CLOSED JOINT STOCK COMPANY BANK "IMON INTERNATIONAL"

Financial statements
for the year ended December 31, 2025

and independent auditors' report

CJSC BANK “IMON INTERNATIONAL”

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CJSC BANK "IMON INTERNATIONAL"

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

The following statement, which should be read in conjunction with the independent auditors' responsibilities, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the Closed Joint Stock Company Bank "IMON INTERNATIONAL" (the "Company").

Management of the Company is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2025, the results of its operations, cash flows and changes in capital for the year ended December 31, 2025, in accordance with International Financial Reporting Standards (the "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;*
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company 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 Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with legislation, accounting standards of the Republic of Tajikistan and requirements set by the National bank of Tajikistan;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

The financial statements for the year ended December 31, 2025 were approved and authorized for issue on March 31, 2026 by the management of the Company.

On behalf of the Management of the Company:

Giorgio Parola
Acting Chairman of the Management board

March 31, 2026
Khujand, Republic of Tajikistan

Khayrulloev Firdavs
Acting Chief Financial Officer

March 31, 2026
Khujand, Republic of Tajikistan

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ООО "РСМ ТОЧИКИСТОН"
Исх. № 11126
"31" марта 2026с.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Supervisory Board of Closed Joint Stock Company Bank "Imon International":

Opinion

We have audited the accompanying financial statements of Closed Joint Stock Company Bank "Imon International" (hereafter the "Organization"), which comprise the statement of financial position as at December 31, 2025, 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 notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("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 Organization 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.

Key Audit Matters

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

THE POWER OF BEING UNDERSTOOD
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RSM Tajikistan is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Key Audit Matters	Audit procedure concerning key audit matters
Methodology of loan portfolio impairment	
The Management of the Organization accrual allowances impairment in relation to financial instruments based on the terms of concluded agreements, assessing the financial condition of customers, as well as forecasting future cash inflow for obligations existing at the reporting date, taking into account events after the reporting date. The allowance is formed on an individual basis, based on the assessment of the borrower's solvency, taking into account the assignment of classifications of the obligations of this borrower and its collateral.	We conducted procedures related to classify loans by risk group, the internal control system was evaluated, loans of individuals and legal entities were tested on a sampling basis, including the calculation of impairment. Note 16 "Loans to customers" contains detailed information on loans, taking into account the accrual of an allowance for impairment losses.
Customer Deposit	
The Management of the Organization attracts funds from customers, including legal entities and individuals. Funds are attracted both in national and foreign currencies based on concluded agreements with creditors on a short-term basis with subsequent prolongation. We pay special attention to this matter due to the significant change in this item compared to the previous year. The structure and servicing of each deposit require the Organization to assess contractual agreements and their impact on the accounting of attracted funds.	From our part, the following procedures were performed: - we reviewed and analyzed the signed agreements in order to evaluate and determine the proper procedure for recording the transaction in accordance with the requirements of IFRS; - we have performed procedures to review the completeness and accuracy of the liabilities recognized in the financial statements and the results, including valuation in accordance with IFRS. From our part, procedures were carried out to analyze contracts, analyze the internal control system for these customer deposits, and also, we have performed procedures in relation to recalculation of customer deposits and interest on them on a sampling basis. Note 24 "Customer deposits" contains detailed information on 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 IFRS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Organization financial reporting process.

Auditor's responsibility for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 International Standard on Auditing (hereinafter "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 this 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;

- 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 Organization internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 Organization 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 Organization 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;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The Audit Partner on the audit resulting in this independent auditor's report is Maftun Baratov.

Bahrullo Mulloev
Managing Partner – RSM Tajikistan LLC
License of National Bank of Tajikistan
BMT № 0000352 от 01 November 2025

Maftun Baratov
Audit Partner
Specialist License on bank audit
BMT № 0000057 от 30 December 2015

31 March 2026
Dushanbe, Tajikistan

CJSC BANK "IMON INTERNATIONAL"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest income calculated using the effective interest method	4	609,140	511,363
Interest expenses	4	(310,025)	(275,484)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		299,115	235,879
(Accrual) recovery of allowance for impairment losses on interest bearing assets	16	(25,620)	1,011
NET INTEREST INCOME		273,495	236,890
Commission income	5	8,298	6,232
Commission expenses	5	(9,872)	(9,111)
Net loss on operations with financial instruments	6	(224)	(3,450)
Net gain on foreign exchange transactions	7	6,871	6,977
(Accrual) of allowance for impairment losses on other assets	8	(301)	(267)
Other income, net	9	2,427	1,509
NET NON - INTEREST INCOME		7,199	1,890
Operating expenses	10	(200,797)	(178,897)
PROFIT BEFORE INCOME TAX		79,897	59,883
Income tax expenses	11	(18,537)	(15,864)
NET PROFIT		61,360	44,019
Other comprehensive income:		-	-
TOTAL COMPREHENSIVE INCOME		61,360	44,019

On behalf of the Management of the Company:

Giorgio Parola
Acting Chairman of the Management board

March 31, 2026
Khujand, Republic of Tajikistan

Khayrulloev Firdavs
Acting Chief Financial Officer

March 31, 2026
Khujand, Republic of Tajikistan

The notes on pages 13-70 form an integral part of the financial statements. The independent auditors' report is on pages 4-7.

CJSC BANK "IMON INTERNATIONAL"

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(in thousands of Tajik somoni)

	Notes	December 31, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents	12	207,200	161,105
Due from banks	13	71,010	23,126
Restricted funds	14	52,430	80,695
Loans to customers	16	2,086,373	1,890,560
Investment securities	17	527	416
Property and equipment	18	78,767	61,202
Intangible assets	19	27,114	23,475
Right of use of assets	20	20,608	18,913
Long-term assets held for sale	21	1,058	1,570
Deferred tax assets	11	645	-
Other assets	22	19,873	20,976
TOTAL ASSETS		2,565,605	2,282,038
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and financial institutions	23	25,633	32,914
Financial instruments at fair value through profit or loss	15	1,207	1,318
Customer accounts	24	1,134,634	955,898
Borrowings	25	940,022	899,207
Lease liabilities	20	24,887	22,678
Deferred tax liabilities	11	-	2,272
Other liabilities	26	33,547	18,936
		2,159,930	1,933,223
EQUITY			
Share capital	27	111,111	111,111
Additional paid-in capital		6,255	6,255
General reserves		183,330	132,845
Revaluation of property and equipment	18	30,752	33,215
Retained earnings		74,227	65,389
		405,675	348,815
TOTAL LIABILITIES AND EQUITY		2,565,605	2,282,038

On behalf of the Management of the Company:

Giorgio Parola
Acting Chairman of the Management board

March 31, 2026
Khujand, Republic of Tajikistan

Khayrulloev Firdavs
Acting Chief Financial Officer

March 31, 2026
Khujand, Republic of Tajikistan

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CJSC BANK "IMON INTERNATIONAL"

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(in thousands of Tajik somoni)

	Note	Share capital	Additional paid-in capital	General reserves	Revaluation of property and equipment	Retained earnings	Total capital
Balance at December 31, 2023		111,111	6,255	132,845	35,679	24,338	310,228
Dividends		-	-	-	-	(5,432)	(5,432)
Change in general reserves and revaluation		-	-	-	(2,464)	2,464	-
Changes in equity		-	-	-	(2,464)	(2,968)	(5,432)
Profit for year		-	-	-	-	44,019	44,019
Balance at December 31, 2024	27	111,111	6,255	132,845	33,215	65,389	348,815
Dividends		-	-	-	-	(4,500)	(4,500)
Change in general reserves and revaluation		-	-	-	(2,463)	2,463	-
Increase of general reserves		-	-	50,485	-	(50,485)	-
Changes in equity		-	-	50,485	(2,463)	(52,522)	(4,500)
Profit for year		-	-	-	-	61,360	61,360
Balance at December 31, 2025	27	111,111	6,255	183,330	30,752	74,227	405,675

On behalf of the Management of the Company:

Giorgio Parola
Acting Chairman of the Management board

March 31, 2026
Khujand, Republic of Tajikistan

Khayrulloev Firdavs
Acting Chief Financial Officer

March 31, 2026
Khujand, Republic of Tajikistan

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CJSC BANK "IMON INTERNATIONAL"

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expenses		79,897	59,883
Adjustments for:			
Change in allowance for impairment losses on interest bearing assets	16	25,620	(1,011)
Depreciation of property and equipment and amortization of intangible assets	10	12,146	12,098
Amortization of right of use of assets	10	8,927	8,577
Change in allowance for expected credit losses on due from banks	8	125	(135)
Change in allowance for impairment of long-term assets, held for sale	8	409	386
Change in allowance for doubtful debts	8	(233)	16
Change in unused vacation provision	10	637	(851)
Income from increase in investments		(111)	
Modification of lease agreements	20		7
Loss on disposal of property and equipment	18	162	46
Financial instruments at fair value through profit and loss	6	224	3,450
Foreign exchange differences	7	3,833	1,999
Interest income, net	4	(294,631)	(235,879)
Cash (outflow) from operating activities before changes in operating assets and liabilities		(162,995)	(151,414)
(Increase)/decrease in operating assets:			
Restricted funds		27,214	(5,197)
Financial instruments at fair value through profit and loss		(1,035)	(5,675)
Loans to customers		(229,919)	(384,483)
Long-term assets, held for sale		103	(743)
Other assets		5,691	6,384
Increase/(decrease) in operating liabilities:			
Customer accounts		185,285	190,561
Due to banks and financial institutions		(6,163)	(1,804)
Other liabilities		14,222	7,521
Cash (outflow) from operating activities before income tax, payment of commissions and interest		(167,597)	(344,850)
Interest received		607,927	503,895
Interest paid		(313,918)	(263,507)
Income tax paid		(14,323)	(3,318)
Net cash inflow / (outflow) from operating activities		112,088	(107,780)

CJSC BANK "IMON INTERNATIONAL"

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 (CONTINUED)
(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	18	(25,492)	(6,774)
Purchase of intangible assets	19	(8,020)	(849)
Dividends received		-	83
Net cash (outflow) from investing activities		(33,512)	(7,540)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal amounts within lease agreements	20	(8,413)	(8,164)
Proceeds from borrowings		(4,500)	(5,432)
Proceeds of borrowings, net		38,116	169,300
Net cash inflow from financing activities		25,203	155,704
Effect of changes in exchange rates on cash and cash equivalents		(9,800)	(9,500)
NET INCREASE IN CASH AND CASH EQUIVALENTS		103,779	40,384
CASH AND CASH EQUIVALENTS, at the beginning of the year	12,13	184,231	153,347
CASH AND CASH EQUIVALENTS, at the end of the year	12,13	278,210	184,231

On behalf of the Management of the Company:

Giorgio Parola
Acting Chairman of the Management board

March 31, 2026
Khujand, Republic of Tajikistan

Khayrulloev Firdavs
Acting Chief Financial Officer

March 31, 2026
Khujand, Republic of Tajikistan

The notes on pages 13-70 form an integral part of the financial statements. The independent auditors' report is on pages 4-7.

1. GENERAL INFORMATION

Organization and operations

Closed Joint Stock Company Microcredit Deposit-Taking Organization "IMON INTERNATIONAL" (the "Company") was established in the Republic of Tajikistan in 2008. The activity of the Company is regulated by the National Bank of Tajikistan (the "NBT"). The Company was registered in the Ministry of Justice of the Republic of Tajikistan on July 25, 2008 under number 001-4773 "A" as Limited Liability Company Micro Lending Organization "IMON INTERNATIONAL". On December 25, 2012 the Company was reorganized and re-registered in the department of registration of legal entities and private entrepreneurs under the Tax Committee of the Republic of Tajikistan as Closed Joint Stock Company Microcredit Deposit-Taking Organization "IMON INTERNATIONAL". On 22 December 2025, the Company obtained a banking license No. 0000357 from the National Bank of Tajikistan.

The core business activity of the Company is providing loans to legal entities and individuals, and attraction of deposits.

Registered office of the Company is located in building No. 2, microdistrict No. 17, Khudjand, the Republic of Tajikistan. The Head Office of the Company is located in Khudjand. As at December 31, 2025 and 2024 on the territory of the Republic of Tajikistan the Company had 27 branches.

As at December 31, 2025 and 2024 the Company had 1,463 and 1,563 employees, respectively.

As at December 31, 2025 and 2024 structure of shareholders of the Company was as follows:

	December 31, 2025	December 31, 2024
Securitization Fund "Alternative"	52,63%	52,63%
European Bank for Reconstruction and Development (EBRD)	17,92%	17,92%
Nederlandse Financierings-Maatschappij voor Ontwinkkelingslanden	17,92%	17,92%
Mennonite Economic Development Associates (MEDA)	8,73%	8,73%
Sharipova Sanavbar Marufovna	1.35%	1.35%
Makhkamova Gulbahor Makhsudovna	1.35%	1.35%
The National Association of business women of Tajikistan	0.10%	0.10%
	100%	100%

In September 2024, the Securitization Fund "Alternative" purchased the share of OJSC "Pettelaar Effectenbewaarbedrijf N.V." in full, thereby increasing the share in the authorized capital of the Company from 42.66% to 52.63%.

The financial statements were approved by the management of the Company on March 28, 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 and Interpretations issued by the International Financial Reporting Interpretations Committee.

Functional and reporting currency

Items included in the Company's financial statements are estimated using the currency that best reflects the economic substance of the underlying events and circumstances related to the Company (the "functional currency"). The functional and reporting currency of the accompanying financial statements is Tajik somoni (the "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 Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company reflects purchasing and sale of financial assets and liabilities, which have regular nature at the date of settlements.

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 at fair value through profit or loss, is adjusted for transaction costs, directly related to the acquisition of a financial asset or financial liability origination. The principles of subsequent valuation of financial assets and liabilities are disclosed in appropriate accounting policies set out below.

The Company classifies financial assets in the following main 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 Company used to manage financial assets;
b) Characteristics of the financial asset and the contractual cash flows.

Business model

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

The Company 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 Company'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 Company conducts an SPPI test (the "SPPI test") for each debt financial asset. During this assessment the Company 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 arrangement. If the contractual terms include any risk or volatility that does not correspond to the basic lending arrangement, the relevant financial asset is classified and measured at fair value through profit or loss.

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

Financial assets measured at amortized cost:

a) The objective of the Company'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 Company 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.

Even if an instrument meets the two requirements to be measured at amortized cost or FVOCI, the Company has an option to designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing 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 Company 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 Company 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 Company 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 Company 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 Company does not restate any previously recognized 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 group of similar financial assets) ceases when:

- the rights to receive cash flows from the asset have ceased;
- the Company 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 Company 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 Company reviews or modifies the contractual cash flows for a financial asset, the Company assesses how significant is a change between the original conditions and the new ones.

If new conditions differ significantly, the Company 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 Company calculates revised expected credit losses and determines whether there is a significant increase in credit risk. However, the Company also evaluates whether a newly recognized financial asset is considered to be impaired upon initial recognition, especially in cases where 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 Company 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 a 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 32.

Classification and subsequent accounting of financial liabilities

The Company 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 an 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 Company; 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 Company 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 Company's financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to set off 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 of financial instruments in the presented comparative period

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”. Classification of financial assets to a particular category depends on their features and acquisition objectives at the time of their recognition in the financial statements of the Company.

Investment securities. Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Comapny intends and has the ability to hold to maturity are recognized as HTM financial assets. Investment securities are measured at amortized cost using the effective interest method, less any allowance for ECL.

If the Company sells or reclassifies Investment securities by more than a small amount before the maturity (except for certain circumstances), the entire category must be reclassified into financial assets available for sale. In addition, the Companhy will not be allowed to classify 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 traded on an organized market, due from banks, loans to customers, and other financial assets are classified as “loans and receivables”. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables, for which interest income is negligible.

Fair value through profit or loss includes financial assets that are:

1. Classified as trading:

- assets acquired or liabilities assumed mainly for sale or repurchase in the near future;
- are part of a portfolio of financial instruments that are jointly managed and, according to available evidence, are used to generate short-term profits;
- are derivative financial instruments (except for effective hedging instruments).

2. Classified by the Company as measured at fair value through profit or loss at the time of initial recognition.

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

Accounting of financial liabilities was basically the same as in accordance with IFRS 9, with the exception for profit and loss arising from the Bank’s own credit risk associated with liabilities measured at FVTPL. Such changes are reflected in OCI without subsequent reclassification into the statement of profit or loss.

Cash and cash equivalents

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

Due from banks

During ordinary activity the Company allocates funds and deposits in banks on different periods. Due from banks initially recognized at fair value. Due from banks are subsequently evaluated at amortized cost using the effective interest method. Due from credit institutions are taken into account after deduction of any provision for expected credit losses.

Derivatives

During ordinary activity the Company concludes agreements on various derivative financial instruments. Derivatives are initially recognized at fair value at the date of the contract for a derivative and are subsequently revaluated to their fair value at each balance sheet 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 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 Company 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 income statement in accordance with the nature of such damages. Subsequently, loans are taken into account at amortized cost using the effective interest rate. 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 expected credit loss. Loans and provided funds are written - off after taking by management of the Company measures to recover amounts owed to the Company and after selling by the Company all available collateral. Subsequent recoveries of previously written-off amounts are reflected as an offset to the charge for impairment of financial assets in the statement of profit or loss in the period of recovery.

Allowance for expected credit loss

The Company recognizes an estimated allowance for expected credit losses (the “ECL”) on loans issued. The Company 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 Company’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 Company 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
c) 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 Company creates an estimated allowance for expected credit losses on the following financial instruments that are not measured at fair value through 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 Company 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 Company 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 Company);
- *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 Company; and
- *for financial guarantee contracts:* expected payments to the holders of the contracts, less any amounts that the Company 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 Company 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 group of financial assets.

More detailed information on calculation of expected credit losses is provided in Note 32.

The Company calculates allowance for expected credit loss 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, equipment and intangible assets

Property and equipment and intangible assets are accounted at historical cost, excluding buildings and constructions accounted for at revalued amounts which includes cost of purchase, delivery and all associated expenses necessary for putting an asset into operating condition less accumulated depreciation.

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

Buildings and constructions	2,5%
Furniture and fixtures	10%
Vehicles	10%
Improvement of rent premises	12,5%
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 income statement within operating expenses as incurred unless they meet the requirements for capitalization.

On each reporting date the Company estimates whether the carrying value of fixed and intangible assets does not exceed the replacement cost. Replacement cost is a higher value of fair value less costs to sell and value in use. In case of exceeding the carrying value of fixed and intangible assets over their replacement value the Company reduces the carrying value of fixed assets to their replacement cost. After the recognition of an impairment loss the depreciation charge for fixed assets is adjusted in future periods to allocate the revised carrying value of assets, less its residual value (if any) over the remaining useful life.

Leases

The Company leases offices. Rental contracts are typically made for fixed periods but may have extension options. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Payments associated with short-term leases of offices, premises and equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and probability to extend the lease contract is very low.

Income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial significant direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Long-term assets held for sale

The Company recognizes long-term assets as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. At the same time, these assets must be ready for immediate sale in their present condition and probability of their sale during the year since 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. In case of excess of carrying amount over fair value less costs to sell, the Company recognizes impairment loss in statement of profit and loss. Any subsequent increase in fair value less costs to sell is recognized in amount not exceed the amount of accumulated impairment losses previously recognized.

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company'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. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. 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 Company 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 Company conducts netting of deferred tax assets and liabilities and reflects summary difference in the financial statement, if:

- The Company 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 Company's activities in the Republic of Tajikistan where the Company performs its activities.

Borrowings

Borrowings are initially recognized at fair value. Subsequently received amounts are reflected at amortized cost and difference between the carrying and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings and notes payable using the effective interest method within interest expense.

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 is treated as an event after the balance sheet date under IAS 10 “Events after the Reporting Period” and information about it is disclosed accordingly.

General reserves

The Company creates a reserve for future operations, which is formed by mandatory annual deductions according to the decision of the Supervisory Board. This reserve is intended solely to cover the losses of the Company and repurchase shares in the absence of other funds. The decision on the use of the reserve fund of the Company is also taken by the Supervisory Board upon preliminary approval of the annual report.

Pension liabilities

In accordance with the laws of the Republic of Tajikistan the Company 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 the period, which includes appropriately payment for employees. At retirement, all pension payments are implemented by above mentioned pension fund. The Company does not have any pension arrangements separate from the State pension system of the Republic of Tajikistan. In addition, the Company has no benefits provided to employees upon retirement, or other significant compensated benefits requiring accrual.

Recognition of interest income and expense

Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost, interest rate derivatives for which hedge accounting is applied and the related amortisation/recycling effect of hedge accounting. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset’s expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

The IBOR reform Phase 2 amendments allow as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

Interest and similar income/expense

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.
In its Interest income/expense calculated using the effective interest method, the Company only includes interest on those financial instruments that are set out above.
Other interest income/expense includes interest on derivatives in economic hedge relationships and all financial assets/liabilities measured at FVPL, other than those held for trading, using the contractual interest rate.

Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in 'Net trading income'.
The Company calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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 income statement 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 income statement 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 operations.

Exchange rate

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

	December 31 2025	December 31 2024
Tajik somoni / US dollar	9.2513	10.9325
Tajik somoni / Euro	10.8916	11.4223
Tajik somoni / Russian rouble	0.1181	0.1114

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 Company, the disclosure of contingent assets and liabilities at the balance sheet date and there ported amounts of revenues and expenses during the reporting period. The Company'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 Company.

Leases

The two main areas of judgment with regards to quantification of the ROU asset and lease liability are the determination of lease term and the discount rate.

Determining lease term

The Company's expectation of exercising the option to renew a lease will be determined by assessing if the Company is "reasonably certain" to exercise that option. The Company will be reasonably certain to exercise an option when factors create a significant economic incentive to do so. This assessment will require a significant level of judgement as it is based on current expectations of future decisions. The lease term will have an impact on the calculation of the ROU asset and the lease liability; the longer the lease term, the higher the ROU asset and the related lease liability. Changes in the economic environment may impact the Company's assessment of lease term, and any changes in the estimate of lease terms may have a material impact on the Company's ROU assets and lease liabilities.

Discount rate

At commencement date, the Company measures the lease liability at the present value of the future lease payments, discounted using the Company's incremental borrowing rate. The Company will consider a broad range of factors to determine the appropriate discount rate. These will include the Company's credit risk, term of the lease, the economic environment and geographical location in which the lease is entered into.

Allowance for expected credit loss of loans and accounts receivable

The Company regularly reviews its loans for impairment. Reserves of the Company's expected credit losses established to recognize incurred impairment losses in its portfolio of loans and receivables. The Company considers accounting estimates related to the allowance for expected credit loss 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 Company requires from the Company to create reserves, which could have a material impact on its financial statements in future periods.

The Company uses management judgment to estimate the amount of any expected credit losses in cases where the borrower has financial difficulties and there is little historical data relating to similar borrowers. Analogously, the Company 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 group, as well as national or local economic conditions that correlate with defaults on assets in this group. 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 group of loans. The Company uses an assessment of Management for adjusting the available data on a group of loans to reflect current circumstances not reflected in historical data.

It should be taken into account that the assessment of expected credit losses includes a subjective factor. The Company's management believes that the amount of the recognized impairment is sufficient to cover losses incurred on assets subject to risks at the reporting date, taking into account forecast data, although it is possible that in certain periods the Company may incur losses greater than the created reserve for expected credit losses.

The allowances for expected credit losses on financial assets in the financial statements have been determined on the basis of existing economic conditions. As at December 31, 2025 and 2024 the carrying amount of the allowance for expected credit loss losses on loans to customers amounted to 33,144 thousand somoni and 16,209 thousand somoni, respectively (Note 16).

Calculation of the fair value of unquoted securities

Due to the limited market tools and the number of observed transactions on the purchase and sale of securities in the Republic of Tajikistan, the Company uses alternative methods for estimating the market value of securities at fair value through other comprehensive income or fair value through profit or loss. These estimates may differ from the market value of the securities if there was an active market or a transaction with a third party.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Bank has applied the following new or revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (hereinafter referred to as the "IFRIC"), which became effective for the Bank's annual financial statements for the year ended 31 December 2025:

• Lack of Exchangeability — Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – effective from 1 January 2025.

The amendments provide guidance on assessing whether one currency can be exchanged into another and on determining the exchange rate when a currency is not freely exchangeable (i.e., when there is no exchange market). They also introduce new disclosure requirements enabling users to assess the impact of lack of exchangeability on the entity's financial performance and cash flows.

• Classification and Measurement of Financial Instruments — Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” – effective from 1 January 2025. The amendments clarify the classification rules for financial assets with ESG (environmental, social, and governance) characteristics. They also provide clarification regarding the derecognition date of financial liabilities settled through electronic payment systems and expand disclosure requirements for such instruments.

The Company 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 Company’s financial statement for the year ended December 31, 2025:

- The amendment COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16) provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.;
- The amendment to IAS 37 Provisions, contingent liabilities and contingent assets onerous contracts” - cost of fulfilling a contract. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).;
- The amendment to Reference to the Conceptual Framework (Amendments to IFRS 3). The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.
- The amendment to IAS 41 removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Annual Improvements to IFRS Standards 2018-2020: The amendment to IAS 16 Property, plant and equipment - proceeds before intended use. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- Annual Improvements to IFRS Standards 2018-2020: The amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs.
- Annual Improvements to IFRS Standards 2018-2020: The amendment to IFRS 9 Financial instruments – clarifies which fees an entity includes when it applies the 10 per cent test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
- Annual Improvements to IFRS Standards 2018-2020: The amendment to IFRS 16 Leases - removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

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

The adoption of new or revised standards did not have a material impact on the Bank’s financial position or results of operations.

NEW AND REVISED IFRSs ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards, and interpretations were not yet effective as at 31 December 2025 and have not been applied in preparing these financial statements. Of these developments, the following standards and amendments may potentially affect the Bank's financial and operating activities. The Bank plans to adopt these standards and amendments when they become effective. An analysis of the possible impact of the new standards on the Bank's financial statements has not yet been performed.

As at the date of approval of these financial statements, the following new standards and interpretations had been issued but were not yet effective, and the Bank has not early adopted them:

• Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" (issued in May 2024 and effective for annual reporting periods beginning on or after 1 January 2026). The amendments clarify the classification of financial assets and the derecognition of financial liabilities settled using electronic payment systems, and also introduce disclosure requirements for investments in equity instruments measured at fair value through other comprehensive income and financial instruments with contingent features.

• IFRS 18 "Presentation and Disclosure in Financial Statements" (issued in April 2024 and effective for annual reporting periods beginning on or after 1 January 2027) replaces IAS 1 "Presentation of Financial Statements" and establishes general requirements for presentation and disclosure in financial statements.

• Annual Improvements to IFRS Accounting Standards – Volume 11:

- amendments to IAS 7 – "Cost Method Accounting";
- amendments to IFRS 9 – "Derecognition of Lease Liabilities";
- amendments to IFRS 10 – "Definition of a 'de facto agent'";
- amendments to the Guidance on Implementing IFRS 7 – "Disclosure of Deferred Difference between Fair Value and Transaction Price";
- amendments to IFRS 7 – "Gain or Loss on Derecognition";
- amendments to IFRS 1 – "Hedge Accounting by a First-time Adopter";
- amendments to the Guidance on Implementing IFRS 7 – "Introduction";
- amendments to the Guidance on Implementing IFRS 7 – "Disclosure of Credit Risk";
- amendments to IFRS 9 – "Transaction Price".

These amendments are not expected to have a material impact on the Bank's financial statements.

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

At the date of authorization of the financial statements, the following IFRSs and interpretations to IFRSs have been issued and adopted for annual periods beginning on or after 1 January 2024:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current#

Amendments to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as current or non-current depending on the rights that exist at the end of the reporting period. Classification is not affected by the entity's expectations or events that occur after the reporting date (for example, the receipt of a waiver or breach of a covenant).

Covenants in loan agreements do not affect the classification of a liability as current or non-current at the reporting date if the entity is required to comply with the covenants only after the reporting date. However, if an entity is required to comply with a covenant before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosure if an entity classifies a liability as non-current and the liability is subject to obligations that the entity must satisfy within 12 months of the reporting date.

The amendments also clarify what IAS 1 means when it refers to the “settlement” of a liability. Terms of an obligation that the counterparty may choose to result in its settlement by transfer of the entity's own equity instrument may be ignored only for purposes of classifying the obligation as current or long-term if the entity classifies the option as an equity instrument. However, in determining the current and non-current classification of a convertible note, the conversion options that are classified as a liability must be considered.

The amendments must be applied retrospectively in accordance with the normal requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transition rules apply if an entity has previously adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

This standard is effective for reporting periods beginning on or after January 1, 2024.This standard is applicable to the Company.

General requirements of IFRS S1 to financial disclosure related to sustainable development

IFRS S1 sets out general requirements to require an entity to disclose information about its underlying risks and opportunities that would be useful to key users of general-purpose reports in making decisions about the allocation of resources to the entity.

IFRS S1 was issued in June 2023 and is effective for annual periods beginning on or after 1 January 2024.This standard is not applicable to the Company.

IFRS S2 "Climate-Related Disclosure"

IFRS S2 sets out requirements for identifying, measuring and disclosing information about climate risks and opportunities that would be useful to key users of general-purpose reports when making decisions about the allocation of resources to the Organization.

IFRS S2 was issued in June 2023 and is effective for annual periods starting from 1 January 2024.This standard is not applicable to the Company.

Lease liabilities on sale and leaseback – Amendments to IFRS 16

In September 2022, the IASB finalized targeted amendments to the requirements for sales and leasebacks in IFRS 16 Leases, which clarify how an entity accounts for sales and leasebacks after the transaction date.

The amendments provide that, when measuring post-sale and leaseback lease liabilities, the seller-lessee defines “lease payments” and “restated lease payments” so that the seller-lessee does not recognize any gain or loss attributable to the right of use. which he saves. In particular, this may affect sales and leaseback transactions where lease payments include variable payments that are not dependent on an index or rate

Effective for annual periods beginning after January 1, 2024. This standard is not applicable to the Company.

Supplier Financing Arrangements – Amendments to IAS 7 and IFRS 7

The IASB issued new disclosure requirements for supplier finance arrangements (“SFAs”) after, in response to the IASB's decision, highlighting that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures does not meet users' information needs.

The purpose of the new disclosure is to provide information about the TTC that allows investors to assess the impact on the entity's liabilities, cash flows and exposure to liquidity risk. The new information includes the following information:

SFA Terms and Conditions.

- ✓ The carrying amounts of the financial liabilities included in the SFA and the items in which these liabilities are presented.
- ✓ The carrying amount of financial liabilities in (b) for which suppliers have already received payments from financing providers.
- ✓ Range of payment terms for both financial obligations that are part of SFAs and comparable trade payables that are not part of such agreements.
- ✓ Non-cash changes in the carrying amount of financial liabilities in paragraph (b).
- ✓ Access to SFA credit and concentration of liquidity risk with financing providers.

The IASB provided a transition measure by not requiring comparative information in the first year and by not requiring disclosure of specified opening balances. In addition, the required disclosures apply only to annual periods during the first year of filing. Therefore, new information must be provided no earlier than the December 2024 annual financial statements, unless the entity's fiscal year is less than 12 months. This standard is applicable to the Company.

These amendments are effective for annual periods beginning on or after 01 January 2024 and are applied retrospectively.

The Company is currently analyzing the possible impact of these amendments on the current activities of the Company.

Lack of Exchangeability (Amendments to IFRS (IAS) 21)

The amendments provide guidance on when a currency is exchangeable and how to determine the exchange rate when it is not exchangeable.

Published on August 15, 2023, and effective for annual reporting periods beginning on or after January 1, 2025. This standard is applicable to the Company.

Amendments to SASB Standards to Enhance Their International Applicability

The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards without making significant changes to industries, topics, or metrics.

Published on December 19, 2023, and effective for annual reporting periods beginning on or after January 1, 2025. These amendments will not be approved for use in the EU. This standard is not applicable to the Company.

Amendments to IFRS 9 and IFRS 7 on Classification and Measurement of Financial Instruments

The amendments address issues identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

Published on May 30, 2024, and effective for annual reporting periods beginning on or after January 1, 2026. Not yet approved for use in the EU. This standard is not applicable to the Company.

Annual Improvements to IFRS Accounting Standards – Volume 11#

The statement includes the following amendments:

- ✓ IFRS 1: Hedge accounting for a first-time adopter of IFRS
- ✓ IFRS 7: Gain or loss on derecognition
- ✓ IFRS 7: Introduction and disclosure of credit risk information
- ✓ IFRS 9: Derecognition of lease liabilities by a lessee
- ✓ IFRS 9: Transaction price
- ✓ IFRS 10: Definition of a "de facto agent"
- ✓ IFRS 7: Cost accounting method

Published on July 18, 2024, and effective for annual reporting periods beginning on or after January 1, 2026. Not yet approved for use in the EU. Some of these standards are applicable to the Company.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 establishes presentation and disclosure requirements for all entities applying IFRS in their financial statements.

Published on April 9, 2024, and effective for annual reporting periods beginning on or after January 1, 2027. This standard is applicable to the Company.

In April 2024, the IFRS Board issued IFRS 18, which will replace IAS 1. While some sections of IAS 1 have been transferred to the new standard with minor modifications, IFRS 18 introduces new requirements for presenting information in the statement of profit or loss, including specific subtotals and intermediate amounts. The standard also requires the disclosure of management-defined performance measures and introduces new requirements for aggregating and disaggregating financial information based on the function of primary financial statements and notes.

As aresult of the new standard, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, and certain requirements previously included in IAS 1 have been moved to IAS 8, which has been renamed IAS 8 – Basis of Preparation of Financial Statements.

The new requirements are expected to affect all reporting entities. IFRS 18 and all related amendments take effect for reporting periods beginning on or after January 1, 2027, and must be applied retrospectively. Early adoption is permitted. Organizations are strongly encouraged to begin analyzing the new requirements now. Many entities will need to identify and collect information differently, which in some cases may require significant modifications to their internal information systems.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 sets out disclosure requirements that an eligible subsidiary may apply instead of the disclosure requirements prescribed by other IFRS accounting standards.

Published on May 9, 2024, and effective for annual reporting periods beginning on or after January 1, 2027. This standard is applicable to the Company.

These amendments take effect for annual reporting periods beginning on or after January 1, 2025, and must be applied retrospectively.

The Company is currently analyzing the potential impact of these amendments on its ongoing

4. NET INTEREST INCOME

Interest income and expenses of the Company for the years ended December 31, 2025 and 2024 are as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest income includes:		
Interest income from financial assets measured at amortized cost:		
unimpaired financial assets	604,255	506,918
impaired financial assets	4,484	3,955
Total interest income on financial assets measured at amortized cost	608,739	510,873
Interest income from investment securities measured at fair value	200	232
Other	201	258
Total interest income	609,140	511,363
Interest expenses includes:		
Interest expenses on financial liabilities measured at amortized cost:		
Borrowings	161,327	145,039
Customer account	143,894	126,194
Lease liabilities	4,671	4,243
Other	133	8
Total interest expenses on financial liabilities measured at amortized cost	310,025	275,484
Net interest income	299,115	235,879

5. COMMISSION INCOME AND EXPENSES

Commission income and expenses of the Company for the years ended December 31, 2025 and 2024 are as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Commission income		
Money transfers	7,527	5,391
Account settlements	771	841
	8,298	6,232
Commission expenses		
Service	8,408	6,923
Settlement transactions	1,161	1,748
Other	303	440
	9,872	9,111

6. NET LOSS ON OPERATIONS WITH FINANCIAL INSTRUMENTS, AT FAIR VALUE THROUGH PROFIT AND LOSS

Net loss on operations with financial instruments at fair value through profit and loss of the Company for the years ended December 31, 2025 and 2024 comprises:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Foreign exchange differences	(1,490)	1,613
Interest expenses on SWAP transactions	1,714	1,837
	224	3,450

7. NET GAIN ON FOREIGN EXCHANGE OPERATIONS

Net gain on foreign exchange operations of the Company for the years ended December 31, 2025 and 2024 comprises:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Dealing operations, net	13,012	8,976
Foreign exchange differences, net	(6,141)	(1,999)
	6,871	6,977

8. ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON OTHER ASSETS

Accrual of allowance for impairment losses on other assets of the Company for the years ended December 31, 2025 and 2024 was as follows:

	Due from banks	Other assets	Long-term assets held for sale	Total
at December 31, 2023	2,279	492	646	3,417
Accrual / (recovery)	(135)	16	386	267
Write-off	-	-	(351)	(351)
at December 31, 2024	2,144	508	681	3,333
Accrual / (recovery)	(233)	125	409	301
Write-off	-	-	(25)	(25)
at December 31, 2025	1,911	633	1,065	3,609

9. OTHER INCOME, NET

Other income of the Company for the years ended December 31, 2025 and 2024 comprise:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Dividends	126	83
Gain / (loss) on disposal of property and equipment	36	10
Modification of lease agreements	-	(7)
Other	2,265	1,423
	2,427	1,509

10. OPERATING EXPENSES

Operating expenses of the Company for the years ended December 31, 2025 and 2024 comprise:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Salaries and bonuses	107,027	96,463
Contributions to the social fund	20,824	19,266
Depreciation of property and equipment and intangible assets	12,145	12,098
Professional service fees	10,809	4,490
Depreciation of right-of-use assets	8,927	8,577
Membership fees and contributions	5,086	3,892
Security	3,897	3,891
Advertising	3,516	3,144
Fuel	2,496	2,816
Communication expenses	2,407	2,089
Utilities	2,076	1,926
Business trip expenses	2,050	1,958
Office supplies	1,855	1,920

	For the year ended December 31, 2025	For the year ended December 31, 2024
Representation expenses	1,312	1,054
Premises rent	812	1,194
Accrual / (reversal) for unused vacations	637	(851)
Repair and maintenance of property and equipment	484	533
Taxes (other than income tax)	414	393
Charitable purposes and sponsorship assistance	266	1,058
Other	13,757	12,986
	200,797	178,897

11. INCOME TAX

The Company measures and records its current income tax payable and its tax bases in its assets and liabilities in accordance with the tax regulations of the Republic of Tajikistan, which may differ from IFRS. For the years ended December 31, 2025 and 2024 income tax rate for legal entities was equal to 20% on the territory of the Republic of Tajikistan.

The Company 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, 2025 and 2024 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, 2025	For the year ended December 31, 2024
Current income tax expense	21,454	11,958
Deferred income tax expense	(2,917)	3,906
Income tax expense	18,537	15,864

Reconciliation of tax and accounting profits for the years ended December 31, 2025 and 2024 is as follows:

	For the year ended December 31, 2025	Effective tax rate	For the year ended December 31, 2024	Effective tax rate
Profit before income tax	79,897		59,883	
Tax at the statutory tax rate	15,979	20%	11,977	20%
Tax effect of permanent differences	2,558	-	3,887	-
Income tax expense	18,537		15,864	

Tax effect from temporary differences as at December 31, 2025 and 2024 is presented below:

	December 31, 2025	December 31, 2024
Deferred income tax assets:		
Lease liabilities	24,887	22,678
Financial instruments at fair value through profit or loss	-	1,490
Provision of unused vacations	13,816	4,101
Allowance for expected credit losses on due from banks	1,911	2,144
Total deferred income tax assets	40,614	30,413
Deferred income tax liabilities:		
Right of use assets	20,608	18,913
Allowance for expected credit losses on loans granted to customers	15,798	22,013
Allowance for long-term assets held for sale	984	849
Total deferred income tax liabilities	37,390	41,775
Net deferred income tax assets/(liabilities)	3,224	11,362
Net deferred income tax assets/(liabilities) at statutory tax rate (20%) for 2025	645	2,272

12. CASH AND CASH EQUIVALENTS

As at December 31, 2025 and 2024 cash and cash equivalents of the Company presented in the statement of financial position consisted of the following:

	December 31, 2025	December 31, 2024
Cash on hand	124,878	85,957
Current account at the National Bank of Tajikistan	82,322	75,148
	207,200	161,105

Cash and cash equivalents presented in the Statement of cash flows, in addition to the amounts stated above, also include amounts due from banks disclosed in Note 13.

13. DUE FROM BANKS

As at December 31, 2025 and 2024 due from banks of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Correspondent accounts with local banks	66,692	16,731
Correspondent accounts with foreign banks	6,229	8,539
Allowance for expected credit losses	(1,911)	(2,144)
	71,010	23,126

14. RESTRICTED FUNDS

As at December 31, 2025 and 2024 restricted funds comprise of the following:

	December 31, 2025	December 31, 2024
Guaranteed amount for banking transactions	43,816	45,720
Obligatory reserve in NBT	8,614	34,975
	52,430	80,695

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at December 31, 2025 and 2024 financial instruments at fair value through profit or loss of the Company comprise of the following:

	December 31, 2025	December 31, 2024
Contracts for purchase and sale of foreign currency	379	335
Interest payable	828	983
	1,207	1,318

16. LOANS TO CUSTOMERS

As at December 31, 2025 and 2024 loans to customers of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Loans to customers	2,099,369	1,887,952
Interest accrued	28,989	28,006
Unamortized portion of commission income on loans to customers	(8,841)	(9,189)
Allowance for expected credit losses	(33,144)	(16,209)
	2,086,373	1,890,560

Breakdown of loans by sectors is presented below:

	December 31, 2025	December 31, 2024
Consumer loans	928,440	759,181
Agriculture and livestock	660,378	588,363
Services	222,336	262,297
Trade	134,120	82,050
Construction	127,443	153,044
Manufacture	25,577	38,647
Other	21,223	23,186
Allowance for expected credit losses	(33,144)	(16,209)
	2,086,373	1,890,560

The table below summarizes carrying value of loans to customers analyzed by type of collateral:

	December 31, 2025	December 31, 2024
Guarantee	783,047	656,719
Unsecured	693,919	603,061
Movable property	297,193	283,910
Mixed collateral	236,469	268,608
Real estate	104,524	89,205
Jewelry	4,365	5,266
Allowance for expected credit losses	(33,144)	(16,209)
	2,086,373	1,890,560

As at December 31, 2025 and 2024 the loan portfolio of 2,086,373 thousand somoni and 1,890,560 thousand somoni (including accrued interest and allowance), respectively, were issued to clients operating on the territory of the Republic of Tajikistan which represent significant geographical concentration and the maximum size of credit risk.

The table below presents information on the credit quality of loans to customers measured at amortized cost as at 31 December 2025. The amounts presented represent the gross carrying amount of financial assets by assessment stages used for impairment calculation.

	12-month ECL	Lifetime ECL Non-impaired Loans	Lifetime ECL Credit-impaired Loans	Total
As of December 31, 2023	1,488,018	5,411	6,638	1,500,067
Assets recognized during the period	2,371,957	-	-	2,371,957
Transfer to Stage 1	570	(515)	(55)	-
Transfer to Stage 2	(3,238)	3,274	(36)	-
Transfer to Stage 3	(2,917)	(95)	3,012	-
Assets repaid (excluding written-off assets)	(1,978,513)	(1,392)	(6,039)	(1,985,944)
Recovery of written-off assets	-	-	15,096	15,096
Write-off	-	-	(13,224)	(13,224)
As of December 31, 2024	1,875,877	6,683	5,392	1,887,952
Assets recognized during the period	2,482,570	-	-	2,482,570
Transfer to Stage 1	193	(193)	-	-
Transfer to Stage 2	(5,240)	5,245	(5)	-
Transfer to Stage 3	(7,187)	(216)	7,403	-
Assets repaid (excluding written-off assets)	(2,267,774)	(1,740)	7,046	(2,262,468)
Recovery of written-off assets			15,321	15,321
Write-off			(24,006)	(24,006)
As of December 31, 2025	2,078,439	9,779	11,151	2,099,369

The table below presents an analysis of movements in the allowance for expected credit losses (ECL) on loans to customers for 2025 and 2024:

	12-month ECL	Lifetime ECL Non-impaired Loans	Lifetime ECL Credit-impaired Loans	Total
As of December 31, 2023	12,334	1,150	1,864	15,348
Transfer to Stage 1	5	(5)	-	-
Transfer to Stage 2	(1,435)	1,451	(16)	-
Transfer to Stage 3	(1,569)	(56)	1,625	-
Accrual / (recovery)	1,963	(231)	(2,743)	(1,011)
Recovery of written-off assets	-	-	15,096	15,096
Write-off	-	-	(13,224)	(13,224)
As of December 31, 2024	11,298	2,309	2,602	16,209
Transfer to Stage 1	10	(10)	-	-
Transfer to Stage 2	(1,996)	1,998	(2)	-
Transfer to Stage 3	(3,922)	(145)	4,067	-
Accrual / (recovery)	18,311	(658)	7,967	25,620
Recovery of written-off assets	-	-	15,321	15,321
Write-off	-	-	(24,006)	(24,006)
As of December 31, 2025	23,702	3,494	5,948	33,144

Movement in the allowance for loans to customers presented below:

	ECL on loans to customers
December 31, 2023	15,348
Recovery of allowance	(1,011)
Recovery of written-off assets	15,096
Assets written-off	(13,224)
December 31, 2024	16,209
Accrual of allowance	25,620
Recovery of written-off assets	15,321
Assets written-off	(24,006)
December 31, 2025	33,144

Information on the quality of loans to customers as at December 31, 2025 is provided below:

	Gross loans	Impairment allowance	Net loans	Impairment allowance to gross loans, %
not overdue	2,051,333	(20,152)	2,031,181	1%
overdue less than 30 days	49,392	(2,685)	46,707	5%
overdue for period from 31 to 60 days	6,567	(2,668)	3,899	41%
overdue for period from 61 to 90 days	3,070	(1,641)	1,430	53%
overdue for period from 91 days to 120 days	3,055	(1,955)	1,100	64%
overdue for period from 121 days to 150 days	2,426	(1,773)	653	73%
overdue for period from 151 days to 180 days	1,865	(1,127)	738	60%
overdue more than 181 days	1,809	(1,143)	665	63%
	2,119,517	(33,144)	2,086,373	

Information on the quality of loans to customers as at December 31, 2024 is provided below:

	Gross loans	Impairment allowance	Net loans	Impairment allowance to gross loans, %
not overdue	1,861,558	(10,042)	1,851,516	1%
overdue less than 30 days	33,205	(1,257)	31,948	4%
overdue for period from 31 to 60 days	4,339	(1,279)	3,060	29%
overdue for period from 61 to 90 days	1,845	(772)	1,073	42%
overdue for period from 91 days to 120 days	1,958	(934)	1,024	48%
overdue for period from 121 days to 150 days	1,695	(846)	849	50%
overdue for period from 151 days to 180 days	1,219	(533)	686	44%
overdue more than 181 days	950	(546)	404	29%
	1,906,769	(16,209)	1,890,560	

17. INVESTMENT SECURITIES

As at December 31, 2025 and 2024 investment securities of the Company consisted of the following:

	December 31, 2025	December 31, 2024
“Credit Information Bureau of Tajikistan” LLC	324	213
OJSC “HPP Rogun”	203	203
	527	416

The increase in the investment in “Credit Information Bureau of Tajikistan” LLC was due to an increase in the company’s charter capital, as a result of which the ownership interest of each participant was increased proportionally.

The shares of OJSC “HPP Rogun” and “Credit Information Bureau of Tajikistan” LLC are accounted for at fair value through other comprehensive income due to infrequent transactions and the absence of an active market for these financial instruments.

18. PROPERTY AND EQUIPMENT

As at December 31, 2025 and 2024 property and equipment of the Company consisted of the following:

	Buildings and constructions	Furniture and office equipment	Vehicles	Improvement of leased property	Total
Cost					
December 31, 2022	112,107	52,152	4,443	1,336	170,038
Additions	-	6,487	-	286	6,773
Revaluation	-	94	-	(94)	-
Disposals	-	(1,184)	(65)	(58)	(1,307)
December 31, 2024	112,107	57,549	4,378	1,470	175,504
Additions	-	24,838	216	438	25,492
Internal movement	-	(1,556)	(392)	(18)	(1,966)
Disposals	-	-	-	-	-
December 31, 2025	112,107	80,833	4,202	1,889	199,031
Accumulated depreciation					
December 31, 2022	70,979	34,379	1926	813	108,097
Charge for the year	2,803	4,565	-	100	7,468
Disposal	-	(1,156)	(65)	(41)	(1,262)
December 31, 2024	73,782	37,788	1,861	872	114,303
Charge for the year	2,803	4,841	-	121	7,765
Disposals	-	(1,397)	(392)	(15)	(1,804)
December 31, 2025	76,585	41,232	1,469	978	120,264
Net book value					
at December 31, 2025	35,522	39,601	2,733	911	78,767
at December 31, 2024	38,325	19,761	2,517	598	61,202

In 2024, the Company revalued its owned buildings by independent appraisers. As a result of this appraisal, the cost of the Company's buildings increased in the amount of 35,679 thousand somoni.

19. INTANGIBLE ASSETS

As at December 31, 2025 and 2024 intangible assets are presented as follows:

	Intangible assets
At cost	
December 31, 2023	40,166
Additions	849
Disposal	-
December 31, 2024	41,015
Additions	8,020
Disposal	-
December 31, 2025	49,035
Accumulated amortization	
December 31, 2022	12,909
Charge for the year	4,631
Disposal	-
December 31, 2024	17,540
Charge for the year	4,381
Disposal	-
December 31, 2025	21,921
Net book value	
December 31, 2025	27,114
December 31, 2024	23,475

20. LEASES

As at December 31, 2025 and 2024 right-of-use assets and lease liabilities of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Right-of-use assets		
Buildings	20,608	18,913
	20,608	18,913

	December 31, 2025	December 31, 2024
Lease liabilities		
Current	10,208	9,435
Non-current	14,679	13,243
	24,887	22,678

	For the year ended December 31, 2025	For the year ended December 31, 2024
Amortization charge of right-of-use assets		
Buildings	50,241	41,314
	50,241	41,314

	Right-of-use assets	Lease liabilities
December 31, 2022	14,072	17,417
Additions	6,152	6152
Modification	7,159	7,159
Amortization expenses	(8,578)	-
Interest expense		4,244
Other income	108	114
Payments	-	(12,408)
December 31, 2024	18,913	22,678
Addition	8,210	8,210
Modification	2,412	2,412
Amortization expenses	(8,927)	-
Interest expense	-	4,671
Payments	-	(13,084)
December 31, 2025	20,608	24,887

21. LONG-TERM ASSETS HELD FOR SALE

As at December 31, 2025 and 2024 long-term assets held for sale of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Houses	2,017	2,017
Apartments	106	234
Allowance for impairment losses	(1,065)	(681)
	1,058	1,570

As at December 31, 2025 and 2024 long-term assets held for sale are presented by real estate and movable property transferred to possession of the Company. Allowance for impairment losses was created for these assets. Estimation of required amount of allowance at the reporting date is provided by management of the Company based on the information available at the time of issue of these financial statements and fully reflects the probability of non-receipt of compensation by the Company.

22. OTHER ASSETS

As at December 31, 2025 and 2024 other assets of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Other financial assets		
Accounts receivable	5,971	10,383
Accounts receivable from money transfer systems	3,472	2,014
Other	527	449
Allowance for expected credit losses	(633)	(508)
Total other financial assets	9,337	12,338
Other non-financial assets		
Prepayments	6,254	6,074
Inventories	2,543	1,856
Other	1,739	708
Total other non-financial assets	10,536	8,638
	19,873	20,976

23. DUE TO BANKS AND FINANCIAL INSTITUTIONS

As at December 31, 2025 and 2024 Due to banks and financial institutions of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Term deposit	20,000	28,000
Correspondent accounts	5,633	4,914
	25,633	32,914

24. CUSTOMER ACCOUNTS

As at December 31, 2025 and 2024 customer accounts of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Time deposits	953,507	817,271
Saving deposits	127,546	109,726
Demand deposits	51,688	27,084
Accrued interest payable	1,893	1,817
	1,134,633	955,898

25. BORROWINGS

As at December 31, 2025 and 2024 borrowings of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Loans received	858,538	798,293
Special government funds	55,691	70,624
Accrued interest payable	31,715	35,816
Unamortized portion of front-end commission on borrowings	(5,922)	(5,526)
	940,022	899,207

As at December 31, 2025 and 2024 loans received and special government funds comprise of the following:

Borrower	Currency	Maturity	31.12.2025	31.12.2024
State Savings Bank "Amonatbonk"	TJS	01.09.28	70,000	-
IFC	TJS	01.07.27	42,662	53,328
Agents for Impact	TJS	01.12.27	40,494	-
Agents for Impact	TJS	01.12.27	39,628	-
Фонд "Альтернатив"	TJS	01.09.28	28,399	-
WaterEquity	TJS	01.12.27	27,713	-
BlueOrchard Finance. S.A.	TJS	01.04.27	27,395	27,395
BlueOrchard Finance. S.A.	TJS	01.02.27	27,391	27,391
BlueOrchard Finance. S.A.	TJS	01.02.27	27,389	27,389
BlueOrchard Finance. S.A.	TJS	01.02.27	27,369	-
BlueOrchard Finance. S.A.	TJS	01.02.27	27,369	-
BlueOrchard Finance. S.A.	TJS	01.12.26	26,804	26,804
BlueOrchard Finance. S.A.	TJS	01.12.26	26,709	26,709
responsAbility Investments AG	TJS	01.06.27	25,994	-
Ministry of Finance	TJS	01.05.27	25,901	33,795
KIVA Microfunds	USD	01.09.99	23,515	26,447
BlueOrchard Finance. S.A.	USD	01.03.27	23,128	27,331
"Inecobank"	USD	01.09.27	23,128	-
"Inecobank"	USD	01.08.27	23,128	-
Ministry of Economic Development and Trade of the RT	TJS	01.01.30	22,879	22,879
responsAbility Investments AG	TJS	01.07.26	21,546	21,546
Agents for Impact	TJS	01.12.27	19,828	-
"Inecobank"	USD	01.11.27	18,503	-
WaterEquity	TJS	01.12.27	18,475	-
BlueOrchard Finance. S.A.	TJS	01.11.26	16,432	32,864
Frankfurt School Financial Services	TJS	01.09.27	15,985	15,985
responsAbility Investments AG	TJS	01.07.27	15,834	-
MCF "Refinancing Fund"	TJS	01.10.26	15,8	18,6
KVD BSST "Sanoatsodirotbank"	TJS	01.04.26	15	15
MCF "Refinancing Fund"	TJS	01.05.28	15	-
responsAbility Investments AG	TJS	01.03.27	13,661	-
responsAbility Investments AG	TJS	01.03.27	13,661	-
BlueOrchard Finance. S.A.	TJS	01.10.26	10,96	21,921
responsAbility Investments AG	TJS	01.09.26	10,958	21,916

Borrower	Currency	Maturity	31.12.2025	31.12.2024
responsAbility Investments AG	TJS	01.09.26	10,652	10,652
KVD BSST "Sanoatsodirotbank"	TJS	01.09.26	10	-
KVD BSST "Sanoatsodirotbank"	TJS	01.12.26	10	-
EBRD	TJS	01.02.27	9,864	16,44
responsAbility Investments AG	TJS	01.07.27	7,622	-
Bank im Bistum	TJS	01.01.26	6,991	20,561
Ministry of Economic Development and Trade of the RT	TJS	01.09.27	6,911	9,675
responsAbility Investments AG	USD	01.09.26	4,626	10,933
EBRD	TJS	01.02.26	3,093	9,279
EBRD	USD	01.02.27	2,775	5,466
responsAbility Investments AG	TJS	01.05.26	2,725	8,174
responsAbility Investments AG	TJS	01.05.26	2,725	8,174
Frankfurt School Financial Services	USD	01.01.26	2,313	8,199
Frankfurt School Financial Services	USD	01.04.26	2,313	8,199
EBRD	TJS	01.01.26	2,056	6,168
EBRD	USD	01.02.26	925	3,28
Bank im Bistum	TJS	01.03.25	-	21,827
IFC	TJS	01.07.25	-	10,204
Agents for Impact	TJS	01.07.25	-	21,842
WaterEquity	TJS	01.12.25	-	16,4
KVD BSST "Sanoatsodirotbank"	TJS	01.08.25	-	10
KVD BSST "Sanoatsodirotbank"	TJS	01.12.25	-	10
OJSC “Eskhata bank”	TJS	01.12.25	-	40
Agents for Impact	TJS	01.04.25	-	27,287
Agents for Impact	TJS	01.05.25	-	27,285
State Savings Bank "Amonatbonk"	TJS	01.03.25	-	25
EBRD	USD	01.10.25	-	2,187
EBRD	TJS	01.10.25	-	6,129
EBRD	TJS	01.10.25	-	4,086
IFC	TJS	01.07.25	-	10,259
Obviam AG	TJS	01.12.25	-	11,3
State Savings Bank "Amonatbonk"	TJS	01.03.25	-	25
Ministry of Finance	TJS	01.05.25	-	2,468
Obviam AG	TJS	01.12.25	-	8,667
Obviam AG	TJS	01.12.25	-	8,64
MCF "Refinancing Fund"	TJS	01.05.25	-	4,121
MCF "Refinancing Fund"	TJS	01.05.22	-	1,909
Ministry of Economic Development and Trade of the RT	TJS	01.04.25	-	1,807
			914,229	**868,917**

26. OTHER LIABILITIES

As at December 31, 2025 and 2024 other liabilities of the Company consisted of the following:

	December 31, 2025	December 31, 2024
Other financial liabilities		
Accounts payable	14,568	6,405
Provision for unused vacation	3,605	2,968
Other	2,517	2,224
Total other financial liabilities	20,690	11,597
Other non-financial liabilities		
CIT payable	9,097	3,230
Other taxes payable	3,760	4,109
Other		-
Total other non-financial liabilities	12,857	7,339
	33,547	18,936

27. SHARE CAPITAL

As at December 31, 2025 and 2024 share capital of the Company consisted of the following:

	December 31, 2025	Share	December 31, 2024	Share
Securitization Fund “Alternative”	52.63%	58,482	52.63%	58,482
European Bank for Reconstruction and Development (EBRD)	17.92%	19,907	17.92%	19,907
Nederlandse Financierings-Maatschappij voor Ontwinkkelingslanden	17.92%	19,907	17.92%	19,907
Mennonite Economic Development Associates (MEDA)	8.73%	9,699	8.73%	9,699
Sharipova Sanavbar Marufovna	1.35%	1,500	1.35%	1,500
Makhkamova Gulbahor Makhsudovna	1.35%	1,500	1.35%	1,500
The National Association of business women of Tajikistan	0.10%	116	0.10%	116
	100%	111,111	100.00%	111,111

In September 2024, the Securitization Fund "Alternative" purchased the share of OJSC "Pettelaar Effectenbewaarbedrijf N.V" in full, thereby increasing the share in the authorized capital of the Company from 42.66% to 52.63%.

In 2024, the Company decided to pay dividends in the amount of 5,432 thousand somoni. The Company pay dividends in the amount of 4,500 thousand somoni in 2025.

28. CONTINGENT FINANCIAL LIABILITIES

Capital expenditure commitments

As at December 31, 2025 and 2024 the Company had no capital expenditure commitments.

Loan related commitments, guarantees and other financial contracts

In the normal course of business, the Company 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, 2025 and 2024 was as follows:

	December 31, 2025	December 31, 2024
Credit lines	24,354	26,872
Guarantees	-	-
	24,354	26,872

Operating lease commitments

In the normal course of business, the Company leases office facilities and equipment for branches. As at December 31, 2025 and 2024 the Company had no significant indissoluble operating lease liabilities.

Legal proceedings

From time to time in the Company's customers and counterparties claim against the Company and the Company claims against customers. As at the reporting date the Company was not involved in legal proceedings brought against it.

Taxation

Tax legislation of the Republic of Tajikistan may allow more than one interpretation. In addition, there is a risk of tax authorities making arbitrary judgments of business activities.

Management of the Company believes that it has accrued all tax amounts due and therefore no allowance has been made in the financial statements.

Economic environment

The Company'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 Company's assets and operations could be at risk due to negative changes in the political and business environment.

Recoverability of financial assets

As at December 31, 2025 the Company's financial assets amounted to 2,426,877 thousand somoni (2,168,240 thousand somoni as at December 31, 2024). Recoverability of these assets is highly dependent on the effectiveness of fiscal and other measures taken in various countries to achieve economic stability and factors beyond the control of the Company. Recoverability of financial assets is determined by the Company on the basis of conditions existing at the reporting date. The Company's management believes that there is no need at present for additional allowance on financial assets, based on the prevailing 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. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in countries and the countries' economy in general.

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 other legal and fiscal difficulties leading to the challenges faced by the Company. 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 required due resolution of the 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

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The list of related parties of the Company includes shareholders, members of the Board of Directors and members of the Management Board of the Company, as well as their close relatives.

In the statement of financial position as at December 31, 2025 and 2024 the following amounts were represented which arose due to transactions with related parties:

	December 31, 2025			December 31, 2024		
	Weighted average %	Related party transactions	Total category as per the financial statements caption	Weighted average %	Related party transactions	Total category as per the financial statements caption
Loans to customers	31%	45	2,086,373	30%	-	1,890,560
Borrowings	18%	19,877	940,022	19%	53,035	899,207
Customer accounts	13%	3,130	1,134,634	14%	87	955,898

30. PRUDENTIAL REQUIREMENTS

In order to ensure capital adequacy in accordance with established quantitative measures the Company is required to maintain minimum amounts and ratios of total capital (12%) to total assets weighted in view of risk.

The ratio was calculated according to the principles employed by the National bank of Tajikistan which may differ from Basel Committee principles by applying the following risk estimates to the assets and off-balance sheet commitments net of allowances for impairment losses.

And the actual amounts of the Company's capital ratios are as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Movement in Tier 1 Capital		
Main capital at the beginning of the year	313,035	271,580
Intangible assets	(26,620)	(23,475)
General reserves	25,902	21,510
Revaluation of property and equipment	30,752	33,216
Difference between estimated and recognized reserves	-	(829)
Net profit for the year*	36,579	19,804
At the end of the year	379,648	321,806
Composition of regulatory capital:		
Tier 1 capital:	286,416	219,738
Total regulatory capital	321,805	280,034

* Net profit for the year represent the amount per accounting under National Bank of Tajikistan requirements, which may differ from IFRS requirements.

The Company's capital amount and ratios are presented below:

Capital amounts and ratios	Ratio for Capital Adequacy purposes	Minimum Required Ratio
As at December 31, 2025		
Capital adequacy ratio K1.1	16,08%	12%
Capital adequacy ratio K1.2	14,72%	10%
As at December 31, 2024		
Capital adequacy ratio K1.1	15,4%	12%
Capital adequacy ratio K1.2	14,9%	10%

31. CAPITAL RISK MANAGEMENT

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

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

The Management Board reviews the capital structure on a regular basis. As a part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board, the Company balances its overall capital structure through capitalization of retained earnings, attraction of additional debts or the redemption of existing debt.

32. RISK MANAGEMENT POLICIES

Management of risk is fundamental in Company's business. The main risks inherent to the Company's operations are those related to:

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

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

Credit risk

The Company 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 within set limits of authority. These processed are performed by the Credit Committees and the Management of the Company. 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 by the Management. Daily risk management is performed by the Loan department.

The Company 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 Company's credit policy is reviewed and approved by the Board of Directors. The Company structures the levels of credit risk by setting limits to the size of the risk taken in relation to one borrower or group 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

Default is the recognition by the Company the fact that the counterparty has fully or partially failed to fulfill its financial obligations to the Company.

A default occurs no later than the moment when a financial asset is delayed by 90 days, unless the Company has reasonable and corroborated information demonstrating that the use of the default criterion with longer delay days is more appropriate. The definition of default used for this purpose is applied consistently to all financial instruments, except when information becomes available that demonstrates a different definition of default is more appropriate for a particular financial instrument.

The Company recognizes the default of the counterparty if either of the following criteria is met or both:

Qualitative criteria – the Company has reasonable basis to believe that the counterparty is unlikely to fulfill its obligations to the Company in full amount without use of such measures as sale of collateral (if available).

Quantitative criteria - the counterparty has overdue obligations to the Company with a delay of more than 90 calendar days.

Qualitative criteria for recognition of default

Qualitative criteria for default recognition include an analysis of indicators of financial stability, liquidity and profitability, as well as liquidity of collateral, which is used to determine the creditworthiness of the counterparty.

The most significant criteria characterizing the financial condition of the counterparty are indicators of the stability of financial flows, the sufficiency of own funds and the level of debt or liabilities.

Qualitative assessment should be supplemented with the monitoring of credit operations, as well as control over the issuance of loans.

The following events can be a basis for recognizing default:

1. Failure to comply with the terms of the contract.

The counterparty did not fulfill the terms of the contract (for example, covenants), as a result of which the Company acknowledged the counterparty's default on the contract (according to the terms of the contract) and demanded early repayment of the debt.

This criterion is applied if the counterparty did not fulfill the Company’s requirement for early repayment of the debt in full and in a timely manner.

The date of default in this case is the date of first overdue day on the debt requested for early repayment.

2. Restructuring of the claim

The Company decided to restructure its claims due to the financial difficulties of the counterparty, including a significant reduction in the volume of payments on principal amount, interest or commissions and / or a significant delay in their payment.

The date of default is the date of the restructuring decision (the first restructuring, if there were several cases).

3. Bankruptcy of the counterparty

- The counterparty or the Company has filed a lawsuit to declare the counterparty bankrupt; or
- The counterparty is declared bankrupt; or
- Bankruptcy procedures were introduced with respect to the counterparty, or the counterparty

received a similar protection, which allows to avoid or delay the repayment of the Company's claims.

4. Other events

In the case of revealing direct or indirect evidence of a high probability of negative events, recognition of default can be based on appropriate professional judgment.

In forming a professional judgment, the following facts should be taken into account:

- payments of debts to the Company or other creditors are delayed (delay of principal, interest,

commissions and other payments);

- the Company has accrued an allowance or performed a negative revaluation on its claims due to the expected significant decrease in credit quality;
- loans and/or other financial assets were sold (transferred) by the Company with an economic loss;
- loans and/or other financial assets were restructured on unfavorable conditions for the Company;
- there were significant negative changes in the financial and economic activities of the counterparty;
- the fact of fraud on the part of the counterparty (in relation to the Company or third parties) was detected and confirmed.

The date of default in this case is the date of the formation of the relevant professional judgment.

Quantitative criteria for the recognition of default

The counterparty has overdue payments to the Company with a delay of more than 90 calendar days (unless the Company has reasonable and corroborated information demonstrating that the use of a longer than 90 days period is more appropriate).

Significant increase in credit risk

The management of the Company applies judgment to estimate a significant increase in credit risk, which is a critical element in estimating expected credit losses. The following factors are taken into account by the Company when assessing a possible significant increase in credit risk:

- Continuous delays on payments by counterparty more than 30 calendar days;
- Loan restructuring due to the inability to maintain loans and/or other financial assets on current terms;
- The use of significant interventions by the Company to reduce credit risks, such as direct control (management) of operating activities of the counterparty;
- The Company projects that over the next 12 months the counterparty will have substantially insufficient cash for repayment the loan on current terms;
- Actual or expected significant negative change in the external credit rating of a financial instrument;
- Existing or projected adverse changes in commercial, financial or economic conditions that are expected to significantly alter the borrower's ability to meet its debt obligations;
- Significant increase in credit risk on other financial instruments of the same borrower;
- Granting a grace period for the loan payment;
- Availability of information on the involvement of the counterparty in litigation, which may worsen its financial condition.

Credit risk is low for financial instruments if:

1. The risk of a default on a financial asset / liability is low;

2. The borrower has a substantial margin of safety in order to fulfill his/her obligations to pay the contractual payments in the near future; and

3. Adverse changes in the economic conditions for conducting business in the longer term may lead, but not necessarily will lead to a decrease in the borrower’s ability to meet its obligations.

As part of its activities, the Company excludes an increase in credit risk on government bonds denominated in national currency, as well as balances in financial institutions with a high credit rating.

Initial data for estimating expected credit losses (ECL)

The main initial data for estimating expected credit losses are temporary structures of the following variables:
- probability of default (PD);
- the level of loss given default (LGD); and
- amount of credit exposure at default (EAD).

These indicators are derived from internal statistical models and other historical data. They are also adjusted for macroeconomic trends in order to reflect the forecast information.

As part of the assessment of expected credit losses, it was decided to divide the total portfolio into the following groups: legal entities (corporate borrowers, small and medium businesses, excluding banks), individuals, financial organizations, securities and contingent liabilities (guarantees, letters of credit, credit lines). This separation was made due to both economic substance and the availability of necessary information for modeling.

Estimated probability of default (PD) is calculated as at a specific date and based on:
- migration matrix models for consumer loans, SME loans, mortgage loans and multi-purpose loans;
- shadow rating models for financial organizations and securities where the emitter is a financial organization.

Migration matrix model for loans estimated on a group basis.

The probability of default of the retail loan portfolio and the SME portfolio is calculated on a group basis. The methodology can be divided into a number of stages:

1. At the first stage, data are generated for each customer as part of the retail loan portfolio and the SME portfolio, in the context of each loan product of the Company.
2. At the second stage, the calculation of the probability of default for a group of loans that belong to the same credit product.
3. Then, the previously calculated probability of default (1 year PD) is used to calculate the adjustment taking into account macroeconomic forecasts.
4. Based on the calculated and previously adjusted macroeconomic forecasts of the probability of default for a group of loans evaluated on a collective basis, the probability of default of the loan is calculated for the entire life time of its PD.
5. Calculation of the value of LGD - losses in case of default, determined for a particular customer, for which the allowance is calculated, depending on the term of the overdue debt.

As part of this analysis, within retail portfolio were allocated 9 groups of loan products, with the approval of Management of the Company, namely: agro loans, consumer loans to employees, educational loans, consumer loans, loans to improve housing conditions, multi-purpose loans, multi-purpose loans for energy efficiency, mortgage loans and mortgage loans to employees. The SME portfolio in the calculation of expected credit losses was divided into two subgroups: loans to small and medium businesses and loans for micro business development.

The calculation of expected credit losses is based on the use of Markov chains in predicting the probability of default. The method is based on the ability to simulate the dynamic condition of the system during its operation. Based on the possible probabilities of the implementation of a particular development scenario of the economic process, it is possible to predict the future condition of the economic system over a given forecasting horizon.

The shadow rating model for assessing the probability of default of a financial institution

This model has common rules with the shadow rating model for assessing the probability of default of a non-financial organization.

The Company used following criteria for sample selection:

1. Commercial entities of the following countries were analyzed (countries of the former Soviet Union, except for the Baltic states and Turkmenistan): Russia, Kazakhstan, Kyrgyzstan, Ukraine, Ukraine, Belorussia, Armenia, Georgia, Azerbaijan, Uzbekistan, Tajikistan.

2. Only companies which possess long-term external credit rating of one (or several) world leading rating agencies – S&P, Moody's or Fitch – were included in the sample. Only international scale ratings were taken into account. In the case of several credit ratings, for the purposes of this model, their maximum value was used.

3. If the credit rating was assigned before December 2016, the company was not added to the sample due to the irrelevance of the financial indicators for 2018-2025.

4. The sample included only those banks that placed the full version of their IFRS reporting (including interim consolidated financial statements) for 2018 - 2025 years on publicly available resources.

5. The sample included only those banks that provide information about their shareholders (controlling parties).

6. The sample included only those banks that provide information about capital adequacy for 2018 - 2025 years (including the dates of the interim consolidated financial statements)

Based on the results of the above algorithm application, a sample of 122 banks was compiled.

The selection of regression indicators was carried out step by step in accordance with the following criteria:

1. assessment of the statistical significance of the independent explanatory factor of regression;
2. assessment of the compliance of the sign of the coefficient factor in the model with its logical meaning.

The final model used the following independent variables:

1. sovereign rating of the country in which bank operates;
2. membership of bank in an international banking group;
3. state ownership;
4. ratio of loan loss allowance to the total loan portfolio;
5. return on assets;
6. the difference between total capital adequacy and its regulatory value.

The level of loss given default (LGD) is the level of losses from the total amount of debt at the time of a default event. This is an indicator of the actual losses that the Company will incur shall the client default. When calculating expected credit losses, the Company may apply one of three methods:

- *Economic LGD* is calculated on the basis of cash flows received as a result of the process of working with overdue debts (the volume of unreceived cashflows). In the framework of the economic LGD method, the level of losses from the amount of debt at the time of default is determined as discounted proceeds from the sale of the pledged property less selling expenses. Application of this method is limited to corporate and institutional borrowers.

- *Statistical LGD* is calculated on the basis of analysis of historical LGD data and instrument characteristics. The statistical method is based on statistical processing of data on the level of debt collection based on information from financial institutions on borrower defaults and penalties. Calculation of statistical LGD depending on the type of chosen collateral, namely group guarantee, movable property, real estate, mixed collateral, guarantee, jewelry, unsecured, deposit. The effective interest rate of the loan was used as discount rate. Applicable for all types of loans.

- *Market LGD* is calculated on the basis of market prices for similar bonds/loans not in default status. Market LGD is estimated based on open historical data and bank researches. This approach does not take into account the peculiarities of the national economy and its application is mainly justified in case if the available data for calculating of economic and statistical LGDs is insufficient. Application is limited to corporate and institutional borrowers.

The value of the credit exposure at default (EAD) is the expected value of total claims of the Company at risk on the date of default. This indicator is calculated by the Company for loans as the sum of the remaining debt and accrued interest; for unconditional credit lines as the sum of the full credit limit and accumulated interest; for conditional credit lines EAD is used as the amount of the issued loan amount and accrued interest; for guarantees as the sum of the issued guarantee payment.

In the framework of its activities, the Company separates the following groups: consumer loans, mortgage loans, loans to small and medium businesses and corporate loans. Groups are subject to regular checks to ensure that credit risk exposures within a certain group has similar credit risk characteristics.

Forecast information

In accordance with IFRS 9, the Company included forecast information both in its assessment of a significant increase of credit risk since the initial recognition and in the assessment of expected credit losses.

The Company uses professional judgment to evaluate forecast information. This estimate is also based on information obtained from external sources. External information may include economic data and forecasts published by government agencies and monetary policy regulation authorities of countries in which the Company operates, such as the NBT, as well as some external sources in relation to the country, such as the Trading Economics, as well as individual and scientific forecasts.

The Company identified and documented a list of the main factors affecting the assessment of credit risk and credit losses related to the financial instruments of the Company and using the analysis of historical data assessed the relationship between macroeconomic variables and credit risks. The key factors identified include growth forecast of exchange rate USD/TJS and key rates based on the consensus of basic and conservative predictions.

Correlations between the key macroeconomic indicators and the events of default were developed based on analysis of historical data for the last 6 years.

Assessment of macroeconomic data was performed using a multivariate linear regression. The following indicators were tested as independent variables:

- GDP and real GDP growth rates;
- unemployment rate
- key rates;
- refinancing rate;
- consumer price index;
- ratio of overdue debts of the banking system to total debts for previous periods.

After analyzing the model's variables for statistical significance and economic reasonability the Company selected the following variables of the final model:

a) Rate USD/TJS for the next year after the reporting period (Trading Economics).
b) The change in the key rate for the next year after the reporting period (Trading Economics).

The adjusted coefficient of determination of the regression equation equaled to 0.95.

Working with collateral

In order to reduce credit risks on loans to customers and issued guarantees, the Company requires whenever possible to receive collateral in form of cash, securities, letters of credit / guarantees, real estate, receivables, materials or other non-financial assets. The Company's accounting policy in respect of collateral received under the loan agreements in accordance with IFRS 9 is similar to the accounting policy in accordance with IAS 39. Collateral is not recognized in the statement of financial position unless it was not foreclosed by the Company. However, the fair value of collateral affects the calculation of ECL, and should be measured at least at the initial stage of a loan issuance and subsequently revised on a quarterly basis. The Company uses available market data to evaluate financial assets held as collateral to the extent possible. Other financial assets, that do not have an easily determined market value, are valued using models.

Operational risk

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

Maximum exposure

The Company'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 off-balance sheet and off-balance sheet financial assets. 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 Company 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.

	Maximum exposure	Offset	Net exposure after offset	Collateral pledged	2025 Net exposure after offset and collateral
Due from banks	71,010	-	71,010	-	71,010
Restricted funds	52,430	-	52,430	-	52,430
Loans to customers	2,086,373	-	2,086,373	(632,503)	1,453,870
Investment securities	527	-	527	-	527
Other assets	9,337	-	9,337	-	9,337

	Maximum exposure	Offset	Net exposure after offset	Collateral pledged	2024 Net exposure after offset and collateral
Due from banks	23,126	-	23,126	-	23,126
Restricted funds	80,695	-	80,695	-	80,695
Loans to customers	1,890,560	-	1,890,560	(751,075)	1,139,485
Investment securities	416	-	416	-	416
Other assets	12,338	-	12,338	-	12,338

In instances where one party to a financial instrument fails to fully or partially discharge a credit obligation, the Company 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 Company normally uses a tripartite 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 Company releases the obligation from the borrower and removes the pledge over the assets.

The Company 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 Company.

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 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 Company by credit ratings for 2025:

	Aaa - A3	Baa1-Ba3	B1-B3	Caa1-C	Not Rated	2025 Total
Cash and cash equivalents	-	-	-	-	207,200	207,200
Due from banks	-	-	66,298	-	4,712	71,010
Restricted funds	-	-	-	-	52,430	52,430
Loans to customers	-	-	-	-	2,086,373	2,086,373
Investment securities	-	-	-	-	527	527
Other assets	-	-	-	-	9,337	9,337

The following tables provide classification of financial assets of the Company by credit ratings for 2024:

	Aaa - A3	Baa1-Ba3	B1-B3	Caa1-C	Not Rated	2024 Total
Cash and cash equivalents	-	-	-	-	161,105	161,105
Due from banks	536	-	5,658	-	16,932	23,126
Restricted funds	-	-	-	-	80,695	80,695
Loans to customers	-	-	-	-	1,890,560	1,890,560
Investment securities	-	-	-	-	416	416
Other assets	-	-	-	-	12,338	12,338

Since not all counterparties of the Company are rated by international rating agencies, the Company 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 banking industry is generally exposed to credit risk through its loans to customers and interbank deposits. Main credit risk exposure of the Company is concentrated within the Republic of Tajikistan. The exposure is monitored on a regular basis to ensure that the credit limits and credit worthiness guidelines established by the Company's risk management policy are not breached.

The following table details the carrying value of assets that are impaired and the ageing of those that are past due but not impaired:

		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	2025 Total
Cash and cash equivalents	207,200	-	-	-	-	-	207,200
Due from banks	71,010	-	-	-	-	-	71,010
Restricted funds	52,430	-	-	-	-	-	52,430
Loans to customers	2,080,180	-	-	-	-	6,193	2,086,373
Investment securities	527	-	-	-	-	-	527
Other assets	9,337	-	-	-	-	-	9,337

	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	161,105	-	-	-	-	-	161,105
Due from banks	23,126	-	-	-	-	-	23,126
Restricted funds	80,695	-	-	-	-	-	80,695
Loans to customers	1,887,564	-	-	-	-	2,996	1,890,560
Investment securities	416	-	-	-	-	-	416
Other assets	12,338	-	-	-	-	-	12,338

Geographical concentration

Risk management department exercise control over the risk associated with changes in the norms of the legislation and assesses its impact on the Company. This approach allows the Company 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	Total 2025
FINANCIAL ASSETS:				
Cash and cash equivalents	207,200	-	-	207,200
Due from banks	65,443	2,047	3,520	71,010
Restricted funds	49,932	2,498	-	52,430
Loans to customers	2,086,373	-	-	2,086,373
Investment securities	527	-	-	527
Other assets	9,337	-	-	9,337
TOTAL OF FINANCIAL ASSETS	2,418,812	4,545	3,520	2,426,877
FINANCIAL LIABILITIES:				
Due to banks and financial institutions	25,633	-	-	25,633
Financial instruments at fair value through profit or loss	(8)	1,215	-	1,207
Customer accounts	1,134,634			1,134,634
Borrowings	196,893	676,543	66,586	940,022
Lease liabilities	24,887	-	-	24,887
Other liabilities	20,690	-	-	20,690
TOTAL OF FINANCIAL LIABILITIES:	1,402,729	677,758	66,586	2,147,073
NET POSITION	1,016,083	(673,213)	(63,066)	279,804

	Republic of Tajikistan	OECD countries	Other	Total 2024
FINANCIAL ASSETS:				
Cash and cash equivalents	161,105	-	-	161,105
Due from banks	15,311	490	7,325	23,126
Restricted funds	79,383	1,312	-	80,695
Loans to customers	1,890,560	-	-	1,890,560
Investment securities	416	-	-	416
Other assets	12,338	-	-	12,338
TOTAL OF FINANCIAL ASSETS	2,159,113	1,802	7,325	2,168,240

FINANCIAL LIABILITIES:				
Due to banks and financial institutions	32,914	-	-	32,914
Financial instruments at fair value through profit or loss	(6)	1,324	-	1,318
Customer accounts	955,898		-	955,898
Borrowings	227,931	671,276	-	899,207
Lease liabilities	22,678	-	-	22,678
Other liabilities	11,597	-	-	11,597
TOTAL OF FINANCIAL LIABILITIES	1,251,012	672,600	-	1,923,612
NET POSITION	908,101	(670,798)	7,325	244,628

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 Company'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:

	Weighted average rate	Less than 1 month	1 - 3 months	3 months-1 year	1-5 years	More than 5 years	Undefined	Total 2025
FINANCIAL ASSETS:								
Loans to customers	31%	141,477	216,089	870,924	844,626	13,257	-	2,086,373
Total financial assets, interest bearing		141,477	216,089	870,924	844,626	13,257	-	2,086,373
Cash and cash equivalents		207,200	-	-	-	-	-	207,200
Due from banks		71,010	-	-	-	-	-	71,010
Restricted funds		-	-	10,974	32,380	-	9,076	52,430
Investment securities		-	-	-	-	-	527	527
Other assets		9,337		-	-	-		9,337
TOTAL OF FINANCIAL ASSETS		429,024	216,089	881,898	877,006	13,257	9,603	2,426,877
FINANCIAL LIABILITIES								
Financial instruments at fair value through profit or loss	11%	1,207	-	-	-	-	-	1,207
Customer accounts	13%	181,570	50,133	827,889	65,851	9,191	-	1,134,634
Due to banks		10,000	-	10,000	-	-	-	20,000
Borrowings	18%	56,891	54,670	380,370	439,567	8,524	-	940,022
Lease liabilities	16%	789	1,610	7,809	14,679	-	-	24,887
Total financial liabilities, interest bearing		250,457	106,413	1,226,068	520,097	17,715	-	2,120,750
Due to banks and financial institutions		5,633	-	-	-	-	-	5,633
Other liabilities		20,690	-	-	-	-	-	20,690
TOTAL OF FINANCIAL LIABILITIES		276,780	106,413	1,226,068	520,097	17,715	-	2,147,073
Difference between financial assets and liabilities		152,244	109,676	(344,170)	356,909	(4,458)	9,603	279,804
Difference between interest bearing financial assets and liabilities		(108,980)	109676	(355,144)	324,529	(4,458)	-	(34,377)

	Weighted average rate	Less than 1 month	1 - 3 months	3 months- 1 year	1-5 years	More than 5 years	Undefined	Total 2024
FINANCIAL ASSETS:								
Loans to customers	30%	130,911	197,128	787,161	775,306	54	-	1,890,560
Total financial assets, interest bearing		130,911	197,128	787,161	775,306	54	-	1,890,560
Cash and cash equivalents		161,105	-	-	-	-	-	161,105
Due from banks		23,126	-	-	-	-	-	23,126
Restricted funds		28,253	-	16,920			35,522	80,695
Investment securities			-	-	-	-	416	416
Other assets		12,338	-	-	-	-	-	12,338
TOTAL OF FINANCIAL ASSETS		355,733	197,128	804,081	775,306	54	35,938	2,168,240

	Weighted average rate	Less than 1 month	1 - 3 months	3 months- 1 year	1-5 years	More than 5 years	Undefined	Total 2024
FINANCIAL LIABILITIES:								
Financial instruments at fair value through profit or loss	12%	1,318	-	-	-	-	-	1,318
Customer accounts	14%	198,410	105,600	624,089	27,799	-	-	955,898
Due to banks and financial institutions			3,000	25,000		-	-	28,000
Borrowings	19%	55,103	105,790	308,311	430,003	-	-	899,207
Lease liabilities	16%	721	1,471	7,133	13,353	-	-	22,678
Total financial liabilities, interest bearing		255,552	215,861	964,533	471,155	-	-	1,907,101
Due to banks and financial institutions		4,914	-	-	-	-	-	4,914
Other liabilities		11,597	-	-	-	-	-	11,597
TOTAL OF FINANCIAL LIABILITIES		272,063	215,861	964,533	471,155	-	-	1,923,612
Difference between financial assets and liabilities		83,670	(18,733)	(160,452)	304,151	54	35,938	244,628
Difference between interest bearing financial assets and liabilities		(124,641)	(18,733)	(177,372)	304,151	54	-	(16,541)

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 Company 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.

Market risk

Market risk includes risk of changes in interest rates, currency risk and other price risks faced by the Company. In 2025 there was no change in the composition of these risks and methods for assessing and managing risks in the Company.

In case of attracting funds with a floating interest rate, the risks will be managed by the Company by maintaining the necessary ratio between loans at a fixed and floating rate.

Interest rate sensitivity

The Company manages fair value interest rate risk through periodic estimation of potential losses that could arise from adverse changes in market conditions. The Controlling Department conducts monitoring of the Company's current financial performance, estimates the Company's sensitivity to changes in fair value interest rates and its influence on the Company'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 Company 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 Company to minimize losses from significant fluctuations in national and foreign currency.

The Company concludes agreements on various derivative financial instruments including foreign exchange swaps and mortgage loans to commercial banks to secure itself against currency risk. For the year ended December 31, 2025 in the statement of profit or loss and other comprehensive income loss on foreign exchange operations and such transactions in the amount of 1,490 thousand somoni (2024: gain in the amount of 1,613 thousand somoni) was recognized.

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

	TJS	USD	EUR	RUR	Other	Total 2025
FINANCIAL ASSETS:						
Cash and cash equivalents	146,998	49,259	1,105	9,836	2	207,200
Due from banks	12	66,275	497	4,226		71,010
Restricted funds	-	50,434	15	1,981		52,430
Loans to customers	2,046,178	32,579	-	7,616		2,086,373
Investment securities	527	-	-	-		527
Other assets	3,366	633	-	5,338		9,337
TOTAL OF FINANCIAL ASSETS	2,197,081	199,180	1,617	28,997	2	2,426,877
FINANCIAL LIABILITIES:						
Due to banks and financial institutions	25,185	339	109	-	-	25,633
Customer accounts	1,027,599	82,584	216	24,235	-	1,134,634
Borrowings	814,651	125,371	-	-	-	940,022
Lease liabilities	24,887	-	-	-	-	24,887
Other liabilities	19,266	649	547	228	-	20,690
TOTAL OF FINANCIAL LIABILITIES	1,911,588	208,943	872	24,463	-	2,145,866
Open currency position	285,493	(9,763)	745	4,534	2	281,011
The effect of derivatives held for risk management	(24,653)	28,064	-	(4,618)	-	(1,207)
NET POSITION	260,840	18,301	745	(84)	2	279,804

	TJS	USD	EUR	RUR	Other	Total 2024
FINANCIAL ASSETS:						
Cash and cash equivalents	121,005	31,044	976	8,079	1	161,105
Due from banks		19,083	140	3,903	-	23,126
Restricted funds	24,777	53,814	50	2,054	-	80,695
Loans to customers	1,839,146	37,697	-	13,717	-	1,890,560
Investment securities	416		-		-	416
Other assets	1,955	123	-	10,260	-	12,338
TOTAL OF FINANCIAL ASSETS	1,987,299	141,761	1,166	38,013	1	2,168,240
FINANCIAL LIABILITIES:						
Due to banks and financial institutions	32,244	556	114	-	-	32,914
Customer accounts	856,839	77,364	333	21,362	-	955,898
Borrowings	805,305	93,902	-	-	-	899,207
Lease liabilities	22,678		-	-	-	22,678
Other liabilities	11,045	463	-	89	-	11,597
TOTAL OF FINANCIAL LIABILITIES	1,728,111	172,285	447	21,451	-	1,922,294
Open currency position	259,188	(30,524)	719	16,562	1	245,946
The effect of derivatives held for risk management	(28,308)	26,990	-	-	-	(1,318)
NET POSITION	230,880	(3,534)	719	16,561	1	244,628

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, 2025:

	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	207,200	-	-	207,200	207,200
Due from banks	71,010	-	-	71,010	71,010
Restricted funds	52,430		-	52,430	52,430
Loans to customers	2,086,373		-	2,086,373	2,086,373
Investment securities	-	324	203	527	527
Other assets	9,337	-	-	9,337	9,337
	2,426,350	324	203	2,426,877	2,426,877
FINANCIAL LIABILITIES:					
Due to banks and financial institutions	25,633	-	-	25,633	25,633
Financial instruments at fair value through profit or loss	1,207	-	-	1,207	1,207
Customer accounts	1,134,634	-	-	1,134,634	1,134,634
Borrowings	940,022	-	-	940,022	940,022
Lease liabilities	24,887	-		24,887	24,887
Other liabilities	20,690	-		20,690	20,690
	2,147,073	-	-	2,147,073	2,147,073

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	161,105	-	-	161,105	161,105
Due from banks	23,126	-	-	23,126	23,126
Restricted funds	80,695	-	-	80,695	80,695
Loans to customers	1,890,560	-	-	1,890,560	1,890,560
Investment securities	-	213	203	416	416
Other assets	12,338	-	-	12,338	12,338
	2,167,824	213	203	2,168,240	2,168,240
FINANCIAL LIABILITIES:					
Due to banks and financial institutions	32,914	-	-	32,914	32,914
Financial instruments at fair value through profit or loss	1,318	-	-	1,318	1,318
Customer accounts	955,898	-	-	955,898	955,898
Borrowings	899,207	-	-	899,207	899,207
Lease liabilities	22,678	-	-	22,678	22,678
Other liabilities	11,597	-	-	11,597	11,597
	1,923,612	-	-	1,923,612	1,923,612

Fair value of financial instruments

Fair value is defined as the value at which a financial instrument can be acquired in a transaction between well-informed, willing to make such a transaction parties, independent from each other except cases of forced or liquidation sale. The presented estimates may not reflect the amounts that the Company could receive if there was an actual sale of a package of certain financial instruments.

The carrying amount of cash is approximately equal to the fair value due to the short-term nature 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 Company'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, 2025 and 2024, the following methods and assumptions were used by the Company 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 liabilities - current value approximates the fair value of these financial instruments due to the short-term nature of the instrument.

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 balance sheet 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 Company 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	Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can assess at the measurement date; or
Level 2	Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or
Level 3	Unobservable inputs for the assets or liabilities, requiring the Company to make market based assumptions.

Level 1 classifications primarily include financial assets and financial liabilities that are exchange traded, whereas Level 2 classifications primarily include financial assets and financial liabilities which derive their fair value primarily from exchange 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 Company 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 Company'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 values of financial assets and financial liabilities as at December 31, 2025 and 2024. Other assets and liabilities which are measured at fair value on a recurring basis are cash and cash equivalents. There are no nonrecurring fair value measurements.

	Level 1	**Level 2**	**Level 3**	**December 31, 2025 Total**
FINANCIAL ASSETS:				
Cash and cash equivalents	207,200	-	-	207,200
Due from banks	71,010	-	-	71,010
Restricted funds	-	52,430	-	52,430
Loans to customers	-	2,086,373	-	2,086,373
Investment securities	-	-	527	527
Other assets	-	-	9,337	9,337
TOTAL OF FINANCIAL ASSETS	278,210	2,138,803	9,864	2,426,877
FINANCIAL LIABILITIES:				
Due to banks and financial institutions	25,633	-	-	25,633
Financial instruments at fair value through profit or loss	-	1,207	-	1,207
Customer accounts	-	1,134,634	-	1,134,634
Borrowings	-	940,022	-	940,022
Lease liabilities	-	-	24,887	24,887
Other liabilities	-	-	20,690	20,690
TOTAL OF FINANCIAL LIABILITIES:	25,633	2,075,863	45,577	2,147,073

	Level 1	Level 2	Level 3	December 31, 2024 Total
FINANCIAL ASSETS:				
Cash and cash equivalents	161,105	-	-	161,105
Due from banks	23,126	-	-	23,126
Restricted funds	-	80,695	-	80,695
Loans to customers	-	1,890,560	-	1,890,560
Investment securities	-	-	416	416
Other assets	-	-	12,338	12,338
TOTAL OF FINANCIAL ASSETS	184,231	1,971,255	12,754	2,168,240
FINANCIAL LIABILITIES:				
Due to banks and financial institutions	32,914	-	-	32,914
Financial instruments at fair value through profit or loss	-	1,318	-	1,318
Customer accounts	-	955,898	-	955,898
Borrowings	-	899,207	-	899,207
Lease liabilities	-	-	22,678	22,678
Other liabilities	-	-	11,597	11,597
TOTAL OF FINANCIAL LIABILITIES	32,914	1,856,423	34,275	1,923,612

Currency rate sensitivity

Table below represents sensitivity analysis of the Company to 10% increase and decrease in currency rate to somoni in 2025 and 2024. Based on the current economic environment in the Republic of Tajikistan management of the Company believes that 10% increase of USD to TJS exchange rate is a realistic change. 10% - a level of sensitivity, which is used internally by banks when reporting foreign currency risk internally to key management personnel of the Company and is an estimate by management of the Company. Sensitivity analysis include only amounts in foreign currency as at period end, for which rates are used changed by 10% compared to current ones during conversion.

Following table presents a sensitivity analysis of the Company based on nominal value of financial asset as at December 31, 2025 and 2024:

	December 31, 2025		December 31, 2024	
	Official exchange rate, +10%	Official exchange rate, -10%	Official exchange rate, +10%	Official exchange rate, -10%
Effect on profit or loss	1,830	(1,830)	(353)	353

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 Company actively manages the assets and liabilities. In addition, the Company's financial position may be subject to change depending on changes in the market. For example, the strategy of the Company'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 Company's forecast of the upcoming changes in the market that cannot be predicted with any certainty.

33. SEGMENT REPORTING

The Company's activities applies only to commercial lending 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, which should be disclosed in accordance with IAS 10 "Events after the reporting period".