

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

**Interim Condensed Consolidated Financial Information
Together with practitioner’s report on review of interim
condensed consolidated financial information**

for the six months ended 30 June 2025

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)

Management is responsible for the preparation of the interim condensed consolidated financial information that presents fairly the consolidated financial position of JSCMB "Ipoteka bank" ("the Bank") and its subsidiaries (collectively – "the Group") as at 30 June 2025, the results of its operations, changes in equity and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34").

In preparing the interim condensed consolidated financial information, 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 interim condensed consolidated financial information of the Group comply with IAS 34;
- 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 interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 was authorized for issue by the Management Board on 24 September 2025.

On behalf of the Management Board:

Sandro Riveladze
Chairman of the Board

24 September 2025
Tashkent, Uzbekistan



Elyor Normetov
Chief Accountant

24 September 2025
Tashkent, Uzbekistan

Report on Review of Interim Financial Information

To the Shareholders and Board of Directors of Joint Stock Commercial Mortgage Bank "Ipoteka Bank"

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 June 2025 and the related interim consolidated statements of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

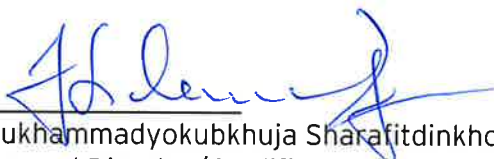
24 September 2025
Tashkent, Uzbekistan



Audit Company "Ernst & Young" LLC

Audit Company «Ernst & Young» LLC

Certificate authorizing audit of banks registered by the Central Bank of the Republic of Uzbekistan Under #11 dated 22 July 2019


Mukhammadyokubkhuja Sharafitdinkhodjaev
General Director/Qualified auditor

Auditor qualification certificate authorizing audit of banks #39 dated 7 March 2025
issued by the Central Bank of the Republic of Uzbekistan


Ruslan Khoroshvili
Engagement partner

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

Interim Consolidated Statement of Financial Position as at 30 June 2025 (unaudited)

<i>In millions of Uzbekistan Soums</i>	Notes	30 June 2025	31 December 2024
ASSETS			
Cash and cash equivalents	7	10,462,568	9,089,717
Due from other banks	8	1,098,415	2,628,011
Loans and advances to customers	9	33,672,512	32,316,421
Debt securities at amortized cost	10	3,674,838	4,688,698
Financial assets at fair value through other comprehensive income		42,966	44,259
Current income tax prepayment		116,101	116,873
Non-current assets held for sale		188,892	194,356
Premises, equipment and intangible assets	11	938,339	819,163
Right of use assets		37,425	24,090
Other financial assets		7,859	7,419
Other non-financial assets		379,058	365,220
Deferred tax asset		–	217,013
TOTAL ASSETS		50,618,973	50,511,240
LIABILITIES			
Due to other banks		10,879	251,379
Customer accounts	12	16,275,203	17,855,389
Debt securities in issue	13	5,222,164	5,297,811
Lease liabilities		41,166	26,413
Borrowings from government, state and international financial institutions	14	20,847,841	19,849,278
Subordinated debt	15	500,199	584,684
Other financial liabilities		15,891	16,137
Other non-financial liabilities		380,000	365,610
Deferred tax liability		37,929	–
TOTAL LIABILITIES		43,331,272	44,246,701
EQUITY			
Share capital		3,832,584	3,832,584
Additional paid-in capital		75,750	75,750
Retained earnings		3,373,351	2,349,095
Revaluation reserve of financial assets at fair value through other comprehensive income		6,016	7,110
TOTAL EQUITY		7,287,701	6,264,539
TOTAL LIABILITIES AND EQUITY		50,618,973	50,511,240

The interim condensed consolidated financial information was approved for issue by the Management Board on 24 September 2025 and signed on it's behalf by:

Sandro Rtveladze
Chairman of the Board



Elyor Normetov
Chief Accountant

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

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2025 (unaudited)

<i>In millions of Uzbekistan Soums</i>	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
Interest income calculated using the effective interest rate	16	3,469,854	3,420,033
Other interest income	16	13,099	15,424
Interest expense	16	(1,975,455)	(1,538,988)
Net interest income before charge for expected credit losses		1,507,498	1,896,469
Recovery of / (charge for) credit losses on loans and advances to customers	9	416,809	(633,215)
Net interest income after change for expected credit losses		1,924,307	1,263,254
Fee and commission income	17	235,996	197,632
Fee and commission expense	17	(59,348)	(44,869)
Net gain from trading in foreign currencies		83,960	86,450
Net (loss)/gain from foreign exchange translation		(2,013)	8,692
Net effect of initial recognition of financial instruments at fair value		4,386	869
Dividend income		–	7,508
Recovery of impairment charge on other financial assets and contingencies		4,495	11,905
(Impairment charge) / recovery of impairment charge on assets held for sale		(8,389)	12,770
Impairment charge on repossessed assets		(4,169)	(14,385)
Other operating income		38,626	51,447
Administrative and other operating expenses	18	(937,024)	(822,146)
Share of profit of associates		–	6,967
Profit before tax		1,280,827	766,094
Income tax expense	19	(256,571)	(226,366)
Net profit for the period		1,024,256	539,728
<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		(1,368)	540
Tax effect of the fair value adjustment on financial assets	19	274	(108)
Total other comprehensive (loss) / income for the period		(1,094)	432
Total comprehensive income for the period		1,023,162	540,160

The interim condensed consolidated financial information was approved for issue by the Management Board on 24 September 2025 and signed on it's behalf by:

Sandro Rtveladze
Chairman of the Board



Elyor Normetov
Chief Accountant

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

Interim Consolidated Statement of Changes in Equity for the six months ended 30 June 2025 (unaudited)

In millions of Uzbekistan Soums	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	–	–	1,024,256	–	1,024,256
Other comprehensive loss for the period	–	–	–	(1,094)	(1,094)
Total comprehensive income for the period	–	–	1,024,256	(1,094)	1,023,162
30 June 2025	3,832,584	75,750	3,373,351	6,016	7,287,701

In millions of Uzbekistan Soums	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	–	–	539,728	–	539,728
Other comprehensive income for the period	–	–	–	432	432
Total comprehensive income for the period	–	–	539,728	432	540,160
30 June 2024	3,832,584	75,750	1,601,768	4,101	5,514,203

The interim condensed consolidated financial information was approved for issue by the Management Board on 24 September 2025 and signed on it's behalf by:


Sandro Rtveldze
Chairman of the Board




Elyor Normetov
Chief Accountant

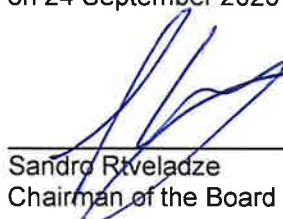
The notes set out on pages 5 to 37 form an integral part of these interim condensed consolidated financial information.

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

Interim Consolidated Statement of Cash Flows for the six months ended 30 June 2025 (unaudited)

In millions of Uzbekistan Soums	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
Cash flows from operating activities			
Interest received		3,201,415	3,476,411
Interest paid		(1,920,895)	(1,479,797)
Fees and commissions received		236,257	207,200
Fees and commissions paid		(59,348)	(44,869)
Insurance operations income received		28,121	30,590
Insurance operations expense paid		(29,023)	(46,348)
Income received from trading in foreign currencies		83,960	86,450
Other operating income received		9,343	29,736
Staff costs paid		(603,991)	(524,729)
Administrative and other operating expenses paid		(229,033)	(129,355)
Income tax paid		(584)	(75,864)
Cash flows from operating activities before changes in operating assets and liabilities		716,222	1,529,425
Net decrease / (increase) in due from other banks		1,480,306	(2,299,733)
Net (increase) / decrease in loans and advances to customers		(589,924)	771,298
Net decrease / (increase) in other financial assets		86	(7,129)
Net (increase) in other non-financial assets		(1,063)	(111,776)
Net (decrease) in due to other banks		(249,019)	(516,132)
Net (decrease) / increase in customer accounts		(1,587,669)	1,432,498
Net (decrease) in other financial liabilities		(246)	(205,072)
Net increase in other non-financial liabilities		22,101	126,324
Net cash flows (used in) / from operating activities		(209,206)	719,703
Cash flows from investing activities			
Purchase of premises, equipment and intangible assets		(233,167)	(262,780)
Proceeds from disposal of premises, equipment and intangible assets		5,613	10,381
Sale of financial assets at fair value through other comprehensive income		-	11,068
Purchase of financial assets at fair value through other comprehensive income		(75)	-
Purchase of debt securities at amortized cost		(4,845,077)	(1,489,013)
Repayment of debt securities at amortized cost		5,860,450	1,738,576
Dividend income received		-	7,508
Net cash flows from investing activities		787,744	15,740
Cash flows from financing activities			
Proceeds from borrowings from government, state and international financial institutions		1,390,292	3,107,032
Repayment of borrowings from government, state and international financial institutions		(464,369)	(3,072,393)
Proceeds from issue of debt securities		-	1,401,972
Repayment of debt securities in issue		-	(808,607)
Repayment of Subordinated debt		(76,739)	(17,328)
Net cash flows from financing activities		849,184	610,676
Effect of exchange rate changes on cash and cash equivalents		(54,841)	(6,199)
Net increase in cash and cash equivalents		1,372,851	1,339,920
Cash and cash equivalents at the beginning of the year before allowance for expected credit losses	7	9,089,717	5,628,503
Cash and cash equivalents at the end of the period after allowance for expected credit losses	7	10,462,568	6,968,423

The interim condensed consolidated financial information was approved for issue by the Management Board on 24 September 2025 and signed on it's behalf by:


Sandro Riveladze
Chairman of the Board




Elyor Normetov
Chief Accountant

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited)

1. Introduction

The Bank is a Joint Stock Company limited by shares and was 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 was established by merging two banks – State Joint Stock Housing Savings Bank “Uzjilsberbank” and State Joint Stock Mortgage Bank “Zamin”. 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.

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 30 June 2025 (31 December 2024: 39 branches).

The Bank participates in the state deposit insurance scheme introduced by the Uzbek Law #360-II “Insurance of Individual Bank Deposits” dated 5 April 2002. On 28 November 2008, the President of Uzbekistan issued the Decree #UP-4057 stating that in case of the bank license withdrawal, the State Deposit Insurance Fund guarantees repayment of 100% of individual deposits regardless of the deposit amount.

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

Presentation currency. This interim condensed consolidated financial information is presented in millions of Uzbekistan Soums (“UZS millions”).

Shareholders. As at 30 June 2025 and 31 December 2024, the interest of the shareholders in the Bank’s share capital was as follows:

	30 June 2025	31 December 2024
OTB Bank Plc	79.8%	79.6%
Ministry of Finance of the Republic of Uzbekistan	19.1%	19.1%
Others	1.1%	1.3%
Total	100%	100%

OTP Bank Plc (Hungary) is the ultimate controlling entity of the Bank.

Subsidiaries. As at 30 June 2025 and 31 December 2024, the Bank’s subsidiaries comprised the following:

Name	Ownership		Year of incorporation	Industry	Country
	30 June 2025	31 December 2024			
Bank's direct interest in subsidiaries:					
Ipoteka Leasing LLC	100%	100%	2017	Leasing	Uzbekistan
Imkon sugurta LLC	100%	100%	2019	Insurance	Uzbekistan

The subsidiaries controlled by the Group are consolidated in this condensed consolidated financial information.

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

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 Bank's control.

The Bank'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. Summary of Significant Accounting Policies

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

Basis of preparation. The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

In preparing this interim condensed consolidated financial information, the Group has applied the same accounting policies and methods of computation as those applied in the annual consolidated financial statements of the Group for the year ended 31 December 2024.

The interim condensed consolidated financial information is unaudited and does not include all the information and disclosures required in the annual financial statements. The Group omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for the year ended 31 December 2024 prepared in accordance with International Financial Reporting Standards (“IFRS”), such as accounting policies and details of accounts which have not changed significantly in amount or composition. Management believes that the disclosures in this interim condensed consolidated financial information are adequate to make the information presented not misleading if this interim condensed consolidated financial information is read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024 prepared in accordance with IFRS.

The Group is required to maintain its records and prepare its financial information for regulatory purposes in Uzbekistan Soums in accordance with Uzbekistan Accounting Legislation and related instructions (“UAL”). This interim condensed consolidated financial information is based on the Group's UAL books and records, adjusted and reclassified in order to comply with IFRS.

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

	30 June 2025	31 December 2024
Closing exchange rates – [UZS]		
1 USD	12,654.13	12,920.48
1 EUR	14,817.99	13,436.01
	2025	2024
Average exchange rates for the period ended 30 June - [UZS]		
1 USD	12,892.91	12,566.99
1 EUR	14,086.50	13,595.38

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

4. Critical Accounting Estimates and Judgments in Applying Accounting Policies

In preparing this interim condensed consolidated financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2024 prepared in accordance with IFRS. There have been no changes to the basis upon which the significant accounting estimates have been determined compared with 31 December 2024.

5. Change in accounting policies and disclosures

New standard interpretation and amendment

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify 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 its 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 are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's financial statements.

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

6. Provisions for Expected Credit Losses for other financial assets and contingencies

The following table illustrates the movement in provisions for expected credit losses for other financial assets and contingencies for the six months ended 30 June 2025:

	Cash and cash equivalents (Note 7)		Due from other banks (Note 8)			Off-balance sheet items				Other financial assets				Debt securities at amortized cost (Note 10)	
	Stage 1	Total	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	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	–	–	–	–	–	57	(57)	–	–	–	–	–	–	–	–
Transfer to stage 2	–	–	–	–	–	(35)	35	–	–	–	–	–	–	–	–
Transfer to stage 3	–	–	–	–	–	(1)	(2)	3	–	–	–	1	1	–	1
New originations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer of new originations	12	12	314	–	314	1,307	84	–	1,391	9	57	3,267	3,333	7,675	12,725
Full derecognition of financial assets / underlying instrument	(6)	(6)	(5)	–	(5)	(3,475)	–	–	(3,475)	(2,857)	(14)	(157)	(3,028)	(4,577)	(11,091)
Other changes*	363	363	1,331	–	1,331	(1,940)	288	(3)	(1,655)	(80)	1	(1,220)	(1,299)	(4,611)	(5,871)
Recovery of written off assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Unwinding of discount on present value of ECL	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Currency translation difference	(6)	(6)	121	(523)	(402)	(142)	–	–	(142)	77	–	214	291	–	(259)
30 June 2025	549	549	6,176	24,868	31,044	8,554	527	–	9,081	123	61	13,308	13,492	10,385	64,551
Total		549			31,044				9,081				13,492	10,385	64,551

*“ 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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

6. Provisions for Expected Credit Losses for other financial assets and contingencies (continued)

The following table illustrates the movement in provisions for expected credit losses for other financial assets and contingencies for the six months ended 30 June 2024:

	Cash and cash equivalents (Note 7)			Due from other banks (Note 8)			Off-balance sheet items				Other financial assets			Debt securities at amortized cost (Note 10)	
	Stage 1	Stage 2	Total	Stage 1	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 3	Total	Stage 1	Total
1 January 2024	90	210	300	4,642	24,572	29,214	17,552	3,195	–	20,747	2,328	13,285	15,613	7,697	73,571
Transfer to stage 1	–	–	–	–	–	–	(46)	–	46	–	–	–	–	–	–
Transfer to stage 2	–	–	–	–	–	–	238	(2,233)	1,995	–	–	–	–	–	–
Transfer to stage 3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
New originations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer of new originations	19	–	19	–	–	–	704	19	–	723	2,318	–	2,318	3,050	6,110
Full derecognition of financial assets / underlying instrument	–	(210)	(210)	(10)	–	(10)	(1,297)	(938)	–	(2,235)	(111)	(13,096)	(13,207)	(1,149)	(16,811)
Other changes*	73	–	73	9,260	430	9,690	(3,574)	143	(2,037)	(5,468)	(706)	(189)	(895)	(4,604)	(1,204)
Recovery of written off assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Unwinding of discount on present value of ECL	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Currency translation difference	–	–	–	–	–	–	439	–	(4)	435	(4)	–	(4)	–	431
30 June 2024	182	–	182	13,892	25,002	38,894	14,016	186	–	14,202	3,825	–	3,825	4,994	62,097
Total			182			38,894				14,202			3,825	4,994	62,097

* “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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

7. Cash and Cash Equivalents

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
Correspondent accounts and overnight placements with other banks	4,170,746	717,017
Placements with other banks with original maturities of less than three months	3,020,180	4,482,984
Cash balances with the CBU	2,446,840	3,015,862
Cash on hand	825,351	874,040
Less – Allowance for expected credit losses (<i>Note 6</i>)	(549)	(186)
Total cash and cash equivalents	10,462,568	9,089,717

As at 30 June 2025, the Group had three counterparties (excluding the CBU), whose balances individually exceeded 10% of total cash and cash equivalents (31 December 2024: two counterparties). The gross value of these balances as at 30 June 2025 was UZS 3,792,705 million (31 December 2024: UZS 2,620,559 million).

On 13 June 2024, the Board of the Central Bank of the Republic of Uzbekistan decided to reduce the mandatory reserve requirements for foreign currency deposits from 18% to 14% in order to create conditions for reducing interest rates on bank loans. At the same time, taking into account the current state of liquidity, in order to ensure continuity of payments, the Central Bank of the Republic of Uzbekistan decided to increase the averaging coefficient from 80% to 100% from 1 July 2024, which made it possible to return funds previously withdrawn to mandatory reserve accounts to the Group's correspondent accounts. Thus, from 1 July 2024, the Group holds 100% averaging of mandatory reserves in cash balances with the Central Bank of the Republic of Uzbekistan.

The credit quality of cash and cash equivalents, excluding cash on hand, as at 30 June 2025 and 31 December 2024 is summarized below:

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
CBU	2,446,840	3,015,862
From A1 to A3	2,169,128	1,850,495
From Aa1 to Aa3	1,615,875	2,121,292
From Baa1 to Baa3	1,272,704	2,294
From Ba1 to Ba3	1,415,299	783,958
From B1 to B3	717,920	405,908
- Unrated	–	36,054
Less – Allowance for expected credit losses (<i>Note 6</i>)	(549)	(186)
Total due from other banks	9,637,217	8,215,677

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

8. Due from other banks

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
Long term placements with other banks	673,004	958,997
Short term placements with other banks with original maturities of more than three months	456,455	1,698,820
Less – Allowance for expected credit losses (<i>Note 6</i>)	(31,044)	(29,806)
Total due from other banks	1,098,415	2,628,011

As at 30 June 2025 the gross amount of Stage 1 due from other banks was UZS 1,104,591 million (31 December 2024: UZS 2,632,182 million) and Stage 3 was UZS 24,869 million that represented one bank for which 100% ECL was created (31 December 2024: UZS (24,989 million)).

As at 30 June 2025, the Group had three counterparties (excluding the CBU), whose balances individually exceeded 10% of total due from other banks (31 December 2024: four counterparties). The gross values of these balances as at 30 June 2025 were UZS 1,032,125 million (31 December 2024: UZS 2,152,364 million).

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Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

8. Due from other banks (continued)

Amounts due from other banks are not collateralised. The analysis by credit quality of amounts due from other banks is as follows:

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
<i>Stage 1</i>		
- Central Bank of Uzbekistan	–	–
from Aa1 to Aa3	32	33
from Ba1 to Ba3	904,179	1,983,840
from B1 to B3	200,379	647,907
- Unrated	–	646
<i>Stage 3</i>		
- Unrated	24,869	25,391
Less – Allowance for expected credit losses (Note 6)	(31,044)	(29,806)
Total due from other banks	1,098,415	2,628,011

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

9. Loans and advances to customers

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
Residential mortgage loans	16,666,157	15,899,331
Corporate loans	9,026,047	8,354,867
Consumer loans	8,978,341	8,594,284
Small business loans	5,972,316	6,740,768
Total loans and advances to customers before allowance for expected credit losses	40,642,861	39,589,250
Less – Allowance for expected credit losses	(6,970,349)	(7,272,829)
Total loans and advances to customers	33,672,512	32,316,421

<i>In millions of Uzbekistan Soums</i>	30 June 2025			
Stages	1	2	3	Total
Residential mortgage loans	12,781,509	3,551,731	332,917	16,666,157
Corporate loans	5,831,780	780,965	2,413,302	9,026,047
Consumer loans	6,822,778	1,658,214	497,349	8,978,341
Small business loans	877,252	638,308	4,456,756	5,972,316
Total loans and advances to customers, gross	26,313,319	6,629,218	7,700,324	40,642,861
Less – Allowance for expected credit losses	(676,031)	(1,373,585)	(4,920,733)	(6,970,349)
Total loans and advances to customers	25,637,288	5,255,633	2,779,591	33,672,512

<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
Corporate loans	6,521,888	1,677,165	395,231	8,594,284
Consumer 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

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Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (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 the six months ended 30 June 2025:

	Residential mortgage loans			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	11,815,021	3,765,907	318,403	15,899,331
Transfer to stage 1	1,111,423	(1,105,408)	(6,015)	–
Transfer to stage 2	(1,051,816)	1,129,247	(77,431)	–
Transfer to stage 3	(11,653)	(101,303)	112,956	–
New financial assets originated or purchased	1,645,682	–	–	1,645,682
Transfer of new originations*	(40,940)	39,375	1,565	–
Full derecognition of financial assets	(269,197)	(91,551)	(12,561)	(373,309)
Unwinding of discount on present value of ECL	–	–	8,391	8,391
Other changes in EAD**	(417,011)	(84,536)	(12,391)	(513,938)
Gross carrying amount as at 30 June 2025	12,781,509	3,551,731	332,917	16,666,157

* “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 repayment, additional disbursement of loans and advances to customers.

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
Allowance for expected credit losses at 1 January 2025	283,410	781,862	176,553	1,241,825
Transfer to stage 1	224,244	(221,537)	(2,707)	–
Transfer to stage 2	(25,271)	60,613	(35,342)	–
Transfer to stage 3	(286)	(25,084)	25,370	–
New originations	46,645	–	–	46,645
Transfer of new originations**	(7,794)	7,094	700	–
Full derecognition of financial assets	(6,582)	(18,985)	(6,081)	(31,648)
Other changes*	(207,875)	145,021	22,910	(39,944)
Unwinding of discount on present value of ECL	–	–	8,391	8,391
Allowance for expected credit losses at as at 30 June 2025	306,491	728,984	189,794	1,225,269

* “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.

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Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (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	4,645,352	758,026	2,951,489	8,354,867
Transfer to stage 1	3,126	(3,126)	–	–
Transfer to stage 2	(20,652)	55,970	(35,318)	–
Transfer to stage 3	–	(27,338)	27,338	–
New financial assets originated or purchased	2,345,069	–	–	2,345,069
Transfer of new originations*	(12,987)	12,987	(1)	(1)
Full derecognition of financial assets	(662,283)	(7,001)	(616,446)	(1,285,730)
Unwinding of discount on present value of ECL	–	–	124,971	124,971
Other changes in EAD**	(414,099)	(53,374)	15,292	(452,181)
Bad debt written off	–	–	(112,381)	(112,381)
Currency translation difference	(51,746)	44,821	58,358	51,433
Gross carrying amount as at 30 June 2025	5,831,780	780,965	2,413,302	9,026,047

* “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 repayment, additional disbursement of loans and advances to customers.

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
Allowance for expected credit losses as at 1 January 2025	123,948	242,612	1,787,713	2,154,273
Transfer to stage 1	542	(542)	–	–
Transfer to stage 2	(648)	21,839	(21,191)	–
Transfer to stage 3	–	(8,817)	8,817	–
New originations	70,948	–	–	70,948
Transfer of new originations**	(2,815)	2,815	–	–
Full derecognition of financial assets	(20,383)	(1,274)	(395,047)	(416,704)
Other changes*	(10,344)	(21,646)	14,765	(17,225)
Bad debt written off	–	–	(112,381)	(112,381)
Unwinding of discount on present value of ECL	–	–	124,971	124,971
Currency translation difference	(1,308)	15,144	40,559	54,395
Allowance for expected credit losses as at 30 June 2025	159,940	250,131	1,448,206	1,858,277

* “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 repayment, additional disbursement of loans and advances to customers.

The information on transfers above reflects the migration of loans from their initial stage (or the stage as at the beginning of the reporting date) to the stage they were in as at the reporting date. This information does not reflect the intermediate stage that the loans could be assigned to throughout the reporting period.

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Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (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	395,321	8,594,284
Transfer to stage 1	407,372	(400,331)	(7,041)	–
Transfer to stage 2	(707,621)	765,946	(58,325)	–
Transfer to stage 3	(27,416)	(144,771)	172,187	–
New financial assets originated or purchased	2,404,987	–	–	2,404,987
Transfer of new originations*	(174,815)	164,099	10,716	–
Full derecognition of financial assets	(647,362)	(114,032)	(14,736)	(776,130)
Unwinding of discount on present value of ECL	–	–	34,811	34,811
Other changes in EAD**	(954,255)	(289,862)	(35,494)	(1,279,611)
Gross carrying amount as at 30 June 2025	6,822,778	1,658,214	497,349	8,978,341

* “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 repayment, additional disbursement of loans and advances to customers.

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
Allowance for expected credit losses at 1 January 2025	170,868	250,895	202,684	624,447
Transfer to stage 1	57,927	(54,776)	(3,151)	–
Transfer to stage 2	(18,769)	44,858	(26,089)	–
Transfer to stage 3	(831)	(32,173)	33,004	–
New originations	103,442	–	–	103,442
Transfer of new originations**	(36,126)	31,346	4,780	–
Full derecognition of financial assets	(17,395)	(15,978)	(7,323)	(40,696)
Other changes*	(73,152)	25,554	14,083	(33,515)
Unwinding of discount on present value of ECL	–	–	34,811	34,811
Allowance for expected credit losses at as at 30 June 2025	185,964	249,726	252,799	688,489

* “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.

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Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (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	57,882	(57,882)	–	–
Transfer to stage 2	(276,365)	276,365	–	–
Transfer to stage 3	(11,599)	(184,243)	195,842	–
New financial assets originated or purchased	63,478	–	–	63,478
Transfer of new originations*	(10,168)	8,453	1,715	–
Full derecognition of financial assets	(182,132)	(77,756)	(92,416)	(352,304)
Unwinding of discount on present value of ECL	–	–	127,613	127,613
Other changes in EAD**	(192,048)	(160,831)	(283,050)	(635,929)
Bad debt written off	–	–	12,483	12,483
Currency translation difference	(2,750)	(4,248)	23,205	16,207
Gross carrying amount as at 30 June 2025	877,252	638,308	4,456,756	5,972,316

* “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 repayment, additional disbursement of loans and advances to customers.

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
Allowance for expected credit losses as at 1 January 2025	39,911	186,939	3,025,434	3,252,284
Transfer to stage 1	10,727	(10,727)	–	–
Transfer to stage 2	(7,734)	7,734	–	–
Transfer to stage 3	(241)	(47,785)	48,026	–
New originations	3,807	–	–	3,807
Transfer of new originations**	(2,498)	1,653	845	–
Full derecognition of financial assets	(4,882)	(15,784)	(51,266)	(71,932)
Other changes*	(15,332)	24,026	(142,104)	(133,410)
Recovery of written off assets	–	–	12,483	12,483
Unwinding of discount on present value of ECL	–	–	127,613	127,613
Currency translation difference	(122)	(1,312)	8,903	7,469
Allowance for expected credit losses as at 30 June 2025	23,636	144,744	3,029,934	3,198,314

* “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.

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Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (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 the six months ended 30 June 2024:

	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	690,795	(689,646)	(1,149)	–
Transfer to stage 2	(1,327,028)	1,349,145	(22,117)	–
Transfer to stage 3	(7,969)	(85,720)	93,689	–
New financial assets originated or purchased	1,605,950	–	–	1,605,950
Transfer of new originations*	(100,716)	99,765	951	–
Full derecognition of financial assets	(369,070)	(80,934)	(1,945)	(451,949)
Unwinding of discount on present value of ECL	–	–	2,222	2,222
Other changes in EAD**	(290,574)	(56,885)	(772)	(348,231)
Recovery of bad debt written off	–	–	49,701	49,701
Currency translation difference	–	–	–	–
Gross carrying amount as at 30 June 2024	11,442,109	3,243,549	224,509	14,910,167

* “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 repayment, additional disbursement of loans and advances to customers.

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
Allowance for expected credit losses as at 1 January 2024	334,941	752,353	61,732	1,149,026
Transfer to stage 1	194,574	(193,810)	(764)	–
Transfer to stage 2	(39,536)	54,459	(14,923)	–
Transfer to stage 3	(237)	(22,815)	23,052	–
New originations	55,154	–	–	55,154
Transfer of new originations**	(19,382)	19,017	365	–
Full derecognition of financial assets	(10,998)	(20,470)	(1,269)	(32,737)
Unwinding of discount on present value of ECL	–	–	2,222	2,222
Other changes*	(242,608)	106,249	(3,101)	(139,460)
Recovery of bad debt written off	–	–	49,701	49,701
Allowance for expected credit losses as at 30 June 2024	271,908	694,983	117,015	1,083,906

* “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.

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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	134,303	(134,303)	–	–
Transfer to stage 2	(75,703)	75,703	–	–
Transfer to stage 3	(7,601)	(13,453)	21,054	–
New financial assets originated or purchased	1,400,482	–	–	1,400,482
Transfer of new originations*	(227,602)	36,583	191,019	–
Full derecognition of financial assets	(320,474)	(15,588)	(170,660)	(506,722)
Unwinding of discount on present value of ECL	–	–	27,858	27,858
Other changes in EAD**	(2,074,370)	(91,629)	(376,715)	(2,542,714)
Bad debt written off	–	–	(52,341)	(52,341)
Currency translation difference	15,241	(8,289)	(668)	6,284
Gross carrying amount as at 30 June 2024	3,211,953	963,936	3,600,439	7,776,328

* “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 repayment, additional disbursement of loans and advances to customers.

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
Allowance for expected credit losses as at 1 January 2024	93,896	248,041	2,381,715	2,723,652
Transfer to stage 1	30,253	(30,253)	–	–
Transfer to stage 2	(2,145)	2,145	–	–
Transfer to stage 3	(216)	(2,260)	2,476	–
New originations	155,505	–	–	155,505
Transfer of new originations**	(123,291)	8,678	114,613	–
Full derecognition of financial assets	(8,256)	(2,466)	(102,370)	(113,092)
Unwinding of discount on present value of ECL	–	–	27,858	27,858
Other changes*	(50,380)	44,097	(201,395)	(207,678)
Bad debt written off	–	–	(52,341)	(52,341)
Currency translation difference	(7,422)	(8,160)	(6,350)	(21,932)
Allowance for expected credit losses as at 30 June 2024	87,944	259,822	2,164,206	2,511,972

* “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.

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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	138,158	(138,037)	(121)	–
Transfer to stage 2	(747,665)	749,605	(1,940)	–
Transfer to stage 3	(37,611)	(47,150)	84,761	–
New financial assets originated or purchased	2,311,765	–	–	2,311,765
Transfer of new originations*	(215,040)	195,002	20,038	–
Full derecognition of financial assets	(439,313)	(42,450)	(2,448)	(484,211)
Unwinding of discount on present value of ECL	–	–	4,680	4,680
Other changes in EAD**	(763,866)	(130,786)	466	(894,186)
Recovery of bad debt written off	–	–	40,970	40,970
Gross carrying amount as at 30 June 2024	7,185,128	1,225,288	194,485	8,604,901

* “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 repayment, additional disbursement of loans and advances to customers.

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
Allowance for expected credit losses as at 1 January 2024	150,331	86,354	14,305	250,990
Transfer to stage 1	18,745	(18,698)	(47)	–
Transfer to stage 2	(16,135)	16,909	(774)	–
Transfer to stage 3	(812)	(6,287)	7,099	–
New originations	98,963	–	–	98,963
Transfer of new originations**	(41,258)	33,558	7,700	–
Full derecognition of financial assets	(9,480)	(5,481)	(846)	(15,807)
Unwinding of discount on present value of ECL	–	–	4,680	4,680
Other changes*	(1,653)	105,222	27,275	130,844
Recovery of bad debt written off	–	–	40,970	40,970
Allowance for expected credit losses as at 30 June 2024	198,701	211,577	100,362	510,640

* “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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (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	211,909	(211,909)	–	–
Transfer to stage 2	(551,549)	555,851	(4,302)	–
Transfer to stage 3	(317,578)	(967,382)	1,284,960	–
New financial assets originated or purchased	315,603	–	–	315,603
Transfer of new originations*	(70,023)	57,884	12,139	–
Full derecognition of financial assets	(367,911)	(143,410)	(111,984)	(623,305)
Unwinding of discount on present value of ECL	–	–	100,509	100,509
Other changes in EAD**	(472,148)	(237,345)	(51,070)	(760,563)
Recovery of bad debt written off	–	–	503,518	503,518
Currency translation difference	13,918	12,782	10,199	36,899
Gross carrying amount as at 30 June 2024	2,080,893	1,250,728	5,109,501	8,441,122

* “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 repayment, additional disbursement of loans and advances to customers.

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
Allowance for expected credit losses as at 1 January 2024	96,578	445,531	1,687,773	2,229,882
Transfer to stage 1	44,921	(44,921)	–	–
Transfer to stage 2	(14,205)	15,918	(1,713)	–
Transfer to stage 3	(7,784)	(199,897)	207,681	–
New originations	25,627	–	–	25,627
Transfer of new originations**	(18,218)	13,184	5,034	–
Full derecognition of financial assets	(8,906)	(22,386)	(47,733)	(79,025)
Unwinding of discount on present value of ECL	–	–	100,509	100,509
Other changes*	(53,055)	91,124	716,852	754,921
Recovery of bad debt written off	–	–	503,518	503,518
Currency translation difference	776	3,534	3,727	8,037
Allowance for expected credit losses as at 30 June 2024	65,734	302,087	3,175,648	3,543,469

* “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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

9. Loans and advances to customers (continued)

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

In millions of Uzbekistan Soums	30 June 2025		31 December 2024	
	amount	amount	amount	%
Individuals	25,644,530	63.10%	24,493,615	61.87%
Manufacturing	9,487,104	23.34%	9,704,236	24.51%
Trade and services	1,738,766	4.28%	1,956,946	4.94%
Construction	1,373,303	3.38%	903,815	2.28%
Agriculture	1,103,074	2.71%	1,194,200	3.02%
Oil & Gas	776,360	1.91%	778,244	1.97%
Transport and communication	425,222	1.05%	435,709	1.10%
Municipal services	68,354	0.17%	92,060	0.23%
Other	26,149	0.06%	30,425	0.08%
Total loans and advances to customers before provision for expected credit losses	40,642,862	100%	39,589,250	100%

As at 30 June 2025, the Group had top 10 borrowers with the aggregate loan balance of UZS 6,423,573 million (31 December 2024: UZS 5,945,728 million) or 15.8% (31 December 2024: 15.1%) of total loans and advances to customers.

Information about collateral at 30 June 2025 was as follows:

In millions of Uzbekistan Soums	Corporate loans	Residential mortgage loans	Small business loans	Consumer loans	Total
Loans collateralised by:					
-real estate	3,645,102	16,540,141	4,155,624	2,420	24,343,287
-salary of an individual	–	–	–	4,811,766	4,811,766
-letters of surety	1,928,739	98,338	541,241	1,750,630	4,318,948
-cash deposit	2,352,604	–	–	12,387	2,364,991
- vehicles	130,860	140	303,388	1,513,578	1,947,966
-insurance	269,063	27,479	508,934	886,901	1,692,377
-equipment and inventory	100,013	59	442,868	659	543,599
-state guarantee	145,423	–	–	–	145,423
-future cash flow	–	–	3,321	–	3,321
-other assets	454,243	–	16,940	–	471,183
Total loans collateralised	9,026,047	16,666,157	5,972,316	8,978,341	40,642,861
Total loans and advances to customers before allowance for expected credit losses	9,026,047	16,666,157	5,972,316	8,978,341	40,642,861

Information about collateral at 31 December 2024 was as follows:

In millions of Uzbekistan Soums	Corporate loans	Residential mortgage loans	Small business loans	Consumer loans	Total
Unsecured loans					
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
-future cash flow	–	–	3,321	–	3,321
-other assets	153,884	–	24,371	–	178,255
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 allowance 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.

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

9. Loans and advances to customers (continued)

As at 30 June 2025 and 31 December 2024, guarantees and sureties were obtained only from companies and organizations operating in Uzbekistan.

Information about collateral breakdown for only stage 3 loans at net book value at 30 June 2025 and 31 December 2024 were as follows:

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
	amount	amount
Loans collateralised by:		
-real estate	2,078,535	2,205,419
-insurance	205,353	197,165
-letters of surety	154,874	193,192
-salary of an individual	149,127	103,342
-vehicles	96,644	107,302
-equipment and inventory	59,614	54,727
-cash deposit	1,663	2,915
-future cashflow	569	569
-other assets	33,213	79,473
Total loans collateralised	2,779,592	2,944,104

Analysis by stages and overdue days of loans outstanding at 30 June 2025 is as follows:

<i>In millions of Uzbekistan Soums</i>	30 June 2025			
Stages	1	2	3	Total
Corporate loans				–
- less than 30 days overdue	5,831,780	730,544	1,501	6,563,825
- 31 to 90 days overdue	–	50,421	16,507	66,928
- 91 to 180 days overdue	–	–	–	–
- 181 to 360 days overdue	–	–	600,317	600,317
- more than 361 days overdue	–	–	1,794,977	1,794,977
Total loans and advances to customers, gross	5,831,780	780,965	2,413,302	9,026,047
Less: Allowance for loan impairment	(159,940)	(250,131)	(1,448,206)	(1,858,277)
Total loans and advances to customers	5,671,840	530,834	965,096	7,167,770
Residential mortgage loans				
- less than 30 days overdue	12,781,510	3,086,679	13,819	15,882,008
- 31 to 90 days overdue	–	465,052	7,517	472,569
- 91 to 180 days overdue	–	–	78,187	78,187
- 181 to 360 days overdue	–	–	71,351	71,351
- more than 361 days overdue	–	–	162,042	162,042
Total loans and advances to customers, gross	12,781,510	3,551,731	332,916	16,666,157
Less: Allowance for loan impairment	(306,491)	(728,985)	(189,793)	(1,225,269)
Total loans and advances to customers	12,475,019	2,822,746	143,123	15,440,888
Small business loans				
- less than 30 days overdue	877,252	502,363	194,880	1,574,495
- 31 to 90 days overdue	–	135,948	176,410	312,358
- 91 to 180 days overdue	–	–	94,359	94,359
- 181 to 360 days overdue	–	–	402,638	402,638
- more than 361 days overdue	–	–	3,588,466	3,588,466
Total loans and advances to customers, gross	877,252	638,311	4,456,753	5,972,316
Less: Allowance for loan impairment	(23,635)	(144,744)	(3,029,934)	(3,198,313)
Total loans and advances to customers	853,617	493,567	1,426,819	2,774,003
Consumer loans				
- less than 30 days overdue	6,822,778	1,403,936	16,420	8,243,134
- 31 to 90 days overdue	–	254,278	15,452	269,730
- 91 to 180 days overdue	–	–	104,514	104,514
- 181 to 360 days overdue	–	–	158,268	158,268
- more than 361 days overdue	–	–	202,695	202,695
Total loans and advances to customers, gross	6,822,778	1,658,214	497,349	8,978,341
Less: Allowance for loan impairment	(185,965)	(249,725)	(252,800)	(688,490)
Total loans and advances to customers	6,636,813	1,408,489	244,549	8,289,851

* 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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (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 loans and advances to customers, gross	4,645,350	758,026	2,951,491	8,354,867
Less: Allowance for loan impairment	(123,948)	(242,612)	(1,787,713)	(2,154,273)
Total 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 loans and advances to customers, gross	11,815,022	3,765,907	318,402	15,899,331
Less: Allowance for loan impairment	(283,410)	(781,862)	(176,553)	(1,241,825)
Total 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 loans and advances to customers, gross	1,430,954	838,450	4,471,364	6,740,768
Less: Allowance for loan impairment	(39,911)	(186,939)	(3,025,434)	(3,252,284)
Total 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 loans and advances to customers, gross	6,521,888	1,677,165	395,231	8,594,284
Less: Allowance for loan impairment	(170,868)	(250,895)	(202,684)	(624,447)
Total 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.

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

10. Debt Securities at Amortized Cost

<i>In millions of Uzbekistan Soums</i>	<i>%</i>	<i>Maturity</i>	<i>30 June 2025</i>	<i>31 December 2024</i>
Government bonds of the Ministry of Finance of the Republic of Uzbekistan	15 - 18%	2026-05-07	2,380,058	1,486,907
- of which pledged under sale and repurchase agreements			374,000	374,000
Bonds of the Central bank of Uzbekistan	16%	2025-08-25	1,305,165	3,213,689
Less - Allowance for expected credit losses (Note 6)			(10,385)	(11,898)
Total debt securities at amortized cost			3,674,838	4,688,698

As of 30 June 2025, the Group had pledged Bonds of the Central Bank of Uzbekistan with a carrying amount of UZS 374,000 million as collateral under repurchase agreements.

Under the terms of these agreements, the counterparties have the right to sell or repledge the pledged securities even while the Group 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.

11. Premises, equipment, and intangible assets

<i>Cost (In millions of Uzbekistan Soums)</i>	<i>Building and premises</i>	<i>Office and Computer equipment</i>	<i>Motor vehicles</i>	<i>Construction in progress</i>	<i>Intangible Assets</i>	<i>Total</i>
31 December 2023	189,101	413,348	15,379	1,576	126,852	746,256
Additions	764	132,718	1,922	205	119,095	254,704
Disposals and write-offs	–	(2,330)	(1,521)	(1,119)	–	(4,970)
Transfers	162	(9,084)	9,121	(199)	–	–
30 June 2024	190,027	534,652	24,901	463	245,947	995,990
31 December 2024	199,774	711,931	40,501	464	397,973	1,350,643
Additions	5,679	53,789	751	3,212	156,401	219,832
Disposals and write-offs	–	(130)	–	–	(15,756)	(15,886)
Transfers	187	(1,878)	1,691	–	–	–
30 June 2025	205,640	763,712	42,943	3,676	538,618	1,554,589

<i>Accumulated depreciation (In millions of Uzbekistan Soums)</i>	<i>Building and Premises</i>	<i>Office and Computer Equipment</i>	<i>Motor Vehicles</i>	<i>Construction in Progress</i>	<i>Intangible Assets</i>	<i>Total</i>
31 December 2023	(43,778)	(291,058)	(10,887)	–	(25,418)	(371,141)
Charge for the year	(4,533)	(38,152)	(3,497)	–	(19,155)	(65,337)
Disposals and write-offs	–	2,574	1,277	–	–	3,851
Transfers	–	–	–	–	–	–
30 June 2024	(48,311)	(326,636)	(13,107)	–	(44,573)	(432,627)
31 December 2024	(52,828)	(381,592)	(26,838)	–	(70,222)	(531,480)
Charge for the year	(4,777)	(51,577)	(2,362)	–	(36,330)	(95,046)
Disposals and write-offs	–	24	–	–	10,252	10,276
Net transfers	(9)	34	(25)	–	–	–
30 June 2025	(57,614)	(433,111)	(29,225)	–	(96,300)	(616,250)

Net Book Value as of

30 June 2024	141,716	208,016	11,794	463	201,374	563,363
30 June 2025	148,026	330,601	13,718	3,676	442,318	938,339

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

12. Customer Accounts

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
State and public organizations		
- Current/settlement accounts	1,178,096	1,334,818
- Term deposits	2,419,491	2,317,942
Other legal entities		
- Current/settlement accounts	4,660,477	6,263,280
- Term deposits	2,767,433	1,939,942
Individuals		
- Current/settlement accounts	1,918,269	2,683,548
- Term deposits	3,331,437	3,315,859
Total customer accounts	16,275,203	17,855,389

As at 30 June 2025, the Group had top 10 customers with outstanding balances of UZS 2,768,558 million (31 December 2024: UZS 2,052,917 million) or 17% (31 December 2024: 11%) of total customer accounts. As at 30 June 2025 and 31 December 2024, customer accounts include funds pledged against letters of credit and guarantees in the amount of UZS 260,128 million and UZS 102,599 million, respectively.

Economic sector concentrations within customer accounts are as follows:

<i>In millions of Uzbekistan Soums</i>	30 June 2025		31 December 2024	
	Amount	%	Amount	%
Individuals	5,249,706	32.26%	5,999,407	33.60%
State and budgetary organisations	3,597,587	22.10%	3,652,760	20.46%
Private enterprises	3,581,199	22.00%	5,087,196	28.49%
Joint ventures	2,762,684	16.97%	2,240,877	12.55%
Non-governmental organisations	754,747	4.64%	530,223	2.97%
Other	329,280	2.02%	344,926	1.93%
Total customer accounts	16,275,203	100%	17,855,389	100%

13. Debt Securities in Issue

<i>In millions of Uzbekistan Soums</i>	Currency	Interest	Maturity	30 June 2025	31 December 2024
- Eurobond in foreign currency	USD	5.5%	19-Nov-2025	3,817,994	3,896,314
- Eurobond in national currency	UZS	20.5%	25-Apr-2027	1,404,170	1,401,497
Total debt securities issued				5,222,164	5,297,811

14. Borrowings from Government, State and International Financial Institutions

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
Borrowings from the Ministry of Finance of the Republic of Uzbekistan	15,718,790	15,277,610
Borrowings from International Financial Institutions	2,887,812	2,146,829
Borrowings from Domestic Financial Institutions	1,615,090	1,721,884
Borrowings from the Fund for the Reconstruction and Development of the Republic of Uzbekistan	604,400	678,723
Borrowings from the CBU	8,664	12,154
Debt component of preference shares	13,085	12,078
Borrowings from government, state and international financial institutions	20,847,841	19,849,278

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

15. Subordinated debt

<i>In millions of Uzbekistan Soums</i>	Currency	Maturity date	Nominal interest rate %	30 June 2025	31 December 2024
Subordinated debt of Ministry of Finance of the Republic of Uzbekistan	USD	March, 2030	0%	256,598	256,342
Subordinated debt of Ministry of Finance of the Republic of Uzbekistan	UZS	November, 2029	3%	115,659	153,816
Subordinated debt of Ministry of Finance of the Republic of Uzbekistan	UZS	November, 2030	3%	109,394	139,255
Subordinated debt of Ministry of Finance of the Republic of Uzbekistan	UZS	November, 2028	3%	18,548	35,271
Total subordinated debt				500,199	584,684

16. Interest Income and Expense

<i>In millions of Uzbekistan Soums</i>	Six month ended 30 June 2025	Six month ended 30 June 2024
<i>Interest income calculated using the effective interest rate</i>		
Loans and advances to customers	2,821,762	2,964,522
Debt securities at amortized cost	325,269	147,436
Due from other banks	159,048	235,817
Interest income on cash and cash equivalents	163,775	72,258
Total interest income calculated using the effective interest rate	3,469,854	3,420,033
<i>Other interest income</i>		
Net investments in finance lease	13,099	15,424
Total interest income	3,482,953	3,435,457
<i>Interest expenses</i>		
Borrowings from government, state and international financial institutions	971,411	850,311
Customer accounts	740,474	470,361
Debt securities in issue	251,489	198,719
Due to other banks	2,591	8,635
Subordinated debt	9,490	10,962
Total interest expense	1,975,455	1,538,988
Net interest income	1,507,498	1,896,469

17. Fee commission income and expenses

<i>In millions of Uzbekistan Soums</i>	Six month ended 30 June 2025	Six month ended 30 June 2024
Fee and commission income		
Settlement transactions	182,569	141,277
Cash transactions	46,297	48,012
Guarantees and letters of credit	2,821	4,993
Foreign currency conversion operations	437	553
Other	3,872	2,797
Total fee and commission income	235,996	197,632
Fee and commission expense:		
Settlement transactions	42,436	28,173
Conversion operations	6,755	7,140
Cash transactions	3,521	498
Cash collection services	5,320	2,031
Other	1,316	7,027
Total fee and commission expense	59,348	44,869
Net fee and commission income	176,648	152,763

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

18. Administrative and Other Operating Expenses

<i>In millions of Uzbekistan Soums</i>	Six month ended 30 June 2025	Six month ended 30 June 2024
Staff costs	603,729	527,517
Depreciation and amortization	101,340	61,486
Security services	32,038	30,993
Deposit guarantee fund expenses	26,684	18,373
Repair and maintenance	18,553	14,642
Advertising and Publicity	16,998	2,828
Insurance operations expense	16,442	42,544
Professional services	12,589	26,667
Stationery and Supplies	11,926	16,533
Postage, Telephone and Fax	11,925	7,094
Taxes other than income tax	11,334	9,594
Charity and sponsorship	7,156	1,058
Utilities	5,200	4,692
Business trip and travel expenses	3,717	3,049
Representation and entertainment	3,710	1,616
Fuel	1,930	2,076
Penalties incurred	1,338	15
Rent expenses	359	3,282
Insurance	229	662
Other operating expenses	49,827	47,425
Total administrative and other operating expenses	937,024	822,146

19. Income Taxes

(a) Components of income tax expense

Income tax expense comprises the following:

<i>In millions of Uzbekistan Soums</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Current tax charge	1,355	69,494
Deferred tax charge	255,216	156,872
Income tax expense for the period through Profit or Loss	256,571	226,366
Deferred tax (credit) / charge through Other Comprehensive Income	(274)	108
Income tax expense for the period through Profit or Loss and Other Comprehensive Income	256,297	226,474

For 2024 and 2025 statutory income tax rate was 20%.

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

The effective statutory income tax rate was 20% in six months ended 30 June 2025 and six months ended 30 June 2024.

<i>In millions of Uzbekistan Soums</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Profit before tax (including discontinued operations)	1,280,827	766,094
Theoretical tax charge at the applicable statutory rate - 20% (6M 2024: 20%)	256,165	153,219
-Non-deductible expenses (non-deductible part of loan loss provisions, employee compensation, representation and other non-deductible expenses)	65,460	102,634
-Non-taxable income (interest income from state securities)	(65,054)	(29,487)
Net income tax expense including results from discontinued operations	256,571	226,366
Net income tax (credit) / expense relating to the components of other comprehensive income	(274)	108
Income tax expense for the period	256,297	226,474

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

20. Segment Reporting

The Group's operations are a single reportable segment.

The Group provides mainly banking services in the Republic of Uzbekistan. The Group identifies the segment in accordance with the criteria set in IFRS 8 “Operating Segments” and based on the way 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 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 internal reports.

21. Financial Risk Management

The risk management function is carried out in respect of financial risks (credit, market, including currency risk, and liquidity risks), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits and ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimize operational and legal risks.

Expected Credit Loss Methodology

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 the product of 4 core components: probability of default (PD), loss given default (LGD), Macro scenario and exposure at default (EAD).

Definition of default. The Bank defines default in accordance with IFRS 9 and local regulatory requirements.

For Retail portfolio:

An exposure is considered in default when:

- Contractual payments of principal or interest are past due more than 90 days;
- Cross-default event occurs, i.e. when default on one material financial obligation of the borrower leads to default classification of all other obligations to the Bank.

For Corporate portfolio:

- Contractual payments of principal or interest are past due more than 90 days;
- The borrower is assessed as unlikely to pay its credit obligations without realization of collateral, restructuring with economic loss, or other credit protection measures;
- Bankruptcy or insolvency proceedings are initiated;
- Cross-default event occurs, i.e. when default on one material financial obligation of the borrower leads to default classification of all other obligations to the Bank.

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

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:

- Contractual payments past due more than 10 days in any of the last 6 months.

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

21. Financial Risk Management (continued)

SICR (Significant Increase in Credit Risk) (continued)

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, 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.

Collective grouping. 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).

Parameter estimation.

- PD is derived from statistical -based models depending on the portfolio segment, adjusted to reflect multiple forward-looking macroeconomic scenarios (baseline, optimistic, adverse). The calculation is performed using transition matrices across delinquency buckets for each portfolio segment;
- LGD is estimated based on historical recovery rates, collateral values, and expected workout outcomes, also incorporating macroeconomic sensitivities. LGD is estimated based on historical recovery rates, collateral values, and expected workout outcomes, also incorporating macroeconomic sensitivities. The calculation is performed through a vintage analysis of cash recoveries from cured defaults across portfolio segments;
- 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).

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.

Credit risk

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.

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

21. Financial Risk Management (continued)

Credit risk (Continued)

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. 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.
Substandard	2	“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.
Unsatisfactory	3	“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.
Doubtful	4	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.
Loss	5	

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.

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.

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

21. Financial Risk Management (continued)

Credit risk (Continued)

Credit quality of loans and advances to customers:

	30 June 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans to customers at amortised cost				
- Standard	26,277,690	5,593,317	250,678	32,121,685
- Substandard	34,936	1,016,125	186,330	1,237,391
- Unsatisfactory	384	2,293	298,047	300,724
- Doubtful	309	373	1,160,166	1,160,848
- Loss	-	17,110	5,805,103	5,822,213
Total loans to customers	26,313,319	6,629,218	7,700,324	40,642,861
Less: Allowance for expected credit losses	(676,031)	(1,373,585)	(4,920,733)	(6,970,349)
Total loans to customers net	25,637,288	5,255,633	2,779,591	33,672,512

	31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
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 table below summarises the Group's exposure to foreign currency exchange rate risk as at 30 June 2025:

<i>In millions of Uzbekistan Soums</i>	UZS	US Dollars	Euros	Other	Total
Monetary financial assets					
Cash and cash equivalents	4,432,894	5,389,411	606,383	33,880	10,462,568
Due from other banks	717,534	380,829	52	-	1,098,415
Loans and advances to customers	26,741,131	5,070,698	1,860,683	-	33,672,512
Debt securities at amortized cost	3,674,838	-	-	-	3,674,838
Other financial assets	3,817	1,765	2,278	-	7,860
Total monetary financial assets	35,570,214	10,842,703	2,469,396	33,880	48,916,193
Monetary financial liabilities					
Due to other banks	1,454	9,425	-	-	10,879
Customer accounts	12,015,586	4,053,413	175,381	30,823	16,275,203
Debt securities in issue	1,404,170	3,817,994	-	-	5,222,164
Lease liabilities	41,166	-	-	-	41,166
Borrowings from government, state and international financial institutions	16,436,754	2,376,236	2,034,851	-	20,847,841
Subordinated debt	243,602	256,597	-	-	500,199
Other financial liabilities	15,891	-	-	-	15,891
Total monetary financial liabilities	30,158,623	10,513,665	2,210,232	30,823	42,913,343
Net balance sheet position	5,411,591	329,038	259,164	3,057	

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

21. Financial Risk Management (continued)

Market risk (Continued)

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

<i>In millions of Uzbekistan Soums</i>	Six month ended 30 June 2025 Impact on profit or loss	Six month ended 30 June 2024 Impact on profit or loss
US Dollars strengthening by 5% (2024: 3%)	16,452	(18,303)
US Dollars weakening by 5% (2024: 3%)	(16,452)	18,303
Euro strengthening by 7% (2024: 4%)	18,141	(30,207)
Euro weakening by 7% (2024: 4%)	(18,141)	30,307

The exposure calculated only for monetary balances denominated in currencies other than the functional currency of the Bank.

Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty meeting obligations associated with financial liabilities. The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees and from margin and other calls on cash settled derivative instruments. The Bank 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 Assets and liabilities management committee of the Bank and OTP bank, Assets and liabilities management directorate and Global markets directorate.

The Bank seeks to maintain a stable funding base comprising primarily amounts due to other banks, corporate and retail customer deposits and invest the funds in 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 Bank calculates the liquidity ratio monthly in accordance with the requirement of the Central Bank of Uzbekistan.

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Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

21. Financial Risk Management (continued)

Liquidity risk (Continued)

The Group monitors remaining contractual maturities, which may be summarised as follows at 30 June 2025:

<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	10,462,568	–	–	–	10,462,568
Due from other banks	474,104	117,054	502,720	4,537	1,098,415
Loans and advances to customers	1,148,172	3,256,656	11,774,947	17,492,737	33,672,512
Debt securities at amortized cost	1,927,568	1,747,270	–	–	3,674,838
Financial assets at fair value through other comprehensive income	42,966	–	–	–	42,966
Other financial assets	7,860	–	–	–	7,860
Total financial assets	14,063,238	5,120,980	12,277,667	17,497,274	48,959,159
Liabilities					
Due to other banks	10,879	–	–	–	10,879
Customer accounts	9,105,548	3,717,569	3,394,591	57,495	16,275,203
Debt securities in issue	100,488	3,774,239	1,347,437	–	5,222,164
Borrowings from government, state and international financial institutions	896,005	1,436,765	7,149,144	11,365,927	20,847,841
Lease liabilities	851	5,480	6,153	28,682	41,166
Subordinated debt	996	–	485,872	13,331	500,199
Other financial liabilities	15,891	–	–	–	15,891
Total financial liabilities	10,130,658	8,934,053	12,383,197	11,465,435	42,913,343
Net liquidity gap based on contractual maturities	3,932,580	(3,813,073)	(105,530)	6,031,839	6,045,816
Cumulative liquidity gap at 30 June 2025	3,932,580	119,507	13,977	6,045,816	–

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	–

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

22. Management of Capital

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

Under the current capital requirements set by the CBU, banks have to maintain ratios of (actual ratios given below):

- Ratio of regulatory capital to risk weighted assets (“Regulatory capital ratio”) above a prescribed minimum level of 13% (31 December 2024: 13%). Actual ratio as at 30 June 2025: 16.7% (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 30 June 2025: 15.2% (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%). Actual ratio as at 30 June 2025: 13.2% (31 December 2024: 14.6%).

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>	30 June 2025	31 December 2024
Tier 1 capital	6,821,620	7,213,551
Tier 2 capital	679,932	730,256
Less: deductions from capital	–	–
Total regulatory capital	7,501,552	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 year to date profit.

23. 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 three 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 30 June 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).

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

23. Contingencies and Commitments (continued)

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

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

Outstanding credit related commitments are as follows:

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
Guarantees:	629,977	538,718
-Financial guarantees	311,545	318,102
-Non-financial guarantees	318,432	220,616
Letters of credit	260,128	210,385
Undrawn loan commitments	130,982	136,390
Total gross commitments and contingencies	1,021,087	885,493

All financial guarantees as at 30 June 2025 are classified as Stage 1 of credit risk (31 December 2024: Stage 1).

Credit related commitments are denominated in currencies as follows:

<i>In millions of Uzbekistan Soums</i>	30 June 2025	31 December 2024
US Dollars	850,056	581,615
UZS	152,492	162,566
Euros	9,458	23,164
Other	–	105,186
Total	1,012,006	872,531

24. 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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

24. 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 carrying value of these assets as of 30 June 2025 was UZS 42,966 million). 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 30 June 2025 and 31 December 2024, the fair value of financial assets and financial liabilities except for those shown below approximate their carrying value.

Financial Assets/Liabilities as at 30 June 2025	Fair value		Fair value hierarchy
	Carrying value	Fair value	
Loans and advances to customers	33,672,512	34,007,498	Level 3
Debt securities at amortized cost	3,674,838	3,729,957	Level 2
Due from other banks	1,098,415	1,113,043	Level 3
Due to other banks	10,879	10,879	Level 3
Customer accounts	16,275,203	16,235,055	Level 3
Borrowings from government, state and international financial institutions	20,847,841	20,852,016	Level 3
Debt Securities in issue (foreign currency)	3,817,994	3,824,657	Level 1
Debt Securities in issue (national currency)	1,404,170	1,520,736	Level 3

Financial Assets/Liabilities as at 31 December 2024	Fair value		Fair value hierarchy
	Carrying value	Fair value	
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

25. 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 41% of total insurance revenue for the six months ended 30 June 2025 (30 June 2024: 67%). Other insurance products are motor vehicle insurance, collateral insurance, compulsory insurance, property, accident, and construction risk insurance. The company also uses reinsurance arrangements to manage concentration and large-scale risk exposures.

Following summaries Groups insurance operations:

In millions of Uzbekistan soums	30 June 2025	31 December 2024
Insurance assets	30,684	29,525
Insurance liabilities	100,627	113,208

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

25. Insurance activities (continued)

<i>In millions of Uzbekistan soums</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Revenue from insurance contracts	29,280	19,236
Cost of insurance contracts	16,442	42,544

Revenue arising from insurance contracts is presented within Other Income, while the related costs are classified under Administrative Expenses in the Statement of Profit or Loss. Insurance-related assets are classified as Other Assets and insurance-related liabilities are classified as Other Liabilities in the Statement of Financial Position.

26. Related Party Transactions

As at 30 June 2025 and 31 December 2024, the outstanding balances with related parties were as follows:

	30 June 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	1,270,936	10,462,568	2,294	9,089,717
- Parent company	1,270,936		2,294	
Debt securities of the Government of the Republic of Uzbekistan	2,380,058	3,674,838	1,486,907	4,688,698
- other related entities - Government	2,380,058		1,486,907	
Loans and advances to customers	1,967	33,672,512	2,437	32,316,421
- key management personnel	1,967		2,437	
LIABILITIES				
Due to other banks	10,879	10,879	49,839	251,379
- Parent company	10,879		49,839	
Customer accounts	548,466	16,275,203	557,174	17,855,389
- other related entities - Government	544,741		555,982	
- key management personal	3,725		1,192	
Borrowings from government, state and international financial institutions	16,609,984	20,847,841	15,193,516	19,849,278
- Parent company	891,194		-	
- other related entities - Government	15,718,790		15,193,516	

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

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2025 (unaudited) (continued)

26. Related Party Transactions (continued)

The income and expense items with related parties for the six months ended 30 June 2025 and 30 June 2024 were as follows:

	For the six months ended ' 30 June 2025		For the six months ended ' 30 June 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	176,961	3,482,953	137	3,435,457
- Parent company	27,576		-	
- other related entities - Government	149,246		-	
- key management personnel	139		137	
Interest expense	798,741	1,975,455	25,045	1,538,988
- Parent company	4,667		25,035	
- other related entities - Government	793,916		-	
- key management personnel	158		10	
Administrative and other operating expenses	17,667	937,024	9,880	822,146
- key management personnel	17,667		9,880	

Key management compensation is presented below:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
<i>In millions of Uzbekistan Soums</i>		
Short-term benefits:		
- Salaries and other short term benefits	15,774	8,822
- Social Security costs	1,893	1,059
Total key management personnel compensation	17,667	9,881

27. Subsequent Events

There were no significant events after the reporting date.