

JSC “APEX BANK”

Consolidated financial statements together with independent auditor’s report

For the year ended 31 December 2024



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Independent auditor's report

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Independent auditor's report

To the Shareholders and Supervisory Board of «Apex Bank» JSC

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of «Apex Bank» JSC (hereinafter, the "Bank") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Emphasis of matter

We draw attention to Note 13 to the consolidated financial statements, which describes a significant concentration of the Bank's customer deposits. Our opinion is not modified in respect of this matter.



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Responsibilities of management and the Supervisory Board for the consolidated financial statements

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

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

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

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

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

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

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



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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

- whether as at 31 December 2024 the Bank complied with prudential ratios established by the Central Bank of the Republic of Uzbekistan;
- whether the elements of the Bank's internal control and organization of its risk management systems comply with the requirements established by the Central Bank of the Republic of Uzbekistan.

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

Our findings from the procedures performed are reported below.

Based on our procedures with respect to the Bank's compliance with the prudential ratios established by the Central Bank of the Republic of Uzbekistan, we found that the Bank's prudential ratios, as at 31 December 2024, were within the limits established by the Central Bank of the Republic of Uzbekistan.



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We have not performed any procedures on the accounting records maintained by the Group, other than those which we considered necessary to enable us to express an opinion as to whether the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

- as at 31 December 2024, the Bank's internal audit function was subordinated to, and reported to, the Supervisory Board and the risk management function was not subordinated to, and did not report to, divisions taking relevant risks;
- the frequency of reports prepared by the Bank's internal audit function during 2024 was in compliance with the requirements of the Central Bank of the Republic of Uzbekistan. The reports were approved by the Supervisory Board and included observations made by the Bank's internal audit function in respect of internal control systems;
- as at 31 December 2024, the Bank established Information security function, and the information security policy was approved by the Bank's management board. Information security function was subordinated to and reported directly to the Chairman of the management board;
- reports by the Bank's Information security function to the Chairman of the management board during 2024 included assessment and analysis of information security risks, and results of actions to manage such risks;
- the Bank's internal documentation, effective on 31 December 2024, establishing the procedures and methodologies for identifying and managing credit risk, market risk, liquidity risk, operational risk, country risk, legal risk, reputational risk, fraud risk (hereinafter "significant risks"), and for stress-testing, was approved by the authorised management bodies of the Bank;
- as at 31 December 2024, the Bank maintained a system for reporting on the Bank's significant risks, and on the Bank's capital;
- the frequency of reports prepared by the Bank's risk management and internal audit functions during 2024, which cover the Bank's significant risks management, was in compliance with the Bank's internal documentation. The reports included observations made by the Bank's risk management and internal audit functions as to their assessment of the Bank's significant risks and risk management system, and recommendations for improvement;
- as at 31 December 2024, the Supervisory Board and Executive Management of the Bank had responsibility for monitoring the Bank's compliance with the risk limits and capital adequacy ratios established in the Bank's internal documentation. In order to monitor the effectiveness of the Bank's risk management procedures and their consistent application during 2024, the Supervisory Board and executive management bodies of the Bank periodically discussed the reports prepared by the risk management and internal audit functions, and considered the proposed corrective actions.

Consolidated statement of financial position

As at 31 December 2024

(in millions of Uzbek Soums)

	Notes	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	5	188,192	127,015
Due from other banks	6	788	15,485
Investment securities	7	21,138	10,930
<i>of which pledged as collateral under REPO agreement</i>		17,347	–
Derivative financial assets		–	2,458
Loans to customers	8	218,250	37,271
Property and equipment and right of use assets	9	187,529	102,463
Intangible assets	9	274,791	34,674
Deferred tax assets	10	20,346	3,775
Other assets	11	38,463	150,625
Total assets		949,497	484,696
Liabilities			
Due to other banks	12	213,021	10,265
Due to customers	13	305,771	185,464
Other liabilities	11	11,050	4,464
Total liabilities		529,842	200,193
Equity			
Share capital	14	500,000	297,000
Accumulated deficit		(80,345)	(12,497)
Total equity		419,655	284,503
Total liabilities and equity		949,497	484,696

Signed and authorized for release on behalf of the Management Board of the Bank on 13 June 2025.


Gimadiev Sergey Abdulxayevich
Chairman of the Management Board




Toxtayev Behzod Bahodirovich
Deputy Chief Accountant

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

(in millions of Uzbek Soums)

	Notes	2024	For the period from 16 March 2023 to 31 December 2023
Interest income calculated using the effective interest method	16	34,727	13,352
Interest expense	16	(45,731)	(15,054)
Net interest expense before credit loss expense		(11,004)	(1,702)
Credit loss expense	8	(8,894)	(2,317)
Net interest expense after credit loss expense		(19,898)	(4,019)
Fee and commission income	17, 21	4,702	163
Fee and commission expense	17, 21	(5,554)	(3,337)
<i>Net gain from operations in foreign currencies:</i>			
- translation differences		986	5,331
- dealing operations		1,652	-
Net (loss) / gain from financial instruments at fair value through profit or loss		(738)	4,099
Reversal/ (accrual) of provision for credit related commitments and other financial assets		374	(1,132)
Personnel expenses	18	(41,437)	(10,379)
Other operating expenses	18	(26,037)	(6,821)
Other income		1,710	-
Loss before income tax		(84,240)	(16,095)
Income tax benefit	10	16,392	3,598
Loss for the year / for the period		(67,848)	(12,497)
Other comprehensive income for the reporting period		-	-
Total comprehensive loss for the reporting period		(67,848)	(12,497)

Signed and authorized for release on behalf of the Management Board of the Bank on 13 June 2025.


Gimadiev Sergey Abdulkhayevich
Chairman of the Management Board




Toxtayev Behzod Bahodirovich
Deputy Chief Accountant

Consolidated statement of changes in equity

For the year ended 31 December 2024

(in millions of Uzbek Soums)

	Notes	Share capital	Accumulated deficit	Total equity attributable to shareholders of the Bank
Balance as of 16 March 2023		-	-	-
Issuance of share capital	14	297,000	-	297,000
Loss for the year		-	(12,497)	(12,497)
Total comprehensive loss for the year		-	(12,497)	(12,497)
Balance as of 31 December 2023		297,000	(12,497)	284,503
Issuance of share capital	14	203,000	-	203,000
Loss for the year		-	(67,848)	(67,848)
Total comprehensive loss for the year		-	(67,848)	(67,848)
Balance as of 31 December 2024		500,000	(80,345)	419,655

Signed and authorized for release on behalf of the Management Board of the Bank on 13 June 2025.


Gimadiev Sergey Abdulkayevich
Chairman of the Management Board




Toxtayev Behzod Bahodirovich
Deputy Chief Accountant

Consolidated statement of cash flows

For the year ended 31 December 2024

(in million Uzbek Soums)

	Notes	2024	For the period from 16 March to 31 December
Cash flows from operating activities			
Loss before income tax		(84,240)	(16,095)
<i>Adjustments for:</i>			
Credit loss expense	8	8,894	2,317
Provision for credit related commitments and other financial assets		(374)	1,132
Net unrealized gain on foreign exchange operations		(986)	(5,331)
Net gain from financial instruments at fair value through profit or loss		738	(2,458)
Depreciation and amortization	9	2,228	2,471
Change in interest income accrual		(4,168)	(1,269)
Change in interest expenses accrual		2,951	702
Cash flows from operating activities before changes in operating assets and liabilities		(74,957)	(18,531)
<i>Net (increase)/decrease in operating assets</i>			
Due from other banks		15,085	(14,655)
Loans to customers		(187,101)	(39,291)
Derivative financial assets		1,720	-
Other assets		4,069	(9,653)
<i>Net increase/(decrease) in operating liabilities</i>			
Due to other banks		202,439	10,181
Due to customers		118,704	184,846
Other liabilities		3,423	3,579
Net cash flows from operating activities before income tax		83,382	116,476
Income tax paid	10	(179)	(177)
Net cash flows from operating activities after income tax		83,203	116,299
Cash flows from investment activities			
Purchase of investment securities		(109,632)	(10,960)
Proceeds from sale and redemption of investment securities		100,839	-
Development of Intangible assets		(125,964)	(34,674)
Purchase of property and equipment		(88,390)	(237,733)
Net cash used in investing activities		(223,147)	(283,367)
Cash flows from financing activities			
Proceeds from issuance of share capital	14	203,000	297,000
Lease payments	11	(1,260)	-
Net cash from financing activities		201,740	297,000
Effects of changes in foreign exchange rates on cash and cash equivalents		(690)	(2,844)
Effect of expected credit losses on cash and cash equivalents		71	(73)
Net increase in cash and cash equivalents		61,177	127,015
Cash and cash equivalents, beginning	5	127,015	-
Cash and cash equivalents, ending	5	188,192	127,015

Signed and authorized for release on behalf of the Management Board of the Bank on 13 June 2025.

Gimadiev Sergey Abdulxayevich
Chairman of the Management Board

Toxtayev Behzod Bahodirovich
Deputy Chief Accountant

The accompanying notes on pages 5 to 38 are an integral part of these consolidated financial statements.