Bank's internal documentation, effective on 31 December 2025, establishing the procedures and methodologies for identifying and managing credit risk, market risk, liquidity risk, operational risk, country risk, legal risk, reputational risk, fraud risk (hereinafter "significant risks"), and for stress-testing, was approved by the authorised management bodies of the Bank;
- as at 31 December 2025, the Bank maintained a system for reporting on the Bank's significant risks, and on the Bank's capital;
- the frequency of reports prepared by the Bank's risk management and internal audit functions during 2025, which cover the Bank's significant risks management, was in compliance with the Bank's internal documentation. The reports included observations made by the Bank's risk management and internal audit functions as to their assessment of the Bank's significant risks and risk management system, and recommendations for improvement;
- as at 31 December 2025, the Supervisory Board and Executive Management of the Bank had responsibility for monitoring the Bank's compliance with the risk limits and capital adequacy ratios established in the Bank's internal documentation. In order to monitor the effectiveness of the Bank's risk management procedures and their consistent application during 2025, the Supervisory Board and executive management bodies of the Bank periodically discussed the reports prepared by the risk management and internal audit functions, and considered the proposed corrective actions.



Shape the future
with confidence

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

The partner in charge of the audit resulting in this independent auditor's report is Ruslan Khoroshvili.

Tashkent, Uzbekistan

30 April 2026

Ruslan Khoroshvili
Engagement Partner



On behalf of Audit Company "Ernst & Young" LLC
Certificate authorizing audit of banks registered by the Central Bank of the Republic of Uzbekistan under No.11 dated 22 July 2019

Mukhammadyokubkhuja Sharafitdinkhodjaev
General Director / Qualified Auditor

Auditor's qualification certificate authorizing audit of banks No.39 dated 7 March 2025 issued by the Central Bank of the Republic of Uzbekistan

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated Statement of Financial Position as at 31 December 2025

<i>In millions of Uzbekistan Soums</i>	Notes	31 December 2025	31 December 2024
ASSETS			
Cash and cash equivalents	7	7,040,467	9,089,717
Due from other banks	8	935,428	2,628,011
Loans and advances to customers	9	35,080,855	32,316,421
Debt securities at amortized cost	10	9,959,165	4,688,698
Financial assets at fair value through other comprehensive income	11	58,898	44,259
Reinsurance contract assets	35	36,347	29,525
Current income tax prepayment		69,310	116,873
Non-current assets held for sale	13	26,755	194,356
Premises, equipment and intangible assets	12	1,112,059	819,163
Right of use assets		39,477	24,090
Other financial assets	14	9,893	7,419
Other non-financial assets	15	558,696	335,695
Deferred tax asset	29	-	217,013
TOTAL ASSETS		54,927,350	50,511,240
LIABILITIES			
Due to other banks	16	9,160	251,379
Customer accounts	17	18,318,358	17,855,389
Debt securities in issue	18	6,291,138	5,297,811
Lease liabilities		45,365	26,413
Borrowings from government, state and international financial institutions	19	20,920,253	19,849,278
Subordinated debt	20	457,467	584,684
Insurance contract liabilities	35	132,690	113,208
Other financial liabilities	21	43,116	16,137
Other non-financial liabilities	21	301,890	252,402
Deferred tax liability	29	92,620	-
TOTAL LIABILITIES		46,612,057	44,246,701
EQUITY			
Share capital	23	3,832,584	3,832,584
Additional paid-in capital		75,750	75,750
Retained earnings		4,395,719	2,349,095
Revaluation reserve of financial assets at fair value through other comprehensive income		11,240	7,110
TOTAL EQUITY		8,315,293	6,264,539
TOTAL LIABILITIES AND EQUITY		54,927,350	50,511,240

The consolidated financial statements for the year ended 31 December 2025 were approved by the Management Board on 30 April 2026 and signed on its behalf by:


Adam Szentpeteri
Deputy Chairman of the Management Board


Elyor Normetov
Chief Accountant

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended
31 December 2025

<i>In millions of Uzbekistan Soums</i>	Notes	2025	2024
Interest income calculated using the effective interest rate	25	7,513,075	7,056,318
Other interest income	25	22,264	29,872
Interest expense	25	(4,111,037)	(3,389,071)
Net interest income before charge for expected credit losses		3,424,302	3,697,119
Recovery of / (charge for) credit losses on loans and advances to customers	9	257,472	(1,048,658)
Net interest income after change for expected credit losses		3,681,774	2,648,461
Fee and commission income	26	609,361	432,495
Fee and commission expense	26	(178,160)	(116,282)
Net gain from trading in foreign currencies		212,864	210,375
Loss from foreign exchange translation		(24,607)	(610)
Net effect of initial recognition of financial instruments at fair value		8,149	3,097
Insurance operations income	35	52,991	123,604
Insurance operations expense	35	(31,134)	(25,816)
Dividend income		4,788	1,787
Recovery of impairment charge on other financial assets and contingencies	6	26,055	6,393
Recovery of impairment charge / (impairment charge) on assets held for sale		29,731	(4,930)
Impairment charge on repossessed assets		(73,218)	(58,422)
Other operating income	27	14,219	6,523
Administrative and other operating expenses	28	(1,928,992)	(1,726,807)
Share of profit of associates		-	6,967
Profit before tax		2,403,821	1,506,835
Income tax expense	29	(357,197)	(219,780)
NET PROFIT FOR THE PERIOD		2,046,624	1,287,055
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value adjustment on financial assets at fair value through other comprehensive income		5,163	4,301
Tax effect of the fair value adjustment on financial assets at fair value through other comprehensive income	29	(1,033)	(860)
Total other comprehensive income for the period		4,130	3,441
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,050,754	1,290,496
Total basic and diluted earnings per ordinary share (expressed in UZS per share)	24	0.53	0.33

The consolidated financial statements for the year ended 31 December 2025 were approved by the Management Board on 30 April 2026 and signed on it's behalf by:


Adam Szentpeteri
Deputy Chairman of the Management Board




Elyor Normetov
Chief Accountant

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated statement of changes in equity for the year ended 31 December 2025

<i>In millions of Uzbekistan Soums</i>	Attributable to owners of the Bank				Total equity
	Share capital	Additional paid-in capital	Retained earnings	Revaluation reserve of financial assets at fair value through other comprehensive income	
1 January 2025	3,832,584	75,750	2,349,095	7,110	6,264,539
Net profit for the period	-	-	2,046,624	-	2,046,624
Other comprehensive loss for the period	-	-	-	4,130	4,130
Total comprehensive income for the period	-	-	2,046,624	4,130	2,050,754
31 December 2025	3,832,584	75,750	4,395,719	11,240	8,315,293

The consolidated financial statements for the year ended 31 December 2025 were approved by the Management Board on 30 April 2026 and signed on it's behalf by:


 Adam Szentpeteri
 Deputy Chairman of the Management Board




 Elyor Normetov
 Chief Accountant

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Consolidated statement of changes in equity for the year ended 31 December 2024

<i>In millions of Uzbekistan Soums</i>	Attributable to owners of the Bank				Total equity
	Share capital	Additional paid-in capital	Retained earnings	Revaluation reserve of financial assets at fair value through other comprehensive income	
1 January 2024	3,832,584	75,750	1,062,040	3,669	4,974,043
Net profit for the period	-	-	1,287,055	-	1,287,055
Other comprehensive income for the period	-	-	-	3,441	3,441
Total comprehensive income for the period	-	-	1,287,055	3,441	1,290,496
31 December 2024	3,832,584	75,750	2,349,095	7,110	6,264,539

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated Statement of Cash Flows for the year ended 31 December 2025

<i>In millions of Uzbekistan Soums</i>	Notes	For the year ended 31 December 2025	For the year ended 31 December 2024
Cash flows from operating activities			
Interest received		6,969,787	6,678,875
Interest paid		(3,820,528)	(3,252,677)
Fees and commissions received		608,352	442,640
Fees and commissions paid		(178,160)	(116,282)
Insurance operations income received		118,414	106,251
Insurance operations expense paid		(83,897)	(68,415)
Income received from trading in foreign currencies		212,863	210,375
Other operating income received		11,712	4,730
Staff costs paid		(1,195,148)	(1,061,476)
Administrative and other operating expenses paid		(702,259)	(327,484)
Income tax paid		(1,035)	(99,732)
Cash flows from operating activities before changes in operating assets and liabilities		1,940,101	2,516,805
Net decrease / (increase) in due from other banks		1,523,400	(1,140,444)
Net (increase) / decrease in loans and advances to customers		(2,471,635)	832,141
Net decrease in other financial assets		13,001	-
Net decrease / (increase) in other non-financial assets		233,660	(272)
Net (decrease) in due to other banks		(250,226)	(878,146)
Net increase in customer accounts		595,048	5,528,438
Net increase / (decrease) in other financial liabilities		32,609	(205,945)
Net increase in other non-financial liabilities		18,549	89,816
Net cash flows from operating activities		1,634,507	6,742,393
Cash flows from investing activities			
Purchase of premises, equipment and intangible assets		(524,956)	(610,757)
Proceeds from disposal of premises, equipment and intangible assets		14,245	6,520
Purchase of financial assets at fair value through other comprehensive income		(9,476)	(6,589)
Purchase of debt securities at amortized cost		(111,126,250)	(7,458,125)
Repayment of debt securities at amortized cost		105,988,651	5,121,083
Dividend income received		4,788	1,786
Net cash flows (used in) investing activities		(5,652,998)	(2,946,082)
Cash flows from financing activities			
Proceeds from borrowings from government, state and international financial institutions	22	4,551,404	4,451,974
Repayment of borrowings from government, state and international financial institutions	22	(3,400,052)	(5,388,068)
Repayment of lease liabilities		(18,054)	-
Proceeds from issue of debt securities	22	4,821,609	1,362,140
Repayment of debt securities in issue	22	(3,597,159)	(785,000)
Repayment of Subordinated debt	22	(119,709)	(69,264)
Net cash flows from financing activities		2,238,039	(428,218)
Effect of exchange rate changes on cash and cash equivalents		(268,465)	93,007
Allowance for expected credit losses		(333)	114
Net (decrease) / increase in cash and cash equivalents		(2,049,250)	3,461,214
Cash and cash equivalents at the beginning of the year after allowance for expected credit losses	7	9,089,717	5,628,503
Cash and cash equivalents at the end of the period before allowance for expected credit losses	7	7,040,467	9,089,717

The consolidated financial statements for the year ended 31 December 2025 were approved by the Management Board on 30 April 2026 and signed on its behalf by:


Adam Szentpeteri
Deputy Chairman of the Management Board


Elyor Normetov
Chief Accountant

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

1. Introduction

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” (the “Bank”, or the “Ipoteka Bank”) is a joint stock company and is set up in accordance with the regulations of the Republic of Uzbekistan (“Uzbekistan”).

The Bank operates in Uzbekistan and was founded by the Decree of the President of the Republic of Uzbekistan #PP-10 dated 16 February 2005. The Bank is registered in Uzbekistan to carry out banking and foreign exchange activities and has operated under the banking license #74 reissued by the Central bank of Uzbekistan (the “CBU”) on 25 December 2021.

In September 2021, OTP Bank Group (Hungary) signed a memorandum with the Ministry of Economy and Finance of the Republic of Uzbekistan on the purchase of the majority shares of JSCMB "Ipoteka bank". On 12 December 2022, the signing of an agreement between the Ministry of Economy and Finance of Uzbekistan and the OTP Bank Group (Hungary) on the purchase of the JSCMB "Ipoteka bank" was announced. On 13 June 2023, the first stage of the purchase of the bank was completed, OTP Bank bought 73.71% of the shares of JSCMB "Ipoteka bank" belonging to the Ministry of Economy and Finance of the Republic of Uzbekistan with the remaining 25% to be purchased within 3 years. From this date, the Ipoteka Bank officially became a member of OTP Bank Group.

Principal activity. The Bank’s principal activity is commercial banking and retail banking, operations with securities, foreign currencies and trade financing. The Bank accepts deposits from legal entities and individuals and makes loans, transfers payments in Uzbekistan and abroad. The Bank conducts its banking operations from its head office in Tashkent and 39 branches within Uzbekistan as at 31 December 2025 (31 December 2024: 39 branches).

Registered address and place of business. The Bank’s registered address is: Shahrizabz Street 30, Tashkent, 100000, Uzbekistan.

Presentation currency. These consolidated financial statements are presented in millions of Uzbekistan Soums (“UZS millions”).

Shareholders. As at 31 December 2025 and 2024, the interest of the shareholders in the Bank’s share capital was as follows:

	31 December 2025	31 December 2024
OTP Bank Plc.	79.8%	79.6%
Ministry of Economy and Finance of the Republic of Uzbekistan	19.1%	19.1%
Others	1.1%	1.3%
Total	100%	100%

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

1. Introduction (continued)

Subsidiaries. As at 31 December 2025 and 2024, the Bank’s subsidiaries comprised the following:

Name	Ownership		Year of incorporation	Industry	Country
	31 December 2025	31 December 2024			
<i>Bank’s direct interest in subsidiaries:</i>					
Ipoteka Leasing LLC	100%	100%	2017	Leasing	Uzbekistan
JSC Imkon-sug’urta	100%	100%	2019	Insurance	Uzbekistan
OTP Avtosanoat Finance LLC	51%	-	2025	Leasing	Uzbekistan

The subsidiaries controlled by the Group are consolidated in these financial statements.

On 11 November 2025, the Group established a new subsidiary in cooperation with Avtosanoat Invest LLC. The Group holds a 51% equity interest in the entity, while Avtosanoat Invest LLC holds the remaining 49%. The subsidiary’s principal activity is the provision of auto leasing products.

2. Operating Environment of the Group

Republic of Uzbekistan. Uzbekistan economy displays characteristics of an emerging market, including but not limited to, a currency that is not freely convertible outside of the country and a low level of liquidity in debt and equity markets. Also, the banking sector in Uzbekistan is particularly impacted by local political, legislative, fiscal and regulatory developments. The largest Uzbek banks are state-controlled and act as an arm of Government to develop the country’s economy. The Government distributes funds from the country’s budget, which flow through the banks to various government agencies, and other state-and privately-owned entities.

Economic stability in Uzbekistan is largely dependent upon the effectiveness of economic measures undertaken by the Government, together with other legal, regulatory, and political developments, all of which are beyond the Group’s control.

The Group’s financial position and operating results will continue to be affected by future political and economic developments in Uzbekistan including the application and interpretation of existing and future legislation and tax regulations which greatly impact Uzbek financial markets and the economy overall.

3. Material accounting policy information

General. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by IASB under the historical cost convention except for financial assets at fair value through other comprehensive income, as modified by the initial recognition and subsequent measurement of some financial instruments based on fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented except for adaption of new standards and interpretations as discussed below.

The Bank is required to maintain its records and prepare its regulatory reporting in Uzbek Soums in accordance with the legislation of the Republic of Uzbekistan and related instructions of the Central Bank of Uzbekistan (the “CBU”).

These consolidated financial statements have been prepared on the assumption that the Group will continue to operate as a going concern for the foreseeable future.

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

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

3. Material accounting policy information (continued)

Debt securities at amortised cost. Debt securities of the Government of the Republic of Uzbekistan are classified as debt securities at amortised cost under IFRS 9, since the Group holds them for long-term investment purposes, the “hold to collect” business model and the cash flow characteristics assessments.

Premises and equipment. Premises and equipment are stated at cost, restated to the equivalent purchasing power of the Uzbekistan Soum at 31 December 2006 for assets acquired prior to 1 January 2007, less accumulated depreciation and provision for impairment, where required.

Costs of minor repairs and day-to-day maintenance are expensed when incurred. Costs of replacing major parts or components of premises and equipment items are capitalised, and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of premises and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset’s fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset’s value in use or fair value less costs to sell.

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss for the year (within other operating income or expenses).

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

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

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

Intangible assets. The Group’s intangible assets have definite useful lives and primarily comprise capitalised computer software. Acquired computer software licences are capitalised based on the costs incurred to acquire and bring them to use. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalised computer software is amortised on a straight-line basis over expected useful lives of five years.

Repossessed collateral. Repossessed collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment and other financial assets within other assets depending on their nature and the Group’s intention in respect of recovery of these assets and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

Accounting for leases

Leases. The Group recognizes right-of-use assets and lease liabilities in respect of leases previously classified as operating leases, except for short-term leases and leases where the underlying asset is of low value.

Right-of-use assets

The Group recognizes right-of-use assets from the date of lease commencement (i.e. from the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment taking into account revaluation of lease liabilities. The value of the right-of-use assets includes the amount of the recognized lease liabilities and lease payments made at or before the commencement of the lease, any initial direct costs incurred by the lessee in connection with the conclusion of the lease agreement. The Group does not apply materiality to the amount of initial direct costs incurred by the lessee. If it is not reasonably certain that the Group will obtain ownership of the leased asset at the end of the lease term, recognized right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life of the right-of-use asset and the lease term.

3. Material accounting policy information (continued)

Lease liabilities

Upon inception of lease the Group recognizes lease liability at the present value of lease payments to be made during the lease term. Lease payments include fixed payments (including substantive fixed payments) less incentive payments, variable lease payments based on an index or rate and amounts expected to be paid at the residual value guarantee, and termination penalties if the lease term reflects the lessee's potential exercise of the termination option. Variable lease payments that are not dependent on an index or rate are recognized as expenses in the period in which the event or condition giving rise to such payments occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the inception of the lease if the interest rate implicit in the lease agreement cannot be easily determined. The amount of lease liabilities after the date of lease commencement is increased to reflect interest accrued and decreased to reflect lease payments made. In addition, the carrying amount of lease liabilities is revalued when the agreement is modified, or the lease term is changed, or the fixed lease payments are changed substantially or the value is changed for the purpose of obtaining the underlying asset.

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

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

Debt securities in issue. Debt securities in issue include promissory notes, bonds, certificates of deposit and debentures issued by the Group. Debt securities are stated at amortised cost. If the Group purchases its own debt securities in issue, they are removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains arising from early retirement of debt.

Subordinated debt. Subordinated debt is measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. As per the requirements of the CBU, subordinated debt must meet the following criteria:

- In the event of bankruptcy or liquidation of the Bank, repayment of these debts is subordinate to the repayment of the Bank's liabilities to all other creditors;
- These debts should not be secured by a pledge;
- The initial contractual maturity must be more than 5 years;
- Consent of the CBU is required for early repayments.

Borrowings from government, state and international financial institutions. These borrowings are carried at amortised cost.

Trade and other payables. Trade payables are accrued when the counterparty has performed its obligations under the contract and are carried at amortised cost.

Derivative financial instruments. Derivative financial instruments, including foreign exchange contracts, interest rate futures, forward rate agreements, currency and interest rate swaps, and currency and interest rate options are carried at their fair value. All derivative instruments are carried as assets when fair value is positive, and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year (gains less losses on derivatives). The Group does not apply hedge accounting.

Credit related commitments. The Group issues financial guarantees and commitments to provide loans. Financial guarantees represent irrevocable assurances to make payments if a customer cannot meet its obligations to third parties and carry the same credit risk as loans. Financial guarantees and commitments to provide a loan are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition.

At the end of each reporting period, the commitments are measured at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the loss allowance for expected credit losses.

3. Material accounting policy information (continued)

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

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes, other than on income, are recorded within Administrative and other operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the reporting date which are expected to apply to the period when the temporary differences will reverse, or the tax loss carry forwards will be utilised.

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

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

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

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents. Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at fair value through profit or loss.

When a financial asset becomes credit-impaired (Stage 3), it is measured at amortized cost (present value of expected cash flows discounted at the original EIR). Interest income is recognized by applying the original EIR to the amortized cost (gross carrying amount less loss allowance).

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

Commissions and fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, and which are earned on execution of the underlying transaction, are recorded on its completion.

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

Foreign currency translation. The functional currency of the Bank and its subsidiaries is the national currency of the Republic of Uzbekistan, Uzbek Soum (“UZS”), which is the currency of the primary economic environment in which the Bank and its subsidiaries operate and is also the presentation currency of these consolidated financial statements.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

3. Material accounting policy information (continued)

Monetary assets and liabilities are translated into Group’s functional currency at the official exchange rate of the Central Bank of Uzbekistan at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into Group’s functional currency at year-end official exchange rates of the CBU, are recognised in profit or loss for the year (as foreign exchange translation gains less losses). Translation at year-end rates does not apply to non-monetary items that are measured at historical cost.

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

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

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

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

Exchange rates for the currencies in which the Group transacts were as follows:

	31 December	31 December
	2025	2024
Closing exchange rates – [UZS]		
1 USD	12,025.33	12,920.48
1 EUR	14,162.23	13,436.01
Average exchange rates for the year ended 31 December - [UZS]		
1 USD	12,567.78	12,659.56
1 EUR	14,195.35	13,684.42

Offsetting. Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all the following circumstances: (i) in the normal course of business, (ii) the event of default and (iii) the event of insolvency or bankruptcy.

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

Segment reporting. Operating segments are reported in a manner consistent with the internal reporting provided to the Group’s chief operating decision maker.

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

Models and assumptions used

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

Expected Credit Loss Methodology

General Principles

The preparation of the consolidated financial statements of the Bank in accordance with IFRS requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, as well as the disclosure of contingent assets and liabilities at the reporting date.

These estimates and judgements are based on historical experience, internal data, observable market information and forward-looking macroeconomic expectations. Due to the inherent uncertainty associated with such assumptions, actual results may differ from those estimates, and such differences may be material.

Management applies judgement not only in the estimation of quantitative inputs, but also in:

- 1) the selection and calibration of models,
- 2) the determination of segmentation principles,
- 3) the identification of significant increase in credit risk,
- 4) the definition of default and cure criteria,
- 5) the application of expert-based overlays where model outputs may not fully capture emerging risks.

Estimates and underlying assumptions are reviewed on a continuous basis. Revisions are recognized prospectively in the period in which they occur.

The most significant areas of judgement relate to the measurement of expected credit losses (ECL), including the estimation of probability of default (PD), loss given default (LGD), exposure at default (EAD), and the incorporation of forward-looking information.

The Bank applies a forward-looking methodology in the assessment of expected credit losses (ECL) under IFRS 9, combining quantitative models with expert judgment. ECL is calculated as a function of four core components: probability of default (PD), loss given default (LGD), exposure at default (EAD), and forward-looking macroeconomic scenarios.

Expected Credit Loss Model

Loss allowances for loans are recognized based on the expected credit loss model in accordance with IFRS 9.

The Bank applies a three-stage impairment model reflecting the deterioration of credit quality since initial recognition:

- 1) Stage 1 – Performing exposures - Financial instruments that have not experienced a significant increase in credit risk since initial recognition. Loss allowance is recognized in the amount of 12-month expected credit losses.
- 2) Stage 2 – Underperforming exposures - Financial instruments that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired. Loss allowance is recognized in the amount of lifetime expected credit losses.
- 3) Stage 3 – Non-performing exposures - Financial instruments that are credit-impaired at the reporting date. Loss allowance is recognized in the amount of lifetime expected credit losses.
- 4) Purchased or Originated Credit-Impaired (POCI) assets - Lifetime expected credit losses are recognized from initial recognition. Any subsequent changes in expected losses are recognized in profit or loss.

Reclassification between stages is performed monthly and results in an immediate remeasurement of the loss allowance.

Definition of default. The definition of default is applied consistently across the Bank and reflects both regulatory and IFRS 9 requirements.

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

For Retail portfolio

An exposure is considered in default when at least one of the following conditions is met:

- Objective criterion: contractual payments of principal or interest are past due for more than 90 consecutive days (90+ DPD). The assessment is performed on a daily basis, and the date of default identification is defined as the date when this criterion is met. The materiality threshold for credit obligations is set to zero.
- Cross-default criterion: all on-balance sheet and off-balance sheet exposures to a single client are classified as default if the gross carrying amount of exposures that meet the objective default criteria exceeds 20% of the total gross carrying amount of all on-balance sheet exposures to that client.
- Probability criterion (unlikely to pay): when it is assessed that the client is unlikely to fully meet its credit obligations without realization of collateral, regardless of the number of days past due.

For Corporate portfolio

An exposure is considered in default when at least one of the following conditions is met:

- Objective criterion: contractual payments of principal or interest are past due for more than 90 consecutive days (90+ DPD). The assessment is performed on a daily basis, and the date of default identification is defined as the date when this criterion is met. The materiality threshold for credit obligations is set to zero;
- Probability criterion (unlikely to pay): the borrower is assessed as unlikely to fully meet its credit obligations without realization of collateral, restructuring with economic loss, or other credit protection measures;
- bankruptcy or insolvency proceedings are initiated;
- Cross-default criterion: default of a member of a client group, whose performance has a material influence on other group members, may trigger default classification of all members of the group. The default status is assessed at the level of individual group members and may be assigned based on a specific decision.

When default is identified, the exposure is transferred to Stage 3.

Cure criteria

Default status is removed only if:

- no default indicators are present for at least 3 consecutive months,
- the triggering condition has ceased for at least 3 months.

Cure of Forborne Exposures

- A forborne exposure may return to performing status (Stage 1) when the borrower meets all revised contractual obligations over a minimum monitoring period (12 months), and no other default criteria are observed.
- Early cure may be applied in limited cases where there is objective and verifiable evidence of the borrower's improved repayment capacity and absence of financial distress.

SICR (Significant Increase in Credit Risk). The Bank identifies a significant increase in credit risk through a combination of quantitative and qualitative indicators, including:

For Retail portfolio

- Days past due (DPD) exceeding 30 days at the reporting date,
- for certain portfolios without behavioral ratings: DPD exceeding 10 days within the last 6 months,
- deterioration of internal behavioral ratings beyond predefined thresholds.

For Corporate portfolio

- contractual payments past due more than 10 days in any of the last 6 months.
- forborne or restructured status of the loan;
- deterioration of internal credit rating or external signals of financial difficulties.

When SICR is identified, the exposure is transferred from Stage 1 to Stage 2.

Collective vs. individual assessment. If a borrower has reached Stage 3 and the outstanding exposure as of the reporting date exceeds EUR 300,000 (UZS 4,249 million at exchange rate as of 31 December 2025) or where there are specific indicators of impairment that require a borrower-level evaluation, the loan is assessed on an individual basis. In all other cases, exposures are assessed collectively, based on shared risk characteristics.

Individual assessment. For individually assessed exposures, the expected recovery is determined based on a detailed analysis of the borrower's projected operating cash flows as well as expected proceeds from the realization of collateral.

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

Individual assessment is applied to financial assets that are considered material or where there are specific indicators of impairment that require a borrower-level evaluation.

Exposures subject to individual assessment typically include:

- 1) large corporate and MSE exposures,
- 2) individually significant loans,
- 3) exposures classified in Stage 3,
- 4) exposures with bespoke or complex structures,
- 5) cases where sufficient borrower-specific information is available.

Under the individual assessment approach, the Bank evaluates:

- 1) the borrower's current financial condition and cash flow generating capacity,
- 2) debt servicing ability, including interest and principal repayments,
- 3) available collateral and its realizable value,
- 4) expected recovery scenarios, including enforcement strategies,
- 5) timing of expected cash flows.

Expected credit losses are measured as the present value of expected future cash shortfalls, considering multiple recovery scenarios where appropriate. The estimation incorporates significant judgement, particularly in determining:

- 1) the likelihood and timing of recovery,
- 2) the value and liquidity of collateral,
- 3) costs associated with recovery processes,
- 4) macroeconomic factors affecting the borrower or collateral.

Where objective evidence of impairment exists, the exposure is typically classified in Stage 3 and lifetime expected credit losses are recognized.

Collective assessment. For collective assessment, the Bank segments the loan portfolio by subportfolios: mortgage, car loan, microloan, education, MSE, and corporate loans. Within each subportfolio, further segmentation is applied by delinquency buckets and economic sectors (for the corporate portfolio).

Collective assessment is applied to portfolios of financial assets that share similar credit risk characteristics and for which individual assessment is not practicable or does not provide a more reliable estimate of expected credit losses.

This approach is primarily applied to:

- 1) retail portfolios,
- 2) homogeneous MSE exposures,
- 3) smaller corporate exposures,
- 4) exposures without individually identified impairment indicators.

Under the collective approach, financial assets are grouped into segments based on shared risk characteristics, including:

- 1) product type (e.g. cash loans, mortgages, car loans),
- 2) borrower segment (retail, MSE, corporate),
- 3) internal credit ratings (behavioral and application ratings),
- 4) days past due (DPD),
- 5) restructuring (forborne) status,
- 6) default status and SICR indicators.

Segmentation is a critical element of the collective provisioning methodology and requires detailed knowledge of the portfolio. The Bank ensures that:

- 1) exposures within each segment exhibit similar risk profiles,
- 2) segmentation remains stable over time,
- 3) segmentation is regularly reviewed and refined where necessary.

Expected credit losses for collectively assessed exposures are estimated using statistical models, which incorporate:

- 1) probability of default (PD) derived from transition matrices,
- 2) loss given default (LGD) based on historical recovery data and collateral characteristics,
- 3) exposure at default (EAD) reflecting expected utilization.

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

The expected cash flows for each segment are estimated based on historical loss experience, adjusted for:

- 1) current portfolio conditions,
- 2) forward-looking macroeconomic information,
- 3) observed changes in borrower behavior.

Collective impairment is recognized for groups of exposures where:

- 1) there is no objective evidence of impairment at an individual level,
- 2) but historical experience indicates that losses have been incurred within the portfolio.

Interaction between individual and collective assessment

The Bank continuously evaluates whether exposures previously assessed collectively require transfer to individual assessment, particularly in cases where:

- 1) the exposure becomes individually significant,
- 2) new information indicates increased credit risk,
- 3) there are signs of borrower-specific financial deterioration.

Similarly, exposures may revert to collective assessment where individual assessment is no longer required.

The combined use of individual and collective assessment ensures that:

- 1) material risks are captured at a borrower-specific level,
- 2) portfolio-level risks are appropriately reflected through statistical modelling,
- 3) the overall loss allowance provides an adequate and unbiased estimate of expected credit losses.

This dual approach is considered to provide a comprehensive representation of credit risk in the Bank's loan portfolio.

Parameter estimation.

- Probability of Default (PD) represents the likelihood that a borrower will fail to meet its contractual obligations over a defined time horizon. PD is a core parameter in the measurement of expected credit losses (ECL) under IFRS 9. In Bank, PD estimation is based on a combination of historical performance data, borrower-specific characteristics, internal rating systems, forward-looking macroeconomic information, and statistical modelling. The process is structured to ensure compliance with IFRS 9's requirements and regulatory expectations. PD is estimated to use transition matrices that capture the migration of exposures between credit states over time. These matrices are developed separately for each portfolio segment (retail, MSE, corporate) and incorporate key credit risk characteristics, including:
 - Days Past Due (DPD),
 - internal behavioral and application ratings,
 - restructuring (forborne) status,
 - default indicators,
 - product type, and
 - borrower segment.

The Bank distinguishes between 12-month PD for Stage 1 exposures and lifetime PD for Stage 2 and Stage 3 exposures. Transition matrices are updated regularly based on recent performance data and are validated for predictive accuracy.

- LGD is estimated based on historical recovery data, collateral characteristics, and expected workout outcomes, incorporating forward-looking macroeconomic adjustments. The calculation is performed through a vintage analysis of cash recoveries from cured defaults across portfolio segments. Loss Given Default (LGD) represents the expected loss severity on a financial instrument in the event of default, expressed as a percentage of exposure at default (EAD). LGD is a key parameter in the Bank's Expected Credit Loss (ECL) framework under IFRS 9 and is closely integrated with Probability of Default (PD) and Exposure at Default (EAD) in the determination of ECL. The Bank estimates LGD using portfolio-specific methodologies that capture the characteristics of collateral, recovery processes, and macroeconomic conditions. LGD is applied differently across retail, mortgage, MSE, and corporate portfolios, and incorporates both historical loss experience and forward-looking adjustments.
- EAD reflects the current exposure adjusted for contractual repayments, expected prepayments, and credit line utilizations.
- Back-testing and validation. All risk parameters (PD, LGD) are subject to regular back-testing against realized outcomes. Models are validated and re-estimated where necessary. Back-testing is carried out both on a quantitative basis (e.g., comparison of predicted versus realized default rates, loss rates, and exposure profiles) and on a qualitative basis (e.g., stability of model assumptions and segmentation criteria).

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

The results of back-testing are analyzed at portfolio and sub-portfolio levels, with a focus on identifying systematic biases, parameter instability, or deviations driven by macroeconomic conditions. Where material deviations are observed, the models are subject to recalibration or full re-estimation.

Scenario analysis. The Bank applies at least two to three macroeconomic scenarios, each weighted by its probability, to capture the impact of future economic conditions on credit risk parameters.

Forward-Looking Information and Macroeconomic Scenarios

The ECL framework incorporates forward-looking information through the application of multiple macroeconomic scenarios.

The Bank’s macroeconomic modelling approach is aligned with group-level methodologies and includes:

- 1) a baseline scenario reflecting the most likely economic outlook,
- 2) multiple non-crisis scenarios (typically scenarios 1–3),
- 3) multiple crisis scenarios (typically scenarios 4–5).

At least two scenarios are included in all ECL calculations. Each scenario is assigned a probability weight based on OTP Group’s assessment of future economic conditions.

The estimation of credit risk parameters incorporates macroeconomic conditioning using a model based on the Vasicek framework, which establishes a structural relationship between:

- 1) through-the-cycle (TTC) probability of default, and
- 2) point-in-time (PiT) probability of default.

The Vasicek transformation incorporates:

- 1) a systematic risk factor derived from macroeconomic variables,
- 2) correlation coefficients reflecting portfolio sensitivity to systemic risk,
- 3) scenario-specific macroeconomic inputs.

This approach ensures that PD estimates reflect both long-term credit behavior and current and forecasted economic conditions.

Macroeconomic variables embedded in the model include, but are not limited to:

- 1) GDP growth,
- 2) inflation,
- 3) interest rates,
- 4) exchange rate movements,
- 5) sector-specific indicators where relevant.

The impact of macroeconomic scenarios is incorporated into PD and LGD estimates through model-based adjustments and overlays where necessary.

4. Critical Accounting Estimates and Judgments in Applying Accounting Policies (continued)

Establishing groups of assets with similar credit risk characteristics

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

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Tax legislation

Uzbekistan tax, currency and customs legislation are subject to varying interpretations. Refer to Note 29.

Borrowings from government, state and international financial institutions

The borrowings from the Ministry of Economy and Finance of the Republic of Uzbekistan, the CBU and the Fund for Reconstruction and Development of the Republic of Uzbekistan were issued to the Group for financing the state business, agro-industrial and other state development programs under the Government Orders. Contractual interest rates on the loans mentioned are lower than average market interest rates. In connection with the direct usage of borrowed loan funds for loan issuance, the management believes that the contractual interest rates are market rates for such loans, and therefore the Group initially recognizes such financial instruments at fair value, which is equal to the nominal value.

Deferred income tax asset recognition

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

5. Changes in accounting policies and disclosures

New and amended standards

The following amendment to IAS 21 became effective for annual periods beginning on 1 January 2025:

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments had no impact on the Group's financial statements.

The amendments had no impact on Group's financial statements.

5. Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective

New and amended standards and interpretations that are issued but not yet effective are being assessed by the Bank to determine the impact on the consolidated financial statements. As explained above, this would include standards and amendments that would already be effective based on the new standard or amendment, but the local endorsement is still in progress or has resulted in a later effective date.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

New and amended standards and interpretations that are issued but not yet effective are being assessed by the Bank to determine the impact on the consolidated financial statements. As explained above, this would include standards and amendments that would already be effective based on the new standard or amendment, but the local endorsement is still in progress or has resulted in a later effective date.

- Clarifications of the requirements for recognition and derecognition of financial assets and liabilities
- A clarification that a financial liability is derecognised on the ‘settlement date’ and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity. The amendments:

- Clarify the application of the ‘own-use’ requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Bank does not expect that the amendments will have a material impact on its financial statements.

5. Changes in accounting policies and disclosures (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as Good Bank, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

The Bank is currently working to identify the impacts the standard will have on the primary financial statements and notes to the financial statements. The Bank considers its main business activities to include the provision of financing to customers and investing in financial assets. In accordance with IFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing categories.

The initial expected material impacts of IFRS 18 on the Bank’s financial statements are, as follows:

- Income and expenses from the following will be classified in the operating category within the statement of profit or loss: (a) cash and cash equivalents; (b) liabilities from transactions that involve only the raising of finance; (c) generally, assets invested in as part of the Bank’s main business activity of investing in financial assets that generate a return individually and largely independently of the Bank’s other resources.
- Foreign exchange differences will be classified in the same category as the related income and expense giving rising to the foreign exchange difference, with some exceptions.
- Gains and losses on hedging instruments, including those not designated as such, but used to manage exposure to identified risks, will be classified in the same category as the income and expenses relating to the risk being covered, with some exceptions.
- For the statement of cash flows, the ‘operating profit’ subtotal will be used as the starting point for determining cash flows from operating activities. Furthermore, the classification of the total cash flows from all dividends received, all interest paid and all interest received will each, respectively, be classified in a single category in the statement of cash flows following the classification of the related income and expenses in the statement of profit or loss.
- A reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18, and the amounts previously presented applying IAS 1.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

6. Provisions for Expected Credit Losses

The following table illustrates the movement in provisions for expected credit losses for other financial assets and contingencies for the year ended 31 December 2025:

	Cash and cash equivalents (Note 7)		Due from other banks (Note 8)		Off-balance sheet items (Note 33)				Other financial assets (Note 14)			Debt securities at amortized cost (Note 10)		
	Stage 1	Stage 1	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Total
1 January 2025	186	4,415	25,391	29,806	12,783	179	-	12,962	2,974	17	11,203	14,194	11,898	69,046
Transfer to stage 1	-	-	-	-	125	(125)	-	-	6	(1)	(5)	-	-	-
Transfer to stage 2	-	-	-	-	(6)	6	-	-	(1)	54	(53)	-	-	-
Transfer to stage 3	-	-	-	-	(27)	(6)	33	-	(3)	(8)	11	-	-	-
Transfer of new originations*	362	550	-	550	11,165	73	-	11,238	43	120	329	492	6,168	18,810
Full derecognition of financial assets / underlying instrument	(7)	(5)	(25,391)	(25,396)	-	-	-	-	-	-	-	-	(11,898)	(37,301)
Other changes**	(13)	467	-	467	(6,263)	131	261	(5,871)	125	(49)	(2,015)	(1,939)	-	(7,356)
Currency translation difference	(9)	125	-	125	(305)	-	(1)	(306)	(16)	-	(2)	(18)	-	(208)
31 December 2025	519	5,552	-	5,552	17,472	258	293	18,023	3,128	133	9,468	12,729	6,168	42,991
Total	519			5,552				18,023				12,729	6,168	42,991

* “Transfer of new originations” reflects new originations and the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

** “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

6. Provisions for Expected Credit Losses (continued)

The following table illustrates the movement in provisions for expected credit losses for other financial assets and contingencies for the year ended 31 December 2024:

	Cash and cash equivalents (Note 7)			Due from other banks (Note 8)			Off-balance sheet items (Note 33)			Other financial assets (Note 14)				Debt securities at amortized cost (Note 10)	
	Stage 1	Stage 2	Total	Stage 1	Stage 3	Total	Stage 1	Stage 2	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Total
	1 January 2024	90	210	300	4,642	24,572	29,214	17,132	3,615	20,747	2,328	-	13,285	15,613	7,697
Transfer to stage 1	-	-	-	-	-	-	-	-	-	(1,974)	-	1,974	-	-	-
Transfer to stage 2	-	-	-	-	-	-	7	(7)	-	-	-	-	-	-	-
Transfer of new originations*	30	-	30	12	-	12	3,095	64	3,159	2,959	21	4,143	7,123	8,543	18,867
Full derecognition of financial assets / underlying instrument	(6)	-	(6)	(137)	-	(137)	(3,680)	(3,599)	(7,279)	(183)	-	(13,286)	(13,469)	(7,014)	(27,905)
Other changes**	72	(210)	(138)	(304)	(337)	(641)	(4,214)	106	(4,108)	(158)	(4)	5,022	4,860	2,672	2,645
Currency translation difference	-	-	-	202	1,156	1,358	443	-	443	2	-	65	67	-	1,868
31 December 2024	186	-	186	4,415	25,391	29,806	12,783	179	12,962	2,974	17	11,203	14,194	11,898	69,046
Total			186			29,806			12,962				14,194	11,898	69,046

* “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

** “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

7. Cash and Cash Equivalents

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Placements with other banks with original maturities of less than three months	3,131,643	4,482,984
Correspondent accounts and overnight placements with other banks	2,315,033	717,017
Cash balances with the CBU	873,901	3,015,862
Cash on hand	720,409	874,040
Less – Allowance for expected credit losses (Note 6)	(519)	(186)
Total cash and cash equivalents	7,040,467	9,089,717

The credit quality of cash and cash equivalents, excluding cash on hand, as at 31 December 2025 and 2024 is summarized below:

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
CBU	873,901	3,015,862
From Aa1 to Aa3	214,384	1,850,495
From A1 to A3	2,888,058	2,121,292
From Baa1 to Baa3	1,418,171	2,294
From Ba1 to Ba3	596,248	783,958
From B1 to B3	302,194	405,908
- Unrated	27,621	36,054
Less – Allowance for expected credit losses	(519)	(186)
Total cash and cash equivalents, excluding cash on hand	6,320,058	8,215,677

Credit ratings are based on the ratings from Fitch, Moody’s and S&P. All balances for cash and cash equivalents are allocated to Stage 1.

As at 31 December 2025, the Group had 3 counterparties (excluding the CBU), whose balance individually exceeded 10% of total cash and cash equivalents (31 December 2024: 2 counterparties). The gross value of these balances as at 31 December 2025 was UZS 3,747,987 million (31 December 2024: UZS 2,620,559 million).

8. Due from Other Banks

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Long term placements with other banks	660,169	958,997
Short term placements with other banks with original maturities of more than three months	280,811	1,698,820
Less – Allowance for expected credit losses (Note 6)	(5,552)	(29,806)
Total due from other banks	935,428	2,628,011

Amounts due from other banks are not collateralised. Analysis by credit quality of amounts due from other banks outstanding at the end of the years are as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Stage 1		
from Aa1 to Aa3	6,104	33
from Ba1 to Ba3	582,188	1,984,840
from B1 to B3	286,587	647,907
- Unrated	66,101	646
Stage 3		
- Unrated	-	25,391
Less – Allowance for expected credit losses (Note 6)	(5,552)	(29,806)
Total due from other banks	935,428	2,628,011

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

8. Due from Other Banks (continued)

Credit ratings are based on the ratings from Fitch, Moody's and S&P.

As at 31 December 2025, Stage 3 exposure was fully derecognised during the year.

As at 31 December 2025, the Group had 2 counterparties (excluding the CBU), whose balance individually exceeded 10% of total due from other banks (31 December 2024: 4 counterparties). The gross value of these balances as at 31 December 2025 was UZS 575,293 million (31 December 2024: UZS 2,152,364 million).

Geographical and interest rate analyses of due from other banks are disclosed in Note 31.

9. Loans and Advances to Customers

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Residential mortgage loans	18,337,727	15,899,331
Consumer loans	10,486,168	8,594,284
Corporate loans	7,779,527	8,354,867
Small business loans	5,323,424	6,740,768
Total loans and advances to customers before allowance for expected credit losses	41,926,846	39,589,250
Less – Allowance for expected credit losses	(6,845,991)	(7,272,829)
Total loans and advances to customers	35,080,855	32,316,421

<i>In millions of Uzbekistan Soums</i>	31 December 2025			
Stages	1	2	3	Total
Residential mortgage loans	16,021,232	1,799,761	516,734	18,337,727
Consumer loans	8,523,597	1,182,591	779,980	10,486,168
Corporate loans	4,832,730	173,802	2,772,995	7,779,527
Small business loans	739,547	380,975	4,202,902	5,323,424
Total loans and advances to customers, gross	30,117,106	3,537,129	8,272,611	41,926,846
Less – Allowance for expected credit losses	(656,375)	(615,443)	(5,574,173)	(6,845,991)
Total loans and advances to customers	29,460,731	2,921,686	2,698,438	35,080,855

<i>In millions of Uzbekistan Soums</i>	31 December 2024			
Stages	1	2	3	Total
Residential mortgage loans	11,815,021	3,765,907	318,403	15,899,331
Consumer loans	6,521,888	1,677,165	395,231	8,594,284
Corporate loans	4,645,351	758,026	2,951,490	8,354,867
Small business loans	1,430,954	838,450	4,471,364	6,740,768
Total loans and advances to customers, gross	24,413,214	7,039,548	8,136,488	39,589,250
Less – Allowance for expected credit losses	(618,137)	(1,462,308)	(5,192,384)	(7,272,829)
Total loans and advances to customers	23,795,077	5,577,240	2,944,104	32,316,421

As at 31 December 2025, corporate loans include finance lease receivables of UZS 314,579 million (31 December 2024: UZS 276,667 million) before allowance for expected credit losses.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

The tables below analyse information about the significant changes in the gross carrying amount of loans and advances to customers and the provisions for expected credit losses during 2025 for different segments:

	Residential mortgage loans			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount as at 1 January 2025	11,815,021	3,765,907	318,403	15,899,331
Transfer to stage 1	2,154,393	(2,119,507)	(34,886)	-
Transfer to stage 2	(517,834)	556,624	(38,790)	-
Transfer to stage 3	(57,527)	(243,020)	300,547	-
New financial assets originated or purchased	4,241,679	-	-	4,241,679
Transfer of new originations*	(138,432)	116,110	22,322	-
Full derecognition of financial assets	(686,805)	(201,555)	(27,502)	(915,862)
Unwinding of discount on present value of ECL	-	-	14,435	14,435
Other changes in EAD**	(789,263)	(74,798)	(37,795)	(901,856)
Gross carrying amount as at 31 December 2025	16,021,232	1,799,761	516,734	18,337,727

* “Transfer of new originations” reflects the transfers of new loans originated during the reporting period from Stage 1 to other stages.

** Other changes in EAD shows partial repayments of loans and advances to customers and accrual of interest income. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

	Residential mortgage loans			Total
	Stage 1	Stage 2	Stage 3	
Provision for expected credit losses as at 1 January 2025	283,410	781,862	176,553	1,241,825
Transfer to stage 1	448,135	(432,019)	(16,116)	-
Transfer to stage 2	(12,507)	30,389	(17,882)	-
Transfer to stage 3	(1,400)	(55,043)	56,443	-
New originations	104,159	-	-	104,159
Transfer of new originations**	(32,166)	20,504	11,662	-
Full derecognition of financial assets	(16,870)	(41,423)	(13,590)	(71,883)
Other changes*	(495,298)	3,900	82,659	(408,739)
Unwinding of discount on present value of ECL	-	-	14,435	14,435
Provision for expected credit losses as at 31 December 2025	277,463	308,170	294,164	879,797

* “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

** “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

	Consumer loans			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	6,521,888	1,677,165	395,231	8,594,284
Transfer to stage 1	640,444	(622,997)	(17,447)	-
Transfer to stage 2	(404,837)	432,643	(27,806)	-
Transfer to stage 3	(110,814)	(266,897)	377,711	-
New financial assets originated or purchased	5,582,846	-	-	5,582,846
Transfer of new originations*	(718,201)	542,408	175,793	-
Full derecognition of financial assets	(1,467,465)	(289,942)	(41,662)	(1,799,069)
Unwinding of discount on present value of ECL	-	-	67,703	67,703
Other changes in EAD**	(1,520,264)	(289,789)	(149,543)	(1,959,596)
Gross carrying amount as at 31 December 2025	8,523,597	1,182,591	779,980	10,486,168

* “Transfer of new originations” reflects the transfers of new loans originated during the reporting period from Stage 1 to other stages.

** Other changes in EAD shows partial repayments of loans and advances to customers and accrual of interest income. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

	Consumer loans			
	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses as at 1 January 2025	170,868	250,895	202,684	624,447
Transfer to stage 1	94,265	(86,476)	(7,789)	-
Transfer to stage 2	(10,940)	23,327	(12,387)	-
Transfer to stage 3	(3,224)	(51,963)	55,187	-
New originations	325,125	-	-	325,125
Transfer of new originations**	(215,832)	107,617	108,215	-
Full derecognition of financial assets	(39,124)	(40,504)	(20,633)	(100,261)
Other changes*	(141,660)	(4,829)	159,988	13,499
Unwinding of discount on present value of ECL	-	-	67,703	67,703
Provision for expected credit losses as at 31 December 2025	179,478	198,067	552,968	930,513

* “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

** “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

	Corporate loans			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	4,645,351	758,026	2,951,490	8,354,867
Transfer to stage 1	9,181	(9,181)	-	-
Transfer to stage 2	(44,691)	44,691	-	-
Transfer to stage 3	(45,564)	(500,515)	546,079	-
New financial assets originated or purchased	3,579,176	-	-	3,579,176
Transfer of new originations*	(39,787)	35,830	3,957	-
Full derecognition of financial assets	(2,621,846)	(11,972)	(691,120)	(3,324,938)
Unwinding of discount on present value of ECL	-	-	188,938	188,938
Other changes in EAD**	(439,984)	(143,120)	(237,741)	(820,845)
Recovery of written off assets	-	-	25,056	25,056
Currency translation difference	(209,106)	43	(13,664)	(222,727)
Gross carrying amount as at 31 December 2025	4,832,730	173,802	2,772,995	7,779,527

* “Transfer of new originations” reflects the transfers of new loans originated during the reporting period from Stage 1 to other stages.

** Other changes in EAD shows partial repayments of loans and advances to customers and accrual of interest income. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

	Corporate loans			
	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses as at 1 January 2025	123,948	242,612	1,787,713	2,154,273
Transfer to stage 1	1,726	(1,726)	-	-
Transfer to stage 2	(1,234)	1,234	-	-
Transfer to stage 3	(1,107)	(167,024)	168,131	-
New originations	152,400	-	-	152,400
Transfer of new originations**	(9,302)	7,012	2,290	-
Full derecognition of financial assets	(68,265)	(2,978)	(439,537)	(510,780)
Other changes*	4,888	(52,968)	86,714	38,634
Recovery of written off assets	-	-	25,056	25,056
Unwinding of discount on present value of ECL	-	-	188,938	188,938
Currency translation difference	(6,548)	1,200	(2,584)	(7,932)
Provision for expected credit losses as at 31 December 2025	196,506	27,362	1,816,721	2,040,589

* “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

** “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

	Small business loans			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	1,430,954	838,450	4,471,364	6,740,768
Transfer to stage 1	59,141	(59,141)	-	-
Transfer to stage 2	(263,802)	263,802	-	-
Transfer to stage 3	(51,738)	(290,626)	342,364	-
New financial assets originated or purchased	256,795	-	-	256,795
Transfer of new originations*	(25,499)	23,322	2,177	-
Full derecognition of financial assets	(419,893)	(194,375)	(142,484)	(756,752)
Unwinding of discount on present value of ECL	-	-	164,732	164,732
Other changes in EAD**	(231,536)	(190,875)	(471,792)	(894,203)
Bad debt written off	-	-	(68,481)	(68,481)
Currency translation difference	(14,875)	(9,582)	(94,978)	(119,435)
Gross carrying amount as at 31 December 2025	739,547	380,975	4,202,902	5,323,424

* “Transfer of new originations” reflects the transfers of new loans originated during the reporting period from Stage 1 to other stages.

** Other changes in EAD shows partial repayments of loans and advances to customers and accrual of interest income. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

	Small business loans			
	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses as at 1 January 2025	39,911	186,939	3,025,434	3,252,284
Transfer to stage 1	9,168	(9,168)	-	-
Transfer to stage 2	(7,520)	7,520	-	-
Transfer to stage 3	(1,326)	(69,428)	70,754	-
New originations	15,181	-	-	15,181
Transfer of new originations**	(5,762)	4,504	1,258	-
Full derecognition of financial assets	(11,246)	(39,692)	(76,196)	(127,134)
Other changes*	(34,925)	3,374	(138,899)	(170,450)
Recovery of written off assets	-	-	(68,481)	(68,481)
Unwinding of discount on present value of ECL	-	-	164,732	164,732
Currency translation difference	(553)	(2,205)	(68,282)	(71,040)
Provision for expected credit losses as at 31 December 2025	2,928	81,844	2,910,320	2,995,092

* “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

** “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

The tables below analyse information about the significant changes in the gross carrying amount of loans and advances to customers and the provisions for expected credit losses during 2024 for different segments:

Residential mortgage loans				
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	11,240,721	2,707,824	103,929	14,052,474
Transfer to stage 1	703,352	(699,253)	(4,099)	–
Transfer to stage 2	(1,818,618)	1,838,710	(20,092)	–
Transfer to stage 3	(44,271)	(139,007)	183,278	–
New financial assets originated or purchased	3,285,993	–	–	3,285,993
Transfer of new originations*	(350,125)	334,551	15,574	–
Full derecognition of financial assets	(666,395)	(147,927)	(3,848)	(818,170)
Unwinding of discount on present value of ECL	–	–	4,928	4,928
Other changes in EAD**	(535,636)	(128,991)	(10,968)	(675,595)
Recovery of written off assets	–	–	49,701	49,701
Gross carrying amount as at 31 December 2024	11,815,021	3,765,907	318,403	15,899,331

* “Transfer of new originations” reflects the transfers of new loans originated during the reporting period from Stage 1 to other stages.

** Other changes in EAD shows partial repayments of loans and advances to customers and accrual of interest income. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Residential mortgage loans				
	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses as at 1 January 2024	334,941	752,353	61,732	1,149,026
Transfer to stage 1	199,023	(196,241)	(2,782)	–
Transfer to stage 2	(54,186)	67,723	(13,537)	–
Transfer to stage 3	(1,319)	(37,146)	38,465	–
New originations	141,550	–	–	141,550
Transfer of new originations**	(70,242)	63,273	6,969	–
Full derecognition of financial assets	(19,857)	(37,902)	(2,615)	(60,374)
Other changes*	(246,500)	169,802	33,692	(43,006)
Recovery of written off assets	–	–	49,701	49,701
Unwinding of discount on present value of ECL	–	–	4,928	4,928
Provision for expected credit losses as at 31 December 2024	283,410	781,862	176,553	1,241,825

* “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

** “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

	Consumer loans			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	6,938,700	639,104	48,079	7,625,883
Transfer to stage 1	115,749	(115,427)	(322)	–
Transfer to stage 2	(1,119,735)	1,120,797	(1,062)	–
Transfer to stage 3	(129,298)	(90,918)	220,216	–
New financial assets originated or purchased	3,414,177	–	–	3,414,177
Transfer of new originations*	(657,542)	553,437	104,105	–
Full derecognition of financial assets	(941,534)	(92,832)	(4,332)	(1,038,698)
Unwinding of discount on present value of ECL	–	–	14,289	14,289
Other changes in EAD**	(1,098,629)	(336,996)	(26,712)	(1,462,337)
Recovery of written off assets	–	–	40,970	40,970
Gross carrying amount as at 31 December 2024	6,521,888	1,677,165	395,231	8,594,284

* “Transfer of new originations” reflects the transfers of new loans originated during the reporting period from Stage 1 to other stages.

** Other changes in EAD shows partial repayments of loans and advances to customers and accrual of interest income. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

	Consumer loans			
	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses as at 1 January 2024	150,331	86,354	14,305	250,990
Transfer to stage 1	15,843	(15,720)	(123)	–
Transfer to stage 2	(24,165)	24,588	(423)	–
Transfer to stage 3	(2,790)	(12,242)	15,032	–
New originations	215,319	–	–	215,319
Transfer of new originations**	(141,189)	95,101	46,088	–
Full derecognition of financial assets	(20,907)	(12,017)	(1,560)	(34,484)
Other changes*	(21,574)	84,831	74,106	137,363
Recovery of written off assets	–	–	40,970	40,970
Unwinding of discount on present value of ECL	–	–	14,289	14,289
Provision for expected credit losses as at 31 December 2024	170,868	250,895	202,684	624,447

* “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

** “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

	Corporate loans			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	4,367,677	1,114,912	3,960,892	9,443,481
Transfer to stage 1	162,246	(162,246)	–	–
Transfer to stage 2	(14,884)	14,884	–	–
Transfer to stage 3	(7,601)	(74,887)	82,488	–
New financial assets originated or purchased	4,083,000	–	–	4,083,000
Transfer of new originations*	(190,501)	39,411	151,090	–
Full derecognition of financial assets	(3,402,634)	(83,300)	(526,590)	(4,012,524)
Unwinding of discount on present value of ECL	–	–	71,240	71,240
Other changes in EAD**	(416,642)	(92,524)	(561,342)	(1,070,508)
Bad debt written off	–	–	(258,835)	(258,835)
Currency translation difference	64,691	1,776	32,546	99,013
Gross carrying amount as at 31 December 2024	4,645,352	758,026	2,951,489	8,354,867

* “Transfer of new originations” reflects the transfers of new loans originated during the reporting period from Stage 1 to other stages.

** Other changes in EAD shows partial repayments of loans and advances to customers and accrual of interest income. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

	Corporate loans			
	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses as at 1 January 2024	93,896	248,041	2,381,715	2,723,652
Transfer to stage 1	36,140	(36,140)	–	–
Transfer to stage 2	(425)	425	–	–
Transfer to stage 3	(216)	(11,164)	11,380	–
New originations	197,436	–	–	197,436
Transfer of new originations**	(94,218)	11,685	82,533	–
Full derecognition of financial assets	(70,326)	(13,013)	(314,759)	(398,098)
Other changes*	(32,182)	48,163	(197,090)	(181,109)
Bad debt written off	–	–	(258,835)	(258,835)
Unwinding of discount on present value of ECL	–	–	71,240	71,240
Currency translation difference	(6,157)	(5,385)	11,529	(13)
Provision for expected credit losses as at 31 December 2024	123,948	242,612	1,787,713	2,154,273

* “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

** “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

	Small business loans			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	3,318,672	2,184,257	3,365,532	8,868,461
Transfer to stage 1	226,969	(226,924)	(45)	–
Transfer to stage 2	(559,569)	562,041	(2,472)	–
Transfer to stage 3	(345,296)	(1,049,429)	1,394,725	–
New financial assets originated or purchased	368,845	–	–	368,845
Transfer of new originations*	(103,706)	69,604	34,102	–
Full derecognition of financial assets	(916,871)	(327,797)	(271,956)	(1,516,624)
Unwinding of discount on present value of ECL	–	–	89,537	89,537
Other changes in EAD**	(592,639)	(406,753)	(181,701)	(1,181,093)
Bad debt written off	–	–	(810)	(810)
Currency translation difference	34,549	33,451	44,452	112,452
Gross carrying amount as at 31 December 2024	1,430,954	838,450	4,471,364	6,740,768

* “Transfer of new originations” reflects the transfers of new loans originated during the reporting period from Stage 1 to other stages.

** Other changes in EAD shows partial repayments of loans and advances to customers and accrual of interest income. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

	Small business loans			
	Stage 1	Stage 2	Stage 3	Total
Provision for expected credit losses as at 1 January 2024	96,578	445,531	1,687,773	2,229,882
Transfer to stage 1	49,798	(49,780)	(18)	–
Transfer to stage 2	(14,018)	15,002	(984)	–
Transfer to stage 3	(8,663)	(219,100)	227,763	–
New originations	46,568	–	–	46,568
Transfer of new originations**	(39,795)	13,692	26,103	–
Full derecognition of financial assets	(22,426)	(55,225)	(111,015)	(188,666)
Other changes*	(75,137)	26,846	1,082,940	1,034,649
Bad debt written off	–	–	(810)	(810)
Unwinding of discount on present value of ECL	–	–	89,537	89,537
Currency translation difference	7,006	9,973	24,145	41,124
Provision for expected credit losses as at 31 December 2024	39,911	186,939	3,025,434	3,252,284

* “Other changes” are attributable to changes in parameters (PD, LGD), changes in EAD and adjustment of ECL due to transfer to new stages.

** “Transfer of new originations” reflects the transfers of ECL on new loans originated during the reporting period from Stage 1 to other stages. The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

Economic sector risk concentrations within the customer loan portfolio were as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2025		31 December 2024	
	amount	%	amount	%
Individuals	28,823,892	68.75%	24,493,615	61.87%
Manufacturing	8,228,389	19.63%	9,704,236	24.51%
Trade and services	1,614,666	3.85%	1,956,946	4.94%
Construction	1,392,546	3.32%	903,815	2.28%
Agriculture	957,355	2.28%	1,194,200	3.02%
Oil & Gas	587,850	1.40%	778,244	1.97%
Transport and communication	221,373	0.53%	435,709	1.10%
Municipal services	81,574	0.19%	92,060	0.23%
Other	19,201	0.05%	30,425	0.08%
Total loans and advances to customers before provision for expected credit losses	41,926,846	100%	39,589,250	100%

As at 31 December 2025, the Group had top 10 borrowers with the aggregate loan balance of UZS 5,915,379 million (31 December 2024: UZS 5,945,728 million) or 14.1% (31 December 2024: 15.1%) of total loans and advances to customers.

Information about collateral at 31 December 2025 was as follows:

<i>In millions of Uzbekistan Soums</i>	Corporate loans	Residential mortgage loans	Small business loans	Consumer loans	Total
Loans collateralised by:					
-real estate	3,273,938	18,136,157	3,593,781	1,728	25,005,604
-salary of an individual	-	-	-	6,802,602	6,802,602
-letters of surety	1,676,878	190,475	568,127	1,448,775	3,884,255
-cash deposit	2,198,453	-	-	10,653	2,209,106
-vehicles	127,885	717	281,054	1,701,569	2,111,225
-insurance	251,383	10,378	460,051	520,841	1,242,653
-equipment and inventory	113,420	-	387,385	-	500,805
-state guarantee	107,629	-	-	-	107,629
-other assets	29,940	-	33,027	-	62,967
Total loans collateralised	7,779,526	18,337,727	5,323,425	10,486,168	41,926,846
Total loans and advances to customers before impairment provision	7,779,526	18,337,727	5,323,425	10,486,168	41,926,846

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

Information about collateral at 31 December 2024 was as follows:

<i>In millions of Uzbekistan Soums</i>	Corporate loans	Residential mortgage loans	Small business loans	Consumer loans	Total
Loans collateralised by:					
-real estate	3,829,478	15,862,434	4,789,718	3,120	24,484,750
-letters of surety	1,022,720	4,278	570,858	2,209,397	3,807,253
-salary of an individual	-	-	-	3,368,224	3,368,224
-cash deposit	2,616,988	-	-	13,026	2,630,014
-vehicles	173,364	141	379,333	1,771,165	2,324,003
-insurance	275,959	32,413	549,677	1,228,607	2,086,656
-equipment and inventory	99,285	65	423,490	745	523,585
-state guarantee	183,189	-	-	-	183,189
-other assets	153,884	-	24,371	-	178,255
-future cash flow	-	-	3,321	-	3,321
Total loans collateralized	8,354,867	15,899,331	6,740,768	8,594,284	39,589,250
Total loans and advances to customers before provision for expected credit losses	8,354,867	15,899,331	6,740,768	8,594,284	39,589,250

The amounts disclosed in the tables above represent the outstanding balances of loans and not the fair value of the collateral held against such loans.

Information about collateral breakdown for only stage 3 loans at net book value at 31 December 2025 and 31 December 2024 were as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2025 amount	31 December 2024 amount
Loans collateralised by:		
-real estate	2,033,029	2,205,419
-salary of an individual	166,598	103,342
-insurance	158,461	197,165
-equipment and inventory	133,445	54,727
-letters of surety	123,239	193,192
-vehicles	71,795	107,302
-cash deposit	93	2,915
-future cashflow	-	569
-other assets	11,778	79,473
Total loans collateralised	2,698,438	2,944,104

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

Analysis by stages and overdue days of loans outstanding at 31 December 2025 is as follows:

<i>In millions of Uzbekistan Soums</i>		31 December 2025		
Stages	1	2	3	Total
Corporate loans				
- less than 30 days overdue	4,832,730	163,587	472,337	5,468,654
- 31 to 90 days overdue	-	10,215	-	10,215
- 91 to 180 days overdue	-	-	27,468	27,468
- 181 to 360 days overdue	-	-	5,725	5,725
- more than 361 days overdue	-	-	2,267,465	2,267,465
Total corporate loans and advances to customers, gross	4,832,730	173,802	2,772,995	7,779,527
Less: Provision for loan impairment	(196,506)	(27,362)	(1,816,721)	(2,040,589)
Total corporate loans and advances to customers	4,636,224	146,440	956,274	5,738,938
Residential mortgage loans				
- less than 30 days overdue	16,021,232	1,441,439	139,338	17,602,009
- 31 to 90 days overdue	-	358,322	55,099	413,421
- 91 to 180 days overdue	-	-	71,103	71,103
- 181 to 360 days overdue	-	-	76,450	76,450
- more than 361 days overdue	-	-	174,744	174,744
Total residential mortgage loans and advances to customers, gross	16,021,232	1,799,761	516,734	18,337,727
Less: Provision for loan impairment	(277,463)	(308,170)	(294,164)	(879,797)
Total residential mortgage loans and advances to customers	15,743,769	1,491,591	222,570	17,457,930
Small business loans				
- less than 30 days overdue	739,547	318,824	289,390	1,347,761
- 31 to 90 days overdue	-	62,151	59,892	122,043
- 91 to 180 days overdue	-	-	289,457	289,457
- 181 to 360 days overdue	-	-	202,211	202,211
- more than 361 days overdue	-	-	3,361,952	3,361,952
Total small business loans and advances to customers, gross	739,547	380,975	4,202,902	5,323,424
Less: Provision for loan impairment	(2,928)	(81,844)	(2,910,320)	(2,995,092)
Total small business loans and advances to customers	736,619	299,131	1,292,582	2,328,332
Consumer loans				
- less than 30 days overdue	8,523,597	921,574	109,762	9,554,933
- 31 to 90 days overdue	-	261,017	59,844	320,861
- 91 to 180 days overdue	-	-	135,375	135,375
- 181 to 360 days overdue	-	-	154,935	154,935
- more than 361 days overdue	-	-	320,064	320,064
Total consumer loans and advances to customers, gross	8,523,597	1,182,591	779,980	10,486,168
Less: Provision for loan impairment	(179,478)	(198,067)	(552,968)	(930,513)
Total consumer loans and advances to customers	8,344,119	984,524	227,012	9,555,655

**Note: Less than 30 days overdue loans include both loans without any overdue days and loans which have overdue days between 1 and 30 days.*

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

Analysis by stages and overdue days of loans outstanding at 31 December 2024 is as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2024			
Stages	1	2	3	Total
Corporate loans				
- less than 30 days overdue	4,645,350	725,331	65,512	5,436,193
- 31 to 90 days overdue	-	32,695	381,016	413,711
- 91 to 180 days overdue	-	-	564,185	564,185
- 181 to 360 days overdue	-	-	1,320,444	1,320,444
- more than 361 days overdue	-	-	620,334	620,334
Total corporate loans and advances to customers, gross	4,645,350	758,026	2,951,491	8,354,867
Less: Provision for loan impairment	(123,948)	(242,612)	(1,787,713)	(2,154,273)
Total corporate loans and advances to customers	4,521,402	515,414	1,163,778	6,200,594
Residential mortgage loans				
- less than 30 days overdue	11,815,022	3,246,644	12,505	15,074,171
- 31 to 90 days overdue	-	519,263	5,117	524,380
- 91 to 180 days overdue	-	-	94,136	94,136
- 181 to 360 days overdue	-	-	60,102	60,102
- more than 361 days overdue	-	-	146,542	146,542
Total residential mortgage loans and advances to customers, gross	11,815,022	3,765,907	318,402	15,899,331
Less: Provision for loan impairment	(283,410)	(781,862)	(176,553)	(1,241,825)
Total residential mortgage loans and advances to customers	11,531,612	2,984,045	141,849	14,657,506
Small business loans				
- less than 30 days overdue	1,430,954	659,968	308,004	2,398,926
- 31 to 90 days overdue	-	178,482	64,089	242,571
- 91 to 180 days overdue	-	-	658,739	658,739
- 181 to 360 days overdue	-	-	1,148,394	1,148,394
- more than 361 days overdue	-	-	2,292,138	2,292,138
Total small business loans and advances to customers, gross	1,430,954	838,450	4,471,364	6,740,768
Less: Provision for loan impairment	(39,911)	(186,939)	(3,025,434)	(3,252,284)
Total small business loans and advances to customers	1,391,043	651,511	1,445,930	3,488,484
Consumer loans				
- less than 30 days overdue	6,521,888	1,401,244	19,987	7,943,119
- 31 to 90 days overdue	-	275,921	17,468	293,389
- 91 to 180 days overdue	-	-	132,753	132,753
- 181 to 360 days overdue	-	-	122,154	122,154
- more than 361 days overdue	-	-	102,869	102,869
Total consumer loans and advances to customers, gross	6,521,888	1,677,165	395,231	8,594,284
Less: Provision for loan impairment	(170,868)	(250,895)	(202,684)	(624,447)
Total consumer loans and advances to customers	6,351,020	1,426,270	192,547	7,969,837

* Note: Less than 30 days overdue loans include both loans without any overdue days and loans which have overdue days between 1 and 30 days.

As at 31 December 2025, the outstanding amount of loans and advances given under the program of lending to individual mortgage borrowers to obtain typical houses financed by the Ministry of Economy and Finance constituted UZS 1,565,858 million (31 December 2024: UZS 1,723,610 million), of which loans with outstanding amount of UZS 326,200 million (31 December 2024: UZS 461,345 million) were overdue (20.8% of the total outstanding amount of loans given under the project (31 December 2024: 26.8%)).

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

9. Loans and Advances to Customers (continued)

<i>In millions of Uzbekistan Soums</i>	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due later than 5 years	Total
Finance lease payments receivables at 31 December 2025	202,039	124,394	77,596	4,687	3,173	147	412,036
Unearned finance income	(55,697)	(29,725)	(10,401)	(1,228)	(403)	(3)	(97,457)
Impairment loss provision	(35,088)	(22,698)	(16,111)	(829)	(664)	(35)	(75,425)
Present value of lease payments receivable at 31 December 2025	111,254	71,971	51,084	2,630	2,106	109	239,154
Finance lease payments receivables at 31 December 2024	98,695	73,139	63,721	50,878	34,307	-	320,740
Unearned finance income	(17,730)	(12,840)	(8,054)	(4,199)	(1,250)	-	(44,073)
Impairment loss provision	(70,034)	(52,157)	(48,152)	(40,377)	(28,594)	-	(239,314)
Present value of lease payments receivable at 31 December 2024	10,931	8,142	7,515	6,302	4,463	-	37,353

The normal contractual finance lease receivables arrangements of the Group include the following main terms and conditions:

- Lease term (1-6 years);
- Stated annual lease interest rates range from 14% to 30% for UZS (31 December 2024: 14% to 31%), payable monthly from the commencement date (delivery of the lease asset to the lessee). The Group had no lease exposures denominated in EUR as at 31 December 2025 (31 December 2024: 7% to 7.8%);
- Finance income computed using the rate implicit in the lease;
- Lessee insures risks related to the leased assets such as damage caused by various reasons, theft and other with an insurer and keeps it insured throughout the term of the lease. Insurance fees are paid by the Lessee;
- The Group is entitled to possession of the object if certain terms of the agreement are not fulfilled;
- Initial direct costs are initially borne by the Group and are reimbursed by lessees prior to the inception of the lease; and
- Legal title passes to the lessee upon repayment of final lease payment.

10. Debt Securities at Amortized Cost

<i>In millions of Uzbekistan Soums</i>	%	Maturity	31 December 2025	31 December 2024
Bonds of the Central bank of Uzbekistan	14%	January, 2026	7,916,466	3,213,689
Government bonds of the Ministry of Economy and Finance of the Republic of Uzbekistan	14 - 15%	October, 2026	2,048,867	1,486,907
- of which pledged under sale and repurchase agreements			374,000	374,000
Less - Provision for expected credit losses (Note 6)			(6,168)	(11,898)
Total debt securities at amortized cost			9,959,165	4,688,698

As of 31 December 2025, the Bank had pledged Government bonds of the Ministry of Economy and Finance with a carrying amount of UZS 374,000 million as collateral under repurchase agreements (As of 31 December 2024: UZS 374,000 million).

Under the terms of these agreements, the counterparties have the right to sell or repledge the pledged securities even while the Bank continues to meet its obligations under the contracts.

The pledged securities remain on the Group's statement of financial position as the Group retains substantially all risks and rewards of ownership.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

11. Financial Assets at Fair Value through Other Comprehensive Income

Name	Nature of business	31 December 2025	31 December 2024
Mortgage refinancing company of Uzbekistan	Financial institution	48,449	35,816
Kredit axborot tahliliy markazi LLC	Consulting	7,568	5,563
Kredit malumotlari xizmati LLC	Consulting	1,917	2,081
SWIFT	Financial institution	928	756
Uzneftmahsulot JSC	Oil & Gas	36	43
Total financial assets at fair value through other comprehensive income		58,898	44,259

The capital markets of Uzbekistan including the stock exchanges function nominally and do not have an active trading. As a result, equity instruments originated in Uzbekistan are usually illiquid and do not have an active market.

As at 31 December 2025 and 2024, none of the equity investments were pledged as collateral against borrowings of the Group.

12. Premises, Equipment and Intangible Assets

Cost <i>(In millions of Uzbekistan Soums)</i>	Building and premises	Office and Computer equipment	Motor vehicles	Construction in progress	Intangible assets	Total
31 December 2023	189,101	413,348	15,379	1,576	126,852	746,256
Additions	10,511	315,848	11,595	205	270,955	609,114
Disposals and write-offs	-	(1,807)	(1,967)	(1,119)	166	(4,727)
Transfers	162	(15,458)	15,494	(198)	-	-
31 December 2024	199,774	711,931	40,501	464	397,973	1,350,643
Additions	5,679	157,650	2,155	3,352	328,680	497,516
Disposals and write-offs	(9)	(73,695)	(4,651)	(4)	(19,998)	(98,357)
Transfers	187	(6,771)	6,584	-	-	-
31 December 2025	205,631	789,115	44,589	3,812	706,655	1,749,802
Accumulated depreciation <i>(In millions of Uzbekistan Soums)</i>	Building and Premises	Office and Computer Equipment	Motor Vehicles	Construction in Progress	Intangible Assets	Total
31 December 2023	(43,778)	(291,058)	(10,887)	-	(25,418)	(371,141)
Charge for the year	(9,050)	(90,534)	(15,951)	-	(44,804)	(160,339)
Disposals and write-offs	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
31 December 2024	(52,828)	(381,592)	(26,838)	-	(70,222)	(531,480)
Charge for the year	(9,629)	(105,419)	(4,756)	-	(73,078)	(192,882)
Disposals and write-offs	2	70,614	4,624	-	11,379	86,619
Net transfers	(9)	18	(9)	-	-	-
31 December 2025	(62,464)	(416,379)	(26,979)	-	(131,921)	(637,743)
Net Book Value as of						
31 December 2024	146,946	330,339	13,663	464	327,751	819,163
31 December 2025	143,167	372,736	17,610	3,812	574,734	1,112,059

The significant increase in intangible assets during the year ended 31 December 2025 is primarily attributable to the acquisition of IT licenses and software, amounting to UZS 328,680 million.

As at 31 December 2025 and 2024, premises and equipment of the Group were not pledged.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

13. Non-current assets held for sale

	31 December 2025	31 December 2024
Gross non-current assets held for sale	34,542	231,874
non-current asset type:		
- Buildings held for sale	32,867	222,189
- Equipment held for sale	1,675	9,685
Impairment of non-current assets held for sale	(7,787)	(37,518)
Total non-current assets held for sale	26,755	194,356

As at 31 December 2025 and 2024, assets held for sale mainly include real estate and equipment. These assets are ready for immediate sale in its current condition subject only to terms that are usual and customary for sales.

As at 31 December 2025, the Group actively marketed its non-current assets held for sale in different marketing platforms, such as “E-auksion” auction platform and the Group’s official website.

14. Other Financial Assets

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Commission and other receivables	22,622	21,613
Less – Allowance for expected credit losses (Note 6)	(12,729)	(14,194)
Total other financial assets	9,893	7,419

15. Other Non-Financial Assets

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Repossessed collateral	394,869	261,551
Prepayments	261,566	131,107
Inventories	8,879	15,103
Assets for finance lease	-	18,942
Other	70,464	12,856
Less impairment provision	(177,082)	(103,864)
Total other non-financial assets	558,696	335,695

As at 31 December 2025 and 2024, prepayments mainly include advances paid for different software for banking operations, computer and office equipment and motor vehicles amounting to UZS 143,328 million.

Repossessed collateral mainly consists of premises and equipment along with assets that have not been sold during the last 12 months in the different regions of the Republic of Uzbekistan.

As at 31 December 2025, others mainly include prepayments for merchant fees and payment service providers, amounting to UZS 44,576 million.

16. Due to Other Banks

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Current accounts	9,160	49,839
Short-term placements of other banks	-	201,540
Total due to other banks	9,160	251,379

As at 31 December 2025, amounts due to other banks consisted entirely current accounts funded by the parent company, amounting to UZS 9,160 million (31 December 2024: USZ 49,839 million). As at 31 December 2024, total due to other banks consisted of short-term placements of other banks which were mostly funded from one local bank in the amount of UZS 201,540 million

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

17. Customer Accounts

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
State and public organizations		
- Current/settlement accounts	1,425,040	1,334,818
- Term deposits	1,742,114	2,317,942
Other legal entities		
- Current/settlement accounts	5,948,376	6,263,280
- Term deposits	3,007,737	1,939,942
Individuals		
- Current/settlement accounts	2,629,944	2,683,548
- Term deposits	3,565,147	3,315,859
Total customer accounts	18,318,358	17,855,389

Economic sector concentrations within customer accounts are as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2025		31 December 2024	
	Amount	%	Amount	%
Individuals	6,195,091	33.82%	5,999,407	33.60%
Private enterprises	3,971,817	21.68%	5,087,196	28.49%
Enterprises with foreign capital participation	3,640,453	19.87%	2,240,877	12.55%
State and budgetary organisations	3,167,154	17.29%	3,652,760	20.46%
Non-governmental organisations	659,070	3.60%	530,223	2.97%
Other	684,773	3.74%	344,926	1.93%
Total customer accounts	18,318,358	100%	17,855,389	100%

As at 31 December 2025, the Group had top 10 customers with outstanding balances of UZS 4,563,659 million (31 December 2024: UZS 5,129,128 million) or 25% (31 December 2024: 28%) of total customer accounts.

As at 31 December 2025 and 2024, customer accounts include funds pledged against letters of credit and guarantees in the amount of UZS 155,214 million and UZS 102,599 million, respectively.

18. Debt Securities in Issue

<i>In millions of Uzbekistan Soums</i>	Currency	Interest	Maturity date	31 December 2025	31 December 2024
- Eurobond in foreign currency	USD	6.45%	October, 2030	3,641,982	-
- Eurobond in national currency	UZS	20.50%	April, 2027	1,407,725	1,401,497
- Eurobond in national currency	UZS	17.50%	October, 2028	1,241,431	-
- Eurobond in foreign currency	USD	5.50%	November, 2025	-	3,896,314
Total debt securities issued				6,291,138	5,297,811

On 9 October 2025, the Bank issued debut dual-currency Eurobonds in the international capital markets, with a total nominal amount of USD 400 million.

The issuance comprised two tranches:

- USD-denominated tranche of USD 300 million with a maturity of 5 years and a fixed annual coupon rate of 6.45%. Interest is payable semi-annually in arrears.
- UZS-denominated tranche of UZS 1.2 trillion with a maturity of 3 years and a fixed annual coupon rate of 17.5%. Interest is payable semi-annually in arrears.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

19. Borrowings from Government, State and International Financial Institutions

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Borrowings from the Ministry of Finance of the Republic of Uzbekistan	16,182,598	15,277,610
Borrowings from International Financial Institutions	2,314,761	2,146,829
Borrowings from Domestic Financial Institutions	2,084,870	1,721,884
Borrowings from the Fund for the Reconstruction and Development of the Republic of Uzbekistan	320,769	678,723
Borrowings from the CBU	5,177	12,154
Debt component of preference shares	12,078	12,078
Borrowings from government, state and international financial institutions	20,920,253	19,849,278

As of 31 December 2025, borrowings from the Ministry of Economy and Finance of the Republic of Uzbekistan were mainly used to provide advances to individual mortgage borrowers at net interest margin of 4% and for development of agricultural sector from the sources of International Development Agency (IDA), Japan International Cooperation Agency (JICA) and International Fund for Agricultural Development (IFAD). Interest rate for borrowing to development of economic sectors is 3%-4,3% (IDA), 5% (JICA), 2,5-14% (IFAD), 3% - 14 % (ADB).

As at 31 December 2025, borrowings in the amount of UZS 2,314,761 million were outstanding from the following international Financial Institutions:

Institution name	31 December 2025	31 December 2024
OTP Financing Malta Company Ltd.	851,409	-
Commerzbank AG	544,018	730,927
IFC	407,625	442,235
BSK 1818 AG	172,325	186,849
CDB	149,697	273,628
Landesbank Baden-Württemberg	146,057	157,461
Hungarian Export-Import Bank	43,630	53,214
EBRD	-	275,216
ODDO BHF	-	20,535
The Export-Import Bank of Korea	-	6,764
Total	2,314,761	2,146,829

As at 31 December 2025, the borrowings from Domestic Financial Institutions include UZS 1,352,361 million made by Mortgage Refinancing Company of Uzbekistan at the rate of up to 20%, advanced by the Group to individual mortgage borrowers (the maturity of mortgage lending is 18 years), UZS 91,700 million made by JSC Trade Development Company at a rate from 2% to 4,5%, further issued by the Group to support export producers of Uzbekistan, and funds provided by other Domestic Financial institutions. Total borrowings from Domestic Financial Institutions include UZS 503,768 million made by Xalq bank at concessionary rate of up to 6,5%, advanced by the Group mainly to finance construction of apartment buildings.

The borrowings from Fund for the Reconstruction and Development of the Republic of Uzbekistan (“the UFRD”) amounted to UZS 320,769 million and were used for financing corporate and SME loans in the textile sector at the rate of 6-month SOFR + 1% - 6-month SOFR + 2% and 7 %-10%. Maturity of the borrowings is linked with maturities of the individual loans issued by the Group.

The borrowings from the Ministry of Economy and Finance of the Republic of Uzbekistan, the CBU and the Fund for Reconstruction and Development of the Republic of Uzbekistan were issued to the Group for financing the state business, agro-industrial and other state development programs under the Government orders. Contractual interest rates on the loans mentioned are lower than average market interest rates. In connection with the direct usage of borrowed loan funds for loan issue the management believes that contractual rates set on loans are market ones.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

19. Borrowings from Government, State and International Financial Institutions (continued)

As at 31 December 2025, the Group was not in compliance with certain financial covenant requirements stipulated in its facility agreements with the Asian Development Bank (“ADB”) (funds were received through the Ministry of Economy and Finance of the Republic of Uzbekistan) and the China Development Bank (“CDB”), with an aggregate carrying amount of UZS 516,336 million. The Group obtained formal waivers in respect of the non-compliance with those financial covenants. Accordingly, the Group does not expect the lenders to exercise their acceleration rights in respect of these borrowings. As the waivers were duly obtained, the related borrowings have not been classified as on-demand or current liabilities in the Group’s liquidity risk disclosures (see Note 31). In addition, in January 2026, the Bank fully repaid all outstanding borrowings from the China Development Bank (“CDB”).

Interest rate and maturity analysis of borrowings from government, state and international financial institutions is disclosed in Note 31.

20. Subordinated debt

<i>In millions of Uzbekistan Soums</i>	Currency	Maturity date	Nominal interest rate %	31 December 2025	31 December 2024
Subordinated debt of the Ministry of Economy and Finance of the Republic of Uzbekistan	USD	March, 2030	0%	249,318	256,342
Subordinated debt of the Ministry of Economy and Finance of the Republic of Uzbekistan	UZS	November, 2029	3%	98,086	153,816
Subordinated debt of the Ministry of Economy and Finance of the Republic of Uzbekistan	UZS	November, 2030	3%	96,025	139,255
Subordinated debt of the Ministry of Economy and Finance of the Republic of Uzbekistan	UZS	November, 2028	3%	14,038	35,271
Total subordinated debt				457,467	584,684

The subordinated debt provided by the Ministry of Economy and Finance at 3% is used to finance mortgage loans to individuals at a rate of 7%.

On 30 March 2023 the Ministry of Economy and Finance provided interest-free subordinated debt to the Group with tenor of 7 years with a bullet repayment at the maturity date. Therefore, gain on initial recognition on subordinated debt received from the government in the amount of UZS 75,750 million was recognized within equity.

21. Other Liabilities

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Payable to suppliers	42,120	15,125
Dividends payable	996	1,012
Total other financial liabilities	43,116	16,137
Payables to employees	188,243	175,270
Other tax liabilities	62,856	48,684
Expected liability for off-balance sheet items	18,023	12,963
Payable to State deposit insurance fund	14,849	1,265
Other	17,919	14,220
Total other non-financial liabilities	301,890	252,402
Total other liabilities	345,006	268,539

As at 31 December 2025, payable to employees includes year-end bonus payable to employees in the amount of UZS 129,500 million (31 December 2024: UZS 104,276 million).

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

22. Changes in liabilities arising from financing activities

The table below sets out an analysis and movements in the debt for each of the years presented. The debt items are those that are reported within financing activities in the consolidated statement of cash flows. Non-cash changes include unwinding of commission expenses, fair value gain or loss on initial recognition.

	Liabilities from financing activities							31 December 2025
	31 December 2024	Financing cash inflows	Financing cash outflow	Interest accrued	Interest paid	Effect of exchange rate changes	Other non-cash changes	
Debt securities in issue	5,297,811	4,821,609	(3,597,159)	554,963	(475,473)	(294,413)	(16,200)	6,291,138
Borrowings from government, state and international financial institutions	19,849,278	4,551,404	(3,400,052)	2,006,321	(1,983,277)	(130,630)	27,209	20,920,253
Subordinated debt	584,684	-	(119,709)	7,336	(7,821)	(22,382)	15,359	457,467

	Liabilities from financing activities							31 December 2024
	31 December 2023	Financing cash inflows	Financing cash outflow	Interest accrued	Interest paid	Effect of exchange rate changes	Other non- cash changes	
Debt securities in issue	4,529,458	1,362,140	(785,000)	448,269	(429,392)	176,863	(4,527)	5,297,811
Borrowings from government, state and international financial institutions	20,608,321	4,451,974	(5,388,068)	1,797,126	(1,749,967)	106,326	23,566	19,849,278
Subordinated debt	632,159	-	(69,264)	10,873	(11,195)	11,218	10,893	584,684

23. Share Capital

<i>In millions of Uzbekistan Soums</i>	Number of outstanding shares in millions	Ordinary shares	Inflation adjustment	Total
At 31 December 2024	3,834,218	3,826,166	6,418	3,832,584
At 31 December 2025	3,834,218	3,826,166	6,418	3,832,584

As at 31 December 2025 and 31 December 2024 outstanding shares include 3,826,166 million ordinary shares and 8,052 million preference shares with a par value of UZS 1 per share issued and fully paid in UZS.

The Group distributes profits as dividends or transfers to reserves based on financial statements prepared in accordance with local legislation.

Preference shares. Preference shares are not redeemable and rank ahead of the ordinary shares in the event of the Group's liquidation.

The preference shares give the holders the right to participate in general shareholders' meetings without voting rights, except in instances where decisions are made in relation to reorganization and liquidation of the Group, and where changes and amendments to the Group's charter which restrict the rights of preference shareholders are proposed. Minimum annual dividends on preference shares are fixed at 25% of the nominal value and rank above ordinary dividends.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

23. Share Capital (continued)

Preference shares are accounted for as a compound financial instrument having both a liability component and an equity component. The liability component is initially determined as the present value of future minimum dividend payments discounted at the Group’s incremental borrowing rate and the rest of the sale proceeds are classified as equity component.

The dividends declared on preference shares cannot be less than those declared for ordinary shares. When dividends declared above minimum amount, the excess of the dividends is recognised in equity (as discretionary payment on the equity component).

The dividend expense on preference shares is accounted in the consolidated financial statement of profit or loss and other comprehensive income as a part of interest expense.

24. Earnings/(Loss) per share

Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year, net of treasury shares. The Group has no dilutive potential ordinary shares; therefore, the diluted earnings per share are equal to the basic earnings per share. Earnings per share are calculated as follows: Profit for the year attributable to ordinary and preference shareholders is calculated as follows:

	2025	2024
Profit/(Loss) for the year attributable to preference shareholders	4,298	2,704
Profit/(Loss) for the year attributable to ordinary shareholders	2,042,326	1,284,351
Profit/(Loss) for the year attributable to the owners:	2,046,624	1,287,055
Weighted average number of preference shares in issue	8,052	8,052
Weighted average number of ordinary shares in issue	3,826,166	3,826,166
Basic and diluted earnings per preference share in UZS	0.53	0.33
Basic and diluted earnings per ordinary share in UZS	0.53	0.33

25. Interest Income and Expense

<i>In millions of Uzbekistan Soums</i>	2025	2024
<i>Interest income calculated using the effective interest rate</i>		
Loans and advances to customers	6,168,101	5,898,088
Debt securities at amortized cost	775,714	411,827
Due from other banks	301,925	483,022
Interest income on cash and cash equivalents	267,335	263,381
Total interest income calculated using the effective interest rate	7,513,075	7,056,318
<i>Other interest income</i>		
Net investments in finance lease	22,264	29,872
Total interest income	7,535,339	7,086,190
<i>Interest expenses</i>		
Borrowings from government, state and international financial institutions	2,043,117	1,798,997
Customer accounts	1,470,236	1,102,865
Debt securities in issue	567,455	442,566
Subordinated debt	18,072	21,765
Due to other banks	2,591	18,920
Interest expense of lease liabilities	9,566	3,958
Total interest expense	4,111,037	3,389,071
Net interest income	3,424,302	3,697,119

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

26. Fee and Commission Income and Expense

<i>In millions of Uzbekistan Soums</i>	2025	2024
Fee and commission income		
Settlement transactions	485,720	315,814
Cash transactions	93,767	96,812
Guarantees and letters of credit	8,407	10,747
Foreign currency conversion operations	1,238	3,953
Other	20,229	5,169
Total fee and commission income	609,361	432,495
Fee and commission expense:		
Settlement transactions	130,260	72,285
Conversion operations	14,260	15,340
Cash collection services	14,001	7,579
Cash transactions	6,000	7,033
Other	13,638	14,045
Total fee and commission expense	178,160	116,282
Net fee and commission income	431,201	316,213

27. Other Operating Income

<i>In millions of Uzbekistan Soums</i>	2025	2024
Gain from disposal of premises and equipment	2,507	1,793
Income from services provided	587	2,818
Income from rental of POS terminals	355	312
Other non-interest income	10,770	1,600
Total other operating income	14,219	6,523

28. Administrative and Other Operating Expenses

<i>In millions of Uzbekistan Soums</i>	2025	2024
Staff costs	1,208,121	1,155,493
Depreciation and amortization	204,933	160,340
Security services	67,109	62,514
Deposit guarantee fund expenses	59,424	44,292
Repair and maintenance	44,634	31,850
Advertising and publicity	31,631	20,174
Professional services	27,519	55,194
Postage, telephone and fax	27,311	11,023
Taxes other than income tax	26,218	21,457
Loss on sale and disposal of non-financial assets	26,217	6,387
Stationery and supplies	25,503	35,911
Charity and sponsorship	14,991	4,686
Representation and entertainment	13,297	8,301
Utilities	11,304	9,942
Business trip and travel expenses	7,984	7,234
Penalties incurred	6,007	1,145
Fuel	4,447	4,109
Insurance	2,489	1,096
Rent expenses	85	3,514
Other operating expenses	119,768	82,145
Total administrative and other operating expenses	1,928,992	1,726,807

The fees accrued by the Group to Ernst & Young LLC for the audit of the consolidated financial statements for the year ended 31 December 2025 amounted to UZS 2,696 million (including VAT). The fees for other audit-related services provided by the same audit firm for the respective period amounted to UZS 2,760 million (including VAT).

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

28. Administrative and Other Operating Expenses (continued)

For the year ended 31 December 2024, the fees accrued by the Group to Ernst & Young LLC for the audit of the consolidated financial statements amounted to UZS 2,577 million (including VAT). The fees for other audit-related services provided for the respective period amounted to UZS 2,802 million (including VAT).

29. Income Taxes

(a) Components of income tax expense

Income tax expense comprises the following:

<i>In millions of Uzbekistan Soums</i>	2025	2024
Current tax charge	48,596	4,482
Deferred tax charge	308,601	215,298
Income tax expense for the period through Profit or Loss	357,197	219,780
Deferred tax (credit) / charge through Other Comprehensive Income	1,033	860
Income tax expense for the period through Profit or Loss and Other Comprehensive Income	358,230	220,640

(b) Reconciliation between tax expense and profit or loss multiplied by applicable tax rate

<i>In millions of Uzbekistan Soums</i>	2025	2024
Profit before tax (including discontinued operations)	2,403,821	1,506,835
Theoretical tax charge at the applicable statutory rate - 20% (2024: 20%)	480,764	301,367
-Non-deductible expenses (non-deductible part of loan loss provisions, employee compensation, representation and other non-deductible expenses)	31,576	778
-Non-taxable income (interest income from state securities)	(155,143)	(82,365)
Net income tax expense including results from discontinued operations	357,197	219,780
Net income tax (credit) / expense relating to the components of other comprehensive income	1,033	860
Income tax expense for the period	358,230	220,640

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

29. Income Taxes (continued)

(c) Deferred tax analysed by type of temporary differences

Differences between IFRS and Uzbekistan statutory taxation regulations give rise to certain temporary differences between the carrying amount of certain assets and liabilities for financial reporting purposes and for their tax bases. The tax effect of the movements on these temporary differences is detailed below. For calculation of deferred tax assets and liabilities enacted tax rate of 20% was used for 2025 (2024: 20%).

<i>In millions of Uzbekistan Soums</i>	31 December 2025	Credited/ (charged) to profit or loss	Credited/ (charged) to OCI	31 December 2024	Credited/ (charged) to profit or loss	Credited/ (charged) to OCI	31 December 2023
Cash and cash equivalents	139	102	-	37	(23)	-	60
Due from other banks	1,188	225	-	963	35	-	928
Loans and advances to customers	(24,530)	(303,523)	-	278,993	(147,525)	-	426,518
Debt securities at amortized cost	1,234	(1,145)	-	2,379	840	-	1,539
Financial assets at fair value through other comprehensive income	(15,232)	(12,213)	(1,033)	(1,986)	(209)	(860)	(917)
Debt securities in issue	(4,099)	(1,402)	-	(2,697)	(574)	-	(2,123)
Investment in associates	-	-	-	-	2,789	-	(2,789)
Premises, equipment and intangible assets	(768)	(219)	-	(549)	1,232	-	(1,781)
Right of use assets	1,178	714	-	464	4,954	-	(4,490)
Non-current assets held for sale	1,557	(5,947)	-	7,504	986	-	6,518
Other assets	(51,341)	5,597	-	(56,938)	(63,625)	-	6,687
Borrowings from government, state and international financial institutions	658	5,442	-	(4,784)	3,240	-	(8,024)
Subordinated debt	(8,265)	3,843	-	(12,108)	(13,636)	-	1,528
Other liabilities	5,661	(74)	-	5,735	(3,782)	-	9,517
Net deferred tax (liability)/asset	(92,620)	(308,600)	(1,033)	217,013	(215,298)	(860)	433,171
Recognised deferred tax asset	11,615	(284,460)	-	296,075	(152,141)	-	448,216
Recognised deferred tax liability	(104,235)	(24,140)	(1,033)	(79,062)	(63,157)	(860)	(15,045)
Net deferred tax (liability)/asset	(92,620)	(308,600)	(1,033)	217,013	(215,298)	(861)	433,171

30. Segment Reporting

The Group’s operations are single reportable segment.

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

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

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group’s total revenue in 2025 or 2024.

31. Financial Risk Management

Corporate governance

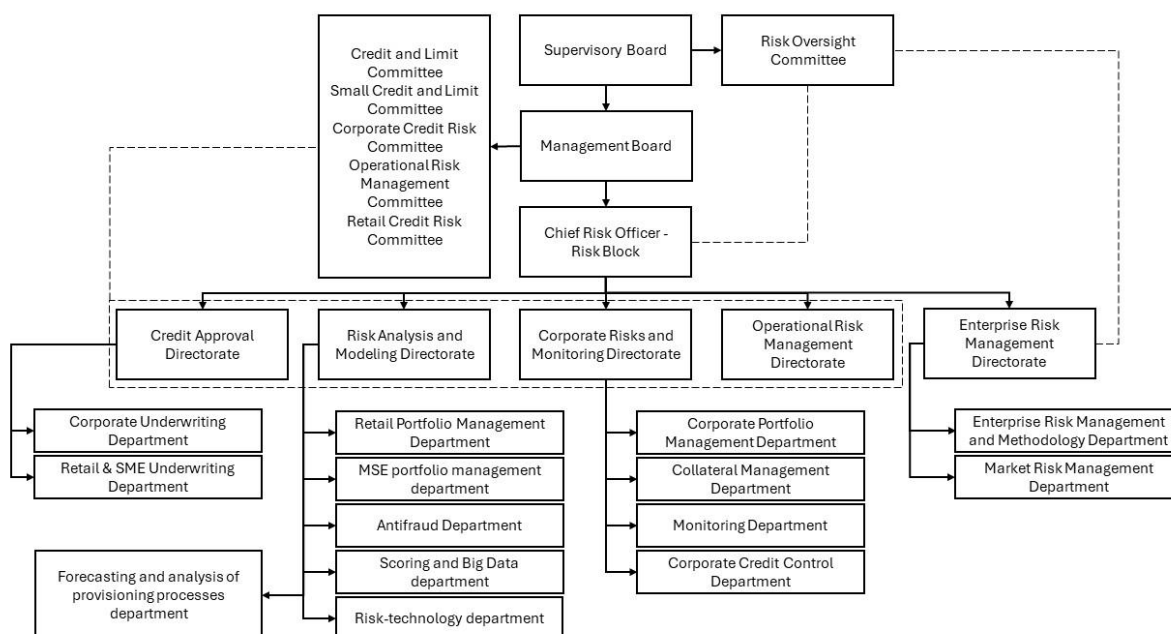
The Group maintains a comprehensive corporate governance system, which includes its shareholders, the Supervisory Board (including six sub-committees), the Management Board (including six sub-committees). The Supervisory Board is represented by members with international banking and financial services experience and the Group’s senior management team is comprised of experienced and trained professionals with a proven track record of achieving growth and meeting financial performance targets. The Group’s management team has extensive experience in Uzbekistan’s banking market and a strong understanding of the local financial services sector. The Group’s long-term goal is to maintain and further develop a strong corporate governance model. The Group has undertaken a number of new initiatives designed to improve its corporate governance systems, including initiatives in cooperation with the IFC. The Group’s long-term strategy is to maintain and further strengthen its corporate governance system by improving its relationship with shareholders, strengthening the composition and roles of the Supervisory Board, and optimising the interaction between the Group’s management bodies. Based on that strategy, the Group significantly revised and updated its corporate governance structure in 2019 by revising and updating the roles of its functioning committees. At the same time, the organisation of the Group’s corporate governance procedures and mechanisms was adapted to meet the nature, scale and complexity of the risks inherent to its business model and activities. The Group has developed a common vision and strategic objectives for its development and established the foundations of a modern system of financial and management accounting systems. The Group’s corporate governance structure has been enhanced to encompass various pillars of responsibility, including identifying, managing, monitoring and reporting risks to which the Group is or may be exposed. In order to strengthen and enhance the composition of its Supervisory Board, in 2019 and 2020, the Group added five new independent directors with international experience to the Supervisory Board. The Group’s Supervisory Board currently consists of nine members. The Group further established a corporate consultancy service (the “Corporate Consultant Service”) to facilitate an effective relationship and exchange of information with the Group’s shareholders, the Supervisory Board and the Management Board, as well as monitoring the compliance with corporate legislation applicable to the Group’s activities. While the Group intends to continue enhancing the functionality of its existing committees, the Group further established specialised committees under its Supervisory Board that focus on facilitating the accomplishment of the Group’s strategic objectives, as well as issuing recommendations pertaining to the improvement of the Group’s activities. The Code of Ethics of the Bank was updated in line with OTP Group requirements and approved by the Supervisory Board in 2025. As part of the Group’s ongoing improvement of its corporate governance framework to meet the standards of international best practices, the Group also revised its internal regulations to introduce various new policies, including but not limited to the formation and maintenance of an effective composition of the Supervisory Board, the regulation of significant transactions and transactions with related parties, and the selection of independent members of the Supervisory Board.

31. Financial risk management (continued)

Risk Management Bodies

The principal risk management bodies of the Bank are the Supervisory Board, the Risk Oversight Committee, the Management Board, the Credit and Limit Committee, the Small Credit and Limit Committee, the Corporate Credit Risk Committee, the Retail Credit Risk Committee and the Operational Risk Management Committee and the AML Committee.

The Bank’s risk management structure is based upon the principle of “three lines of defence”. The banking business units and financial and operating functions represent the first line of defence and are responsible for ensuring adherence to the Bank’s policies and procedures on a day-to-day basis. The Risk Block represents the second line of defence, monitoring and coordinating with the business units and financial and operational functions. The Risk Block, under the leadership of the Chief Risk Officer, reports to the Management Board and the Supervisory Board. Compliance, as independent function, reports to Supervisory Board with the obligation to provide information and reports to the Management Board. The Internal Audit Directorate represents the third line of defence. The Internal Audit Directorate reports to the Supervisory Board (through the Audit Committee of the Supervisory Board) and is responsible for reviewing and ensuring the integrity of the risk management processes at the Bank.



The Supervisory Board

The Supervisory Board is responsible for the Bank’s overall risk management approach and for approving the Bank’s risk strategies and principals and is ultimately responsible for identifying and controlling risks. The Supervisory Board delegates authority to the Risk Oversight Committee (ROC) to provide recommendations on such matters. It approves the Bank’s risk appetite and credit policies and is responsible for approving certain credit decisions which fall outside the responsibility of the Management Board, Credit and Limit Committee and Small Credit and Limit Committee, including approvals of single borrower lending exposures that constitute between 10 to 25 per cent of the Bank’s Tier 1 capital. The Supervisory Board reviews and approves the Bank’s risk appetite and the Risk Management Strategy. The Bank’s risk appetite and Risk Management Strategy are determined in conjunction with one another and are each reviewed annually (or more frequently, if necessary) to ensure the Bank’s continued compliance with applicable regulations, as well as to maintain the effectiveness and relevance of its controls in the context of any changing external demands.

The Management Board

The Management Board is responsible for the day-to-day management of the Bank and implements a policy on elaborating, manages and monitors the strategic goals, corporate governance policy, other internal policies of the Bank, including risk monitoring and risk communication, maintaining capital adequacy at the proper level.

31. Financial risk management (continued)

Risk Oversight Committee (ROC)

The Risk Oversight Committee of the Supervisory Board of the Bank is a consultative and advisory body established to support the Supervisory Board in supervising the Bank’s risk management framework. The Committee’s decisions are binding on the Management Board and structural units of the Bank, and recommendatory for the Supervisory Board.

The ROC’s main goals include oversight of the Bank’s risk appetite, risk strategy, internal control systems, compliance, and integration of sustainability/ESG principles. Its key functions comprise:

- Advising on risk appetite, risk strategy, and stress-testing.
- Reviewing large exposures, credit portfolio quality, capital adequacy and ICAAP results, and risk mitigation plans across all risk types.
- Monitoring compliance risk, AML/sanctions risk, ESG risks, and sustainability practices.
- Overseeing implementation of crisis and continuity plans (CFP, BCP, DRP).
- Reporting to the Supervisory Board on risk profile developments.

The Committee consists of at least three members of the Supervisory Board (excluding its Chairman), elected for the term of their SB mandate. Meetings are held at least quarterly, with ad-hoc sessions convened as needed. The Head of the Enterprise Risk Management Directorate serves as Secretary to the Committee.

The Credit and Limit Committee (“CLC”) and the Small Credit and Limit Committee (“SCLC”)

The CLC and SCLC are the Bank’s standing decision-making bodies established by the Bank’s Management Board to manage credit risks in line with the Bank’s Credit Policy, CBU regulations, and OTP Group standards.

The CLC is authorized to approve credit decisions for corporate clients up to 5 per cent of Tier 1 Capital, while the SCLC, operating under delegated authority, may decide on exposures up to UZS 7 billion. Both bodies review and approve credit and limit applications, set country and counterparty limits, authorize special transactions, and decide on portfolio sales and deviations from standard financing/collateral terms.

The SCLC functions as a subordinate body to the CLC, with the right to decline delegated matters involving heightened risks, in which case the proposals are referred back to the CLC. The Committees’ decisions are binding within their authority and contribute to maintaining prudent credit risk management across the Bank’s portfolio.

The Asset and Liability Management Committee

The Asset and Liability Management Committee (the “ALCO”) is led by the Chairman of the Management Board. The ALCO’s principal activities consist of developing and monitoring the Bank’s strategy in respect of its management of assets and liabilities in accordance with the Bank’s asset and liability management policies, as well as evaluating and monitoring the Bank’s exposure to market and liquidity risks. The ALCO reviews financial reports and indices including the Bank’s limits and ratios, balance sheet, statement of operations, maturity gap, interest rate gap, currency gap, foreign exchange risk, interest rate risk and funding liquidity risk reports, and analyses of total cash flow and concentration risk, as well as other forms of financial analyses, both for past periods and in respect of future projections. The ALCO carries out these reviews on a monthly basis, and establishes policies, guidelines, and, where applicable, limits, with respect to such matters. The ALCO is also responsible for reviewing the results of any stress testing, including contingency plans, and issuing recommendations to the Enterprise Risk Management Directorate in respect of their stress testing methodology. In particular, the ALCO’s day to day operations comprise the following::

- monitoring liquidity levels, interest rate risks and general market risk on a monthly basis (or more frequently, if required), as well as the violation of any established limits in respect of such risks and implementing emergency measures to counteract such breaches;

31. Financial risk management (continued)

- issuing recommendations to the Bank’s business units in respect of limitations relating to its assets and liabilities, market risks and the prevailing risk appetite;
- reviewing (i) budgets and long-term business development plans, particularly in the context of any target assets and liabilities, (ii) the terms of new and existing products and services offered by the Bank and provides approval where appropriate, (iii) external factors (such as prevailing macroeconomic conditions) in the context of analysing the Bank’s vulnerability to risks associated with its management of assets and liabilities, as well as its exposure to general market conditions, and (iv) the Bank’s transfer pricing framework (such framework being an internal mechanism which allows for the allocation of net interest income among subdivisions, products or branches, which is reviewed and approved by the ALCO and the Finance Block);
- establishing and controlling portfolio limits, including money-market counterparty limits;
- approving any changes to interest rates on lending activities; and
- maintaining and providing an adequate supply of capital and liquidity to support the Bank’s operations and activities.

Regulatory capital requirements in Uzbekistan are set by the CBU and are applied to the Bank on a standalone basis. As at the date of this Information Memorandum, the CBU requires the Bank to maintain a minimum Total Capital Adequacy Ratio of 13 per cent and a minimum Tier I Capital Adequacy Ratio of 10 per cent, both computed based on the Bank’s standalone financial statements prepared under Uzbekistan GAAP in accordance with the CBU regulations and pronouncements.

The ALCO is the key governing body in respect of capital adequacy management and establishes internal limits for the Bank in addition to those set by the CBU. The management of capital adequacy is an integral part of the Bank’s monthly reporting procedures as well as the Bank’s annual and semi-annual budget approval and review processes. The ALCO and the Management Board regularly review these matters, identify risks, and, if applicable, issue recommendations and propose action plans

The AML Committee

The AML Committee (AMLC) is a standing committee established by the Management Board, responsible for overseeing the implementation of AML/CFT policies, procedures and controls at both bank and Group level. The Committee decides on the establishment, continuation or termination of business relationships with clients in cases of elevated money laundering or sanctions risk. The AMLC meets quarterly and reports annually to the Management Board on its activities.

The Risk Block

The Risk Block (the “**RB**”), under the leadership of the Bank’s Chief Risk Officer, is responsible for coordinating risk management within the Bank. The RB is involved with developing the Bank’s Risk Management Strategy as well as monitoring and ensuring day-to-day compliance with the same and is therefore involved in each stage of the Bank’s risk management architecture. The RB reports to the Chairman of the Management Board and to the Supervisory Board and has separate structural units representing the Bank’s main risk categories: credit risk, market risk and operational risk, monitoring compliance with the Bank’s policies in these areas, as set out below. The Enterprise Risk Management Directorate is responsible for the day-to-day monitoring of the Bank’s loan portfolio. The Bank’s business units submit reports to the RB, which is responsible for the oversight of the operations of this ‘first line of defence’. The RB is therefore responsible for ensuring that credit relevant, market and operational risks and control issues in the Bank’s business units are properly identified and, if necessary, highlighted to the relevant committee. In addition, the RB promotes the Bank’s risk culture by ensuring that employees receive the necessary training to meet their obligations independently, and by monitoring staff performance and ensuring a commonality in approach and terminology. The RB also monitors any new products or services offered or employed by the Bank. As well as ensuring compliance, the RB is involved in reviewing and developing the Bank’s risk management framework. The RB advises the Management and Supervisory boards in respect of the Bank’s risk appetite and Risk Management Strategy, and develops policies and procedures for approval by the Supervisory Board, based on the regulations and guidance of the CBU and OTP Bank, applicable legislation, and international best practice. The RB is responsible for defining scenarios for conducting stress tests and sensitivity analyses as well as participating in the development of the Bank’s credit-scoring metrics.

31. Financial risk management (continued)

The RB reports to the relevant bodies on the Bank’s credit operations, the level of acceptable deviation from the Bank’s specified limits, and the results of the stress testing and sensitivity analyses carried out quarterly, and more frequently if required. In respect of operational risk, the RB works closely with the Bank’s Internal Audit Directorate.

The Compliance Directorate

The Compliance Directorate operates as an independent function within the Bank, covering all organisational units and activities, and reports directly to the Supervisory Board with the obligation to provide information and reports to the Management Board. The Chief Compliance Officer is responsible for identifying, monitoring and managing compliance risks across all key areas, including prevention of money laundering and terrorist financing, international sanctions, anti-corruption and consumer protection. On a quarterly basis, the Chief Compliance Officer reports on the compliance status of the Bank to the Management Board, the Risk Oversight Committee and the Supervisory Board. In addition, the Compliance Directorate promotes the Bank’s risk culture by ensuring that employees receive the necessary training to meet their obligations, and by monitoring staff performance. Compliance Directorate monitors new product/services/channels developed or significantly modified. As well as ensuring compliance, the Compliance Directorate is involved in reviewing and participating in developing the Bank’s risk management framework.

The Internal Audit Directorate

The Internal Audit Directorate is responsible for the regular audit of the Bank’s risk management, internal control and corporate governance processes, with the aim of reducing the levels of operational and other risks, as well as auditing the Bank’s internal control systems and detecting infringements or errors on the part of the Bank’s departments and divisions. It examines both the adequacy of, and the Bank’s compliance with, those procedures, and conducts risk and control assessments of all the Bank’s processes at least once every three years and, if necessary, more frequently. The Internal Audit Directorate discusses any deficiencies, recommendations or examples of non-compliance with the Audit Committee of the Supervisory Board. The objective of the Internal Audit Directorate is to ensure the performance and efficiency of financial and economic activity of the Bank by monitoring the internal control system and audit, and providing independent professional advice on the possibility for improvements in respect of both the Bank’s activities and its control procedures. The Internal Audit Directorate is independent of the Management Board. The Head of the Bank’s Internal Audit Directorate is appointed by the Supervisory Board and reports directly to the Supervisory Board, through the Audit Committee of the Supervisory Board. The Internal Audit Directorate also carries out independent audits of the subsidiaries of the Ipoteka Group.

Bodies implementing the risk management system

The Bank’s risk management system is implemented by the Risk Block, the Internal Control Department, the ALM Directorate and Global Markets Directorate, and the Legal Directorate.

The Risk Block

The Risk Block manages credit risks with respect to particular borrowers and assesses risks relevant to the Bank’s overall loan portfolio. It is responsible for ensuring compliance with the Bank’s credit policies and the management of the quality of the Bank’s loan portfolio and monitors the relevant credit indicators and limits, as approved by the Bank’s Management and Supervisory Boards.

The Market Risk Management Department

The Market Risk Management Department manages market risks, interest rate risks, counterparty risks and foreign exchange rate risks. It develops, manages and monitors stress-testing models, prepares contingency funding plans and provides recommendations on liquidity-risk mitigation based on stress-testing results.

The Operational Risk Management Directorate

The Operational Risk Management Directorate is responsible for organizing a framework for effective identifying and reacting to operational risk, formulating operational risk management policies, evaluating results and recommending changes when appropriate.

31. Financial risk management (continued)

The Risk Analysis and Modelling Directorate

The Risk Analysis and Modelling Directorate is responsible for managing and analysing risk across the Retail portfolio, which includes secured and unsecured loans, small and medium-sized enterprises (MSE), and individual entrepreneurs. The directorate focuses on the development and implementation of risk strategies, scoring models, and technological solutions to enhance risk management capabilities. Reviewing and preparing summary reports on the state of risk management in the Bank and coordinating with various functions of the Bank to ensure the Bank's approved risk appetite is aligned with its strategic objectives. The Risk Analysis and Modelling Directorate also analyses methods for modernising the Bank's risk management tools and implements such changes where possible, strengthening and enhancing the effectiveness of the Bank's risk management system, and identifies and collects information on any strategic risks and providing recommendations to tackle such risks.

The ALM Directorate and Global Markets Directorate

The ALM Directorate and Global Markets Directorate manages foreign currency exchange, money market, securities portfolio and derivatives operations and monitors compliance with the limits set by the ALCO for these operations. The ALM Directorate and Global Markets Directorate is also responsible for the management of short-term liquidity and treasury cash flows.

The Legal Directorate

The Legal Directorate monitors all changes in applicable laws and regulations and ensures that those changes are properly reflected in the Bank's procedures, instructions, manuals, templates and other relevant documentation. It also disseminates information on legislative and regulatory changes to the relevant departments within the Bank. The Legal Directorate also participates in drafting laws and regulatory documents upon the request of legislators and regulators, certain associations and other professional bodies.

The Cybersecurity Department

The Bank's information security and cybersecurity management system is organized in accordance with the three-line-of-defense model, with functions distributed among LoD1 and LoD2 units, as presented below:

- LoD1 – IT Infrastructure Security Department is responsible for the operation and technical maintenance of information security systems in accordance with approved information security related policies;
- LoD2 – The Cybersecurity Department is responsible for development of policies and rules, information security and cybersecurity risk monitoring, information security compliance, as well as information security and cybersecurity event monitoring.

At the same time, separate administrative functions continue to be performed by the LoD2 and will be transferred to the LoD1 as part of a planned transition.

Accordingly, the Cybersecurity Department identifies and assesses risks, recommends measures to mitigate these risks, and maintains a consolidated register of the Bank's information security and cybersecurity risks. In addition, the Cybersecurity Department conducts risk assessments for projects, initiatives, and major changes to the Bank's infrastructure. High and critical information security and cybersecurity risks are submitted to the Operational Risk Committee (ORCO) for review on a quarterly basis.

In addition, in 2025, a local Security Operations Center (SOC) was established within the Cybersecurity Department to monitor security incidents in the Bank's infrastructure on a 24/7 basis. The adjustment of key SOC processes, as well as related technical mechanisms, is in progress. Security event monitoring is one of the key sources of data for monitoring information security and cybersecurity risks and developing appropriate measures.

In terms of compliance, the Cybersecurity Department coordinates external audits, security assessments and targeted inspections related to information security and cybersecurity conducted by the regulator and external assessors, as well as monitors changes to or the introduction of new regulatory requirements regarding information security in Uzbekistan.

Credit risk

Credit risk is the risk that the Group may suffer a loss due to the failure of its customers or counterparties to discharge their contractual obligation. Credit risk arises mainly in the context of the Group's lending activities and other transactions with counterparties in which a risk arises that the counterparty will not pay amounts owed to the Group in full and/or when due.

31. Financial risk management (continued)

Credit risk (continued)

Sources of credit risk can take various forms therefore and include deteriorations in the financial conditions of individual borrowers, high credit concentration in respect of certain industries or geographies and a reduction or the risk of a reduction in the value of any collateral held by the Bank. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing the lending limits where appropriate. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. The general principles of the Group’s credit policy are outlined in the Bank’s credit risk management policy (the “Credit Risk Management Policy”), which is approved by the Supervisory Board and the CBU. The Credit Risk Management Policy also outlines the Group’s credit risk control, monitoring procedures and credit risk management systems. The Credit Risk Management Policy is reviewed annually or more frequently if necessary. The Group identifies credit risk at both the individual borrower level and at the wider portfolio level by reference to common factors affecting certain industry sectors or geographies. The Credit Risk Management Policy provides the Group’s lending activities with risk-weighted limits and sets concentration limits. The Supervisory Board approves risk appetite/tolerance and concentration limits.

Loan approval procedures

The procedures for approving loans, monitoring loan quality and for extending, refinancing and/or restructuring existing loans are set out in the Bank’s credit policies. The Group evaluates its corporate clients based on their financial condition, credit history, business operations, market position, management, degree of shareholder support, proposed business and financing plan and the quality of the proposed collateral. The relevant subcommittee of the Credit Committee is responsible for making the decision for loan approval based on the credit memorandum, and where appropriate, the Credit Risk Manager’s report. The loan approval procedures for retail loans depend on the type of retail lending product. Any applications for consumer loans, including credit cards and auto loans, are categorised under the “scoring” approval procedure. The Group’s Credit Committee determines the amount, terms and conditions of all loans. Any applications for mortgages by retail clients are completed by the mortgage loan officer and submitted to the Credit Risk Division which is responsible for evaluating the associated credit risks.

In the case of micro-financing loans, the Bank’s loan officers evaluate loan applications, prepare a project analysis and submit the proposals to the relevant branch credit committee, which makes the final credit decision. The individual members of each branch credit committee have equal voting authority and a credit decision will pass if a majority of the members vote in favour of it. Each branch credit committee is entitled to approve exposures within the Group’s established limits for underwriting activities.

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

Some other specific control and mitigation measures are outlined below.

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

- State guarantee;
- Cash deposit;
- Real estate;
- Residential property;
- Equipment and inventory;
- Motor vehicle;
- Letter of surety;
- Insurance policy;
- Future cash flows.

31. Financial risk management (continued)

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

(b) *Concentration of risks of financial assets with credit risk exposure.* The Group’s management focuses on concentration risk:

- The maximum risk to single borrower or group of affiliated borrowers shall not exceed 25 percent of the Group's tier 1 capital (with the exception of loans, the allocation of which is allowed on the basis of specific government decrees, guaranteed by the Government of the Republic of Uzbekistan, funded by the Fund for the Reconstruction and Development of the Republic of Uzbekistan and cash collateralized loans) in accordance with the CBU requirements;
- Total amount of unsecured credits to single borrower or group of affiliated borrowers shall not exceed 5 percent of Group's tier 1 capital;
- Total amount of all large credits shall not exceed Group's tier 1 capital by more than 8 times; and
- Total loan amount to related party shall not exceed Group's tier 1 capital.

The Group’s maximum exposure to credit risk varies significantly and is dependent on both individual risks and general market risks.

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

Group’s internal ratings scale:

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

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

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

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

Credit quality of loans and advances to customers:

	31 December 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loans to customers at amortized cost				
- Standard	30,107,095	2,825,585	659,835	33,592,515
- Substandard	8,501	711,533	608,986	1,329,020
- Unsatisfactory	253	11	322,629	322,893
- Doubtful	-	-	726,983	726,983
- Loss	1,257	-	5,954,178	5,955,435
Total loans to customers	30,117,106	3,537,129	8,272,611	41,926,846
Less: Allowance for expected credit losses	(656,375)	(615,443)	(5,574,173)	(6,845,991)
Total loans to customers net	29,460,731	2,921,686	2,698,438	35,080,855

	31 December 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loans to customers at amortised cost				
- Standard	24,404,881	5,946,912	362,959	30,714,752
- Substandard	7,723	1,065,912	429,055	1,502,690
- Unsatisfactory	610	26,694	940,275	967,579
- Doubtful	-	30	3,029,462	3,029,492
- Loss	-	-	3,374,737	3,374,737
Total loans to customers	24,413,214	7,039,548	8,136,488	39,589,250
Less: Allowance for expected credit losses	(618,137)	(1,462,308)	(5,192,384)	(7,272,829)
Total loans to customers net	23,795,077	5,577,240	2,944,104	32,316,421

Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rate and (c) equity products, all of which are exposed to general and specific market movements.

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

- Net position on each currency should not exceed 10% of Group’s regulatory capital (31 December 2024: 10%);
- Total net position on all currencies should not exceed 15% of Group’s regulatory capital (31 December 2024: 15%).

The Group also measures its currency risk by matching financial assets and liabilities denominated in same currency and analyses the effect of appreciation/depreciation of that currency against Uzbekistan Soums to the profit and loss of the Group.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

The table below summarises the Group’s exposure to foreign currency exchange rate risk as at 31 December 2025:

<i>In millions of Uzbekistan Soums</i>	UZS	US Dollars	Euros	Other	Total
Monetary financial assets					
Cash and cash equivalents	1,290,401	5,093,594	620,076	36,396	7,040,467
Due from other banks	498,973	365,648	70,807	-	935,428
Loans and advances to customers	29,313,218	4,290,959	1,476,678	-	35,080,855
Debt securities at amortized cost	9,959,165	-	-	-	9,959,165
Other financial assets	4,635	2,600	2,658	-	9,893
Total monetary financial assets	41,066,392	9,752,801	2,170,219	36,396	53,025,808
Monetary financial liabilities					
Due to other banks	203	8,957	-	-	9,160
Customer accounts	14,495,046	3,548,535	228,175	46,602	18,318,358
Debt securities in issue	2,649,156	3,641,982	-	-	6,291,138
Lease liabilities	45,365	-	-	-	45,365
Borrowings from government, state and international financial institutions	17,218,151	1,944,663	1,757,439	-	20,920,253
Subordinated debt	208,149	249,318	-	-	457,467
Other financial liabilities	43,116	-	-	-	43,116
Total monetary financial liabilities	34,659,186	9,393,455	1,985,614	46,602	46,084,857
Net balance sheet position	6,407,206	359,346	184,605	(10,206)	

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

<i>In millions of Uzbekistan Soums</i>	UZS	US Dollars	Euros	Other	Total
Monetary financial assets					
Cash and cash equivalents	4,325,852	4,547,921	183,642	32,302	9,089,717
Due from other banks	896,127	1,731,836	47	1	2,628,011
Loans and advances to customers	26,494,652	4,855,697	966,072	-	32,316,421
Debt securities at amortized cost	4,688,698	-	-	-	4,688,698
Other financial assets	2,906	1,566	2,947	-	7,419
Total monetary financial assets	36,408,235	11,137,020	1,152,708	32,303	48,730,266
Monetary financial liabilities					
Due to other banks	1,454	48,385	201,540	-	251,379
Customer accounts	13,219,850	4,437,476	169,986	28,077	17,855,389
Debt securities in issue	1,401,497	3,896,314	-	-	5,297,811
Lease liabilities	26,413	-	-	-	26,413
Borrowings from government, state and international financial institutions	16,063,524	2,657,303	1,128,451	-	19,849,278
Subordinated debt	328,343	256,341	-	-	584,684
Other financial liabilities	16,137	-	-	-	16,137
Total monetary financial liabilities	31,057,218	11,295,819	1,499,977	28,077	43,881,091
Net balance sheet position	5,351,017	(158,799)	(347,269)	4,226	

The above analysis includes only monetary assets and liabilities. Financial assets at fair value through other comprehensive income are non-monetary assets and are not considered to give rise to any material currency risk.

During 2025 and 2024 changes of the possible movement of currency rates were associated with the decrease or increase in the volatility of the exchange rate.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

Market risk (continued)

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

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
	Impact on profit or loss	Impact on profit or loss
US Dollars strengthening by 9% (2024: 5%)	32,341	(7,940)
US Dollars weakening by 9% (2024: 5%)	(32,341)	7,940
Euro strengthening by 13% (2024: 7%)	23,999	(24,309)
Euro weakening by 13% (2024: 7%)	(23,999)	24,309

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

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

The Group manages fair value interest rate risk through periodic estimation of potential losses that could arise from adverse changes in market conditions. The Risk Block conducts monitoring of the Group’s current financial performance, estimates the Group’s sensitivity to changes in market rates and its influence on the Group’s profitability and reports on them to the Management.

The table below summarises the Group’s exposure to interest rate risks. The table presents the aggregated amounts of the Group’s financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.

<i>In millions of Uzbekistan Soums</i>	Less than 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
31 December 2025					
Total interest bearing financial assets	15,258,940	3,369,275	13,293,417	19,067,858	50,989,490
Cash and cash equivalents	5,024,779	-	-	-	5,024,779
Due from other banks	315,303	163,124	442,090	4,175	924,692
Loans and advances to customers	1,411,895	1,753,949	12,851,327	19,063,683	35,080,854
Debt securities at amortized cost	8,506,963	1,452,202	-	-	9,959,165
Total interest bearing financial liabilities	3,579,877	3,443,395	17,003,150	11,576,232	35,602,654
Customer accounts	2,639,583	1,696,829	3,973,645	1	8,310,058
Debt securities in issue	162,238	-	6,128,900	-	6,291,138
Borrowings from government, state and international financial institutions	777,170	1,746,566	6,693,342	11,576,231	20,793,309
Subordinated debt	886	-	207,263	-	208,149
Net interest sensitivity gap at 31 December 2025	11,679,063	(74,120)	(3,709,733)	7,491,626	15,386,836

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

Market risk (continued)

The table below summarises the Group’s exposure to interest rate risk as at 31 December 2024:

<i>In millions of Uzbekistan Soms</i>	Less than 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Past due	Total
31 December 2024						
Total interest-bearing financial assets	8,921,370	5,430,503	9,433,570	14,635,955	5,693,557	44,114,955
Cash and cash equivalents	4,482,891	-	-	-	-	4,482,891
Due from other banks	1,847,460	650,312	124,148	5,025	-	2,626,945
Loans and advances to customers	76,577	2,605,935	9,309,422	14,630,930	5,693,557	32,316,421
Debt securities at amortized cost	2,514,442	2,174,256	-	-	-	4,688,698
Total interest-bearing financial liabilities	4,320,041	8,158,213	8,672,696	11,604,550	-	32,755,500
Due to other banks	251,379	-	-	-	-	251,379
Customer accounts	3,110,011	2,774,773	1,218,379	43,138	-	7,146,301
Debt securities in issue	81,990	3,853,681	1,362,140	-	-	5,297,811
Borrowings from government, state and international financial institutions	873,872	1,504,604	5,818,437	11,515,684	-	19,712,597
Subordinated debt	2,789	25,155	273,740	45,728	-	347,412
Net interest sensitivity gap at 31 December 2024	4,601,329	(2,727,710)	760,874	3,031,405	5,693,558	11,359,455

The following table presents a sensitivity analysis of interest rate risk, which has been determined based on “reasonably possible changes in the risk variable”. The Group assesses the reasonably possible changes in interest rates in UZS and foreign currencies separately, in which financial assets and liabilities are denominated due to the different volatility of interest rates.

The impact on profit before tax is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets and liabilities held as at 31 December 2025 and 2024. The management of the Group believes income tax not to have a substantial effect for the purpose of interest rate risk management.

The impact on income before tax based on asset and liability values as at 31 December 2025 and 2024 is as follows:

<i>In millions of Uzbekistan Soms</i>	31 December 2025		31 December 2024	
	Interest rate +2%	Interest rate -2%	Interest rate +2%	Interest rate -2%
FINANCIAL ASSETS:				
Loans to customers	47,221	(47,221)	143,225	(143,225)
FINANCIAL LIABILITIES:				
Borrowings from government, state and international financial institutions	29,250	(29,250)	38,920	(38,920)
Net impact on income before tax	17,971	(17,971)	104,305	(104,305)

The Group monitors interest rates for its financial instruments. The table below summarises interest rates based on reports reviewed by key management personnel:

<i>In % p.a.</i>	31 December 2025		
	UZS	USD	Euro
Assets			
Cash and cash equivalents	-	3.5-5.5%	1.8-4.5%
Due from other banks	0-23%	0-9.5%	5%
Loans and advances to customers	0-48%	6 month SOFR+3% - 15.5%	6 month Euribor+3% - 13%
Debt securities at amortized cost	14-17%	-	-
Liabilities			
Due to other banks	0-10%	-	-
Customer accounts	0-22%	0-7%	0-3.25%
Debt securities in issue	17.5-20.5%	5.5-6.5%	-
Borrowings from government, state and international financial institutions	0-20%	2% - 4.4%+SOFR 6m	0.7%+Euribor 3m - 2.66%+SOFR 3m - 3.28%
Subordinated debt	3%	-	-

*Loans with low interest rates were issued under the state programs (See Note 19).

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

Market risk (continued)

The table below summarises the Group’s exposure to interest rate risk as at 31 December 2024:

<i>In % p.a.</i>	31 December 2024		
	UZS	USD	Euro
Assets			
Cash and cash equivalents	14-19%	4-8%	5%
Due from other banks	0-23%	0-9%	5%
Loans and advances to customers	0-45%	SOFR 6M+3%-15.5%	EURIBOR 6M+3%-13%
Debt securities at amortized cost	15.28-17.14%	-	-
Liabilities			
Customer accounts	0-23%	0-8%	0-6%
Debt securities in issue	20.5%	5.5%	0%
Borrowings from government, state and international financial institutions	0-18.7%	2% - SOFR 6M + 0.75%-4.5%	3.28%-EURIBOR 6M + 0.7%-1.8%
Subordinated debt	3%	-	-

The sign “-” in the table above means that the Group does not have the respective assets or liabilities in corresponding currency, or the Group has the respective assets and liabilities in corresponding currency with zero interest rate.

Other price risk. The Group has no material exposure to equity price risk.

The Group is exposed to prepayment risk through providing fixed loans, including mortgages, which give the borrower the right to early repay the loans. The Group’s current profit or loss and equity at the current balance sheet date would not have been significantly impacted by changes in prepayment rates because such loans are carried at amortised cost and the prepayment right is at or close to the amortised cost of the loans and advances to customers.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

Geographical risk

The geographical concentration of the Group's financial assets and liabilities at 31 December 2025 is set out below:

<i>In millions of Uzbekistan Soums</i>	Uzbekistan	OECD	Non OECD	Total
Financial assets				
Cash and cash equivalents	2,492,344	4,518,260	29,863	7,040,467
Due from other banks	928,763	-	6,665	935,428
Loans and advances to customers	35,080,855	-	-	35,080,855
Debt securities at amortized cost	9,959,165	-	-	9,959,165
Financial assets at fair value through other comprehensive income	57,927	971	-	58,898
Other financial assets	9,893	-	-	9,893
Total financial assets	48,528,947	4,519,231	36,528	53,084,706
Financial liabilities				
Due to other banks	-	9,160	-	9,160
Customer accounts	18,318,358	-	-	18,318,358
Debt securities in issue	-	6,291,138	-	6,291,138
Borrowings from government, state and international financial institutions	18,605,492	1,313,655	1,001,106	20,920,253
Subordinated debt	457,467	-	-	457,467
Other financial liabilities	43,116	-	-	43,116
Total financial liabilities	37,424,433	7,613,953	1,001,106	46,039,492
Net position in on-balance sheet financial instruments	11,104,514	(3,094,722)	(964,578)	
Credit related commitments	872,530	-	-	872,530

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

<i>In millions of Uzbekistan Soums</i>	Uzbekistan	OECD	Non-OECD	Total
Financial assets				
Cash and cash equivalents	5,090,641	3,973,217	25,859	9,089,717
Due from other banks	2,627,978	33	-	2,628,011
Loans and advances to customers	32,316,421	-	-	32,316,421
Debt securities at amortized cost	4,688,698	-	-	4,688,698
Financial assets at fair value through other comprehensive income	43,503	756	-	44,259
Other financial assets	7,419	-	-	7,419
Total financial assets	44,774,660	3,974,006	25,859	48,774,525
Financial liabilities				
Due to other banks	201,540	49,839	-	251,379
Customer accounts	17,855,389	-	-	17,855,389
Debt securities in issue	1,401,497	3,896,314	-	5,297,811
Borrowings from government, state and international financial institutions	17,706,985	1,868,665	273,628	19,849,278
Subordinated debt	584,684	-	-	584,684
Other financial liabilities	16,137	-	-	16,137
Total financial liabilities	37,766,232	5,814,818	273,628	43,854,678
Net position in on-balance sheet financial instruments	7,008,428	(1,840,812)	(247,769)	
Credit related commitments	872,530	-	-	872,530

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

Geographical risk (continued)

Credit related commitments are presented on gross basis, i.e. inclusive commitments collateralized by cash deposits.

Assets, liabilities and credit related commitments have been based on the country in which the counterparty is located. Cash on hand has been allocated based on the country in which they are physically held. OECD includes mainly USA, Austria, Hungary and Germany. Non-OECD includes mainly China and Russia.

Liquidity risk

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

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

The liquidity management of the Group requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans and monitoring balance sheet liquidity ratios against regulatory requirements.

The Group calculates the liquidity ratio monthly in accordance with the requirement of the Central Bank of Uzbekistan.

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

The daily liquidity position is monitored by the ALM Directorate and Global Markets Directorate and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the Risk block and the ALM Directorate.

The table below shows liabilities as at 31 December 2025 by their remaining contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows. These undiscounted cash flows differ from the amount included in the balance sheet because the balance sheet amount is based on discounted cash flows.

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

The undiscounted maturity analysis of financial instruments at 31 December 2025 is as follows:

<i>In millions of Uzbekistan Soums</i>	Less than 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
Liabilities					
Due to other banks	9,160	-	-	-	9,160
Customer accounts	12,459,124	2,687,323	4,580,672	1	19,727,120
Debt securities in issue	340,656	545,167	7,468,708	-	8,354,532
Borrowings from government, state and international financial institutions	1,155,485	3,347,110	13,221,948	19,031,351	36,755,894
Subordinated debt	886	733	521,934	-	523,553
Other financial liabilities	43,116	-	-	-	43,116
Letters of credit	19,492	133,213	-	-	152,705
Guarantees	18,356	79,117	371,256	46,581	515,310
Undrawn loan commitments	525	132,178	33,341	17,807	183,851
Total	14,046,800	6,924,841	26,197,859	19,095,740	66,265,240

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

Liquidity risk (continued)

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

<i>In millions of Uzbekistan Soums</i>	Less than 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
Liabilities					
Due to other banks	251,379	-	-	-	251,379
Customer accounts	13,879,980	3,217,234	1,393,705	399,627	18,890,546
Debt securities in issue	205,173	3,853,681	1,362,140	-	5,420,994
Borrowings from government, state and international financial institutions	1,048,087	2,594,685	10,307,306	17,496,558	31,446,636
Subordinated debt	5,298	32,568	294,666	350,171	682,703
Other financial liabilities	16,137	-	-	-	16,137
Letters of credit	207,084	-	-	-	207,084
Guarantees	531,262	-	-	-	531,262
Undrawn loan commitments	134,184	-	-	-	134,184
Total	16,278,584	9,698,168	13,357,817	18,246,356	57,580,925

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

Customer accounts are classified in the above analysis based on contractual maturities. However, in accordance with Uzbekistan Civil Code, individuals have a right to withdraw their time deposits prior to maturity, if they forfeit their right to accrued interest.

The Group monitors remaining contractual maturities, which may be summarised as follows at 31 December 2025:

	On demand and less than 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	7,040,467	-	-	-	7,040,467
Due from other banks	315,303	163,124	452,826	4,175	935,428
Loans and advances to customers	1,411,896	1,753,949	12,851,327	19,063,683	35,080,855
Debt securities at amortized cost	8,506,963	1,452,202	-	-	9,959,165
Financial assets at fair value through other comprehensive income	58,898	-	-	-	58,898
Other financial assets	9,893	-	-	-	9,893
Total financial assets	17,343,420	3,369,275	13,304,153	19,067,858	53,084,706
Liabilities					
Due to other banks	9,160	-	-	-	9,160
Customer accounts	12,177,842	2,024,315	4,116,200	1	18,318,358
Debt securities in issue	162,238	-	6,128,900	-	6,291,138
Borrowings from government, state and international financial institutions	779,252	1,753,119	6,733,535	11,654,347	20,920,253
Lease liabilities	3,366	8,330	33,669	-	45,365
Subordinated debt	886	-	456,581	-	457,467
Other financial liabilities	43,116	-	-	-	43,116
Total financial liabilities	13,175,860	3,785,764	17,468,885	11,654,348	46,084,857
Net liquidity gap based on contractual maturities	4,167,560	(416,489)	(4,164,732)	7,413,510	6,999,849
Cumulative liquidity gap at 31 December 2025	4,167,560	3,751,071	(413,661)	6,999,849	-

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

31. Financial Risk Management (continued)

Liquidity risk (continued)

Remaining contractual maturities at 31 December 2024:

<i>In millions of Uzbekistan Soums</i>	On demand and less than 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	9,089,717	–	–	–	9,089,717
Due from other banks	1,847,846	650,312	124,828	5,025	2,628,011
Loans and advances to customers	800,776	3,073,018	11,419,594	17,023,033	32,316,421
Debt securities at amortized cost	2,514,442	2,174,256	–	–	4,688,698
Financial assets at fair value through other comprehensive income	44,259	–	–	–	44,259
Other financial assets	7,419	–	–	–	7,419
Total financial assets	14,304,459	5,897,586	11,544,422	17,028,058	48,774,525
Liabilities					
Due to other banks	251,379	–	–	–	251,379
Customer accounts	13,642,900	2,886,137	1,218,383	107,969	17,855,389
Debt securities in issue	81,990	3,853,681	1,362,140	–	5,297,811
Borrowings from government, state and international financial institutions	876,313	1,511,926	5,857,490	11,603,549	19,849,278
Subordinated debt	2,789	25,155	273,740	283,000	584,684
Other financial liabilities	16,137	–	–	–	16,137
Total financial liabilities	14,871,508	8,276,899	8,711,753	11,994,518	43,854,678
Net liquidity gap based on contractual maturities	(567,049)	(2,379,313)	2,832,669	5,033,540	4,919,847
Cumulative liquidity gap at 31 December 2024	(567,049)	(2,946,362)	(113,693)	4,919,847	–

32. Management of Capital

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

Under the current capital requirements set by the CBU, banks must maintain ratios of (actual ratios given below are unaudited):

- Ratio of regulatory capital to risk weighted assets (“Regulatory capital ratio”) above a prescribed minimum level of 13% (31 December 2024: 13%). Actual ratio as at 31 December 2025: 19.8% (31 December 2024: 16%);
- Ratio of Group’s tier 1 capital to risk weighted assets (“Capital adequacy ratio”) above a prescribed minimum level of 10% (31 December 2024: 10%). Actual ratio as at 31 December 2025: 17.3% (31 December 2024: 14.6%);
- Ratio of Group’s tier 1 capital to total assets less intangibles (“Leverage ratio”) above a prescribed minimum level of 6.0% (31 December 2024: 6.0%). Actual ratio as at 31 December 2025: 13.05% (31 December 2024: 13.6%).

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

32. Management of Capital (continued)

Total capital is based on the Group’s reports prepared under Uzbekistan Accounting Legislation and related instructions and comprises:

<i>In millions of Uzbekistan Soums</i>	31 December 2025 (unaudited)	31 December 2024 (unaudited)
Tier 1 capital	7,242,768	7,213,551
Tier 2 capital	1,058,421	730,256
Total regulatory capital	8,301,189	7,943,807

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, preference shares, retained earnings excluding current year profit and less intangible assets. The other component of regulatory capital is Tier 2 capital, which includes current year profit

33. Contingencies and Commitments

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

Tax legislation. Uzbekistan tax and customs legislation are subject to varying interpretations. Also, changes to regulation can occur frequently. Management’s interpretation of legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities.

The Uzbekistan tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged.

As a result, additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Management believes that its interpretation of the relevant legislation is appropriate and the Group’s tax, currency legislation and customs positions will be sustained. Accordingly, as at 31 December 2025, no provision for potential tax liabilities had been recorded (31 December 2024: no provision). The Group estimates that it has no potential obligations from exposure to other than remote tax risks (31 December 2024: no obligations).

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

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

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

33. Contingencies and Commitments (continued)

Outstanding credit related commitments are as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Guarantees	527,320	538,718
- Non-financial guarantees	342,226	220,616
- Financial guarantees	185,094	318,102
Undrawn loan commitments	189,864	136,390
Letters of credit	152,705	210,385
Total gross commitments and contingencies	869,889	885,493
Less – Cash held as security against letters of credit and guarantees	(184,196)	(134,805)
Less – Allowance for expected credit losses (Note 6)	(18,023)	(12,962)
Total net commitments and contingencies	667,670	737,726

As at 31 December 2025 the gross amount of Stage 1 commitments and contingencies was UZS 866,534 million, UZS 2,061 million (Stage 2) and UZS 1,294 million (Stage 3) (31 December 2024: Stage 1 was UZS 882,551 million, UZS 2,037 million (Stage 2) and UZS 904 million (Stage 3)).

As at 31 December 2025 and 31 December 2024 cash held as security against letters of credit and guarantees constituted UZS 184,196 million and UZS 134,805 million, respectively.

As at 31 December 2025 and 31 December 2024 allowance for expected credit losses for credit related commitments constituted UZS 18,023 million and UZS 12,962 million, respectively.

All financial guarantees, letters of credit and irrevocable undrawn loans as at 31 December 2025 and 31 December 2024 are classified at low credit risk.

Credit related commitments are denominated in currencies as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
US Dollars	652,426	581,615
UZS	146,193	162,566
Euros	52,368	23,164
Other	879	105,186
Total	851,866	872,531

The Group’s all commitments and contingencies are considered to be as on demand due to the fact that according to contractual terms they can be allocated to the earliest period in which they can be called. Liquidity requirements to support calls under guarantees are considerably less than the amount of the commitments classified as on demand because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit classified as on demand does not necessarily represent future cash requirements, since most of these commitments will expire or terminate without being funded.

34. Fair Value of Financial Instruments

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

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

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

34. Fair Value of Financial Instruments (continued)

Financial assets and financial liabilities measured at fair value on a recurring basis

The fair value of the financial assets at fair value through other comprehensive income were determined as the present value of future dividends by assuming dividend growth rate of zero per annum. The Management built its expectation based on previous experience of dividends received on financial assets at fair value through other comprehensive income over multiple years, and accordingly calculated the value of using the average rate of return on investments. Management believes that this approach accurately reflects the fair value of these securities. These unquoted equity instruments were measured as Level 3.

Financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

As at 31 December 2025 and 2024, the fair value of financial assets and financial liabilities except for those shown below approximate their carrying value.

Fair value			
Financial Assets/Liabilities as at 31 December 2025	Carrying value	Fair value	Fair value hierarchy
Loans and advances to customers	35,080,855	37,796,010	Level 3
Debt securities at amortized cost	9,959,165	9,864,783	Level 2
Due from other banks	935,428	975,946	Level 3
Due to other banks	9,160	9,160	Level 3
Customer accounts	18,318,358	18,457,646	Level 3
Borrowings from government, state and international financial institutions	20,920,253	20,897,158	Level 3
Debt Securities in issue (foreign currency)	3,641,981	3,668,844	Level 1
Debt Securities in issue (national currency)	2,649,157	2,922,677	Level 3

Financial Assets/Liabilities as at 31 December 2024	Carrying value	Fair value	Fair value hierarchy
Loans and advances to customers	32,316,421	32,113,956	Level 3
Debt securities at amortized cost	4,688,698	4,696,223	Level 2
Due from other banks	2,628,011	2,623,030	Level 3
Due to other banks	251,379	251,306	Level 3
Customer accounts	17,855,389	17,863,969	Level 3
Borrowings from government, state and international financial institutions	19,849,278	19,726,819	Level 3
Debt Securities in issue (foreign currency)	3,896,314	3,845,557	Level 1
Debt Securities in issue (national currency)	1,401,497	1,442,590	Level 3

As at 31 December 2025 and 2024, the Group determined fair value for some of its financial assets and liabilities using the discounted cash flow model by applying the CBU statistical bulletin, which became open to public starting from 2019. Such financial instruments were categorised as Level 3.

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

Due to the absence of an active market or observable inputs for instruments with characteristics similar to the Group's financial instruments, the Management considered the latest rates as the most appropriate input from all available data for calculation of the fair value of financial assets and financial liabilities. Therefore, these long-term financial instruments that are not measured at fair value on a recurring basis, but where fair value disclosures are required, are categorised within Level 3. Transfers between levels of fair value hierarchy were not made in 2025 and 2024.

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

35. Insurance activities

The Group conducts insurance operations through its subsidiary Imkon Sug'urta LLC, offering both compulsory and voluntary products in Uzbekistan. The largest line of business is bank loan insurance, which represented 74% of total insurance revenue for the year ended 31 December 2025 (31 December 2024: 71%). Motor vehicle insurance accounted for 11% (31 December 2024: 11%) and compulsory insurance for 5% (31 December 2024: 7%). Other products, including collateral, property, accident, and construction risk insurance, contributed 10% of revenue (31 December 2024: 11%). The company also uses reinsurance arrangements to manage concentration and large-scale risk exposures.

The following table summarizes Group's insurance operations in the Balance sheet:

<i>In millions of Uzbekistan Soums</i>	31 December 2025	31 December 2024
Reinsurance contract assets	36,347	29,525
Insurance contract liabilities	132,690	113,208

The following table summarizes the Group's insurance operations in the Profit and Loss statement:

<i>In millions of Uzbekistan Soums</i>	2025	2024
Insurance operations income	52,991	123,604
Insurance operations expense	31,134	25,816

Joint Stock Commercial Mortgage Bank “Ipoteka Bank” and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

36. Related Party Transactions

Parties are generally considered to be related, if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related with the Group party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Group applies a disclosure exemption regarding Government-related entities, where the same Government has control or joint control of, or significant influence over, both the Group and the other entities disclosed as “other related entities – Government”.

Entities under common control are those that are controlled by the same ultimate controlling party as the Group, with the assessment based on the substance of the relationship rather than its legal form.

“Key management personnel” – members of the Management Board and the Supervisory Board of the Group.

The outstanding balances with the entities under government control are disclosed in the related notes of the financial statements.

As at 31 December 2025 and 2024, the outstanding balances with related parties were as follows:

	31 December 2025		31 December 2024	
	Related party balances	Total category as per the financial statements caption	Related party balances	Total category as per the financial statements caption
ASSETS				
Cash and cash equivalents	1,418,138	7,040,467	2,294	9,089,717
- Parent company	1,418,138		-	
- entities with significant influence over the Group	-		2,294	
Loans and advances to customers	2,528	35,080,855	2,437	32,316,421
- key management personnel	2,528		2,437	
LIABILITIES				
Due to other banks	9,160	9,160	49,839	251,379
- Parent company	9,160		49,839	
Customer accounts	160,451	18,318,358	1,192	17,855,389
- Entities under common control	155,039		-	
- key management personal	5,412		1,192	
Borrowings from government, state and international financial institutions	851,409	20,920,253	-	19,849,278
- Entities under common control	851,409		-	

Amounts shown in the tables above as Parent company include balances of OTP bank as of 31 December 2025 and 2024.

The income and expense items with related parties for the year ended 31 December 2025 and 2024 were as follows:

	2025		2024	
	Related party transactions	Total category as per the financial statements caption	Related party transactions	Total category as per the financial statements caption
Interest income	59,478	7,535,337	254	7,574,178
- Parent company	59,197		-	
- key management personnel	281		254	
Interest expense	11,596	4,111,037	31,894	3,389,071
- Parent company	2,591		31,853	
- Entities under common control	31,523		-	
- key management personnel	541		41	
Administrative and other operating expenses	38,214	1,924,455	24,677	1,760,123
- key management personnel	38,214		24,677	

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Notes to the Consolidated Financial Statements (continued)

36. Related Party Transactions (continued)

Key management compensation is presented below:

<i>In millions of Uzbekistan Soums</i>	2025	2024
Short-term benefits:		
- Salaries and other short term benefits	34,120	22,033
- Social Security costs	4,094	2,644
Total key management personnel compensation	38,214	24,677

37. Subsequent Events

Subsequent to the reporting date, the Bank reached an agreement with the International Finance Corporation ("IFC") to convert the outstanding principal amount of its loan, totaling USD 33.3 million (UZS 400,443 million at exchange rate as of 31 December 2025), into ordinary shares of the Bank through a closed subscription. In December 2025, the parties amended the loan agreement to reflect the planned conversion, and in January 2026 the Bank's Management Board reviewed the conversion terms and submitted the transaction for approval by the Supervisory Board. Upon receipt of the required regulatory approvals and completion of the transaction, IFC is expected to obtain approximately 10% of the Bank's share capital by way of newly issued shares exchanged for the loan outstanding.

In January 2026, the Bank fully repaid all outstanding borrowings totaling USD 12.5 million (UZS 150,317 million at exchange rate as of 31 December 2025) from the China Development Bank ("CDB"). As a result, no amounts were outstanding under these facilities as at the date of authorization of the consolidated financial statements.

The consolidated financial statements for the year ended 31 December 2025 were approved by the Management Board on 30 April 2026 and signed on it's behalf by:


Adam Szentpeter
Deputy Chairman of the Management Board




Elyor Normetov
Chief Accountant