SUE SB RT «AMONATBONK»

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SUE SB RT «AMONATBONK»

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

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the State unitary enterprise «Savings bank of the Republic of Tajikistan «Amonatbonk»» (the "Bank").

The Bank's Management is responsible for the preparation of financial statements that fairly present, in all material respects, the financial position of the Bank as of December 31, 2024, as well as the results of its operations, cash flows, and changes in equity for the year then ended, in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- compliance with IFRS requirements or disclosure of all material deviations from IFRS in the notes to the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Bank will continue in business for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Bank;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Bank, and which enable them to ensure that the financial statements of the Bank comply with IFRS;
- accounting in accordance with the legislation, accounting standards of the Republic of Tajikistan and the requirements of the National Bank of Tajikistan;
- taking such steps as are reasonably available to them to safeguard the assets of the Bank; and
- detecting and preventing fraud and other irregularities.

The financial statements for the year ended December 31, 2024 were approved and authorized for issue on March 29, 2025 by the Management of the Bank.

On behalf of the Bank's Management

Salimzoda Alijon A.
Chairman of the Board

March 29, 2025
Dushanbe,Republic of Tajikistan

Ismatzoda Amirali Sh.
Chief Accountant

March 29, 2025
Dushanbe,Republic of Tajikistan

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INDEPENDENT AUDITORS' OPINION

To the Management of the SUE SB RT «Amonatbonk»:

Opinion

We have audited the accompanying financial statements of the State unitary enterprise «Savings bank of the Republic of Tajikistan «Amonatbonk»» (the «Bank»), which comprise the statement of financial position as at December 31, 2024 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2024, as well as its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (hereinafter – "IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (the "ISA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Tajikistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 32 «Risk Management Policy» to the consolidated financial statements, where it is stated that the Bank's liabilities with a maturity of up to one year exceed assets with a maturity of up to one year. The tables include maturities for client accounts and short-term deposits. Based on past experience, the Bank's Management considers it unlikely that all clients will demand payouts upon maturity. The Bank's Management is aware of the importance of maintaining stability in such deposits.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Shavkatjon Nazirov

Director, Baker Tilly Tajikistan LLC

License № 000014 issued by
the National Bank of Tajikistan

March 29, 2025
Dushanbe, Republic of Tajikistan

SUE SB RT «AMONATBONK»

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

(in thousands of Tajik Somoni)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Interest income	4	411,898	455,515
Interest expenses	4	(114,367)	(96,151)
NET INTEREST INCOME BEFORE FORMATION OF PROVISIONS FOR IMPAIRMENT OF ASSETS ON WHICH INTEREST IS ACCRUED		297,531	359,364
Provision for impairment of assets on which interest is accrued		(49,434)	(162,398)
		248,097	196,966
Commission income	5	282,281	217,606
Commission expenses	5	(57,362)	(31,159)
Net (loss) / gain on foreign exchange transactions	6	16,570	21,323
Net gain / (loss) on operations with financial instruments		4	430
Provision for impairment of assets for which no interest is accrued	7	25,042	(37,497)
Other non-operational income / (expenses), net	25	29,136	77,100
NET NON - INTEREST INCOME		295,671	247,803
Operating expenses	8	(363,422)	(277,651)
PROFIT BEFORE INCOME TAX	9	180,346	167,118
Income tax	9	(41,435)	(32,624)
PROFIT FOR THE YEAR		138,911	134,494

On behalf of the Bank's Management

Salimzoda Alijon A.
Chairman of the Board

March 29, 2025
Dushanbe,Republic of Tajikistan

Ismatzoda Amirali Sh.
Chief Accountant

March 29, 2025
Dushanbe,Republic of Tajikistan

The notes on pages 10-58 form an integral part of the financial statements. The Independent Auditors' Report is on pages 3-4.

SUE SB RT «AMONATBONK»

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024
(in thousands of Tajik somoni)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents	10	1,965,093	2,509,485
Due from banks	12	937,695	1,259,372
Obligatory reserve in the National bank of Tajikistan	11	247,527	227,743
Loans to customers	13	2,649,661	1,769,346
Investments held to maturity	15	1,307,065	264,212
Investment securities	14	11,000	11,000
Property, plant and equipment	16	655,946	636,630
Intangible assets	17	9,360	11,938
Right-of-use asset	18	4,106	2,553
Long-term assets held for sale	19	7,998	28,457
Deferred tax assets	9	14,420	11,822
Other assets	20	838,534	161,153
TOTAL ASSETS		**8,648,005**	**6,893,711**
LIABILITIES AND EQUITY:			
LIABILITIES			
Customer accounts	22	6,947,923	5,465,383
Borrowings	23	58,417	90,062
Subordinated loans	24	50,000	50,000
Due to banks and financial institutions	21	490,753	424,238
Deferred tax liabilities	9	4,268	2,629
Lease liabilities	18	36,151	-
Other liabilities	26	191,994	101,538
		7,779,506	**6,133,850**
EQUITY			
Share capital	27	90,935	80,935
Retained earnings		226,593	88,060
Reserve for future operations		339,916	339,916
Reserve for contingencies		39,799	39,799
Revaluation of FA		144,605	184,500
General reserves		26,651	26,651
		868,499	**759,861**
TOTAL LIABILITIES AND EQUITY		**8,648,005**	**6,893,711**

On behalf of the Bank's Management

Salimzoda Alijon A.
Chairman of the Board

March 29, 2025
Dushanbe, Republic of Tajikistan

Ismatzoda Amirali Sh.
Chief Accountant

March 29, 2025
Dushanbe, Republic of Tajikistan

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SUE SB RT «AMONATBONK»

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

(in thousands of Tajik somoni)

	Share capital	Reserve for future operations of the organization	Reserve for contingencies	Revaluation reserve on property and equipment	General reserves	Retained earnings	Total
Balance at December 31, 2022	70,935	248,485	29,640	187,625	26,651	52,031	615,367
Increase in charter capital	10,000	-	-	-	-	-	10,000
Transfer to «Reserve for future operations of the organization» from «Retained earnings»	-	91,431	-	-	-	(91,431)	-
Transfer from «Revaluation reserve on property and equipment» to «Retained earnings»	-	-	10,159	-	-	(10,159)	-
Operations with the regulator, return of funds to NBT	-	-	-	(3,125)	-	3,125	-
Profit for the year	-	-	-	-	-	134,494	134,494
Balance at December 31, 2023	80,935	339,916	39,799	184,500	26,651	88,060	759,861
Increase in charter capital	10,000	-	-	-	-	-	10,000
Transfer from «Revaluation reserve on property and equipment» to «Retained earnings»	-	-	-	(3,743)	-	3,743	-
Deferred tax on revaluation reserves of property, plant and equipment	-	-	-	(36,152)	-	-	(36,152)
Corrections of prior period errors	-	-	-	-	-	(4,121)	(4,121)
Profit for the year	-	-	-	-	-	138,911	138,911
Balance at December 31, 2024	90,935	339,916	39,799	144,605	26,651	226,593	868,499

On behalf of the Bank's Management

Salimzoda Alijon A.
Chairman of the Board

March 29, 2025
Dushanbe, Republic of Tajikistan

Ismatzoda Amirali Sh.
Chief Accountant

March 29, 2025
Dushanbe, Republic of Tajikistan

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SUE SB RT «AMONATBONK»

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousands of Tajik somoni, unless otherwise indicated)

CASH FLOWS FROM OPERATING ACTIVITIES:	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Profit before income tax expenses		180,348	167,118
Adjustments for:			
Change in allowance for impairment losses on interest bearing assets	13	49,434	162,398
Depreciation of property and equipment	16,17	30,818	19,865
Depreciation of RoU	12	3,380	2,612
Change in allowance on due from banks	7	(15,303)	18,304
Change in allowance on pledged collateral	7	(36,179)	33,818
Change in allowance on NBT certificates	7	(512)	2,604
Change in allowance on closed banks	7	7	2,325
Change in allowance on shortage of cash	7	-	-
Change in unused vacation provision	26	(2,386)	5,567
Exchange rate differences on foreign currency transactions	6	839	3,971
Adjustment for correction of prior period errors		(4,122)	-
Interest income, net	4	(287,075)	(329,958)
Cash flows before changes in operating assets and liabilities		(80,753)	88,624
Increase in due from banks		340,765	(213,188)
Increase in loans to customers		(948,274)	(532,067)
Increase in Foreclosed assets		56,638	(38,257)
Decrease /(increase) in other assets		(666,497)	(91,451)
Increase /(decrease) customer accounts		1,477,898	493,643
Increase /(decrease) due to banks and financial institutions		66,515	145,554
Increase /(decrease) in inventories		(2,493)	(12,231)
Increase /(decrease) in lease		4,306	(975)
Increase /(decrease) in other liabilities		85,242	(101,203)
Cash inflow /(outflow) from operating activities before income tax and interest		333,347	(261,551)
Interest received		351,836	246,247
Interest paid		(89,371)	(75,384)
Income tax paid		(43,633)	(39,701)
Net cash inflow /(outflow) from operating activities		**552,179**	**(130,389)**

SUE SB RT «AMONATBONK»

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)
(in thousands of Tajik somoni, unless otherwise indicated)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	16	(48,806)	(69,667)
Revaluation reserve for property, plant and equipment		3,743	3,125
Purchase of intangible assets	17	-	-
Purchase of investments held to maturity		(1,030,787)	-
Sell investments held to maturity		-	348,616
Net cash (outflow)/inflow from investing activities:		(1,075,850)	282,074
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the increase in share capital		10,000	10,000
Proceeds from borrowings		(30,721)	(71,320)
Repayment of borrowings		-	-
Net cash inflow from financing activities:		(20,721)	(61,320)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(544,392)	90,365
Effect of changes in exchange rates on cash and cash equivalents		-	-
CASH AND CASH EQUIVALENTS, at the beginning of the year	10	**2,509,485**	**2,419,120**
CASH AND CASH EQUIVALENTS, at the end of the year	10	**1,965,093**	**2,509,485**

On behalf of the Bank's Management

Salimzoda Alijon A.
Chairman of the Board

March 29, 2025
Dushanbe,Republic of Tajikistan

Ismatzoda Amirali Sh.
Chief Accountant

March 29, 2025
Dushanbe,Republic of Tajikistan

The notes on pages 10-58 form an integral part of the financial statements. The Independent Auditors' Report is on pages 3-4.

1. GENERAL INFORMATION

In 1925, the bank was initially registered as the State labor savings banks of the Tajik SSR, which was later renamed to the Labor Savings and Credit Bank of the Tajik SSR in 1987. In 1998, the bank was granted the status of a State Bank. On June 19, 2003, the bank was registered with the tax authority in the Shokhmansur district, receiving certificate number #00949992. The bank holds license number #0000312 from the National Bank of Tajikistan for conducting banking activities, which was obtained on April 7, 2023. The bank's main activities include accepting deposits, processing payment transfers, providing loans, conducting foreign currency operations, and engaging in other commercial activities.

As of December 31, 2024, the Bank is owned by the Government of the Republic of Tajikistan.

As of December 31, 2024 and 2023, the number of the Bank's employees was 3,442 and 3,052, respectively.

The Bank's head office is located at: 105 Rudaki Avenue, Dushanbe, Republic of Tajikistan. As of December 31, 2024, and 2023, the Bank had 75 branches within the territory of the Republic of Tajikistan.

The financial statements were approved by the Management of the Bank on March 29, 2025.

2. PRESENTATION OF FINANCIAL STATEMENTS

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (the "IFRS") issued by the International Accounting Standards Board (the "IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee (the "IFRIC").

Functional and reporting currency

Items included in the Bank's financial statements are estimated using the currency that best reflects the economic substance of the underlying events and circumstances related to the Bank (the "functional currency"). The functional and reporting currency of the accompanying financial statements is Tajik somoni (the "TJS" or "somoni").

These financial statements are presented in thousands of Tajik somoni, unless otherwise indicated. These financial statements have been prepared under the historical cost convention, except for the evaluation of certain financial instruments carried at fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recognition and valuation of financial instruments

Financial assets and financial liabilities are recognized on the Bank's statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. The Bank reflects purchasing and sale of financial assets and liabilities, which have regular nature at the date of payment. Purchased in such way financial instruments, which will be subsequently estimated at fair value, from the date of the transaction and before the date fixed for the calculations are taken into account in the same way as for acquired instruments.

Financial assets and liabilities are initially recognized at fair value. The acquisition cost of financial assets and liabilities that are not financial assets and liabilities and taken into account at fair value through profit or loss, adjusted for transaction costs, directly related to the acquisition or establishment of a financial asset or financial liability origination. The principles of the following valuation of financial assets and liabilities are disclosed in appropriate accounting policies set out below.

Bank classified financial assets into the following specified categories:

- Financial asset measured at amortized cost;
- Financial asset measured at fair value through other comprehensive income (FVOCI);
- Financial asset measured at fair value through profit or loss.

Debt instruments

The classification and subsequent accounting of debt instruments depend on:

a) Business model of the Bank used to manage financial assets;
b) Characteristics of the financial asset and the contractual cash flows.

Business model

Business model used by the Bank describes the way it manages its financial assets in order to generate cash flows, i.e. business model of the Bank determines whether the cash flows will result from the receipt of contractual cash flows, selling financial assets or both.

The Bank can apply various financial asset management models in the course of its activities, but it is expected that most financial assets will be held till maturity within the framework of the contractual cash flow model in accordance with the Bank's development strategy and limited market tools in the Republic of Tajikistan.

SPPI criteria

In order to assess the compliance of contractual terms of a financial asset with SPPI criteria, the Bank conducts an SPPI test (the "SPPI test") for each debt financial asset. During this assessment the Bank reviews whether the contractual cash flows are consistent with the basic lending arrangement, i.e. interest includes only the time value of money, credit risk, other major credit risks and profits in accordance with the basic lending agreement. If the contractual terms include any risk or volatility that does not correspond to the basic lending agreement, the relevant financial asset is classified and measured at fair value through profit or loss.

Based on these factors, the Bank classifies its debt instruments into the following three categories:

- *Financial assets measured at amortized cost:*

a) The objective of the Bank's business model is to hold the financial asset to collect the contractual cash flows.

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The carrying amount of these assets is adjusted by expected credit losses. Interest earned on these financial assets is included in "Interest income" using the effective interest method.

Financial assets measured at fair value through Other comprehensive income (FVOCI):

a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in the carrying amount are recognized in other comprehensive income. The recognition of expected credit losses, interest income and changes in foreign currency occurs in profit or loss. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. Interest earned on these financial assets is recognized in "Interest income" using the effective interest method.

Financial assets measured at fair value through profit or loss (FVTPL):

The Bank classifies financial assets at fair value through profit or loss if they do not meet the criteria to be measured at amortized cost or at fair value through other comprehensive income. Gains or losses on debt instruments measured at fair value through profit or loss (that are not part of the hedging instruments) are recognized in the statement of profit or loss as part of the "Net Trade Income" in the period in which they arise. Interest earned on these financial assets is recognized in "Interest income" using the effective interest method.

The Bank has an option to designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces the measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other debt instruments that do not fit in any of the categories must be measured at fair value through profit or loss.

Equity instruments

All equity investments of the Bank are to be measured at fair value in the statement of financial position with fair value changes recognised in profit or loss, except for those equity investments for which the Bank has elected to present value changes in other comprehensive income.

Due to the limited market tools available for trading with equity securities in the Republic of Tajikistan, the Bank classifies equity instruments as measured at fair value through other comprehensive income when investments are held for purposes other than investment income. In such cases, changes in fair value are recognized in other comprehensive income and cannot subsequently be reclassified to profit or loss. Dividends from such investments continue to be recognized in profit or loss as other income.

Gains and losses on equity instruments measured at fair value through profit or loss are recorded in "Net trade income" in the statement of profit or loss.

Reclassification

The Bank reclassifies financial assets if and only if the business model objective for its financial assets changes so its previous model assessment would no longer apply. If reclassification is performed, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Bank does not restate any previously recognised gains, losses or interest.

Derecognition of financial assets

The recognition of a financial asset (or, if applicable, part of a financial asset or part of a Bank of similar financial assets) ceases when:

- the rights to receive cash flows from the asset have ceased;
- the Bank transferred its rights to receive cash flows from the asset or reserved the right to receive cash flows from the asset, but became obliged to pay these cash flows without significant delay to a third party under the 'transfer' agreement; and
- the Bank either (a) transferred almost all the risks and rewards related to the asset, or (b) did not transfer and did not retain almost all the risks and rewards related to the asset, but transferred a control over the asset.

Modification of contractual cash flows

In circumstances where the Bank reviews or modifies the contractual cash flows for a financial asset, the Bank assesses how significant the change between the original conditions and the new ones is.

If new conditions differ significantly, the Bank derecognizes the original financial asset and recognizes a new financial asset at fair value and recalculates the new effective interest rate for the asset. At the date of modification, the Bank calculates revised expected credit losses and determines whether there is a significant increase in credit risk. However, the Bank also evaluates whether newly recognized financial asset is considered to be impaired upon initial recognition, especially in cases when the revision was due to the fact that the borrower was unable to make the originally agreed payments. The difference in the carrying value of financial assets is reflected in the statement of profit or loss.

If conditions do not differ significantly, then revision or change does not lead to derecognition. The Bank recalculates the carrying amount using initial effective interest rate according to the changes in cashflows and the effect is recognized as profit or loss on modification within the statement of profit or loss.

If modification results in increase of significant risks according to the methodology for calculating of expected credit losses, then the contract modification affects the impairment calculation according to the methodology presented in Note 28.

Classification and subsequent accounting of financial liabilities

The Bank classifies all financial liabilities as subsequently measured at amortized cost, except for:

a) financial liabilities measured at fair value through profit or loss. Such liabilities, including liability derivatives, are subsequently measured at fair value;

b) financial liabilities that arise when the transfer of a financial asset does not meet the requirements for derecognition or when the principle of continuing participation accounting is applied;

c) financial guarantee contracts and loan commitments at interest rate lower than the market. After initial recognition, such contracts should be subsequently evaluated on the basis of the largest of the following amounts:

i) the amount of the impairment allowance created by the Bank; and
ii) the amount initially recognized less the total amount of income, if applicable;

d) contingent consideration recognized by the acquirer in a business combination. Such contingent consideration is subsequently measured at fair value through profit or loss.

Upon initial recognition of a financial liability, the Bank may, in its own discretion, classify it, without the right of subsequent reclassification, as measured at fair value through profit or loss.

Offset of assets and liabilities

The Bank's financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Derecognition of financial liabilities

A financial obligation (or part of it) is considered extinguished when the debtor:

(a) either fulfils this obligation (or part of it) by paying off the lender, generally in cash, other financial assets, goods or services,
(b) is either legally relieved of primary liability for that obligation (or part of it), as a result of the performance of the legal procedure or as a result of the creditor's decision.
Derecognition of financial liabilities occurs also in the case of significant changes in cash flows, i.e. if the present value of cash flows in accordance with the new conditions, including the payment of commission after deduction of commission received, discounted at the original effective interest rate, differs by at least 10% of the discounted present value of the remaining cash flows of the original financial liability.

Accounting for financial instruments in the comparative period presented

Financial assets are classified into the following categories: at fair value through profit or loss ("FVTPL"); held-to-maturity ("HTM"); available-for-sale ("AFS"); and loans and receivables. Assignment of financial assets to a particular class depends on their characteristics and acquisition purposes and occurs at the time of their acceptance for accounting.

Investments held to maturity. Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank has the positive intent and ability to hold to maturity are recognized as financial assets in the CFD category.

Held-to-maturity investments are carried at amortized cost using the effective interest method, less any allowance for impairment.

If the Bank sells or reclassifies investments held to maturity of more than an insignificant amount to maturity (other than in certain circumstances), the entire category must be reclassified to available-for-sale financial assets. In addition, the Bank will be prohibited from classifying any financial assets as held-to-maturity during the current financial year and the next two years.

Loans and receivables. Trade receivables, loans and other receivables with fixed or determinable payments that are not quoted on an active market, due from banks, loans to customers and other financial assets are classified as 'loans and receivables'. Loans and receivables are carried at amortized cost using the effective interest method, less any impairment. Interest income is recognized using the effective interest rate, except for short-term receivables where interest income is negligible.

Fair value through profit or loss includes financial assets that:

1. Classified as trading:

- assets acquired or liabilities incurred principally for the purpose of selling or repurchasing in the near term;
- are part of a portfolio of financial instruments that are jointly managed and evidenced to be used to generate short-term profits;
- are a derivative financial instrument (other than effective hedging instruments);

2. Classified by the Bank as an instrument, at the time of initial recognition, subsequently measured at fair value through profit or loss.

Available for sale. Available-for-sale financial assets include non-derivative financial assets that did not fall into the previous three asset groups or were initially classified into this group. Subsequent measurement of assets in this group is carried out at fair value, except for equity securities (shares) of third parties that do not have a quoted market price in an active market, which are measured only at cost.

Accounting for financial liabilities was substantially the same as under IFRS 9, except for gains or losses arising from the Bank's own credit risk associated with liabilities designated as FS&C. Such changes are reflected in OCI without subsequent reclassification to the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, due from banks and highly liquid short term investments, which can be converted to the corresponding amount of cash in the short term.

Due from banks

During the cause of its operations, the Bank allocates funds and deposit in banks on different periods. Due from banks are initially recognized at fair value. Due from banks are subsequently evaluated at amortized cost using the effective interest rate method. Due from credit institutions are taken into account after deduction of any provision for impairment.
During the cause of its operations, the Bank allocates funds and deposit in banks on different periods. Due from banks are initially recognized at fair value. Due from banks are subsequently evaluated at amortized cost using the effective interest rate method. Due from credit institutions are taken into account after deduction of any provision for impairment.

Derivatives

During the cause of its operations, the Bank signs agreements on various derivative financial instruments. Derivatives are initially recognized at fair value at the date of the derivative contract and are subsequently revaluated to their fair value at each reporting date. Fair value is estimated based on quoted market prices or pricing models that take into account current market and contractual prices of the underlying instruments and other factors. Derivatives are taken into account as assets when their fair value is positive and as liabilities when it is negative. Derivatives are included in financial assets and liabilities at fair value through profit or loss in the balance sheet. Profits and losses arising from these instruments are included in net profit / losses on financial assets and liabilities at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

Loans to customers

Loans to customers are financial assets that are not derivative financial instruments with fixed or determinable payments that do not have market quotations, except for assets, which are classified in other categories of financial instruments.

Loans issued by the Bank are initially recognized at fair value plus transaction costs directly attributable to the acquisition or establishment of such financial assets. If the fair value of the provided funds is not equal to the fair value of loans, for example, in the case of providing loans at rate below than market rates, difference between the fair value of provided funds and the fair value of loans is recognized as a loss on initial recognition of loans and is represented in the statement of profit or loss and other comprehensive income in accordance with the nature of such losses. Subsequently, loans are taken into account at amortized cost using the effective interest rate method. Loans to customers are taken into account after deduction of allowance for impairment.

Write-off of loans and advances

In the case of impossibility of recovery of loans, including through repossession of collateral, they are written-off against the allowance for impairment. Loans and provided funds are written - off after taking by management of the Bank measures to recover amounts owed to the Bank and after selling by the Bank all available collateral. Subsequent recoveries of previously written-off amount are reflected as an offset to the charge for impairment of financial assets in the statement of profit or loss and other comprehensive income in the period of recovery.

Allowance for expected credit loss

The Bank recognizes an estimated allowance for expected credit losses (the "ECL") on loans issued. The Bank recognizes such losses at each reporting date by assessing the existence of impairment evidences. The impairment assessment model of financial assets provides for the assessment of expected credit losses within 12 months and throughout the lifetime of the financial asset.

The Bank's expected losses model is based on the following principles:

Stage 1: 12-month expected credit losses - expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date;
Stage 2: full lifetime expected credit losses - expected credit losses that result from all possible default events over the life of the financial instrument;
Stage 3: expected credit losses that result from all possible default events over the life of the financial instrument, but interest income is calculated based on the gross carrying amount of the financial asset (using effective interest rate) less impairment allowance.

Expected credit losses reflect an objective calculation of the probability-weighted value, which is determined by assessing a number of possible outcomes.

The Bank estimates expected credit losses on a financial instrument using a model that reflects:

a) unbiased and probability-weighted amount determined by assessing the range of possible outcomes;
b) time value of money; and
reasonable and verifiable information on past events, current conditions and projected future economic conditions available at the reporting date without excessive cost or effort.

The Bank creates an estimated allowance for expected credit losses on the following financial instruments that are not measured at fair value along with the reflection of their change in profit or loss:

- financial assets that are debt instruments;
- receivables from (financial) leases;
- issued financial guarantee contracts; and
- issued loan obligations.

Impairment losses on equity-based investments are not reflected in the financial statements.

The Bank calculates an allowance for losses for the entire period of expected credit losses, except for the following instruments, for which such losses are estimated as expected credit losses within 12 months:

- debt investment securities, which are defined as having low credit risk at the reporting date; and
- other financial instruments (other than receivables) for which credit risk has not increased significantly after their initial recognition in the financial statements.

Estimated impairment allowance for receivables on (financial) leases is always calculated over the entire period of expected credit losses.

The Bank believes that a debt security has a low credit risk if its credit rating corresponds to the internationally accepted definition of the term "investment class".

Expected credit losses in a period of 12 months are part of the expected credit losses that arise as a result of defaults on the financial instrument, expected within 12 months after the reporting date.

Expected credit losses are calculated taking into account the probability-weighted credit losses. They are evaluated as follows:

- *for financial assets that are not credit-impaired at the reporting date:* the present value of all cash flows that has not been received (the difference between the cash flows under the contractual terms and expected cash flows to be received by the Bank);
- *for financial assets that are credit-impaired at the reporting date:* the difference between the gross carrying amount and the present value of the estimated future cash flows;
- *for loan commitments:* the present value of the difference between the contractual cash flows if the commitment is used and expected cash flows to be received by the Bank; and
- *for financial guarantee contracts:* expected payments to the holders of the contracts, less any amounts that the Bank expects to collect as a penalty.

Changes in expected credit losses are recognized in the profit or loss using an allowance account. The assets reflected in the statement of financial position are reduced by the amount of expected credit losses. The following indicators are considered by the Bank when determining the existence of impairment evidence: the debtor's or issuer's liquidity, their solvency, business and financial risks, levels and trends of defaults on similar financial assets, national and local forecasts on economic trends and conditions, and the fair value of collateral and guarantees. These and other factors, individually or collectively, provide an objective evidence for recognizing expected credit losses of a financial asset or Bank of financial assets.

More detailed information on calculation of expected credit losses is provided in Note 14.

The Bank calculates allowance for expected credit losses on loan portfolio according to the International Financial Reporting Standard 9 "Financial instruments". The calculation of allowance for impairment of loans issued in accordance with the IFRS approach differs from the allowance calculated in accordance with the requirements of the National bank of Tajikistan (the "NBT").

Property and equipment and Intangible Assets

Property and equipment and intangible assets are recorded at historical cost, which includes the acquisition cost, delivery costs to the intended location, and the cost of bringing the asset to the necessary condition for operation, net of accumulated depreciation. However, buildings and structures are revalued by the Bank.

Depreciation is charged to the carrying amount of property and equipment and intangible assets in order to write off assets over their useful lives. Depreciation is calculated on the basis of the straight line method using the following rates:

Buildings and constructions	7%
Computer equipment	12,5%
Furniture and office equipment	10%
Vehicle	10%
Communication equipment	8%
Other	4%
Intangible assets	10%

Amortization of leasehold improvements is calculated over the useful life of the related leased assets. The cost of repair and overhaul are reflected in the statement of profit or loss and other comprehensive income within operating expenses as incurred unless they meet the requirements for capitalization.

On each reporting date, the bank evaluates whether the carrying amount of fixed assets and intangible assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. If the carrying amount of fixed assets and intangible assets exceeds their recoverable amount, the bank reduces the carrying amount of fixed assets to their recoverable amount. After recognizing an impairment loss, depreciation on fixed assets is adjusted in subsequent periods to allocate the revalued carrying amount of assets less any residual value (if applicable) evenly over the remaining useful life.

During write-off of a revalued property and equipment, the amounts included in the revaluation reserve are transferred to retained earnings.

Long-term assets held for sale

The Bank recognizes long-term assets as held for sale if its carrying amount is recovered primarily through the sale of such assets rather than through further use. At the same time, these assets must be ready for immediate sale in their current condition and the probability of their sale within one year from the date of classification must be high. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. If the carrying amount exceeds fair value less costs to sell, the Bank recognizes an impairment loss in the income statement. Any subsequent increase in fair value less costs to sell is recognized up to the amount of the previously recognized cumulative impairment loss.

Taxation

Income tax expense represents sum of the current and deferred tax.

Current tax

Income tax payable for current period is recognized based on taxable income amount earned during the year. Taxable income differs from income that is reported in the statement of profit or loss and other comprehensive income, because it does not cover items of income or expense that are taxable or deductible in other years and also excludes items that are not taxable or deductible for taxation purposes. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deffered tax liabilities are usually recognized in relation to all temporary differences that increase taxable income, but deferred tax assets are recognized regarding with the availability of taxable income in future to offset respective deffered tax assets.
Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences, when the Bank is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized. Deferred tax is reflected in statement of profit or loss and other comprehensive income, except when they connected with items, which are directly related to equity, and in this case deferred tax is also reflected within equity.

The Bank conducts netting of deferred tax assets and liabilities and reflects summary difference in the financial statement, if:

- The Bank has a legally enforceable right for netting current tax assets against current tax liabilities; and
- Deferred tax assets and deferred tax liabilities relate to corporate taxes levied by the same taxation authority from the same taxable entity.

In addition to income tax there are requirements on accrual and payments of various taxes applicable to the Bank's activities in the Republic of Tajikistan where the Bank performs its activities.

Borrowings

Borrowings are initially recognized at fair value in the accounting records. Subsequently, the obligations arising from such transactions are recognized at amortized cost, and the difference between the carrying amount and the repayment amount is reflected in the income statement and other comprehensive income over the term of the borrowing using the effective interest rate method within interest expenses.

Contingent liabilities

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

Share capital

Share capital is recognized at initial cost.

Dividends are recorded as a reduction in the period in which they are declared. Dividends declared after the balance sheet date are treated as an event after the balance sheet date under IAS 10 "Events after the reporting period" and information about it are disclosed accordingly.

General reserves

In the Bank, a reserve is created for future operations, which is formed through mandatory annual contributions according to the decision of the Bank's Management. This reserve is intended exclusively to cover the losses of the Bank. The decision on the use of the funds of the Bank's reserve fund is also made by the Bank's Management with the preliminary approval of the annual report.

Pension liabilities

In accordance with the laws of the Republic of Tajikistan the Bank withholds the amount of pension contributions from employee's salaries and transfers them to the State pension fund. The existing pension system provides for the calculation of current payments by the employer as a percentage of current gross salary payments. Such expenses are recognized in period, which includes appropriately payment for employees. At retirement, all pension payments are implemented by above mentioned pension fund. The Bank does not have any pension arrangements separate from the State pension system of the Republic of Tajikistan. In addition, the Bank has no benefits provided to employees upon retirement, or other significant compensated benefits requiring accrual.

Recognition of income and expense

Interest income on financial assets is recognized if there is a high probability of the Bank receiving economic benefits and the amount of income can be reliably determined. Interest income and expenses are recognized on an accrual basis and are calculated using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and allocating interest income or interest expense over the relevant period.

The effective interest rate is the interest rate that discounts projected future cash payments or receipts over the expected term of a financial asset or liability precisely to the gross carrying amount of the financial asset or to the amortized cost of the financial liability.

Interest earned on assets at fair value is classified within interest income.

Recognition of commission income and expenses

Commission for loan origination and related direct costs associated with the loans providing are reflected as an adjustment to the effective interest rate on loans.

If there is a possibility that due to the presence of a liability of providing a credit will be signed a contract for a loan, commitment fee on the loan included in deferred revenue (together with related direct costs) and subsequently recognized as adjustment to actual income on the loan. If the probability of that the commitment to extend credit is estimated as low, the commitment fee on the loan is recognized in the statement of profit or loss and other comprehensive income over the remaining period of the loan commitment.

Upon expiration credit commitments, which are not completed by providing a loan, commitment fee on the loan are recognized in the statement of profit or loss and other comprehensive income on the date of its expiration.

Foreign currency exchange

Monetary assets and liabilities denominated in foreign currencies are exchanged to Tajik somoni at the market rates prevailing at December 31. Transactions denominated in foreign currencies are reported at the rates of exchange prevailing at the date of the transaction. Any gains or losses arising from a change in exchange rates subsequent to the date of the transaction are included as an exchange gain or loss in the statement of profit or loss and other comprehensive income.

Exchange rate

The official exchange rates at year-end used by the Bank during preparation of the financial statements were:

	December 31, 2024	December 31, 2023
US dollar /Tajik somoni	10.9325	10.9571
EURO/Tajik somoni	11.4223	12.0944
Russian ruble /Tajik somoni	0.1114	0.1217

Areas of significant use of estimates and assumptions of management

The preparation of financial statements requires from Management to make estimates and assumptions that have an influence on reported amounts of assets and liabilities of the Bank, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Bank's management conducts evaluations and judgments on an ongoing basis, based on previous experience and a number of other factors that are considered reasonable in the current environment. Actual results could differ from those estimates. The following estimates and assumptions are important to present financial position of the Bank.

Allowance for impairment of loans and accounts receivable

The Bank regularly reviews its loans for impairment. Reserves of the Bank's loan impairment are established to recognize incurred impairment losses in its portfolio of loans and receivables. The Bank considers accounting estimates related to the allowance for impairment of loans and receivables, a key source of uncertainty of estimation due to the fact that (i) they are highly susceptible to change from period to period as the assumptions on future non-compliance indicators and assessment of potential losses related to impaired loans and receivables, based on recent work, and (ii) any significant difference between the estimated losses and actual losses of the Bank requires from the Bank to create reserves, which could have a material impact on its financial statements in future periods.

The Bank uses management judgment to estimate the amount of any impairment loss in cases where the borrower has financial difficulties and there is little historical data relating to similar borrowers. Analogously, the Bank estimates changes in future cash flows based on past experience, the client's behavior in the past, the available data, indicating an adverse change in the status of repayment by borrowers in the Bank, as well as national or local economic conditions that correlate with defaults on assets in this Bank. Management uses estimates based on historical experience of losses on assets with credit risk characteristics and objective evidence of impairment similar to those in this Bank of loans. The Bank uses an assessment of Management for adjusting the available data on a Bank of loans to reflect current circumstances not reflected in historical data.

It should be noted that the assessment of expected credit losses includes a subjective factor. The Bank's management believes that the amount of impairment recognized is sufficient to cover losses incurred on risk-exposed assets as of the reporting date, taking into account forecasted data. However, it is possible that at certain times, the Bank may incur losses greater than the recognized provision for expected credit losses.

Reserves for impairment of financial assets in the financial statements were determined based on the prevailing economic conditions. As of December 31, 2024, and 2023, the carrying amount of reserves for expected credit losses on loans granted to customers amounted to 244,224 thousand Somoni and 298,788 thousand Somoni, respectively (Note 13).

Application of new and revised international financial reporting standards (IFRSs)

The Bank has adopted the following new or revised standards and interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee (the "IFRIC") which became effective for the Bank's financial statement for the year ended December 31, 2024:

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments:

- Disclosures" which will introduce targeted disclosure requirements that will enhance transparency of supplier finance arrangements and their effects on Bank's liabilities and cash flows.

- Amendments to IAS 1 "Presentation of Financial Statements" require to classify liabilities as current or noncurrent based on Bank's rights to defer settlement for at least 12 months which must exist and have a substance as at the reporting date. Only covenants with which a company must comply on or before the reporting date may affect this right.

- Amendments to IFRS 16 "Leases" which introduce a new model for accounting of variable payments and will require seller-lessees to reassess and possibly restate sale-leaseback transactions.

The adoption of the new or revised standards did not have significant effect on the financial position or performance of the Bank.

New and revised IFRSs in issue but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as at December 31, 2024 and have not been applied in preparing these financial statements. Of these innovations, the following standards and amendments have the potential to have an impact on the financial and operating activities of the Bank. The Bank plans to apply these standards and amendments from the date of their entry into force. The potential impact of the new standards on the Bank's financial statements has not yet been analyzed.

At the date these financial statements were authorized, the following new standards and interpretations were issued but not yet effective and the Bank has not early adopted:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates", which will require entities to apply a consistent approach in assessing whether one currency can be exchanged into another currency, and, when it cannot, regulate the determination of exchange rates and include requirements for required disclosures in financial statements;

- The introduction of IFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements for the presentation and disclosure of information in general purpose financial statements and will replace IAS 1 "Presentation of Financial Statements";

- Introduction of IFRS 19 "Subsidiaries without Public Accountability: Disclosures". According to this standard, subsidiaries that meet certain criteria may apply reduced disclosure requirements in their financial statements;

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures", which clarify the requirements for classification and measurement of financial instruments. The main amendments include:

- Clarification of the classification of financial assets linked to environmental, social (ESG) and similar indicators: features of loans related to ESG may affect whether loans are measured at amortized cost or fair value. The amendments clarify how the contractual cash flows of such loans should be measured.

- Settlement of obligations using electronic payment systems. The amendments clarify the date of derecognition of a financial asset or financial liability;

- Introduction of IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures" which provide a framework for reports on all sustainability-related topics across the areas of governance, strategy and risk management. These standards are also designed to disclose information that is expected to affect the assessments that investors make about Group's future cash flows.

The bank intends to apply the new standards and amendments from the date they come into effect.

4. NET INTEREST INCOME

Interest income and expenses of the Bank for the years ended December 31, 2024 and 2023 are as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Interest income includes:		
Loans to customers	321,808	350,454
Term placement	41,748	52,352
Investments held to maturity	23,569	32,501
Due from banks	13,555	15,074
Other	11,218	5,134
	411,898	**455,515**
Interest expenses includes:		
Term deposits	88,737	79,152
Demand deposits	9,507	6,023
Borrowings	3,971	5,591
Subordinated loans	933	-
Saving deposits	-	253
Other	11,219	5,132
	114,367	**96,151**

5. COMMISSION INCOME AND EXPENSES

Commission income and expenses of the Bank for the years ended December 31, 2024 and 2023 are presented as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Commission income		
Commission income from account servicing	275,267	207,582
Commission income from money transfer	6,212	8,542
Commission income from the sale and maintenance of plastic cards	409	504
Other commission income	393	978
	282,281	**217,606**

	For the year ended December 31, 2024	For the year ended December 31, 2023
Commission expenses		
Cash operations	25,314	14,855
Settlement operations	14,543	8,610
Software maintenance expenses	6,396	850
Borrowings	310	438
Other	10,799	6,406
	57,362	**31,159**

6. NET GAIN FROM FOREIGN EXCHANGE TRANSACTIONS

Net gain on foreign exchange transactions of the Bank for the years ended December 31, 2024 and 2023 comprise:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Dealing operations, net	14,992	21,361
Foreign exchange differences, net	1,578	(38)
	16,570	**21,323**

7. ACCRUAL OF ALLOWANCE FOR IMPAIRMENT AND EXPECTED CREDIT LOSSES FOR ASSETS EXCEPT LOANS GRANTED TO CLIENTS

Movement in allowance for impairment and expected credit losses on assets for the years ended December 31, 2024 and 2023 was as follows:

	NBT correspon-dence accounts	Due from banks	Term placement	Investment securities	Settle-ments between credit institutions	Money transfer systems	Account receivable	Assets in liquidating organizatio ns	Shortage of cash	Long-term assets held for sale	Total:
As of December 31, 2021	-	1,803	3,294	-	4,938	-	-	2,725	41,240	167,031	225,309
Accrual	-	2,916	2,308	-	-	-	-	-	516	28,584	34,324
Recovery	-	-	-	-	-	-	-		(7,191)	(8,674)	(15,865)
Write-off	-	-	-	-	-	-	-	(2,725)	(21)	(1,966)	(4,712)
As of December 31, 2022	-	4,719	5,602	-	4,938	-	-	4,278	34,544	184,975	239,056
Accrual		18,304	2,604	-	-	-	-	2,325	-	40,463	63,696
Recovery	-	-	-	-	-	-	-	-	-	(6,645)	(6,645)
Write-off	-	-	-	-	-	-	-	-	(34,544)	(250)	(34,794)
As of December 31, 2023	-	23,023	8,206	-	4,938	-	4,278	2,325	-	218,543	261,313
Accrual	-	-	-	-	-	-	-	7	-	26,078	26,085
Recovery	-	(15,303)	(512)	-	-	-	-	-	-	(62,257)	(78,072)
Write-off	-	-	-	-	-	-	-	-	-	(143)	(143)
As of December 31, 2024	-	7,720	7,694	-	4,938	-	4,278	2,332	-	182,221	209,183

8. OPERATING EXPENSES

Operating expenses of the Bank for the years ended December 31, 2024 and 2023, are presented as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Salary and related taxes	232,860	187,201
Depreciation of fixed assets and amortization of intangible assets	34,628	27,804
Stationery	21,127	21,733
Donations and charitable contributions	17,146	875
Taxes, other than income tax	16,283	5,418
Communication	10,334	8,725
Utility	4,494	3,933
Fuel	3,797	3,232
Depreciation of right-of-use-assets	3,504	2,658
Information technology	3,380	2,612
Security	3,329	2,636
Representation	2,809	1,586
Rent	2,135	1,974
Fixed assets maintenance	1,979	1,515
Advertisement	1,918	1,200
Professional services	1,729	406
Business trip	1,681	2,768
Fines and penalties	350	531
Membership fees and payments	227	273
Accrual (Recovery) of reserve for unused vacation	(2,386)	(63)
Other	2,098	614
	363,422	277,651

9. INCOME TAX

The Bank measures and records its current income tax payable and its tax base within assets and liabilities in accordance with the tax regulation of the Republic of Tajikistan, which may differ from the IFRS. For the years ended December 31, 2024 on the territory of the Republic of Tajikistan the income tax rate for legal entities was equal to 20%.

The Bank is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses and certain income being treated as non-taxable for tax purposes.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at December 31, 2024 and 2023 relate mostly to different methods of income and expense recognition as well as to temporary differences generated by tax book bases' differences for certain assets and liabilities.

	For the year ended December 31, 2024	For the year ended December 31, 2023
Current income tax expenses	43,633	30,927
(Savings) /Accrual of deferred income tax expenses	(2,198)	1,697
Income tax expenses	41,435	32,624

The ratio of tax expenses to accounting profit for the years ended December 31, 2024, and 2023, is presented as follows:

	For the year ended December 31, 2024	Effective tax rate (%)	For the year ended December 31, 2023	Effective tax rate (%)
Income before taxes	180,346		167,118	
Tax at statutory rate	36,069	20%	33,424	20%
Tax effect of permanent differences	5,366	3%	(800)	0%
Income tax expense	41,435	23%	32,624	20%

Tax effect from temporary differences as at December 31, 2024 and December 31, 2023 is presented below:

	December 31, 2024	December 31, 2023
Deferred income tax assets:		
Due from banks	15,414	31,229
Other assets	660	660
Loans to customers	19,190	-
Long-term assets held for sale	33,362	37,978
Interest payable on borrowings	512	1,999
Lease liabilities	4,268	2,629
Other liabilities	801	-
Total deferred income tax assets less allowance	74,207	74,495
Deferred income tax liabilities:		
Loans to customers	-	(8,206)
Revaluation reserve for property, plant, and equipment	(36,151)	-
Right-of-use asset	(4,106)	(2,553)
Total deferred income tax liabilities	(40,257)	(10,759)
Net deferred tax liabilities	33,949	63,736
Net deferred tax liabilities (at the established rate of 20%)	(22,131)	12,747

	December 31, 2023	December 31, 2022
Deferred income tax assets:		
Due from banks	31,229	10,321
Other assets	660	660
Loans to customers	-	33,124
Long-term assets held for sale	37,978	23,210
Interest payable on borrowings	1,999	2,988
Lease liabilities	2,629	5,252
Total deferred income tax assets less allowance	74,495	75,555
Deferred income tax liabilities:		
Loans to customers	(8,206)	-
Right-of-use asset	(2,553)	(4,974)
Total deferred income tax liabilities	(10,759)	(4,974)
Net deferred tax liabilities	63,736	70,581
Net deferred tax liabilities (at the established rate of 20%)	12,747	14,116

Temporary differences between tax accounting and current financial statement lead to deferred tax liabilities as at December 31, 2023 and December 31, 2024 as a result of the following:

	December 31, 2023	Recognized in the statement of profit or loss and other comprehensive income	Recognized in capital	December 31, 2024
Temporary differences:				
Due from banks	31,229	(15,815)	-	31,229
Other assets	660	-	-	660
Loans to customers	-	19,190	-	-
Long-term assets held for sale	37,978	(4,616)	-	37,978
Interest payable on loans	-	512	-	512
Other liabilities	-	801	-	801
Lease liabilities	-	4,268	-	4,258
Total deferred income tax assets	69,867	4,340	-	74,207
Loans to customers	8,206	8,206	-	8,206
Revaluation surplus of property, plant, and equipment	-	-	180,757	180,757
Right-of-use asset	2,553	1,553	-	4,106
Total deferred income tax liabilities	10,759	(6,653)	-	184,863
Net deferred income tax assets	59,108	10,993	(180,757)	(110,656)
Net deferred income tax assets at statutory tax rate (20%)	11,822	2,199	(36,151)	(22,131)

	December 31, 2022	Recognized in the statement of profit or loss and other comprehensive income	Recognized in capital	December 31, 2023
Temporary differences:				
Due from banks	10,321	20,908	-	31,229
Other assets	660	-	-	660
Loans to customers	33,124	(33,124)	-	-
Long-term assets held for sale	23,210	14,768	-	37,978
Interest payable on borrowings	-	-	-	-
Lease liabilities	5,252	(5,252)	-	-
Total deferred income tax assets	72,567	(2,700)	-	69,867
Loans to customers	-	8,206		8,206
Right-of-use asset	4,974	(2,421)	-	2,553
Total deferred income tax liabilities	4,974	5,785	-	10,759
Net deferred income tax assets	67,593	(8,485)	-	59,108
Net deferred income tax assets at statutory tax rate (20%)	13,519	(1,697)	-	11,822

10. CASH AND CASH EQUIVALENTS

As of 31 December 2024 and 2023 cash and cash equivalents presented in the statement of financial position comprise the following components:

	December 31, 2024	December 31, 2023
Cash on hand	329,084	348,222
Cash on ATM	60,886	61,429
Current account at NBT	1,676,123	2,099,834
	1,965,093	**2,509,485**

11. RESTRICTED CASH

As of 31 December 2024 and 2023 the restricted cash of the Bank in the National Bank of Tajikistan is presented as follows:

	December 31, 2024	December 31, 2023
Obligatory reserve in the National bank of Tajikistan	247,527	227,743
	247,527	**227,743**

In accordance with Instruction No. 194 of the National Bank of Tajikistan (hereinafter "NBT"), the Bank is obliged to form mandatory reserves and deposit this amount in the NBT. The basis for calculating the reserves is the average balance of deposits of the customers at the end of the month.

12. DUE FROM BANKS

As at December 31, 2024 and December 31, 2023 due from banks consisted of the following:

	December 31, 2024	December 31, 2023
Term deposit	177,160	397,343
Correspondent accounts with foreign banks	338,218	519,326
Correspondent accounts with local banks	437,731	373,932
Less expected credit losses for due from banks	(15,414)	(31,229)
	937,695	**1,259,372**

13. LOANS TO CUSTOMERS

As at December 31, 2024 and 2023 loans to customers of the Bank comprise of the following:

	December 31, 2024	December 31, 2023
Loans to customers	2,569,699	1,748,696
Revised and overdue loans	236,226	194,953
Interest accrued	87,960	124,485
Less allowance for expected credit losses	(244,224)	(298,788)
	2,649,661	1,769,346

Below is information on lending sectors:

	December 31, 2024	December 31, 2023
Consumer sector	1,094,442	549,051
Trade	662,042	517,151
Agriculture	435,811	340,387
Manufacture	421,735	310,824
Construction	136,845	171,685
Services	109,028	138,970
Transport	33,982	40,266
Other	-	-
Less allowance for impairment losses	(244,224)	(298,788)
	2,649,661	1,769,346

Information on collateral for loans issued is presented as follows:

	December 31, 2024	December 31, 2023
Real estate	1,553,896	1,164,091
Guarantee	672,444	337,834
Unsecured	508,084	519,300
Deposits	42,099	5,489
Promiscuity guarantee	2,049	7,583
Jewelry	1,489	1,066
Other	113,824	32,771
Less allowance for impairment losses	(244,224)	(298,788)
	2,649,661	1,769,346

As of December 31, 2024, and 2023, the entire loan portfolio, amounting to 2,649,661 thousand somoni and 1,769,346 thousand somoni (including accrued interest and the reserve amount), respectively, was extended to clients conducting their activities within the territory of the Republic of Tajikistan, representing significant geographical concentration and maximum credit risk exposure.

The table below shows the movements in the allowance for expected credit losses on loans to customers:

	Expected credit losses on loans to customers
As of December 31, 2022	136,388
Accrual	194,908
Recovery	(32,508)
Write-off	-
As of December 31, 2023	298,788
Accrual	82,916
Recovery	(51,380)
Write-off	(86,100)
As of December 31, 2024	244,224

The table below provides information on the quality of loans to customers as at 31 December 2024:

	Loans before allowance for expected credit losses	Allowance for expected credit losses	Loans less allowance for expected credit losses	Expected credit losses to gross loans
not overdue	2,169,271	(61,508)	2,107,763	3%
overdue less than 30 days	486,347	(2,556)	483,791	1%
overdue for period from 30 to 89 days	78,749	(30,791)	47,958	39%
overdue for period from 90 to 179 days	27,065	(21,552)	5,513	80%
overdue for period from 180 to 360 days	52,458	(51,719)	739	99%
overdue more than 360 days	79,995	(76,098)	3,897	95%
Total loans to customers	**2,893,885**	**(244,224)**	**2,649,661**	**8%**

The table below provides information on the quality of loans to customers as at 31 December 2023:

	Loans before allowance for expected credit losses	Allowance for expected credit losses	Loans less allowance for expected credit losses	Expected credit losses to gross loans
not overdue	1,567,033	(177,867)	1,389,166	11%
overdue less than 30 days	242,581	(30,317)	212,264	12%
overdue for period from 30 to 89 days	69,021	(20,721)	48,300	30%
overdue for period from 90 to 179 days	37,418	(21,410)	16,008	57%
overdue for period from 180 to 360 days	13,859	(4,232)	9,627	31%
overdue more than 360 days	138,222	(44,241)	93,981	32%
Total loans to customers	**2,068,134**	**(298,788)**	**1,769,346**	**14%**

14. INVESTMENT SECURITIES

As of December 31, 2024, and 2023, the Bank's investments in securities are presented as follows:

	December 31, 2024	December 31, 2023
OJSC "Rogun HPP"	11,000	11,000
	11,000	**11,000**

Investment securities accounted for at fair value through other comprehensive income are represented by shares of the company OJSC "Rogun Hydroelectric Power Plant." The Bank's management has chosen the fair value through other comprehensive income model for equity securities due to infrequent transactions and the absence of an active market for these financial instruments.

15. INVESTMENTS HELD TO MATURITY

As of December 31, 2024, and 2023, the Bank's investment held to maturity are presented as follows:

	December 31, 2024	December 31, 2023
Certificates from NBT	1,159,123	260,623
Certificates of the Ministry of Finance of the Republic of Tajikistan	132,287	-
Interest receivable	15,655	3,589
	1,307,065	**264,212**

As of December 31, 2024 and 2023, the Bank held certificates of the National Bank of Tajikistan in the amounts of TJS 1,159,123 thousand and TJS 260,623 thousand, respectively. The Bank also held certificates of the Ministry of Finance of the Republic of Tajikistan in the amount of TJS 132,287 thousand, respectively. The amount of discount for the respective periods totaled TJS 15,655 thousand and TJS 3,589 thousand, respectively.

16. PROPERTY AND EQUIPMENT

As at December 31, 2024 and 2023 property and equipment of the Bank comprise of the following:

	Buildings and constructions	Furniture and equipment	Vehicles	Construction in progress	Total
Cost					
December 31, 2022	478,720	159,788	15,013	49,526	703,047
Additions	2,344	10,359	291	56,673	69,667
Internal movement	7,531	231	-	(7,762)	-
Transfer from /(to) inventory	-	26,091	240	(9,212)	17,119
Disposal	-	(4,730)	(84)	(74)	(4,888)
December 31, 2023	488,595	191,739	15,460	89,151	784,945
Additions	3,536	17,926	2,206	25,138	48,806
Internal movement	6,654	93	-	(6,747)	-
Transfer from /(to) inventory	-	17,856	-	-	17,856
Disposal	-	(988)	(124)	(14,251)	(15,363)
December 31, 2024	498,785	226,626	17,542	93,291	836,244
Accumulated depreciation					
December 31, 2022	53,820	63,750	10,395	-	127,963
Charge for the period	6,706	17,953	507	-	25,166
Disposal	-	(4,624)	(190)	-	(4,814)
December 31, 2023	60,526	77,079	10,712	-	148,315
Charge for the period	7,139	24,343	568	-	32,050
Disposal	-	(26)	(41)	-	(67)
December 31, 2024	67,665	101,396	11,239	-	180,298
December 31, 2022	424,900	96,038	4,618	49,526	575,084
December 31, 2023	428,069	114,660	4,748	89,151	636,630
December 31, 2024	431,120	125,230	6,303	93,291	655,946

As of December 31, 2024 and 2023 There were no fixed assets pledged as collateral for loans received.

As of December 31, 2024 and 2023 the cost of fully depreciated fixed assets was 34,492 thousand somoni and 34,578 thousand somoni, respectively.

17. INTANGIBLE ASSETS

As of December 31, 2024 and 2023 The Bank's intangible assets are presented as follows:

	Software	Total
Cost		
December 31, 2022	25,337	25,337
Additions	-	-
Disposal	-	-
December 31, 2023	25,338	25,338
Additions	-	-
Disposal	-	-
December 31, 2024	25,338	25,338
Accumulated depreciation		
December 31, 2022	10,761	10,761
Charge for the period	2,638	2,638
Disposal	-	-
December 31, 2023	13,399	13,399
Charge for the period	2,578	2,578
Disposal	-	-
December 31, 2023	15,978	15,978
December 31, 2022	14,576	14,576
December 31, 2023	11,938	11,938
December 31, 2024	9,360	9,360

18. RIGHT-OF-USE ASSET

As of 31 December 2024 and 2023 the Bank's right-of-use assets and lease liabilities were formed as follows:

	December 31, 2024	December 31, 2023
Right-of-use assets		
Building	4,106	2,553
	4,106	2,553

	December 31, 2024	December 31, 2023
Lease liability		
Current	3,796	1,578
Long term	472	1,051
	4,268	2,629

	Buildings and constructions	Total	Lease liability
December 31, 2022	**4,974**	**4,974**	**5,252**
Effect of change of discount rate	604	604	604
Additions	(509)	(509)	(509)
Depreciation of Right-of-use assets	(2,519)	(2,519)	139
Interest expenses on lease liabilities	3	3	-
Payments	-	-	(2,857)
December 31, 2023	**2,553**	**2,553**	**2,629**
Additions	3,629	3,629	3,629
Modification	1,429	1,429	1,429
Depreciation of Right-of-use assets	(3,504)	(3,504)	-
Interest expense on lease liabilities	-	-	381
Payments	-	-	(3,800)
December 31, 2024	**4,106**	**4,106**	**4,268**

The discount rate was determined as the average rate of attracting additional borrowed funds. For discounting lease payments in 2024, the discount rate was set at 6.48%.

19. LONG-TERM ASSETS HELD FOR SALE

As of 31 December 2024 and 2023 The Bank's long-term assets held for sale are represented as follows:

	December 31, 2024	December 31, 2023
Factories and plants	31,061	36,753
Buildings and structures	30,153	27,527
Houses	22,951	32,335
Warehouses	20,331	29,431
Farms	18,413	17,534
Fuel storage facility	17,668	26,817
Apartments	14,957	29,397
Restaurant	8,393	5,554
Gas station	2,553	3,088
Buildings and facilities (Formaceutics)	1,733	11,759
Passenger terminal	-	2,859
Car	-	127
Property on the market	-	-
Other	22,006	23,819
	190,219	**247,000**
Allowance for expected credit losses	(182,221)	(218,543)
	7,998	**28,457**

As of 31 December 2024 and 2023 non-current assets held for sale represent residential property taken over by the Bank. A corresponding provision has been made for these assets (Note 7). The assessment of the required amount of the allowance as of the reporting date was made by the management of the Bank on the basis of instructions from the NBT and may not fully reflect the likelihood of cash reimbursement receival by the Bank from their sale.

20. OTHER ASSETS

As of 31 December 2024 and 2023 other assets of the Bank are presented as follows:

	December 31, 2024	December 31, 2023
Other financial assets		
Settlement with financial institutions	745,551	95,597
Accounts receivable	22,215	28,241
Accounts receivable from money transfer systems	-	5
Assets in liquidating organizations	2,332	2,325
Less allowance for impairment losses	(7,270)	(7,263)
Total financial assets	**762,828**	**118,905**
Other non-financial assets		
Advances paid	48,948	12,940
Cash shortage	-	-
Inventories	8,398	12,531
Taxes prepayment	12,162	10,665
Other	1,920	1,834
Expected credit losses for cash shortage	-	-
Expected credit losses for accounts receivable	4,278	4,278
Total non-financial assets	**75,706**	**42,248**

As of December 31, 2024, and 2023, the reserve amount was 7,270 thousand somoni and 7,263 thousand somoni, respectively. These amounts in terms of financial assets represent reserves for expected credit losses on accounts receivable, money transfer systems, and assets in liquidating organizations. Movement of reserves for expected credit losses on accounts receivable, money transfer systems, and assets in liquidating organizations is provided in Note 7.

21. DUE TO BANKS AND FINANCIAL INSTITUTIONS

As of 31 December 2024 and 2023 due to banks and financial institutions of the Bank are presented as follows:

	December 31, 2024	December 31, 2023
Correspondent accounts of non-Bank credit institutions in Tajikistan	116,784	89,413
Correspondent accounts for banks in Tajikistan	288,573	66,688
Settlements between credit organizations	85,396	268,136
	490,753	**424,238**

22. CUSTOMER ACCOUNTS

As of 31 December 2024 and 2023 customer accounts of the Bank are presented as follows:

	December 31, 2024	December 31, 2023
Budget deposits	2,664,697	2,180,558
Time deposits	1,182,185	1,061,299
Demand deposits	1,366,199	976,911
Saving deposits	1,643,446	1,159,862
Interets payable	91,396	86,754
	6,947,923	**5,465,383**

23. BORROWINGS

As of 31 December 2024 and 2023 borrowings of the Bank are presented as follows:

	December 31, 2024	December 31, 2023
Interbank loans	57,342	88,063
Interest payable	1,075	1,999
	58,417	**90,062**

24. SUBORDINATED LOANS

As of 31 December 2024 and 2023 subordinated loans of the Bank are presented as follows:

	December 31, 2024	December 31, 2023
Ministry of finance of Republic of Tajikistan	50,000	50,000
	50,000	50,000

25. OTHER INCOME, NET

As of 31 December 2024 and 2023 other income, net of the Bank are presented as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Other income		
Income from the recovery of written-off assets	(24,511)	(76,625)
Construction costs	11	-
Other income	(4,636)	(475)
	(29,136)	(77,100)
Other expenses		
Other expenses	-	4
	-	4
	(29,136)	(77,096)

26. OTHER LIABILITIES

As of 31 December 2024 and 2023 other liabilities of the Bank are presented as follows:

	December 31, 2024	December 31, 2023
Account payable	65,597	65,597
Government's funds	8,665	8,665
Unused vacation	8,288	8,288
Money transfer	6,088	6,088
Employee bonus provision	93	93
Other	12,807	12,807
	101,538	**101,538**

Accounts payable presented by the Bank as of December 31, 2024, mainly consist of obligations for accounts designated for collecting funds for donations to victims of earthquakes and other natural disasters, as well as obligations for mutual settlements with the Agency for Social Insurance and Pensions under the Government of the Republic of Tajikistan.

The movement in the provision for unused vacation for the years ended 31 December 2024 and 2023 is as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
January 1	8,288	5,775
Accrual	-	5,567
Recovery	(2,386)	(3,055)
December 31	5,902	8,288

27. SHARE CAPITAL

As of December 31, 2024 and 2023, the Bank's share capital amounted to 90,935 thousand somoni and 80,935 thousand somoni, respectively. The Bank is wholly owned by the Government of the Republic of Tajikistan.

28. CONTINGENT FINANCIAL LIABILITIES

Commitments for capital expenditure

As at December 31, 2024 and 2023 the Bank had no capital expenditure commitments.

Loan related commitments, guarantees and other financial contracts

In the normal course of business, the Bank provides its customers a variety of financial instruments that are accounted on off-balance sheet accounts and have different degrees of risk.

Nominal or contract value of such obligations as at December 31, 2024 and 2023 was as follows:

	December 31, 2024	December 31, 2023
Off balance commitments		
Credit lines	1,009,303	528,068
Unpaid guarantees	(49,523)	(39,683)
	959,780	**488,385**

Operating lease liabilities

In the course of its current activities, the Bank leases office premises and equipment for its branches. As of December 31, 2024, and 2023, the Bank had no significant obligations under non-cancelable operating lease agreements.

Legal proceedings

From time to time, the clients and congregants of the Bank make claims against it, and the Bank in its turn makes claims against its clients. The Bank has been and continues to be from time to time the object of litigation and court decisions that, individually or in aggregate, did not have a significant negative impact on the Bank. Management believes that the final obligation, if any, in connection with these claims and complaints will not have a material adverse effect on the financial position or the results of the future financial and economic activities of the Bank.

Taxation

The tax legislation of the Republic of Tajikistan allows for various interpretations and is subject to frequent changes. Tax authorities may adopt a stricter stance when interpreting the legislation and auditing tax calculations.

In the opinion of Management, as of the reporting dates, the relevant provisions of the legislation have been interpreted correctly, and the Bank's position, from the perspective of tax legislation, will remain stable.

Economic environment

The Bank's principal business activities are within the Republic of Tajikistan. Laws and regulations affecting the business environment in the Republic of Tajikistan are subject to rapid changes and the Bank's assets and operations could be at risk due to negative changes in the political and business environment.

Recoverability of financial assets

As of December 31, 2024, the Bank's financial assets amounted to 7,862,869 thousand somoni (6,160,063 thousand somoni as of December 31, 2023). The recoverability of these financial assets is highly dependent on the effectiveness of fiscal and other measures taken in various countries to achieve economic stability, i.e., factors beyond the Bank's control. The recoverability of financial assets is determined by the Bank based on the conditions existing as of the reporting date. The Bank's management believes that there is currently no need to create additional provisions for financial assets, based on the existing circumstances and available information.

Operating environment

Emerging market of the Republic of Tajikistan is subject to more risks than developed markets, including economic, political and social, and legal and legislative risks. Past experience shows that actual or potential existing financial problems along with the increase of potential risks associated with investing in emerging economies could adversely affect country's economy in general and its investment climate in particular.

Laws and regulations affecting businesses in the Republic of Tajikistan continue to change rapidly. Tax, currency and customs legislation within the country are subject to varying interpretations, and, also, other legal and fiscal difficulties that the Bank is facing while running its operations in the territory of the Republic of Tajikistan. The future economic direction of the Republic of Tajikistan is largely dependent on economic, fiscal and monetary measures undertaken by the government, together with legal, regulatory developments.

These financial statements do not include any adjustments that would have been a solution for the given uncertainty in the future. Possible adjustments may be made to the statements in that period in which necessity of their reflection will become evident, and it will be possible to estimate their numerical values.

29. TRANSACTIONS WITH RELATED PARTIES

The Bank applies the exemption from the requirements of IFRS (IAS) 24 "Related Party Disclosures" concerning the disclosure of information regarding transactions with related parties and balances from such transactions, including obligations, as it is a state-related entity. Accordingly, the Bank discloses the nature of its relationships with the government, the description, and the amount of each transaction that is significant either individually or in aggregate.

In the statement of financial position as at December 31, 2024 and 2023 the following amounts were represented which arose due to transactions with related parties:

	December 31, 2024			December 31, 2023		
	Weighted average rate	Related party transactions	Total category as per the financial statements caption	Weighted average rate	Related party transactions	Total category as per the financial statements caption
Customer accounts	6%	2,664,697	6,947,923	6%	2,759,000	5,465,383
Loans to customers	17%	184,462	2,649,661	18%	115,241	1,769,346
Other liabilities		10,693	191,994		8,665	101,538

In the statement of profit or loss and other comprehensive income for the years ended December 31, 2024 and 2023 the following amounts were represented which arose due to transactions with related parties:

	December 31, 2024		December 31, 2023	
	Related party transactions	Total category as per the financial statements caption	Related party transactions	Total category as per the financial statements caption
Interest income	45,705	411,898	54,202	455,515
Interest expenses	1,161	114,367	1,209	96,151

30. PRUDENTIAL REQUIREMENTS

In accordance with the statutory quantitative measures, in order to ensure capital adequacy in accordance with established quantitative measures the Bank is required to maintain minimum amounts and norms of ratios of total capital (12%) to total risk weighted assets and ratio of total capital to total assets(10%).

The ratio is calculated in accordance with the rules set by the NBT and may differ slightly from the rules set by the Basel Accord using the following risk assessments for assets and off-balance sheet liabilities less allowance for impairment.

The actual amount and ratios of the Bank's capital are presented below:

	December 31, 2024	December 31, 2023
Tier 1 capital flow		
At the beginning of the year	759,861	615,367
Increase in share capital	10,000	10,000
Revaluation of property, plant, and equipment	(36,152)	-
Corrections of prior period errors	(4,121)	-
Net profit for the year	138,911	134,494
At the end of the year	868,499	759,861

	December 31, 2024	December 31, 2023
Composition of regulatory capital:		
Tier 1 capital		
The company's equity	868,499	759,861
Excluding the reserve for revaluation of fixed assets	(144,605)	(184,500)
Excluding the net carrying amount of intangible assets	(9,360)	(11,938)
Total Tier 1 capital	**714,534**	**563,423**
Tier 2 capital		
Subordinated loan	(50,000)	(50,000)
Total Tier 2 Capital	**764,534**	**513,423**
Excluding investments in shares for long-term investments	(11,000)	(11,000)
Total regulatory capital	**753,534**	**502,423**
Risk-weighted assets (RWA)	4,719,171	3,526,306
Total assets	**8,648,005**	**6,893,711**

The Bank's capital amount and capital adequacy coefficient are presented below:

Capital amounts and ratios	**Ratio for Capital Adequacy purposes** %	**Minimum Required Ratio** %
As at December 31, 2023		
Capital adequacy ratio K1.1	14.2%	12%
Capital adequacy ratio K1.2	7.3%	10%
As at December 31, 2024		
Capital adequacy ratio K1.1	16.0%	12%
Capital adequacy ratio K1.2	8.7%	10%

As at December 31, 2024 and 2023 total capital of the Bank calculated for capital adequacy purposes consisted of Tier 1 capital and Tier 2 capital.

31. CAPITAL MANAGEMENT

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

The capital structure of the Bank consists of debt and equity of shareholders, which includes issued capital, reserves and retained earnings as disclosed in statement of changes in equity.

Management reviews the capital structure on regular basis. As a part of this review, management considers the cost of capital and the risks associated with each tier of capital. Based on recommendations of management, the Bank balances its overall capital structure through capitalization of retained earnings, attraction of additional borrowings or the repayment of existing debt.

32. RISK MANAGEMENT POLICIES

Management of risk is fundamental in the Bank's business. The main risks inherent to the Bank's operations include:

- Credit risk;
- Operational risk
- Liquidity risk;
- Market risk.

The Bank recognizes that it is essential to have efficient and effective risk management processes in place. To enable this, the Bank has established a risk management framework, whose main purpose is to protect the Bank from risk and allow it to achieve its planned objectives. These principles are used by the Bank to manage the following risks:

Credit risk

The Bank is exposed to credit risk which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Risk management and monitoring is performed by the credit committee of appropriate level and management of the Bank. Before any application is made by the credit committee, all recommendations on credit processes (borrower's limits approved, or amendments made to loan agreements, etc.) are reviewed and approved in prior by the management. Daily risk management is performed by the risk management department.

The Bank has developed policies and procedures to manage credit risk, which includes limiting portfolio concentration and the creation of the credit committee, which monitors the credit risk. The Bank's credit policy is reviewed and approved by the board of directors. The Bank structures the levels of credit risk by setting limits to the size of the risk taken in relation to one borrower or Bank of borrowers, as well as by sector of economy. Monitoring of the actual risks in relation to the established limits is conducted on daily basis.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet obligations related to payment of interest and principal amount, and by changing these lending limits when such necessity is arisen. Exposure to credit risk is also regulated by obtaining collateral and guarantees. Such risks are monitored on a permanent basis and subject to quarterly or more frequent reviews.

Definition of default and recovery

The bank considers a financial instrument as defaulted, and therefore, the third stage (credit-impaired) is applied for impairment calculations in all cases where the borrower has been overdue for 90 days on its contractual payments.

The bank considers interbank balances as defaulted and takes immediate actions when required intraday payments are not settled by the end of the business day, as specified in separate agreements.

As part of the qualitative assessment of whether a client is insolvent, the Bank also considers various events that may indicate a low probability of payment. When such events occur, the Bank carefully considers whether this event should lead to the client being considered in default and, consequently, assessed as Stage 3 for impairment calculations, or whether Stage 2 is appropriate. Such events include:

- legal proceedings, enforcement, or forced execution aimed at recovering debts;
- the borrower's license is revoked;
- the borrower is a co-debtor when the principal debtor is in default;
- multiple restructurings of the same asset;
- there are justified concerns about the borrower's ability to generate stable and sufficient cash flows in the future;
- the debt service coverage ratio indicates that the debt is not sustainable;
- Loss of a key customer or leaser;
- the client has declared bankruptcy;
- restructuring with forgiveness of a portion of the principal (Net Present Value (NPV) loss);

- the credit institution or consortium leader initiates the bankruptcy/insolvency process.

In accordance with the Bank's policy, a financial instrument is considered "rehabilitated" and therefore reclassified from Stage 3 if none of the criteria have been present for at least three consecutive months. The decision on whether to classify the asset as Stage 2 or Stage 1 after rehabilitation depends on the updated creditworthiness assessment during the rehabilitation and whether it indicates a significant increase in credit risk compared to the initial recognition. The Bank's criterion for "rehabilitation" for impairment purposes is less stringent than the 12-month requirement for restructured non-performing assets.

Significant increase in credit risk

On each reporting date, the Bank assesses whether the credit risk of a financial instrument has significantly increased since initial recognition. When conducting this assessment, the Bank uses the change in the probability of default over the expected life of the financial instrument instead of the change in the amount of expected credit losses. In determining whether the risk of default has significantly increased since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Bank's historical experience and expert credit assessment, as well as forecast information.

However, when forecast information is more costly than historical data (either on an individual or collective basis), the Bank uses other criteria to determine a significant increase in credit risk. The Bank establishes criteria for relative quantitative increases in the probability of default (PD) that indicate a significant increase in credit risk. The threshold for an increase in PD to be considered significant varies depending on the PD at initial recognition.

Additionally, in general, qualitative factors indicating an increase in credit risk are reflected in the PD calculation models and, therefore, are included in the quantitative assessment rather than separately in a qualitative assessment. However, if it is not possible to incorporate all current information on qualitative factors into the quantitative assessment, they are separately considered in the qualitative assessment when determining a significant increase in credit risk.

Criteria for loans and advances to customers

Criteria for loans and advances to customers are presented in the following paragraphs. All presented criteria carry equal weight in determining a significant increase in credit risk.

- 30 days past due. More than 30 days past due is an indicator of a significant increase in credit risk.
- Delinquency - up to 30 days. A significant increase in credit risk is considered when, although as of the reporting date the days past due were less than 30, there has been at least one instance of delinquency of more than 60 days within the last 6 months.
- Relative changes in 12-month PD. A significant change in the 12-month PD is considered as a factor in changes in the Probability of Default over the term of the financial instrument. This indicates a significant increase in credit risk. This criterion is used when the Bank operates an internal credit rating system.
- Relative change in Probability of Default over the term of the financial instrument. A significant change in the PD term indicates a significant increase in credit risk. This criterion is used when the Bank operates an internal credit rating system.
- Default (Stage 3) during the last 12 months. A significant increase in credit risk is considered when, although as of the reporting date the outstanding loan amount is not classified as defaulted, it has been classified as Stage 3 at least once during the last 12 months.
- Loans in probationary period. A significant increase in credit risk is considered when an externally borrowed credit or an external inactive credit, which is in the probationary period (period after the curing period), is utilized, provided that the credit does not have any past due days exceeding 30 days or any indications of unlikely repayment.

Criteria for funds in financial institutions

Criteria for funds in financial institutions are presented in the following paragraphs. All presented criteria carry equal weight in determining a significant increase in credit risk.

- 30 days past due. More than 30 days past due is an indicator of a significant increase in credit risk.
- For correspondent and current accounts - 7 days. More than 7 days past due is an indicator of a significant increase in credit risk.
- Delinquency - up to 30 days. A significant increase in credit risk is considered when, although as of the reporting date the days past due were less than 30, there has been at least one instance of delinquency of more than 60 days within the last 6 months.
- Changes in external credit rating / interest rate. Corporate rating will be considered under this criterion. A significant change in the rating assigned by the Big Three rating agencies (Standard & Poor's, Moody's, and Fitch) indicates a significant increase in credit risk. A significant increase in credit risk is considered when the S&P rating is downgraded by one level each time, starting from B2 (S&P) (or equivalent Moody's and Fitch). In cases where financial institutions do not have a corporate rating from a rating agency and the Bank does not have an equivalent internal rating system, the corporate default ratio corresponding to the sovereign rating of the country is considered.
- Relative changes in 12-month PD. A significant change in the 12-month PD is considered as a factor in changes over the entire PD term. This indicates a significant increase in credit risk. This criterion is used when the Bank operates an internal credit rating system.
- Relative change in PD over the entire term. A significant change over the entire term indicates a significant increase in credit risk. This criterion is used when the Bank operates an internal credit rating system.
- Default (Stage 3) during the last 12 months. A significant increase in credit risk is considered when, although as of the reporting date the outstanding loan amount is not classified as defaulted, it has been classified as Stage 3 at least once during the last 12 months.

Criteria for investment financial assets

The criteria for securities are presented in the following points. All presented criteria carry equal weight in determining a significant increase in credit risk.

- Relative changes in 12-month PD. A significant change in the 12-month PD is considered as a factor in changes over the entire PD term. This indicates a significant increase in credit risk. This criterion is used when the Bank has an internal credit rating system.
- Relative change in PD over the entire term. A significant PD over the entire term indicates a significant increase in credit risk. This criterion is used when the Bank has an internal credit rating system.
- Changes in external credit rating / rate. For this criterion, the country rating will be considered for government securities, or the corporate rating will be considered for corporate securities. A significant change in the rating assigned by the Big Three rating agencies (Standard & Poor's, Moody's, and Fitch) indicates a significant increase in credit risk. Significant increase in credit risk is taken into account when the S&P rating drops by one level each time, starting from B2 (S&P) (or equivalent Moody's and Fitch). In cases where security issuers do not have a corporate rating in a rating agency, and the Bank does not have an equivalent internal rating system, the corporate default rate corresponding to the sovereign rating of the country is considered.

Criteria for exiting the stage of significant deterioration

If none of the indicators used by the Bank to assess whether there has been a significant increase in credit risk are present, transition occurs from stage 2 to stage 1, except for loans that are in the recovery phase.

Credit risk assessment

The bank assigns each level of credit risk susceptibility based on various data defined as forecasted default risks and applies credit judgments based on past experience. Credit risk assessments are determined using qualitative (mostly delinquency-driven) and quantitative factors indicating default risk. These factors vary depending on the nature of the risk and the type of borrower.

Grouping of financial assets measured on a collective basis

Classes of assets for which the Bank calculates Expected Credit Losses (ECL) on an individual basis include:

- Individually significant Stage 3 loans regardless of the type of financial assets;
- Significant and unique assets subject to high risk;
- Treasury, trading, and interbank relationships, such as funds in banks, securities held under repurchase agreements (REPO), and debt instruments at amortized cost / fair value through profit or loss (FVTPL);
- Assets subject to high risk that were classified as credit-impaired when the original loan was terminated and a new loan was recognized as a result of debt restructuring.

The Bank groups assets for which the ECL is not calculated on an individual basis for smaller homogeneous portfolios based on a combination of loan characteristics, as described below.

- Loan type (e.g., corporate, mortgage, credit card, consumer loan, etc.);
- Customer type (e.g., individual or legal entity, or industry type);
- Collateral type (e.g., property, accounts receivable, etc.);
- Currency
- Other relevant characteristics.

Restructured and modified loans

The bank sometimes makes concessions or changes to the original terms of loans in response to the borrower's financial difficulties, without taking possession or otherwise securing the collateral. The bank considers loan restructuring or modification in cases of existing or anticipated financial difficulties of the borrower. The bank wouldn't take these actions if the borrower were financially sound. Indicators of financial difficulties include failure to meet obligations or significant issues voiced by the credit risk department. Review may involve extending payment agreements and agreeing to new loan terms. After the review of terms, any impairment is assessed using the initial Expected Credit Loss (ECL) calculated before the terms changed. The bank's policy involves monitoring restructured loans to ensure the likelihood of future payments continuing.

Decisions on derecognition and classification between Stage 2 and Stage 3 are determined on a case-by-case basis.

The bank defines a "recovery period" as a 12-month period following restructuring, which is applied to restructured non-performing cases. Considering that it's not possible to determine financial difficulties immediately after restructuring, the recovery period is necessary to assess whether the loan has been effectively cured. All non-performing loans should remain in Stage 3 after the restructuring date, regardless of loan repayments (without any overdue days, etc.).

The bank defines a probationary period as a 24-month period following the recovery period, which is applied to restructured loans at risk (excluding any grace period). Once an asset has been classified as at risk, it will remain so for at least the 24-month probationary period.

For a loan to be reclassified and cured, the client must meet all of the following criteria:

- all of their assets must be considered operational;
- the two-year probation period has passed since the date of restructuring to become operational;
- regular payments exceeding an insignificant amount of principal or interest have been made for at least half of the probationary period;
- the client does not have a contract that is overdue by more than 30 days.

Probability of Default (PD)

PD represents the probability that a borrower will not fulfill its financial obligations over the next 12 months (12M PD) or for the remaining term.

The Lifetime PD is developed by applying the term of repayment to the current 12-month PD. The repayment profile illustrates how defaults develop across portfolios from initial recognition throughout the loan's term. It's based on observations from past periods and assumed to be consistent for all assets within the portfolio and credit rating range. This is supported by historical analysis.

Expected loss rate in case of default (LGD)

LGD is determined based on the factors that affect recovery after default. They depend on the type of product.

- For secured products, this is primarily based on the type of collateral and the projected value of collateral, historical discounts to market/book value due to forced sales, time to withdrawal, and observed recovery costs.
- For unsecured products, LGDs are usually set at the product level due to limited differentiation in income earned by different borrowers. These LGDs are influenced by collection strategies, including the sale of contractual debts and the price.

The amount of debt at the reporting date exposed to the risk of an impairment event (EAD)

12-month and full-term EADS are determined based on expected payments, which depend on the type of product.

- For amortised products and loans repaid in one amount, it is based on contractual payments due to the borrower within 12 months or for the entire term. It is also adjusted for any overpayments made by the borrower. Assumptions about early repayment/refinancing are also included in the calculation;
- For renewable products, the default risk is predicted by taking the current balance and adding a "credit conversion rate" that takes into account the expected loss of the remaining limit by the time of default. These assumptions vary depending on the type of product and the range of use of the current limit based on an analysis of the latest Bank data.

Forecasted information

To ensure completeness and accuracy, the Bank obtains data from third-party sources (World Bank, National Bank of Tajikistan, Government of Tajikistan, etc.). To assess the impact of macroeconomic factors, the Bank determines weight coefficients for selected macroeconomic indicators and for several scenarios (base, upside, and downside) that are forecasted.

Operational risk

The Bank is exposed to operational risk, which is a risk of loss arising from any system failures or interruptions of internal processes, systems, mechanical error of personnel or the influence of external negative factors.

The Bank's risk management policy is designed to identify and analyze risks and set appropriate risk limits and controls.

Maximum exposure

The Bank's maximum exposure to credit risk varies significantly and is dependent on both individual risks and general market economy risks.

The following table presents the maximum exposure to credit risk on financial assets and contingent liabilities. For financial assets in the statement of financial statements, the maximum exposure is equal to the carrying amount of those assets prior to any offset or collateral. For financial guarantees and other off-balance sheet assets, the maximum exposure to credit risk is the maximum amount the Bank would have to pay if the guarantee was called on or in the case of commitments, if the loan amount was called on.

Collateral pledged is determined based on its estimated fair value on the reporting date and limited to the outstanding balance of each loan as at reporting date.

					2024
	Maximum exposure	**Offset**	**Net exposure after offset**	**Collateral pledged**	**Net exposure after offset and collateral**
Cash and cash equivalents	1,965,093	-	1,965,093	-	1,965,093
Due from banks	937,695	-	937,695	-	937,695
Obligatory reserve in the National bank of Tajikistan	247,527	-	247,527	-	247,527
Loans to customers	2,649,661	-	2,649,661	(1,469,133)	1,180,528
Investments held to maturity	1,307,065	-	1,307,065	-	1,307,065
Investment securities	11,000	-	11,000		11,000
Other assets	762,828	-	762,828	-	762,828
	7,880,869	**-**	**7,880,869**	**(1,469,133)**	**6,411,736**

					2023
	Maximum exposure	**Offset**	**Net exposure after offset**	**Collateral pledged**	**Net exposure after offset and collateral**
Cash and cash equivalents	2,509,485	-	2,509,485	-	2,509,485
Due from banks	1,259,372	-	1,259,372	-	1,259,372
Obligatory reserve in the National bank of Tajikistan	227,743	-	227,743	-	227,743
Loans to customers	1,769,346	-	1,769,346	(912,212)	857,134
Investments held to maturity	264,212	-	264,212	-	264,212
Investment securities	11,000	-	11,000		11,000
Other assets	118,905	-	118,905	-	118,905
	6,160,063	**-**	**6,160,063**	**(912,212)**	**5,247,851**

In instances where one party to a financial instrument fails to fully or partially discharge a credit obligation, the Bank has the right to ensure fulfillment of these obligations through the:

1 joint sale of the pledged assets;
2 transfer of ownership rights on pledged assets in accordance with the established law; and
3 exercising of the charge on pledged assets through judicial procedures.

Where there is a joint sale of the pledged assets, the Bank normally uses a tripartite sales agreement with the borrower and acquirer of the pledged assets. Under this agreement the acquirer of the pledged assets has an obligation to repay the full amount of the outstanding debt; the borrower has an obligation to transfer the right of ownership of the assets to the acquirer, and the Bank releases the obligation from the borrower and removes the pledge over the assets.
The Bank exercises the charge on pledged assets through judicial procedures if it is impossible or inefficient to use alternative methods or where the seizure of assets pledged is required in order to protect the rights on the Bank.

Financial assets are graded according to the current credit rating they have been issued by internationally regarded agencies. The highest possible rating is AAA. Investment grade of financial assets have ratings from AAA to BBB. Financial assets which have ratings lower than BBB are classed as speculative grade.

The following tables provide classification of financial assets of the Bank by credit ratings:

	Aaa - A3	Baa1-Ba3	B1-B3	Caa1-C	Not Rated	2024 Total
Cash and cash equivalents	-	-	-	-	1,965,093	1,965,093
Due from banks	302	-	488,453	4,434	444,506	937,695
Obligatory reserve in the National bank of Tajikistan	-	-	-	-	247,527	247,527
Loans to customers	-	-	-	-	2,649,661	2,649,661
Investments held to maturity	-	-	-	-	1,307,065	1,307,065
Investment securities	-	-	-	-	11,000	11,000
Other assets	-	-	-	-	762,828	762,828
TOTAL FINANCIAL ASSETS	302	-	488,453	4,434	7,387,680	7,880,869

	Aaa - A3	Baa1-Ba3	B1-B3	Caa1-C	Not Rated	2023 Total
Cash and cash equivalents	-	-	-	-	2,509,485	2,509,485
Due from banks	27	-	1,041,472	4,261	213,612	1,259,372
Obligatory reserve in the National bank of Tajikistan	-	-	-	-	227,743	227,743
Loans to customers	-	-	-	-	1,769,346	1,769,346
Investments held to maturity	-	-	-	-	264,212	264,212
Investment securities	-	-	-	-	11,000	11,000
Other assets	-	-	-	-	118,905	118,905
TOTAL FINANCIAL ASSETS	27	-	1,041,472	4,261	5,114,303	6,160,063

Since not all counterparties of the Bank are rated by international rating agencies, the Bank uses an internal rating and scoring models to determine the rating of the counterparty, comparable to ratings of international rating agencies. Such tools include a rating model for corporate clients, and scoring models for retail and small business customers.

The corporate crediting sector is generally exposed to credit risk that originate in relation to financial assets and contingent liabilities. Main credit risk exposure of the Bank is concentrated within the Republic of Tajikistan. The exposure is monitored on a regular basis to ensure that the credit limits and solvency are followed in accordance with the approved policy on risk management by the Bank.

The following table presents the carrying value of assets that are overdue but not impaired, which are also classified by origination of outstanding debt.

		Financial assets past due but not impaired					
	Current not impaired assets	Less than 3 months	3 - 6 months	6 months - 1 year	More than 1 year	Impaired financial assets	2024 Total
Cash and cash equivalents	1,965,093	-	-	-	-	-	1,965,093
Due from banks	937,695	-	-	-	-	-	937,695
Obligatory reserve in the National bank of Tajikistan	247,527	-	-	-	-	-	247,527
Loans to customers	2,107,763	-	-	-	-	541,898	2,649,661
Investments held to maturity	1,307,065	-	-	-	-	-	1,307,065
Investment securities	11,000	-	-	-	-	-	11,000
Other assets	762,828	-	-	-	-	-	762,828
TOTAL FINANCIAL ASSET	7,338,971	-	-	-	-	541,898	7,880,869

	Financial assets past due but not impaired						
	Current not impaired assets	Less than 3 months	3 - 6 months	6 months - 1 year	More than 1 year	Impaired financial assets	2023 Total
Cash and cash equivalents	2,509,485	-	-	-	-	-	2,509,485
Due from banks	1,259,372	-	-	-	-	-	1,259,372
Obligatory reserve in the National bank of Tajikistan	227,743	-	-	-	-	-	227,743
Loans to customers	1,389,166	-	-	-	-	380,180	1,769,346
Investments held to maturity	264,212	-	-	-	-	-	264,212
Investment securities	11,000	-	-	-	-	-	11,000
Other assets	118,905	-	-	-	-	-	118,905
TOTAL FINANCIAL ASSET	5,779,883	-	-	-	-	380,180	6,160,063

Geographical concentration

Risk management department exercises control over the risk associated with changes in the norms of the legislation and assesses its impact on the Bank. This approach allows the Bank to minimize potential losses from the investment climate in the Republic of Tajikistan.

The geographical concentration of assets and liabilities is set out below:

	Republic of Tajikistan	OECD countries	Other non-OECD countries	Total 2024
FINANCIAL ASSETS				
Cash and cash equivalents	1,965,093	-	-	1,965,093
Due from banks	760,686	-	177,009	937,695
Obligatory reserve in the National bank of Tajikistan	247,527			247,527
Loans to customers	2,649,661	-	-	2,649,661
Investments held to maturity	1,307,065			1,307,065
Investment securities	11,000	-	-	11,000
Other assets	699,482	-	63,346	762,828
TOTAL FINANCIAL ASSETS	7,640,514	-	240,355	7,880,869
FINANCIAL LIABILITIES				
Customer accounts	6,947,923	-	-	6,947,923
Borrowings	-	-	58,417	58,417
Subordinated loans	50,000	-	-	50,000
Due to banks and financial institutions	490,753	-	-	490,753
Lease liabilities	4,268	-	-	4,268
Other liabilities	191,994	-	-	191,994
TOTAL FINANCIAL LIABILITIES	7,684,938	-	58,417	7,743,355
NET POSITION	(44,424)	-	181,938	137,514

	Republic of Tajikistan	OECD countries	Other non-OECD countries	Total 2023
FINANCIAL ASSETS				
Cash and cash equivalents	2,509,485	-	-	2,509,485
Due from banks	978,142	-	281,230	1,259,372
Obligatory reserve in the National bank of Tajikistan	227,743	-	-	227,743
Loans to customers	1,769,346	-	-	1,769,346
Investments held to maturity	264,212	-	-	264,212
Investment securities	11,000	-	-	11,000
Other assets	58,089	-	60,816	118,905
TOTAL FINANCIAL ASSETS	*5,818,017*	-	*342,046*	*6,160,063*
FINANCIAL LIABILITIES				
Customer accounts	5,465,383	-	-	5,465,383
Borrowings	-	-	90,062	90,062
Due to banks and financial institutions	424,238	-	-	424,238
Lease liabilities	2,629	-	-	2,629
Other liabilities	45,335	-	-	45,335
TOTAL FINANCIAL LIABILITIES	5,937,585	-	*90,062*	*6,027,647*
NET POSITION	(119,568)	-	*251,984*	*132,416*

Liquidity risk

Liquidity risk is the risk of difficulties in obtaining funds for the payment of obligations upon the occurrence of the actual date of payment and to meet cash requirements in the process of lending to clients.

Management controls this risk by maturity analysis, determining the Bank's strategy for the next fiscal period. Current liquidity is managed by assets and liabilities committee, which supports the current level of liquidity sufficient to minimize liquidity risk.

The following table presents an analysis of balance sheet interest rate risk and liquidity risk:

	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years	Undefined	Total 2024
FINANCIAL ASSETS							
Cash and cash equivalents	1,965,093	-	-	-	-	-	**1,965,093**
Due from banks	760,685	160,557	16,453	-	-	-	**937,695**
Obligatory reserve in the National bank of Tajikistan	-	-	-	-	-	247,527	**247,527**
Loans to customers	42,071	13,025	260,167	2,171,073	78,866	84,459	**2,649,661**
Investments held to maturity	476,778	48,000	712,137	70,150	-	-	**1,307,065**
Investment securities	-	-	-	-	-	11,000	**11,000**
Other assets	762,828	-	-	-	-	-	**762,828**
TOTAL FINANCIAL ASSETS	**4,007,455**	**221,582**	**988,757**	**2,241,223**	**78,866**	**342,986**	**7,880,869**
FINANCIAL LIABILITIES							
Customer accounts	5,798,081	143,273	559,065	407,380	40,124	-	6,947,923
Borrowings	1,075	-	57,342	-	-	-	58,417
Subordinated loans	-	-	-	-	50,000	-	50,000
Due to banks and financial institutions	490,753	-	-	-	-	-	490,753
Lease liabilities	307	619	2,870	472	-	-	4,268
Other liabilities	191,994	-	-	-	-	-	191,994
TOTAL FINANCIAL LIABILITIES	**6,482,211**	**143,892**	**619,276**	**407,852**	**90,124**	**-**	**7,743,355**
Difference between financial assets and liabilities	(2,474,755)	77,689	369,481	1,833,371	(11,258)	342,986	137,514

	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years	Undefined	Total 2023
FINANCIAL ASSETS							
Cash and cash equivalents	2,509,485	-	-	-	-	-	2,509,485
Due from banks	978,142	273,929	7,301	-	-	-	1,259,372
Obligatory reserve in the National bank of Tajikistan	-	-	-	-	-	227,743	227,743
Loans to customers	50,947	4,357	16,697	49,313	599	1,647,433	1,769,346
Investments held to maturity	133,964	8,811	121,437	-	-	-	264,212
Investment securities	-	-	-	-	-	11,000	11,000
Other assets	118,905	-	-	-	-	-	118,905
TOTAL FINANCIAL ASSETS	3,791,443	287,097	145,435	49,313	599	1,886,176	6,160,063
FINANCIAL LIABILITIES							
Customer accounts	4,436,472	110,471	641,045	240,389	37,006	-	5,465,383
Borrowings	1,999	-	88,063	-	-	-	90,062
Due to banks and financial institutions	424,238	-	-	-	-	-	424,238
Lease liabilities	2,629	-	-	-	-	-	2,629
Other liabilities	45,335	-	-	-	-	-	45,335
TOTAL FINANCIAL LIABILITIES	4,910,673	110,471	729,108	240,389	37,006	-	6,027,647
Difference between financial assets and liabilities	(1,119,230)	176,626	(583,673)	(191,076)	(36,407)	1,886,176	132,416

Periods of maturity of assets and liabilities and the ability to replace interest liabilities in acceptable costs (at the time of redemption) are the most important conditions in determining the liquidity of the Bank and its sensitivity to fluctuations in interest rates and exchange rates.

A further analysis of the liquidity and interest rate risks is presented in the following tables in accordance with IFRS 7. The amounts disclosed in these tables do not correspond to the amounts recorded on the statement of financial position as the presentation below includes a maturity analysis for financial liabilities that indicates the total remaining contractual payments (including interest payments), which are not recognized in the statement of financial position under the effective interest rate method.

Undiscounted liabilities analysis

The table below shows the distribution of the Bank's liabilities as of December 31, 2024, and 2023, based on contractual undiscounted cash flows.

	Less than 1 month	1 - 3 months	3 months - 1 year	1-5 years	More than 5 years	Total 2024
Customer deposits	61,052	140,887	586,166	490,214	70,199	1,348,518
Borrowings	1,493	6,774	11,446	41,111	-	60,825
Subordinated loans	-	-	-	55,817	-	55,817
Lease liability	330	660	2,971	491	-	4,452
TOTAL FINANCIAL LIABILITIES	**62,875**	**148,321**	**600,584**	**587,633**	**70,199**	**1,469,811**

	Less than 1 month	1 - 3 months	3 months - 1 year	1-5 years	More than 5 years	Total 2023
Customer deposits	120,293	109,287	624,985	262,414	38,384	1,155,363
Borrowings	323	21,463	49,150	17,676	-	88,612
Subordinated loans	-	-	-	-	56,750	56,750
Lease liability	160	318	1,168	1,082	-	2,728
TOTAL FINANCIAL LIABILITIES	**120,776**	**131,068**	**675,303**	**281,172**	**95,134**	**1,303,453**

Market risk

Market risk includes risk of changes in interest rates, currency risk and other price risks faced by the Bank. In 2024 there was no change in the composition of these risks and methods for assessing and managing risks in the Bank.

The Bank is not susceptible to the change of interest rate risk, since the Bank does not attract money with floating rate. In case of attracting funds with a floating interest rate, the risks will be managed by the Bank by maintaining the necessary ratio between loans at a fixed and floating rate.

Sensitivity analysis to changes in the interest rate.

The bank manages interest rate risks by conducting periodic assessments of potential losses that may arise from adverse changes in market conditions. The controlling department monitors the bank's current financial condition, assesses its sensitivity to interest rate changes, and evaluates their impact on the bank's profitability.

Currency risk

Currency risk is the risk that the value of a financial instrument due to changes in exchange rates. Financial position and cash flows of the Bank are exposed to impact of fluctuations in foreign currency exchange rates. Management exercises currency risk management by determining open currency position on the basis of the alleged impairment of Tajik somoni, and other macroeconomic indicators, which enables the Bank to minimize losses from significant fluctuations in national and foreign currency.

The Bank signs agreements on various derivative financial instruments including foreign exchange swaps and mortgage loans to commercial banks to secure itself against currency risk.

Information about the level of foreign currency exchange rate risk of the Bank is set out below:

	TJS	USD	EUR	RUB	Other	Total 2024
FINANCIAL ASSETS						
Cash and cash equivalents	1,699,773	79,753	28,877	4,921	151,768	1,965,093
Due from banks	533,287	267,507	101,756	34,843	302	937,695
Obligatory reserve in the National bank of Tajikistan	140,578	98,445	5,167	3,332	5	247,527
Loans to customers	2,136,181	513,480	-	-	-	2,649,661
Investments held to maturity	1,307,065	-	-	-	-	1,307,065
Investment securities	11,000	-	-	-	-	11,000
Other assets	106,636	656,178	-	14	-	762,828
TOTAL FINANCIAL ASSETS	5,934,520	1,615,363	135,800	43,110	152,075	7,880,869
FINANCIAL LIABILITIES						
Customer accounts	5,350,135	1,515,066	53,122	29,598	2	6,947,923
Borrowings	-	58,417	-	-	-	58,417
Subordinated loans	50,000	-	-	-	-	50,000
Due to banks and financial institutions	52,511	343,989	93,335	918	-	490,753
Lease liability	4,268	-	-	-	-	4,268
Other liabilities	185,448	5,780	528	238	-	191,994
TOTAL FINANCIAL LIABILITIES	5,642,362	1,923,252	146,985	30,754	2	7,743,355
OPEN CURRENCY POSITION	292,158	(307,889)	(11,184)	12,356	152,072	137,514
NET POSITION	292,158	(307,889)	(11,184)	12,356	152,072	137,514

	TJS	USD	EUR	RUB	Other	Total 2023
FINANCIAL ASSETS						
Cash and cash equivalents	1,505,443	862,910	127,955	4,520	8,657	2,509,485
Due from banks	816,668	284,026	113,510	44,177	991	1,259,372
Obligatory reserve in the National bank of Tajikistan	115,255	103,621	6,360	2,501	6	227,743
Loans to customers	1,140,147	618,638	-	10,561	-	1,769,346
Investments held to maturity	264,212	-	-	-	-	264,212
Investment securities	11,000	-	-	-	-	11,000
Other assets	118,616	285	4	-	-	118,905
TOTAL FINANCIAL ASSETS	3,971,341	1,869,480	247,829	61,759	9,654	6,160,063
FINANCIAL LIABILITIES						
Customer accounts	4,168,248	1,198,717	70,760	27,594	64	5,465,383
Borrowings	-	90,062	-	-	-	90,062
Due to banks and financial institutions	59,970	156,610	185,252	14,692	7,714	424,238
Lease liability	2,629	-	-	-	-	2,629
Other liabilities	93,363	4,997	2,867	311	-	101,538
TOTAL FINANCIAL LIABILITIES	4,324,210	1,450,386	258,879	42,597	7,778	6,083,850
OPEN CURRENCY POSITION	(352,869)	419,094	(11,050)	19,162	1,876	76,213
NET POSITION	(352,869)	419,094	(11,050)	19,162	1,876	76,213

Accounting classification and fair values

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at December 31, 2024:

	Valued at amortized cost	Valued at fair value through profit and loss	Valued at fair value through OCI	Total carrying amount	Fair value
FINANCIAL ASSETS					
Cash and cash equivalents	1,965,093	-	-	1,965,093	1,965,093
Due from banks	937,695	-	-	937,695	937,695
Obligatory reserve in the National bank of Tajikistan	247,527	-	-	247,527	247,527
Loans to customers	2,649,661	-	-	2,649,661	2,649,661
Investments held to maturity	1,307,065	-	-	1,307,065	1,307,065
Investment securities	-	-	11,000	11,000	11,000
Other assets	762,828	-	-	762,828	762,828
TOTAL FINANCIAL ASSETS	5,799,976	-	11,000	7,880,869	7,880,869
FINANCIAL LIABILITIES					
Customer accounts	6,947,923	-	-	6,947,923	6,947,923
Borrowings	58,417	-	-	58,417	58,417
Subordinated loans	50,000			50,000	50,000
Due to banks and financial	490,753	-	-	490,753	490,753
Lease liability	4,268	-	-	4,268	4,268
Other liabilities	191,994	-	-	191,994	191,994
TOTAL FINANCIAL LIABILITIES	7,743,355	-	-	7,743,355	7,743,355

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at December 31, 2023:

	Valued at amortized cost	Valued at fair value through profit and loss	Valued at fair value through OCI	Total carrying amount	Fair value
FINANCIAL ASSETS					
Cash and cash equivalents	2,509,485	-	-	2,509,485	2,509,485
Due from banks	1,259,372	-	-	1,259,372	1,259,372
Obligatory reserve in the National bank of Tajikistan	227,743	-	-	227,743	227,743
Loans to customers	1,769,346	-	-	1,769,346	1,769,346
Investments held to maturity	264,212	-	-	264,212	264,212
Investment securities	-	-	11,000	11,000	11,000
Other assets	118,905	-	-	118,905	118,905
TOTAL FINANCIAL ASSETS	5,765,946	-	11,000	6,160,063	6,160,063
FINANCIAL LIABILITIES					
Customer accounts	5,465,383	-	-	5,465,383	5,465,383
Borrowings	90,062	-	-	90,062	90,062
Due to banks and financial	424,238	-	-	424,238	424,238
Lease liability	2,629	-	-	2,629	2,629
Other liabilities	45,335	-	-	45,335	45,335
TOTAL FINANCIAL LIABILITIES	6,027,647	-	-	6,027,647	6,027,647

Fair value of financial instruments

Fair value is defined as the amount at which a financial instrument could be acquired in an arm's length transaction between knowledgeable, willing, and unrelated parties, other than in a forced or liquidation sale. The estimates presented may not reflect the amounts that the Bank would be able to obtain from the actual sale of its holdings of certain financial instruments.

The carrying amount of cash approximates fair value due to the short life of such financial instruments.

IFRS 13 defines fair value as the amount that would be received after selling an asset or paid after transferring a liability in an orderly transaction on the main (or most advantageous) market at the measurement date under current market conditions. Since there are no markets for most of the Bank 's financial instruments, under the current economic conditions and specific risks that characterize the tool, judgment should be applied to determine the fair value.

As at December 31, 2024 and 2023, the following methods and assumptions were used by the Bank to assess the fair value of financial instruments for which it was practical to determine the value:

Cash and cash equivalents - current value of cash and cash equivalents corresponds to fair value.

Accounts receivable and other accounts receivable - current value approximates the fair value of these financial instruments, as the allowance for doubtful debts is valid estimation of the required discount to reflect the credit risk.

Accounts payable and other payables- current value approximates the fair value of given financial instruments due to short-term nature of the loan.

Long-term liabilities - current value approximates fair value as the interest rate of long-term debt approximates market rate, with reference to loans with similar credit risk and maturity at the reporting date.

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. The Bank classifies the fair values of its financial instruments into a three level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

Level 1	Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date.
Level 2	Level 2 inputs are inputs that are not quoted prices included in Level 1 and that are directly or indirectly observable for the asset or liability.
Level 3	Level 3 similar data is an unobservable input to an asset or liability.

Level 1 classifications primarily include financial assets and financial liabilities that are traded in stock markets, whereas Level 2 classifications primarily include financial assets and financial liabilities which derive their fair value primarily from market quotes and readily observable quotes. Level 3 classifications primarily include financial assets and financial liabilities which derive their fair value predominately from models that use applicable market based estimates surrounding location, quality and credit differentials. In circumstances where the Bank cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is the Bank's policy that transactions and activities in trade related financial instruments be concluded under master netting agreements or long form confirmations to enable balances due to/from a common counterparty to be offset in the event of default, insolvency or bankruptcy by the counterparty.

The following tables show the fair value of financial assets and financial liabilities as of December 31, 2024, and 2023.

	Level 1	Level 2	Level 3	December 31, 2024 Total
FINANCIAL ASSETS				
Cash and cash equivalents	1,965,093	-	-	1,965,093
Due from banks	937,695	-	-	937,695
Obligatory reserve in the National bank of Tajikistan	-	-	247,527	247,527
Loans to customers	-	2,649,661	-	2,649,661
Investments held to maturity	-	-	1,307,065	1,307,065
Investment securities	-	-	11,000	11,000
Other assets	-	-	762,828	762,828
TOTAL FINANCIAL ASSETS	**2,902,788**	**2,649,661**	**2,328,420**	**7,880,869**
FINANCIAL LIABILITIES				
Customer accounts	-	6,947,923	-	6,947,923
Borrowings	-	58,417	-	58,417
Subordinated loans	-	50,000	-	50,000
Due to banks and financial institutions	490,753	-	-	490,753
Lease liability	-	4,268	-	4,268
Other liabilities	-	-	191,994	191,994
TOTAL FINANCIAL LIABILITIES	**490,753**	**7,060,608**	**191,994**	**7,743,355**

	Level 1	Level 2	Level 3	December 31, 2023 Total
FINANCIAL ASSETS				
Cash and cash equivalents	2,509,485	-	-	2,509,485
Due from banks	1,259,372	-	-	1,259,372
Obligatory reserve in the National bank of Tajikistan	-	-	227,743	227,743
Loans to customers	-	1,769,346	-	1,769,346
Investments held to maturity	-	-	264,212	264,212
Investment securities	-	-	11,000	11,000
Other assets	-	-	118,905	118,905
TOTAL FINANCIAL ASSETS	**3,768,857**	**1,769,346**	**621,860**	**6,160,063**
FINANCIAL LIABILITIES				
Customer accounts	-	5,465,383	-	5,465,383
Borrowings	-	90,062	-	90,062
Due to banks and financial institutions	424,236	-	-	424,236
Lease liability	-	2,629	-	2,629
Other liabilities	-	-	101,538	101,538
TOTAL FINANCIAL LIABILITIES	**424,236**	**5,558,074**	**101,538**	**6,083,850**

Currency risk sensitivity analysis

The table below presents the sensitivity analysis of the Bank to a 10% increase and decrease in the exchange rate of the US dollar against the somoni in 2024 and 2023. The Bank's management believes that in the current economic environment in Tajikistan, a 10% increase or decrease represents a realistic change in the exchange rate of the Tajik Somoni against the US dollar. 10% is the level of sensitivity used internally by the Bank when reporting foreign exchange risk to the Bank's key management personnel and represents the Bank's management's assessment of possible changes in foreign exchange rates. The sensitivity analysis includes only foreign currency amounts held at the end of the period, which are converted using rates changed by 10% compared to the current rates.

Below is the impact on net income based on the nominal value of the asset as at December,31 2024 and 2023:

	December 31, 2024		December 31, 2023	
	Official exchange rate, +10%	Official exchange rate, -10%	Official exchange rate, +10%	Official exchange rate, -10%
Effect on profit or loss	(15,464)	15,464	42,908	(42,908)

Limitations of sensitivity analysis

The above tables demonstrate the effect of changes based on the main clause while other assumptions remain unchanged. In fact, there is a connection between the assumptions and other factors. It should also be noted that the sensitivity has nonlinear character so should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into account that the Bank actively manages the assets and liabilities. In addition, the Bank's financial position may be subject to change depending on changes in the market. For example, the strategy of the Bank's financial risk management aims to manage exposure to market fluctuations. In the case of sudden adverse price fluctuations in the securities market leadership can refer to such methods as selling investments, changing investment portfolio, as well as other methods of protection. Consequently, changes in assumptions may not have influence on the commitment and significant impact on the assets recorded on the balance sheet at market price. In this situation, different methods of valuation of assets and liabilities may lead to volatility in equity.

Other limitations in the above sensitivity analysis include the use of hypothetical market movements with a view to the disclosure of potential risks, which represent only the Bank's forecast of the upcoming changes in the market that cannot be predicted with any certainty.

33. SEGMENT REPORTING

The Bank's activities are exclusively related to commercial lending and other banking operations, and are concentrated in the Republic of Tajikistan.

34. EVENTS AFTER THE REPORTING DATE

As at the date of issue of these financial statements no other significant events or transactions happened, except described above which should be disclosed in accordance with IAS 10 "Events after the reporting period".