OJSC PASHA Bank

Interim condensed consolidated financial statements

30 June 2026

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Report on Review of Interim Financial Information

To the Shareholders and Supervisory Board of
OJSC PASHA Bank

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of OJSC PASHA Bank and its subsidiary (the Group), which comprise the interim consolidated statement of financial position as at 30 June 2026 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Ernst & Young Holdings (CIS) B.V.

4 September 2026

Baku, Azerbaijan

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

in thousands of Azerbaijani manats	Notes	30 June 2026 (unaudited)	31 December 2025
Assets			
Cash and cash equivalents	4	**3,342,311**	2,248,679
Amounts due from credit institutions	5	**792,877**	991,545
Investment securities	6	**1,610,133**	2,570,193
Derivative financial assets	14	**4,387**	3,726
Loans to customers	7	**3,980,211**	3,785,471
Right-of-use assets	8	**49,709**	54,824
Property and equipment		**51,676**	32,380
Intangible assets		**18,318**	18,899
Deferred income tax assets	15	**19,580**	25,399
Investment in associate	18	**40,247**	39,813
Other assets	9	**69,967**	73,113
Total assets		**9,979,416**	9,844,042
Liabilities			
Amounts due to customers	11	**7,745,953**	7,900,080
Debt securities issued	13	**40,593**	40,680
Amounts due to banks and government funds	10	**822,290**	631,131
Derivative financial liabilities	14	**212**	31
Dividends payable to shareholders	16	**107,043**	–
Current income tax liabilities	15	**3,074**	5,311
Lease liabilities	8	**50,640**	52,366
Provision for guarantees and other commitments	17	**5,666**	6,246
Subordinated debts	12	**81,086**	89,575
Other liabilities	9	**113,858**	154,509
Total liabilities		**8,970,415**	8,879,929
Equity			
Share capital	16	**373,170**	354,512
Share Premium	16	**31,903**	–
Additional paid-in capital	16	**343**	343
Retained earnings		**561,639**	572,348
Other reserves	16	**4,016**	4,016
Net unrealised loss on investment securities	16	**(1,165)**	(596)
Foreign currency translation reserve	16	**26,437**	21,291
Total equity attributable to shareholders of the Bank		**996,343**	951,914
Non-controlling interests		**12,658**	12,199
Total equity		**1,009,001**	964,113
Total liabilities and equity		**9,979,416**	9,844,042

Signed and authorised for release on behalf of the Executive Board of the Bank:

Jafar Guliyev — Chairman of the Executive Board, Chief Executive Officer

Murad Suleymanov — Member of the Executive Board, Chief Financial Officer

Azərbaycan Respublikası Səhmdar Cəmiyyəti PAŞA Bank Open Joint Stock Company Azerbaijan Republic

4 September 2026

The accompanying notes on pages 6 to 33 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

in thousands of Azerbaijani manats	**Notes**	**For the six months ended 30 June (unaudited)** 2026	2025
Interest income			
Loans to customers		**181,383**	165,627
Investment securities		**45,209**	53,074
Cash and cash equivalents		**66,983**	46,087
Amounts due from credit institutions		**8,257**	9,097
Interest revenue calculated using effective interest rate		**301,832**	273,885
Interest expense			
Amounts due to customers		**(101,496)**	(77,653)
Amounts due to banks and government funds		**(15,219)**	(14,653)
Subordinated debts		**(1,552)**	(3,000)
Interest expense on debt securities issued		**(2,099)**	–
Lease liabilities	8	**(2,313)**	(1,614)
Total interest expense		**(122,679)**	(96,920)
Net interest income		**179,153**	176,965
Credit loss reversal on financial assets	19	**4,203**	1,133
Net interest income after credit loss expense		**183,356**	178,098
Net fee and commission income	20	**23,482**	13,102
- fee and commission income		**88,866**	81,895
- fee and commission expense		**(65,384)**	(68,793)
Net gains from investment securities		**38**	601
Net gains from foreign currencies		**20,898**	28,868
Share of (losses)/gains of an associate	18	**(2,565)**	423
Other income		**1,435**	1,865
Non-interest income		**43,288**	44,859
Personnel expenses	21	**(66,048)**	(63,668)
General and administrative expenses	21	**(26,807)**	(26,313)
Depreciation and amortisation		**(10,363)**	(11,447)
Net losses modification of financial assets measured at amortised cost	7	**(1,375)**	(812)
Other impairment and write-down		**(44)**	(56)
Reversal of /(Provision for) on credit related commitments and other financial assets	19	**108**	(113)
Non-interest expense		**(104,529)**	(102,409)
Profit before income tax expense		**122,115**	120,548
Income tax expense	15	**(25,578)**	(24,596)
Net profit for the period		**96,537**	95,952
Attributable to:			
- shareholders of the Bank		**96,334**	95,587
- non-controlling interests		**203**	365
		96,537	95,952
Earnings per share, basic and diluted		**0.005**	0.005

The accompanying notes on pages 6 to 33 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

in thousands of Azerbaijani manats	**Notes**	**For the six months ended 30 June (unaudited) 2026**	2025
Net profit for the period		**96,537**	95,952
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Net change in fair value of investment securities at fair value through other comprehensive income		**(583)**	3,935
Reclassification of cumulative gain/(loss) on disposal of debt instruments at fair value through other comprehensive income to the income statement		**(38)**	(601)
Changes in allowance for expected credit losses of investment securities at fair value through other comprehensive income	19	**(90)**	(131)
Share of other comprehensive gain/loss of an associate	18	**(1)**	137
Net unrealised gains on investment securities at fair value through other comprehensive income		**(712)**	3,340
Income tax relating to components of other comprehensive income	15	**142**	(641)
Foreign currency translation differences attributable to subsidiaries		**1,736**	1,364
Foreign currency translation differences attributable to an associate	18	**3,667**	414
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**4,833**	4,477
Total comprehensive income for the period		**101,370**	100,429
Attributable to:			
- shareholders of the Bank		**100,911**	99,783
- non-controlling interests		**459**	646
		101,370	100,429

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to shareholders of the Bank									
in thousands of Azerbaijani manats	**Share capital**	**Share premium**	**Additional paid-in capital**	**Retained earnings**	**Net unrealised gains/ (losses) on invest ment securities**	**Other reserves**	**Foreign currency transla tion reserve**	**Total**	**Non-control ling interests**	**Total equity**
As at 1 January 2025	354,512	–	343	516,450	(3,068)	4,016	19,334	891,587	10,975	902,562
Net profit for the period	–	–	–	95,587	–	–	–	95,587	365	95,952
Other comprehensive income/(loss) for the period	–	–	–	–	2,562	–	1,634	4,196	281	4,477
Total comprehensive income/(loss) for the period	–	–	–	95,587	2,562	–	1,634	99,783	646	100,429
Dividends to shareholders of the Bank *(Note 16)*	–	–	–	(39,997)	–	–	–	(39,997)	–	(39,997)
As at 30 June 2025 (unaudited)	**354,512**	–	**343**	**572,040**	**(506)**	**4,016**	**20,968**	**951,373**	**11,621**	**962,994**
As at 1 January 2026	**354,512**	–	**343**	**572,348**	**(596)**	**4,016**	**21,291**	**951,914**	**12,199**	**964,113**
Net profit for the period		–	–	**96,334**	–	–		**96,334**	**203**	**96,537**
Other comprehensive income for the period		–	–	–	**(569)**	–	**5,146**	**4,577**	**256**	**4,833**
Total comprehensive income for the period		–	–	**96,334**	**(569)**		**5,146**	**100,911**	**459**	**101,370**
Issuance of shares	**18,658**	**31,903**	–	–	–	–	–	**50,561**	–	**50,561**
Dividends to shareholders of the Bank *(Note 16)*	–	–	–	**(107,043)**	–	–	–	**(107,043)**	–	**(107,043)**
As at 30 June 2026 (unaudited)	**373,170**	**31,903**	**343**	**561,639**	**(1,165)**	**4,016**	**26,437**	**996,343**	**12,658**	**1,009,001**

The accompanying notes on pages 6 to 33 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

in thousands of Azerbaijani manats	Notes	For the six months ended 30 June (unaudited) 2026	2025
Cash flows from operating activities			
Interest received		**304,982**	266,150
Interest paid		**(117,176)**	(93,899)
Fees and commissions received		**88,939**	81,708
Fees and commissions paid		**(66,090)**	(69,369)
Realised gains less losses from dealing in foreign currencies and foreign currency derivatives		**23,153**	21,760
Personnel expenses paid		**(80,736)**	(74,313)
General and administrative expenses paid		**(28,889)**	(31,869)
Other operating income received		**2,486**	1,938
Cash flows from operating activities before changes in operating assets and liabilities		**126,669**	102,106
Net (increase)/decrease in operating assets			
Amounts due from credit institutions		**216,241**	475,902
Loans to customers		**(205,096)**	70,734
Other assets		**(2,726)**	13,328
Net increase/(decrease) in operating liabilities			
Amounts due to banks and government funds		**169,872**	396,088
Amounts due to customers		**(145,691)**	171,958
Other liabilities		**(22,641)**	(21,221)
Net cash flows from operating activities before income tax		**136,628**	1,208,895
Income tax paid		**(21,655)**	(19,332)
Net cash flows from operating activities		**114,973**	1,189,563
Cash flows from investing activities			
Proceeds from sale and redemption of investment securities		**1,264,176**	1,237,361
Purchase of investment securities		**(305,344)**	(1,493,094)
Proceeds from sale of property and equipment		**260**	479
Purchase and prepayments for property and equipment		**(17,185)**	(3,534)
Acquisition of intangible assets		**(3,322)**	(3,493)
Net cash flows from/(used in) investing activities		**938,585**	(262,281)
Cash flows from financing activities			
Principal repayments of lease liability		**(426)**	(1,115)
(Payment of)/proceeds from subordinated debts	24	**(8,175)**	16,026
(Payment of)/proceeds from debt securities issued		**(87)**	–
Issue of ordinary share capital		**50,561**	–
Dividends paid	16	**–**	(39,997)
Net cash flows from/(used in) financing activities		**41,873**	(25,086)
Effect of exchange rates changes on cash and cash equivalents		**(1,799)**	3,812
Effect of expected credit losses on cash and cash equivalents		**–**	(2)
Net increase in cash and cash equivalents		**1,093,632**	906,006
Cash and cash equivalents, beginning of the year		**2,248,679**	1,528,384
Cash and cash equivalents, ending of the period	4	**3,342,311**	2,434,390

The accompanying notes on pages 6 to 33 are an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. PRINCIPAL ACTIVITIES

OJSC PASHA Bank ("the Bank") was established on 18 June 2007, as an open joint stock company under the laws of the Republic of Azerbaijan. The Bank operates under a banking licence No. 250 issued by the Central Bank of the Republic of Azerbaijan (the "CBAR") on 28 November 2007.

The Bank and its subsidiaries (together − "the Group") accept deposits from the public and extend credit, transfer payments, exchange currencies and provide other banking services to its commercial and private customers.

As at 30 June 2026 and 31 December 2025, the Bank has six service points, three branches in Azerbaijan and one subsidiary, JSC PASHA Bank Georgia located in the Republic of Georgia and one associate PASHA Yatirim Bankasi A.Ş. located in the Republic of Turkey. The Bank's registered legal address is 15 Yusif Mammadaliyev Street, Baku, AZ1005, Azerbaijan.

As at 30 June 2026 and 31 December 2025, the following shareholders owned the outstanding shares of the Bank:

	Ownership percentage (%)	
Shareholders	**30 June 2026**	**31 December 2025**
PASHA Holding LLC	−	56.8
PASHA Financial Holding LLC	53.9	−
Bless LLC	26.8	28.2
Mr. Arif Pashayev	9.5	10.0
Mr. Mir Jamal Pashayev	4.8	5.0
Others *(Note 16)*	5.0	−
Total	**100**	**100**

As a result of the change in structure, the net assets of the Bank attributable to PASHA Holding LLC is transferred to new established PASHA Financial Holding LLC which is wholly owned subsidiary of PASHA Holding LLC.

As at 30 June 2026 and 31 December 2025, the Group is ultimately owned by Mrs. Leyla Aliyeva, Mrs. Arzu Aliyeva, Mr. Arif Pashayev and Mr. Mir Jamal Pashayev, who exercise collective control over the Group.

JSC PASHA Bank Georgia, subsidiary of the Group, is located in the Republic of Georgia, operating in the banking sector, with registered and paid-up share capital of GEL 35,000 thousand as at 31 December 2013. In March 2014 share capital of subsidiary was increased and amounted to GEL 103,000 thousand. In March 2022 and September 2023 share capital of subsidiary was increased by GEL 26,000 and GEL 7,800 thousand and amounted to GEL 136,800 thousand as at 30 June 2024. On July 2023 and September 2023, respectively the ratio of shares directly belonging to OJSC PASHA Bank fell from 100% to 90.20% and on September 2023 AZN 5,061 thousand share capital was injected by PASHA Holding LLC in exchange of 7,800,000 common shares issued by JSC PASHA Bank Georgia, as a result of which the ownership in a subsidiary decreased to 85.06%.

JSC PASHA Bank Georgia operates under a banking licence issued by the National Bank of Georgia (the "NBG") on 17 January 2013. Legal address of the JSC PASHA Bank Georgia is 37M, Ilia Chavchavadze Avenue, 0179, Tbilisi, Georgia.

TAIB Yatirim Bank A.Ş. was incorporated in 1987 as an investment bank in the Republic of Turkey with the permission of the Council of Ministers decision no. 6224 which allows the transfer of the banks' net profit after statutory liabilities and in case of liquidation the transfer of capital to foreign shareholders. On 27 January 2015, the Bank acquired 79.47% of the voting common shares of TAIB Yatirim Bank A.Ş. and it was renamed to PASHA Yatirim Bankasi A.Ş. at the registration of the Bank as shareholder. In March 2015, investment in share capital of the subsidiary was increased by TRY 175,000 thousand to TRY 255,000 thousand increasing ownership in subsidiary to 99.92%. On 6 June 2018, share capital of subsidiary was increased by TRY 245,000 thousand to TRY 500,000 thousand. The increase was made based on decision of Supervisory Board of the Bank, according to which newly issued shares were acquired by PASHA Holding LLC. As a result, the Bank's shares in the subsidiary decreased from 99.92% to 50.96% and PASHA Holding LLC became a new non-controlling shareholder with ownership of 49% since 6 June 2018. Head office of PASHA Yatirim Bankasi A.Ş. is located in Istanbul. The activities of the bank are regulated by the Central Bank of the Republic of Turkey (the "CBRT"). During 2023, shares of PASHA Yatirim Bankasi A.Ş. were sold to PASHA Holding LLC. The transfer of shares was settled on 29 December 2023 for a cash consideration of AZN 46,000 thousand and as a result the ratio of shares for the Group decreased from 50.96% to 28.21%, resulting in the Group losing control over its subsidiary and obtaining significant influence over PASHA Yatirim Bankasi A.Ş. As of 30 June 2026, PASHA Yatirim Bankasi A.Ş. is the only associate of the Group.

OJSC PASHA Bank and its Subsidiary (together – "the Group") were consolidated in these financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION

General

These interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

Estimation uncertainty

The Group has reflected revised estimates of expected future cash flows in its expected credit loss (hereafter, "ECL") assessment *(Note 7)* and estimation of fair values of financial instruments *(Note 22).*

Changes in accounting policies

New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

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

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

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance* on implementing IFRS 7, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

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

2. BASIS OF PREPARATION (continued)

Changes in accounting policies (continued)

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

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

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

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

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are listed below.

- IFRS 18 *Presentation and Disclosure in Financial Statements*.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3. SEGMENT REPORTING

The Group discloses information to enable users of its interim condensed consolidated financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. This matter is regulated by IFRS 8 *Operating Segments* and other standards that require special disclosures in the form of segmental reporting.

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of services delivered or provided. The Group's reportable segments under IFRS 8 are therefore as follows:

- Corporate Banking − direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products;
- Treasury − interbank transactions, money market and capital market operations, securities investment, foreign exchange services, issuance of bonds and promissory notes, derivatives and other treasury functions.
- The Retail segment is included within the unallocated category, as it does not exceed the quantitative thresholds indicated in IFRS 8.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SEGMENT REPORTING (continued)

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**				30 June 2025 (unaudited)			
	Corporate	**Treasury**	**Unallo-cated**	**Total**	Corporate	Treasury	Unallo-cated	Total
Interest income	**172,832**	**117,556**	**11,444**	**301,832**	154,526	106,957	12,402	273,885
Interest expense	**(91,166)**	**(8,278)**	**(23,235)**	**(122,679)**	(54,847)	(14,159)	(27,914)	(96,920)
Net interest income	**81,666**	**109,278**	**(11,791)**	**179,153**	99,679	92,798	(15,512)	176,965
Credit loss on interest bearing assets	**3,715**	**490**	**(2)**	**4,203**	1,213	(23)	(57)	1,133
Net interest income after impairment losses	**85,381**	**109,768**	**(11,793)**	**183,356**	100,892	92,775	(15,569)	178,098
Net gain/loss from foreign currencies	**13,868**	**(1,171)**	**8,201**	**20,898**	11,513	9,665	7,690	28,868
Fee and commission income	**79,622**	**267**	**8,977**	**88,866**	71,804	909	9,182	81,895
Servicing plastic card operations	**45,501**	**13**	**6,702**	**52,216**	39,781	2	7,104	46,887
Settlements operations	**22,132**	**10**	**546**	**22,688**	20,356	8	789	21,153
Guarantees and letters of credit	**10,094**	**96**	**7**	**10,197**	10,163	35	1	10,199
Cash operations	**1,840**	**79**	**1,527**	**3,446**	1,466	405	1,038	2,909
Other	**55**	**69**	**195**	**319**	38	459	250	747
Fee and commission expense	**(56,034)**	**(1,833)**	**(7,517)**	**(65,384)**	(61,978)	(1,167)	(5,648)	(68,793)
Servicing plastic card operations	**(50,389)**	**(16)**	**(7,209)**	**(57,614)**	(55,852)	–	(5,317)	(61,169)
Settlements operations	**(4,633)**	**(1,095)**	**(292)**	**(6,020)**	(4,756)	(419)	(154)	(5,329)
Guarantees and letters of credit	**(1,301)**	**–**	**–**	**(1,301)**	(1,008)	(21)	–	(1,029)
Cash operations	**(177)**	**(455)**	**(14)**	**(646)**	(199)	(334)	(2)	(535)
Securities operations	**(45)**	**(259)**	**–**	**(304)**	–	(391)	–	(391)
Other	**511**	**(8)**	**(2)**	**501**	(163)	(2)	(175)	(340)
Net gain/losses from investment securities	**–**	**38**	**–**	**38**	–	601	–	601
Other operating income	**2,012**	**187**	**(764)**	**1,435**	524	596	745	1,865
Share of profit of associate	**–**	**–**	**(2,565)**	**(2,565)**			423	423
Non-interest income	**39,468**	**(2,512)**	**6,332**	**43,288**	21,863	10,604	12,392	44,859
Non-interest expenses	**(55,277)**	**(1,839)**	**(47,413)**	**(104,529)**	(54,359)	(2,159)	(45,891)	(102,409)
Profit gain before income tax expense	**69,572**	**105,417**	**(52,874)**	**122,115**	68,396	101,220	(49,068)	120,548
Income tax expenses	**(14,066)**	**(22,698)**	**11,186**	**(25,578)**	(12,127)	(20,055)	7,586	(24,596)
Net profit for the year	**55,506**	**82,719**	**(41,688)**	**96,537**	56,269	81,165	(41,482)	95,952

in thousands of Azerbaijani manats	***30 June 2026 (unaudited)***				***31 December 2025***			
	Corporate	**Treasury**	**Unallo-cated**	**Total**	Corporate	Treasury	Unallo-cated	Total
Segment assets	**3,763,537**	**5,665,407**	**550,472**	**9,979,416**	3,578,616	5,759,745	505,681	9,844,042
Segment liabilities	**5,747,498**	**834,145**	**2,388,772**	**8,970,415**	5,009,212	836,004	3,034,713	8,879,929

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Cash on hand	**96,302**	105,020
Current accounts with the CBAR and NBG	**2,250,696**	855,519
Time deposits with credit institutions up to 3 months	**662,099**	1,004,349
Financial instruments up to 3 months	**49,273**	111,637
Current accounts with other credit institutions	**283,941**	172,154
Cash and cash equivalents	**3,342,311**	2,248,679

As at 30 June 2026, the Group placed AZN 662,099 thousand in time deposits three resident and seven non resident banks maturing through July 2026 (31 December 2025: AZN 1,004,349 thousand in time deposits five resident and twelve non resident banks maturing through March 2026).

As at 30 June 2026, Financial instruments up to 3 months consist of Notes issued by the Central Bank of Azerbaijan Republic and US Treasury bonds maturing through September 2026 in the amount of AZN 23,851 thousand and AZN 25,422 thousand, respectively (31 December 2025: Financial instruments up to 3 months consist of US Treasury bonds maturing through February 2026 in the amount of AZN 111,637 thousand).

Current accounts with other credit institutions consist of non-interest bearing correspondent account balances with resident and non-resident banks in the amount of AZN 629 thousand (31 December 2025: AZN 2,209 thousand) and AZN 283,310 thousand (31 December 2025: AZN 169,945 thousand), respectively.

All balances of cash equivalents are allocated to Stage 1.

5. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Mandatory reserves with the CBAR and the NBG	**585,944**	633,077
Time deposits with credit institutions for more than 3 months	**92,652**	218,758
Restricted deposits	**55,363**	70,267
Loans to banks	**31,327**	2,274
Short term deposits on precious metals	**28,124**	67,834
Amounts due from credit institutions (gross)	**793,410**	992,210
Less: allowance for impairment	**(533)**	(665)
Amounts due from credit institutions (net)	**792,877**	991,545

Credit institutions in the Azerbaijan Republic are required to maintain a non-interest earning cash deposit (mandatory reserve) with the CBAR as per following differentiation criteria:

- Whether the deposits of legal entities in local currency are less than AZN 1,000,000 thousand (AZN 750,000 thousand for foreign currency);
- Whether the proportion of connected deposits to total deposits is below than 20%;
- Whether the proportion of Bank's related party deposits to total deposits is below than 20%.

Based on the above mentioned criteria, the mandatory reserve rate of 10% (31 December 2025: 10%) for local currency deposits and 12% (31 December 2025: 12%) for foreign currency deposits were applicable as at 30 June 2026.

The Group's ability to withdraw such deposit is restricted by statutory legislation.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. AMOUNTS DUE FROM CREDIT INSTITUTIONS (continued)

Credit institutions in the Republic of Georgia are required to maintain a mandatory interest earning cash deposit with the NBG at the level of 5.0% (2025: 5.0%) and at a range from 10% to 20% depending on the deposit dollarization rate of a particular commercial bank (31 December 2025: range from 10% to 25%) of the average of funds attracted from customers and non-resident financial institutions for the appropriate two-week period in GEL and foreign currencies, respectively. Borrowed funds with a remaining maturity of over one year in GEL, and over two years in a foreign currency, are exempt from reserve requirements. For foreign currency borrowed funds with a remaining maturity of 1-2 years the reserve requirement is in the range of 10% to 15% depending on the deposit dollarization rate of a particular commercial bank.

As at 30 June 2026, time deposits with credit institutions mature between July 2026 and April 2027 (31 December 2025: between January 2026 and June 2026).

As at 30 June 2026, the Bank had outstanding amount of AZN 31,327 thousand secured loan with one resident and one non-resident commercial bank with contractual maturity through May 2027 (31 December 2025: AZN 2,274 thousand of unsecured loan with one non-resident commercial bank with contractual maturity through October 2026).

An analysis of changes in the ECLs allowances during the six months ended is as follows:

in thousands of Azerbaijani manats	**Stage 1**	**Total**
ECL allowance as at 1 January 2026	**(665)**	**(665)**
Movements with impact on credit loss allowance (charge)/reversal in profit or loss	**(529)**	**(529)**
New assets originated or purchased		
Assets repaid	**661**	**661**
Changes to model and inputs used for ECL calculation		
Movements without impact on credit loss allowance (charge)/reversal in profit or loss		
Foreign exchange adjustments	**–**	**–**
At 30 June 2026 (unaudited)	**(533)**	**(533)**

in thousands of Azerbaijani manats	**Stage 1**	**Total**
ECL allowance as at 1 January 2025	(518)	(518)
Movements with impact on credit loss allowance (charge)/reversal in profit or loss		
New assets originated or purchased	(173)	(173)
Assets repaid	294	294
Changes to model and inputs used for ECL calculation	–	–
Movements without impact on credit loss allowance (charge)/reversal in profit or loss		
Foreign exchange adjustments	55	55
At 30 June 2025 (unaudited)	**(342)**	**(342)**

6. INVESTMENT SECURITIES

Investment securities comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Debt securities at FVOCI		
US Treasury bonds	**274,014**	215,942
Azerbaijan Mortgage Fund bonds	**354,792**	378,103
Bonds of the Ministry of Finance of the Republic of Azerbaijan	**25,850**	28,974
Notes issued by the Central Bank of the Republic of Azerbaijan	**5,508**	–
Bonds of financial institutions	**87,144**	90,686
Corporate bonds	**25,315**	30,854
Other foreign government bonds	**2,473**	2,439
Debt securities at FVOCI	**775,096**	746,998

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. INVESTMENT SECURITIES (continued)

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Equity securities at FVOCI		
Corporate shares	**2,003**	2,003
Equity securities at FVOCI	**2,003**	2,003
Debt securities at FVPL		
Convertible bonds in foreign currency	**353**	352
Debt securities at FVPL	**353**	352

in thousands of Azerbaijani manats	**2026**	2025
Debt securities at amortised cost		
US Treasury bonds	**273,142**	625,546
Bonds of the Ministry of Finance of the Republic of Azerbaijan	**236,416**	582,375
Notes of the Central Bank of the Republic of Azerbaijan	**9,584**	139,540
Corporate bonds	**158,069**	242,350
Bonds of financial institutions	**121,548**	189,146
Other foreign governments' bonds	**34,624**	42,864
	833,383	1,821,821
Less: allowance for impairment	**(702)**	(981)
Debt securities at amortised cost	**832,681**	1,820,840

An analysis of changes in the ECLs allowances during the six months ended is as follows:

Debt securities at FVOCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2026	**(560)**	**–**	**(176)**	**(736)**
Movements with impact on credit loss allowance (charge)/reversal in profit or loss				
New assets originated or purchased				
Assets repaid or sold	**66**	**–**	**2**	**68**
Changes to models and inputs used for ECL calculations	**31**	**–**	**(9)**	**22**
Movements without impact on credit loss allowance (charge)/reversal in profit or loss				
Foreign exchange adjustment	**–**	**–**	**–**	**–**
As at 30 June 2026 (unaudited)	**(463)**	**–**	**(183)**	**(646)**

Debt securities at FVOCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2025	(784)	–	(171)	(955)
Movements with impact on credit loss allowance (charge)/reversal in profit or loss				
New assets originated or purchased	(21)	–	–	(21)
Assets repaid or sold	127	–	(4)	123
Changes to models and inputs used for ECL calculations	31	–	(2)	29
Movements without impact on credit loss allowance (charge)/reversal in profit or loss				
Foreign exchange adjustment	–	–	1	1
As at 30 June 2025 (unaudited)	**(647)**	**–**	**(176)**	**(823)**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. INVESTMENT SECURITIES (continued)

Debt securities at amortised cost	Stage 1
ECL as at 1 January 2026	**(981)**
Movements with impact on credit loss allowance (charge)/reversal in profit or loss	
New assets originated	**(167)**
Assets repaid	**443**
Changes to models and inputs used for ECL calculations	**(58)**
Movements without impact on credit loss allowance (charge)/reversal in profit or loss	
Foreign exchange and other movements	**61**
As at 30 June 2026 (unaudited)	**(702)**

Debt securities at amortised cost	Stage 1
ECL as at 1 January 2025	(704)
Movements with impact on credit loss allowance (charge)/reversal in profit or loss	
New assets originated	(146)
Assets repaid	113
Changes to models and inputs used for ECL calculations	79
Movements without impact on credit loss allowance (charge)/reversal in profit or loss	
Foreign exchange and other movements	4
As at 30 June 2025 (unaudited)	**(654)**

As at 30 June 2026, AZN 0 thousand worth of investment securities were pledged as a collateral for the loan from the National Bank of Georgia (31 December 2025: AZN 6,447 thousand).

7. LOANS TO CUSTOMERS

Loans to customers comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Legal entities	**3,634,370**	3,448,970
Individuals	**444,793**	434,831
Loans to customers (gross)	**4,079,163**	3,883,801
Less: allowance for impairment	**(98,952)**	(98,330)
Loans to customers (net)	**3,980,211**	3,785,471

Loans are made in the following industry sectors:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Trade and services	**1,492,370**	1,514,159
Transport and telecommunication	**720,952**	622,724
Individuals	**444,793**	434,831
Construction	**419,304**	209,039
Manufacturing	**311,765**	333,534
Energy	**234,073**	295,738
Non-banking credit organizations	**203,276**	158,446
Agriculture and food processing	**134,303**	239,874
Mining	**52,591**	34,694
Real estate management	**48,358**	30,924
Other	**17,378**	9,838
Total loans (gross)	**4,079,163**	3,883,801

As at 30 June 2026, loans granted to top 11 customers (31 December 2025: 14 customers) which individually exceeded 5% of the Group's equity, amounted to AZN 1,417,654 thousand (31 December 2025: AZN 1,252,161 thousand).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. LOANS TO CUSTOMERS (continued)

An analysis of changes in the ECL allowances during the six months ended 30 June 2026 is, as follows:

in thousands of Azerbaijani manats	Stage 1	Stage 2	Stage 3	POCI	Total
ECL as at 1 January 2026	**(16,700)**	**(18,127)**	**(63,503)**	**–**	**(98,330)**
Movements with impact on credit loss allowance (charge)/reversal in profit or loss					
New assets originated or purchased	(16,974)	–	–	–	(16,974)
Assets repaid	4,598	2,855	8,667	1,365	17,485
Transfers to Stage 1	(1,421)	1,338	83	–	–
Transfers to Stage 2	6,156	(12,549)	6,393	–	–
Transfers to Stage 3	8,286	623	(8,909)	–	–
Impact on period end ECL of exposures transferred between stages during the period	1,206	3,917	(9,124)	–	(4,001)
Changes to models and inputs used for ECL calculations	1,777	6,258	(782)	–	7,253
Movements without impact on credit loss allowance (charge)/reversal in profit or loss					
Unwinding of discount (recognised in interest revenue)	–	–	(2,653)	–	(2,653)
Amounts written off	–	–	6,035	–	6,035
Recoveries	–	–	(6,170)	(1,365)	(7,535)
Foreign exchange adjustments	(112)	(8)	(112)	–	(232)
At 30 June 2026 (unaudited)	**(13,184)**	**(15,693)**	**(70,075)**	**–**	**(98,952)**

An analysis of changes in the ECL allowances during the six months ended 30 June 2025 is, as follows:

in thousands of Azerbaijani manats	Stage 1	Stage 2	Stage 3	POCI	Total
ECL as at 1 January 2025	(12,822)	(23,168)	(79,760)	–	(115,750)
Movements with impact on credit loss allowance (charge)/reversal in profit or loss					
New assets originated or purchased	(11,122)	–	–	–	(11,122)
Assets repaid	3,369	4,343	5,806	–	13,518
Transfers to Stage 1	(1,091)	838	253	–	–
Transfers to Stage 2	6,220	(6,371)	151	–	–
Transfers to Stage 3	1,559	1,435	(2,994)	–	–
Impact on period end ECL of exposures transferred between stages during the period	886	(1,973)	(2,607)	–	(3,694)
Changes to models and inputs used for ECL calculations	447	2,056	(369)	–	2,134
Movements without impact on credit loss allowance (charge)/reversal in profit or loss				–	
Unwinding of discount (recognised in interest revenue)	–	–	(2,959)	–	(2,959)
Amounts written off	–	–	2,923	–	2,923
Recoveries	–	–	(2,775)	–	(2,775)
Sale of portfolio					
Foreign exchange adjustments	284	(4)	65	–	345
At 30 June 2025 (unaudited)	**(12,270)**	**(22,844)**	**(82,266)**	**–**	**(117,380)**

As at 30 June 2026, cash covered loans consisted 47% of Stage 2 loans and 0% of Stage 3 loans, respectively (31 December 2025: 32% of Stage 2 loans and 1% of Stage 3 loans).

Modified and restructured loans

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired asset.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. LOANS TO CUSTOMERS (continued)

Modified and restructured loans (continued)

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

The table below includes Stage 1, Stage 2 and Stage 3 assets that were modified during the period, with the related modification loss incurred by the Group.

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	30 June 2025 (unaudited)
Loans modified during the period		
Amortised cost before modification	**37,645**	231,203
Net modification loss	**(1,375)**	(812)

Exposure of loans modified in previous periods and transferred to Stage 1 during the year amounted to AZN 244 thousand as at 30 June 2026 (as at 31 December 2025: AZN 41,849 thousand).

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The leases of the Group are represented by buildings used as office premises. The movement in right-of-use assets and lease liabilities during the half-year ended 30 June 2026 were as follows:

in thousands of Azerbaijani manats	**Right-of-use assets**	**Lease liabilities**
As at 1 January 2026	**54,824**	**52,366**
Additions		
Disposal	**(1,016)**	**(1,336)**
Depreciation expense	**(4,135)**	**–**
Interest expense	**–**	**2,313**
Payments	**–**	**(2,739)**
Foreign currency translation difference	**36**	**36**
As at 30 June 2026 (unaudited)	**49,709**	**50,640**

in thousands of Azerbaijani manats	**Right-of-use assets**	**Lease liabilities**
As at 1 January 2025	45,004	36,616
Additions	2,901	2,901
Lease modifications	–	–
Depreciation expense	(5,437)	–
Interest expense	–	1,614
Payments	–	(2,729)
Foreign currency translation difference	54	276
As at 30 June 2025 (unaudited)	**42,522**	**38,678**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. OTHER ASSETS AND LIABILITIES

Other assets comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Other financial assets		
Settlements on money transfers	**45,577**	38,559
Accrued commission receivable on guarantees and letters of credit	**1,985**	2,032
Other	**35**	159
	47,597	40,750
Less: allowance for impairment of other financial assets	**(4,920)**	(4,215)
Total other financial assets	**42,677**	36,535
Other non-financial assets		
Deferred expenses	**9,775**	9,632
Repossessed collaterals	**6,754**	10,987
Other prepayments	**6,269**	3,616
Prepayments for acquisition of property, equipment and intangible assets	**4,416**	8,849
Taxes, other than income tax	**76**	63
Purchased miles under loyalty programme	**–**	3,431
Total other non-financial assets	**27,290**	36,578
Other assets	**69,967**	73,113

The repossessed collaterals are represented by non-financial assets acquired by the Group in settlement of overdue loans. The repossessed collaterals are recorded at a lower of cost and net realizable value as at 30 June 2026.

Repossessed collaterals comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Commercial real estate	**3,431**	7,694
Residential real estate	**1,919**	1,806
Land	**230**	230
Other	**1,174**	1,257
	6,754	10,987

Other liabilities comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Other financial liabilities		
Settlements on money transfer	**42,978**	64,235
Accrued expenses	**13,832**	16,461
Other	**6,134**	3,240
	62,944	83,936
Other non-financial liabilities		
Payable to employees	**48,297**	64,786
Deferred income	**2,177**	2,103
Taxes, other than income tax	**440**	3,684
Total other non-financial liabilities	**50,914**	70,573
Other liabilities	**113,858**	154,509

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. AMOUNTS DUE TO BANKS AND GOVERNMENT FUNDS

Amounts due to banks and government funds comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Azerbaijan Mortgage and Credit Guarantee Fund	**218,199**	209,109
Long-term deposits from banks	**173,725**	176,230
Repurchase agreements	**162,489**	4,142
Entrepreneurship Development Fund of the Republic of Azerbaijan	**141,024**	146,772
Short-term deposits from banks	**87,245**	59,142
Correspondent accounts of other banks	**22,655**	14,057
Loans from the National Bank of Georgia	**–**	6,316
Deposit from the Ministry of Finance of Georgia	**8,697**	8,211
Agro Credit and Development Agency	**4,927**	6,204
Long-term loans from banks	**319**	943
Other	**3,010**	5
Amounts due to banks and government funds	**822,290**	631,131

As at 30 June 2026, the Group had loans refinanced from the Azerbaijan Mortgage and Credit Guarantee Fund amounting to AZN 218,199 thousand (31 December 2025: AZN 209,109 thousand), maturing through October 2052 (31 December 2025: through October 2052) and bearing interest rate of 1.0% and 4.0% (31 December 2025: 1.0% and 4.0%). The loans have been granted to borrowers at interest rate not higher than 8.0% (31 December 2025: not higher than 8.0%).

As at 30 June 2026, the Group attracted long-term deposits from one resident commercial bank comprising AZN 173,725 thousand (31 December 2025: AZN 176, 230 thousand) maturing through November 2028 (31 December 2025: November 2028).

As at 30 June 2026, Entrepreneurship Development Fund of the Republic of Azerbaijan had current account amounting to AZN 0 thousand (31 December 2025: AZN 0 thousand). The Group had loans received from the Entrepreneurship Development Fund of the Republic of Azerbaijan amounting to AZN 141,024 thousand (31 December 2025: AZN 146,772 thousand), maturing through November 2033 (31 December 2025: through September 2032) The loans were acquired for the purposes of assistance in gradually improving entrepreneurship environment in Azerbaijan under the government program. The loans have been granted to local entrepreneurs at interest rate not higher than 6.0% (31 December 2025: not higher than 6.0%).

As at 30 June 2026, the Group had loans from National Bank of Georgia amounting to AZN 0 (31 December 2025: AZN 6,316 thousand maturing through January 2026 and with interest rates 8.04%).

As at 30 June 2026, the Group had deposit from Ministry of Finance of Georgia amounting to AZN 8,697 thousand (31 December 2025: AZN 8,211 thousand) maturing through January 2028 (31 December 2025: January 2028) and with interest rates ranging between 9.51% and 9.87% (31 December 2025: 9.87 % and 10.1%).

As at 30 June 2026, the Group attracted short-term deposits from three resident and nine non-resident commercial banks (31 December 2025: four resident and five non-resident commercial banks) comprising AZN 87,245 thousand (31 December 2025: AZN 59,142 thousand) maturing through December 2026 (31 December 2025: December 2025).

As at 30 June 2026, the Group had loans received from the Agro Credit and Development Agency amounting to AZN 4,927 thousand (31 December 2025: AZN 6,204 thousand), maturing through November 2033 (31 December 2025: December 2030). The loans have been granted to local entrepreneurs at interest rate of 7.0 % (31 December 2025: 7.0%).

11. AMOUNTS DUE TO CUSTOMERS

The amounts due to customers include the following:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Demand deposits	**4,396,518**	4,920,670
Time deposits	**3,349,435**	2,979,410
Amounts due to customers	**7,745,953**	7,900,080
Held as security against guarantees issued *(Note 17)*	**112,454**	134,516

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. AMOUNTS DUE TO CUSTOMERS (continued)

An analysis of customer accounts by economic sector follows:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Individuals	**2,007,194**	1,973,232
Trade and services	**1,456,029**	1,643,456
Transport and communication	**1,266,555**	1,089,079
Mining	**1,230,365**	1,119,509
Investment holding companies	**492,048**	425,081
Insurance	**282,096**	349,125
Energy	**244,736**	288,370
Manufacturing	**182,593**	283,146
Public organizations	**154,082**	187,167
Construction	**90,063**	166,283
Non-banking credit organizations	**62,179**	61,476
Agriculture	**45,991**	39,726
Hospitality	**22,854**	19,486
Other	**209,168**	254,944
Amounts due to customers	**7,745,953**	7,900,080

As at 30 June 2026, customer deposits included balances with fourteen (31 December 2025: fifteen) largest customers with balances above AZN 100,000 thousand comprised AZN 4,169,137 thousand or 54% of the total customer deposits portfolio (31 December 2025: 4,170,451 thousand or 53% of the total customer deposits portfolio).

12. SUBORDINATED DEBTS

As at 30 June 2026, the amount of subordinated debts represents USD denominated subordinated loans of AZN 81,086 thousand (31 December 2025: AZN 89,575) maturing through August 2027 and December 2031 (31 December 2025: August 2027 and December 2031).

13. DEBT SECURITIES ISSUED

As at 30 June 2026, the amount of debt securities issued represents AZN denominated debt securities of AZN 40,593 thousand (31 December 2025: AZN 40,680) maturing through August 2026 with 10.5% coupon rate

14. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivative financial instruments for trading purposes. The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are not indicative of the credit risk.

	30 June 2026 (unaudited)			31 December 2025		
	Notional	**Fair values**		Notional	Fair value	
in thousands of Azerbaijani manats	**amount**	**Asset**	**Liability**	amount	Asset	Liability
Interest rate contracts						
Forwards and swaps − foreign	**106,797**	**1,868**	**(164)**	129,714	1,040	(29)
Foreign exchange contracts						
Forwards and swaps – domestic	**464,073**	**2,503**	**(32)**	164,017	2,617	−
Options – domestic				30,923	9	−
Commodity contracts						
Futures – foreign	**1,324**	**14**	**(2)**	8,005	32	−
Futures − domestic	**1,324**	**2**	**(14)**	8,128	28	(2)
Total derivative assets/ (liabilities)		**4,387**	**(212)**		3,726	(31)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Foreign and domestic in the table above stand for counterparties where foreign means non-Azerbaijani entities and domestic means Azerbaijani entities. As at 30 June 2026 and 31 December 2025, the Group has positions in the following types of derivatives:

Forwards and futures

Forwards and futures contracts are contractual agreements to buy or sell a specified financial instrument or commodity at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements.

Swaps

Swaps are contractual agreements between two parties to exchange movements in interest and foreign currency rates and equity indices, and (in the case of credit default swaps) to make payments with respect to defined credit events based on specified notional amounts.

Options

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specific amount of a financial instrument at a fixed price, either at a fixed future date or at any time within a specified period.

15. TAXATION

The corporate income tax expense comprises:

	For six months ended (unaudited)	
in thousands of Azerbaijani manats	**30 June 2026**	30 June 2025
Current tax charge	**(19,419)**	(22,536)
Deferred tax charge − origination and reversal of temporary differences	**(6,301)**	(2,701)
Less: deferred tax recognised in other comprehensive income	**142**	641
Income tax expense	**(25,578)**	(24,596)

As at 30 June 2026, current income tax liabilities and deferred income tax assets of the Group were AZN 3,074 thousand and AZN 19,580 thousand, respectively (31 December 2025: current income tax liabilities of AZN 5,311 thousand and deferred income tax assets AZN 25,399).

16. EQUITY

The Group share capital as at 30 June 2026 comprises the following shares:

	Number of shares	**Par value (AZN)**	**Share capital In thousand AZN**
At 1 January 2026	**10,646**	**33,300**	**354,512**
Share split	**17,714,944**	**–**	**–**
After share split	**17,725,590**	**20**	**354,512**
Shares issued on public offering	**932,926**	**20**	**18,658**
At 30 June 2026	**18,658,516**	**20**	**373,170**

On January 2026, the Bank's shareholders resolved to split each ordinary share with a par value of AZN 33,300 into 1,665 ordinary shares with a par value of AZN 20 each. The split increased the number of shares in issue from 10,646 to 17,725,590 with no change in the amount of share capital and no change in the resources of the Bank. Basic and diluted earnings per share for all periods presented have been restated retrospectively to reflect the split.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EQUITY (continued)

Initial public offering

In April 2026 the Bank commenced an initial public offering of its ordinary shares on the Baku Stock Exchange. The offering was completed on 12 June 2026, and the additional share issue was registered on 30 June 2026. The offering comprised solely newly issued shares; no existing shares were sold by the Bank's shareholder.

	In thousand AZN
Nominal value credited to share capital	**18,658**
Excess of consideration over par value credited to share premium	**32,652**
Gross proceeds	**51,310**
Directly attributable transaction costs charged to share premium net of tax	**(749)**
Net proceeds	**50,561**

The shares issued represent 5.0% of the Bank's issued share capital following the offering. Directly attributable incremental transaction costs of AZN 749 thousand have been recognised as a deduction from share premium in accordance with IAS 32.

	In thousand AZN
At 1 January 2026	**–**
Premium arising on shares issued	**32,652**
Transaction costs	**(749)**
At 30 June 2026	**31,903**

Share premium represents the excess of consideration received over the par value of shares issued, net of directly attributable transaction costs. Under the legislation of the Republic of Azerbaijan, share premium is not available for distribution to shareholders as dividends

Rights attaching to shares

All issued shares are ordinary shares, fully paid, and rank equally. Each share carries one vote at general meetings and an equal right to dividends declared. The Bank has no authorised but unissued shares other than as set out above and holds no treasury shares.

On 18 June 2026, the Bank declared dividends totalling AZN 107,043 thousand on ordinary shares (AZN 0,0057 per share) which is not paid as at 30 June 2026.

On 3 June 2025 and 2 October 2025, the Bank declared dividends totalling AZN 128,720 thousand on ordinary shares (AZN 0,0072 per share) which was paid as at 31 December 2025.

Additional paid-in capital

As at 30 June 2026 and 31 December 2025, additional capital of AZN 343 thousand represents gain from fair value at initial recognition measurement of subordinated debts of AZN 8,125 thousand, borrowed from entities under common control.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EQUITY (continued)

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of the basic and diluted earnings per share were as follow:

in thousands of Azerbaijani manats	**30 June 2026**	30 June 2025
Net profit for the period attributable to shareholders of the Bank	**96,334**	95,587
Weighted average number of ordinary shares in issue	**18,658,516**	17,725,590
Earnings per share-basic and diluted	**0.005**	0.005

Foreign currency translation reserve

Foreign currency translation reserve is used to record exchange difference arising from the translation of the financial statements of foreign subsidiary and associate. Additionally, it includes the net impact from inflation adjustment of PASHA Yatirim Bankasi A. Ş.net assets.

Other reserves

As of 30 June 2026, other reserves of AZN 4,016 thousand represents difference between cash consideration received and transfer of portion of net assets of JSC PASHA Bank Georgia to non-controlling interests adjusted for foreign currency translation reserve on 7 July 2023.

Net unrealised loss on investment securities

This reserve records fair value and ECL changes on investment securities at FVOCI which amounted to AZN 1,165 thousand (31 December 2025: AZN 596 thousand) of loss.

17. COMMITMENTS AND CONTINGENCIES

Operating environment

General overview

The Group conducts all of its operations in the Republic of Azerbaijan.

The Azerbaijani economy remains sensitive to fluctuations in global hydrocarbon prices. Nevertheless, the Government continues to implement reforms aimed at economic diversification and reducing reliance on the hydrocarbon sector, which still constitutes a substantial share of national output. Non-oil industries, particularly transportation, construction, tourism, information technology and communication sectors are increasingly contributing to economic growth.

Economic performance

In the first half of 2026, Azerbaijan's real Gross Domestic Product ("GDP") increased by 0.8% year-on-year, reaching AZN 65.2 billion. Growth was primarily supported by the non-oil and gas sector, which expanded by 1.5%, while value added in the oil and gas sector decreased by 0.7%. The non-oil economy continued to demonstrate resilience, with notable growth recorded in transportation and storage services (8.0%), information and communication services (7.5%), agriculture (2.2%) and retail trade (3.7%). Non-oil and gas industrial output also increased by 4.1% during the period, reflecting continued diversification of economic activity. The Azerbaijani Economy Ministry forecasts GDP growth at 1.7% in 2026. Economic growth was 1.4% in 2025.

The Azerbaijani manat remained stable against major currencies during the first half of 2026, with the official exchange rate against the US dollar maintained at AZN 1.7000 per US dollar. The country's external buffers remained strong, supported by substantial sovereign foreign currency assets. As of 30 June 2026, the Central Bank of the Republic of Azerbaijan ("CBAR") held official foreign exchange reserves of USD 13.2 billion, while the assets of the State Oil Fund of the Republic of Azerbaijan ("SOFAZ") amounted to USD 72.6 billion. Accordingly, Azerbaijan's combined strategic foreign currency reserves amounted to approximately USD 85.8 billion at the end of the first half of 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. COMMITMENTS AND CONTINGENCIES (continued)

Operating environment (continued)

Economic performance (continued)

Looking ahead, the International Monetary Fund ("IMF") projects Azerbaijan's GDP to grow by approximately 2.1% in 2026 and 2.5% in 2027. Non-oil GDP growth is expected to accelerate to approximately 3.7% in 2026, partially offsetting an anticipated 2.0% contraction in oil-sector output. The outlook remains supported by continued diversification and growth in the non-hydrocarbon economy, while declining hydrocarbon production and fluctuations in global oil and gas prices continue to represent key downside risks to economic growth and external stability.

Monetary policy

In February 2026, the CBAR reduced the refinancing rate by 25 basis points to 6.5%, while setting the interest rate corridor floor and ceiling at 5.5% and 7.5%, respectively. The decision was supported by the assessment that inflation remained within the target range and was expected to remain within the target range under the baseline scenario. According to the CBAR's February 2026 forecast, annual inflation was expected to stand at 5.5% in 2026 and 4.0% in 2027.

Throughout 2025 and into 2026, the Azerbaijani manat has remained stable at approximately 1.7000 to 1 USD, underpinned by strong foreign exchange reserves and disciplined macroeconomic management.

Sovereign Credit Rating Assessment

In July 2025, Moody's Ratings upgraded the Republic of Azerbaijan's long-term issuer and foreign-currency ratings to "Baa3" with a Positive outlook, bringing Azerbaijan to investment-grade status under Moody's rating scale. As of 30 June 2026, the rating and outlook remained unchanged.

In June 2026, Fitch Ratings affirmed Azerbaijan's Long-Term Foreign-Currency Issuer Default Rating ("IDR") at "BBB-" with a Stable outlook. Fitch highlighted Azerbaijan's strong external balance sheet, supported by substantial foreign-currency assets and sovereign wealth fund resources, as well as its low public debt burden and strong debt affordability. These factors continue to support Azerbaijan's credit profile, while the economy's dependence on hydrocarbons, exposure to fluctuations in oil prices and geopolitical risks remain key challenges to the sovereign rating.

Management response

The Group's management is monitoring economic developments in the current environment and taking precautionary measures, it considers necessary in order to support the sustainability and development of the Group's business in the foreseeable future. The Group considers its current liquidity position to be sufficient for its sustainable functioning. The Group monitors its liquidity position on a daily basis.

The Republic of Georgia

In recent years, the Georgian Government has continued to implement reforms aimed at enhancing the country's investment climate, particularly in the banking, judicial, taxation, and regulatory sectors. These initiatives to improve the business environment are expected to continue. The future stability of the Georgian economy will largely depend on the progress of these reforms and the effectiveness of the Government's economic, financial, and monetary policies. Nevertheless, the economy remains sensitive to global market fluctuations and economic slowdowns in partner countries.

Preliminary estimates from the National Statistics Office of Georgia indicate that real GDP grew by 7.1% in June 2026, bringing the average growth rate for the first half of the year to 6.3%. Growth was primarily driven by financial and insurance activities, construction, information and communication, transportation and storage, and professional, scientific, and technical services. Contractions were recorded in manufacturing and certain areas of trade. According to the most recent IMF projections, Georgia's real GDP growth for the year is expected to be around 5.5%.

The Bank's management continues to maintain a solid liquidity position, supported by measures from the National Bank of Georgia to reinforce the resilience of the banking sector. The Bank actively monitors changes in both domestic and global economic conditions and evaluates their potential impact on its operations, financial position, and performance.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. COMMITMENTS AND CONTINGENCIES (continued)

Legal

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group.

Taxation

Azerbaijani tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities. Recent events within the Azerbaijan suggest that the tax authorities are taking a more assertive position in its interpretation of the legislation and assessments and, as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. As such, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review.

Management believes that its interpretation of the relevant legislation as at 30 June 2026 is appropriate and that the Group's tax, currency and customs positions will be sustained.

Compliance with regulatory ratios

CBAR requires banks to maintain certain prudential ratios computed based on statutory financial statements. As at 30 June 2026, the Bank was in compliance with these ratios.

NBG requires banks to maintain certain prudential ratios computed based on statutory financial statements. As at 30 June 2026 and 31 December 2025, JSC PASHA Bank Georgia was in compliance with these ratios.

Financial commitments and contingencies

The Group provides guarantees and letters of credit to customers with primary purpose of ensuring that funds are available to a customer as required. Guarantees and standby letters of credit represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments of goods, to which they relate, or cash deposits and, therefore, carry less risk than a direct borrowing.

Financial commitments and contingencies comprise:

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Credit-related commitments		
Guarantees issued	**585,887**	575,726
Unused credit lines	**421,093**	449,539
Letters of credit	**13,716**	19,965
Financial commitments and contingencies (continued)	**1,020,696**	1,045,230
Performance guarantees	**237,195**	235,007
Commitments and contingencies	**1,257,891**	1,280,237
Provision for ECL for credit related commitments	**(4,027)**	(3,447)
Provisions for ECL of performance guarantees	**(1,639)**	(2,799)
Cash held as security against guarantees issued *(Note 11)*	**(112,454)**	(134,516)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. COMMITMENTS AND CONTINGENCIES (continued)

Financial commitments and contingencies (continued)

An analysis of changes in the ECL of credit related commitments excluding performance guarantees during the period ended 30 June 2026 is as follows:

in thousands of Azerbaijani manats	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2026	**(1,980)**	**(1,421)**	**(46)**	**(3,447)**
New exposures	**(1,669)**	**–**	**–**	**(1,669)**
Exposures derecognised or matured (excluding write-offs)	**995**	**9**	**–**	**1,004**
Transfers to Stage 1	**(247)**	**247**	**–**	**–**
Transfers to Stage 2	**859**	**(884)**	**25**	**–**
Transfers to Stage 3	**50**	**18**	**(68)**	**–**
Impact on period end ECL of exposures transferred between stages during the period	**185**	**(304)**	**(491)**	**(610)**
Changes to inputs used for ECL calculations	**231**	**556**	**(119)**	**668**
Foreign exchange adjustments	**6**	**(30)**	**51**	**27**
At 30 June 2026 (unaudited)	**(1,570)**	**(1,809)**	**(648)**	**(4,027)**

An analysis of changes in the ECL for performance guarantees during the period ended 30 June 2026 is as follows:

in thousands of Azerbaijani manats	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2026	**(247)**	**(327)**	**(2,225)**	**(2,799)**
New exposures	**(317)**	**–**	**–**	**(317)**
Exposures derecognised or matured (excluding write-offs)	**162**	**18**	**1,241**	**1,421**
Transfers to Stage 1	**(237)**	**237**	**–**	**–**
Transfers to Stage 2	**145**	**(145)**	**–**	**–**
Transfers to Stage 3	**1**	**–**	**(1)**	**–**
Impact on period end ECL of exposures transferred between stages during the period	**–**	**(95)**	**–**	**(95)**
Changes to inputs used for ECL calculations	**35**	**31**	**85**	**151**
As at 30 June 2026 (unaudited)	**(458)**	**(281)**	**(900)**	**(1,639)**

An analysis of changes in the ECL of credit related commitments excluding performance guarantees during the period ended 30 June 2025 is as follows:

in thousands of Azerbaijani manats	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2025	(3,159)	(2,066)	(135)	(5,360)
New exposures	(2,873)	–	–	(2,873)
Exposures derecognised or matured (excluding write-offs)	549	1,393	263	2,205
Transfers to Stage 1	(498)	498	–	–
Transfers to Stage 2	2,026	(2,030)	4	–
Transfers to Stage 3	15	–	(15)	–
Impact on period end ECL of exposures transferred between stages during the period	490	(232)	(307)	(49)
Changes to inputs used for ECL calculations	293	86	(4)	375
Foreign exchange adjustments	586	(273)	(253)	60
At 30 June 2025 (unaudited)	**(2,571)**	**(2,624)**	**(447)**	**(5,642)**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. COMMITMENTS AND CONTINGENCIES (continued)

Financial commitments and contingencies (continued)

An analysis of changes in the ECL for performance guarantees during the period ended 30 June 2025 is as follows:

	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2025	(493)	(685)	(2,009)	(3,187)
New exposures	(366)	–	–	(366)
Exposures derecognised or matured (excluding write-offs)	124	283	–	407
Transfers to Stage 1	(2)	2	–	–
Transfers to Stage 2	125	(125)	–	–
Transfers to Stage 3	–	–	–	–
Impact on period end ECL of exposures transferred between stages during the period	2	(39)	–	(37)
Changes to inputs used for ECL calculations	181	86	–	267
As at 30 June 2025 (unaudited)	**(429)**	**(478)**	**(2,009)**	**(2,916)**

18. INVESTMENTS IN ASSOCIATES

The following associate is accounted for under the equity method:

Associates	Ownership/ voting, %	Principal place of business	Country of incorporation	Nature of activities	Carrying value
30 June 2026 (unaudited)					
PASHA Yatirim Bankasi A.Ş.	**28.21%**	**Turkey**	**Turkey**	**Banking**	**40,247**

Associates	Ownership/ voting, %	Principal place of business	Country of incorporation	Nature of activities	Carrying value
31 December 2025					
PASHA Yatirim Bankasi A.Ş.	28.21%	Turkey	Turkey	Banking	39,813

As at 30 June 2026 the share of loss of an associate of AZN 2,565 thousand (2025: gain; AZN 423 thousand) has been recorded in the consolidated statement of profit or loss.

An analysis of changes in the investment in associate balance during the period ended 30 June is as follows:

in thousands of Azerbaijani manats	2026	2025
Investment in associates as at 1 January	**39,813**	35,504
Share of net (loss)/gain of an associate	**(2,565)**	423
Share of other comprehensive (loss)/income of an associate	**(1)**	137
Dividend from investment in associate	**(667)**	–
Foreign currency translation difference	**3,667**	414
As at 30 June (unaudited)	**40,247**	36,478

Assets and liabilities of the associate (PASHA Yatirim Bankasi A.Ş.)	30 June 2026 (unaudited)	31 December 2025
Assets	**677,101**	634,362
Liabilities	**(534,431)**	(491,815)
Net assets	**142,670**	142,547

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. INVESTMENTS IN ASSOCIATES (continued)

Revenues and expenses of the associate (PASHA Yatirim Bankasi A.Ş.)	30 June 2026 (unaudited)	30 June 2025
Revenues	**17,838**	21,042
Expenses	**(26,931)**	(19,543)
Net (loss)/gain for the period	**(9,093)**	1,499
Other comprehensive (loss)/income	**(2)**	485

19. CREDIT LOSS EXPENSE AND OTHER IMPAIRMENT AND PROVISION

The table below shows the ECL charges on financial instruments recorded in the consolidated statement of profit or loss for the six months period ended 30 June 2026:

in thousands of Azerbaijani manats	Note	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and cash equivalents	4	**–**	**–**	**–**		**–**
Amounts due from credit institutions	5	**132**	**–**	**–**		**132**
Investment securities at FVOCI	6	**97**	**–**	**(7)**		**90**
Investment securities at amortised cost	6	**218**	**–**	**–**		**218**
Loans to customers at amortised cost	7	**3,628**	**2,442**	**(3,672)**	**1,365**	**3,763**
Credit loss on financial assets		**4,075**	**2,442**	**(3,679)**	**1,365**	**4,203**

The table below shows the ECL charges on credit related commitments and other financial assets recorded in the consolidated statement of profit or loss for the six months period ended 30 June 2026:

in thousands of Azerbaijani manats	Note	Stage 1	Stage 2	Stage 3	Total
Credit related commitments excluding performance guarantees	17	**404**	**(358)**	**(653)**	**(607)**
Other financial assets	9	**–**	**–**	**(445)**	**(445)**
Performance guarantees	17	**(211)**	**46**	**1,325**	**1,160**
Total provision on credit related commitments and other financial assets		**193**	**(312)**	**227**	**108**

The table below shows the ECL charges on financial instruments recorded in the consolidated statement of profit or loss for the six months period ended 30 June 2025:

in thousands of Azerbaijani manats	Note	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	4	(1)	–	–	(1)
Amounts due from credit institutions	5	121	–	–	121
Investment securities at FVOCI	6	137	–	(6)	131
Investment securities at amortised cost	6	46	–	–	46
Loans to customers at amortised cost	7	268	328	240	836
Credit loss on financial assets		**571**	**328**	**234**	**1,133**

The table below shows the ECL charges on credit related commitments and other financial assets recorded in the consolidated statement of profit or loss for the six months period ended 30 June 2025:

in thousands of Azerbaijani manats	Note	Stage 1	Stage 2	Stage 3	Total
Credit related commitments excluding performance guarantees	17	2	(285)	(59)	(342)
Other financial assets	9	(42)			(42)
Performance guarantees	17	64	207	–	271
Total provision on credit related commitments and other financial assets		**24**	**(78)**	**(59)**	**(113)**

Allowance for impairment of other assets is deducted from the carrying amounts of the related assets. Provision for ECL for credit related commitments are recorded in liabilities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. NET FEE AND COMMISSION INCOME

Net fee and commission income comprises:

	For six months ended (unaudited)	
in thousands of Azerbaijani manats	**30 June 2026**	30 June 2025
Servicing plastic card operations	**52,216**	46,887
Settlements operations	**22,688**	21,153
Guarantees and letters of credit	**10,197**	10,199
Cash operations	**3,446**	2,909
Other	**319**	747
Fee and commission income	**88,866**	81,895
Servicing plastic card operations	**(57,614)**	(61,169)
Settlements operations	**(6,020)**	(5,329)
Guarantees and letters of credit	**(1,301)**	(1,029)
Cash operations	**(646)**	(535)
Securities operations	**(304)**	(391)
Other	**501**	(340)
Fee and commission expense	**(65,384)**	(68,793)
Net fee and commission income	**23,482**	13,102

21. PERSONNEL, GENERAL AND ADMINISTRATIVE EXPENSES

Personnel expenses comprise:

	For six months ended (unaudited)	
in thousands of Azerbaijani manats	**30 June 2026**	30 June 2025
Salaries and bonuses	**(55,691)**	(54,267)
Social security costs	**(7,760)**	(6,915)
Other employee related expenses	**(2,597)**	(2,486)
Total personnel expenses	**(66,048)**	(63,668)

General and administrative expenses comprise:

	For six months ended (unaudited)	
in thousands of Azerbaijani manats	**30 June 2026**	30 June 2025
Software cost	**(8,218)**	(6,779)
Insurance	**(4,545)**	(4,287)
Loyalty miles	**(3,431)**	(1,906)
Professional services	**(2,852)**	(3,259)
Advertising costs	**(1,426)**	(1,514)
Communications	**(1,082)**	(1,280)
Taxes, other than income tax	**(1,079)**	(565)
Utilities	**(699)**	(762)
Operating leases	**(646)**	(186)
Charity, donation and sponsorship	**(632)**	(2,888)
Security expenses	**(493)**	(472)
Entertainment	**(457)**	(677)
Stationery	**(430)**	(517)
Repair and maintenance	**(255)**	(436)
Transportation and business trip expenses	**(247)**	(506)
Membership fees	**(88)**	(78)
Other expenses	**(227)**	(201)
Total general and administrative expenses	**(26,807)**	(26,313)

22. FAIR VALUES MEASUREMENT

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For the purpose of fair value disclosures, the Group's has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

		Fair value measurement using			
in thousands of Azerbaijani manats	**Date of valuation (unaudited)**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at fair value					
Debt securities at FVOCI	30 June 2026	**274,014**	**470,778**	**30,304**	**775,096**
Equity securities at FVOCI	30 June 2026	**–**		**2,003**	**2,003**
Derivative financial assets	30 June 2026	**–**	**4,387**	**–**	**4,387**
Assets for which fair values are disclosed					
Investment securities measured at amortised cost	30 June 2026	**273,495**	**470,159**	**91,181**	**834,835**
Loans to customers	30 June 2026	**–**	**–**	**3,821,659**	**3,821,659**

		Fair value measurement using			
in thousands of Azerbaijani manats	**Date of valuation (unaudited)**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Liabilities measured at fair value					
Derivative financial liabilities	30 June 2026	**–**	**212**	**–**	**212**
Liabilities for which fair values are disclosed					
Amounts due to banks and government funds	30 June 2026	**–**	**820,875**	**–**	**820,875**
Amounts due to customers	30 June 2026	**–**	**4,396,518**	**3,366,812**	**7,763,330**
Subordinated debts	30 June 2026	**–**	**–**	**81,491**	**81,491**
Debt securities issued	30 June 2026	**–**	**40,593**	**–**	**40,593**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. FAIR VALUES MEASUREMENT (continued)

Fair value hierarchy (continued)

		Fair value measurement using			
in thousands of Azerbaijani manats	**Date of valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at fair value					
Debt securities − at FVOCI	31 December 2025	244,916	466,153	35,929	746,998
Equity securities at FVOCI	31 December 2025	–	–	2,003	2,003
Derivative financial assets	31 December 2025	–	3,726	–	3,726
Assets for which fair values are disclosed					
Investment securities measured at amortised cost	31 December 2025	749,954	1,036,914	35,929	1,822,797
Loans to customers	31 December 2025	–	–	3,821,659	3,821,659

		Fair value measurement using			
in thousands of Azerbaijani manats	**Date of valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Liabilities measured at fair value					
Derivative financial liabilities	31 December 2025	–	31	–	31
Liabilities for which fair values are disclosed					
Amounts due to banks and government funds	31 December 2025	–	633,305	–	633,305
Amounts due to customers	31 December 2025	–	4,973,988	2,931,250	7,905,238
Subordinated debts	31 December 2025	–	–	89,189	89,189
Debt securities issued	31 December 2025	–	41,498	–	41,498

Recurring fair value measurements

The following is a description of the determination of fair value for recurring fair value measurements which are recorded using valuation techniques. These incorporate the Group’s estimate of assumptions that a market participant would make when valuing the instruments.

Derivatives

Derivatives valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps and forward foreign exchange contracts and options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. Options are valued using Black-Scholes model or its modifications for non-vanilla options. As model inputs, market observable parameters are used. In the case of absence of active market, model them using conservative approach. Models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. FAIR VALUES MEASUREMENT (continued)

Fair value hierarchy (continued)

Investment securities

Investment securities valued using a valuation technique or pricing models primarily consist of unquoted equity and debt securities. These securities are valued using models which incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include quoted prices from inactive markets or yield curves derived from inactive markets for the same currency.

Fair value of financial assets and liabilities not carried at fair value

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the consolidated statement of financial position. For the remaining financial instruments, their carrying value approximates their fair value. The table does not include the fair values of non-financial assets and non-financial liabilities.

	30 June 2026 (unaudited)			31 December 2025		
in thousands of Azerbaijani manats	**Carrying value**	**Fair Value**	**Unrecognized gain/(loss)**	Carrying value	Fair value	Unrecognized gain/(loss)
Financial assets						
Investment securities measured at amortised cost	**832,681**	**834,835**	**2,154**	1,820,840	1,822,797	1,957
Loans to customers	**3,980,211**	**3,992,537**	**12,326**	3,785,471	3,821,659	36,188
Financial liabilities						
Amounts due to banks and government funds	**822,290**	**820,875**	**1,415**	631,131	633,305	(2,174)
Amounts due to customers	**7,745,953**	**7,763,330**	**(17,377)**	7,900,080	7,905,238	(5,158)
Subordinated debts	**81,086**	**81,491**	**(405)**	89,575	89,189	386
Debt securities issued	**40,593**	**40,593**	**–**	40,680	41,498	(818)
Total unrecognised change in unrealised fair value			**(1,887)**			30,381

Valuation techniques and assumptions

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Fixed and variable rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognized with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, without a specific maturity and variable rate financial instruments.

Fixed and variable rate financial instruments

For quoted debt instruments the fair values are determined based on quoted market prices. The fair values of unquoted debt instruments are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. RELATED PARTY DISCLOSURES

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The volumes of related party transactions, outstanding balances at 30 June 2026, and related expense and income for the period are as follows:

	30 June 2026 (unaudited)					31 December 2025				
in thousands of Azerbaijani manats	**Share-holders/ Ultimate owners**	**Entities under common control**	**Key manage-ment personnel**	**Other**	**Total**	Share-holders/ Ultimate owners	Entities under common control	Key manage-ment personnel	Other	Total
Cash and cash equivalents	**103**	**714**			**817**		51,642			51,642
Amounts due from credit institutions		**17,128**			**17,128**				4	4
Loans, gross	**29,119**	**299,045**	**1,929**	**79,070**	**409,163**	30,112	379,133	4,451	66,702	480,398
Less: allowance for impairment		**(1,035)**		**(7,620)**	**(8,655)**		(992)	(1)	(7,311)	(8,304)
Loans, net	**29,119**	**298,010**	**1,929**	**71,450**	**400,508**	30,112	378,141	4,450	59,391	472,094
Amounts due to banks and government funds		**20,292**	**(220)**		**20,072**		3,542	427		3,969
Time Deposits	**153,852**	**696,992**	**14,605**	**220,915**	**1,086,364**	97,955	626,851	15,660	201,177	941,643
Demand deposits	**328,729**	**669,743**	**2,930**	**329,518**	**1,330,920**	279,395	676,857	2,495	376,022	1,334,769
Other assets	**11**	**14,914**		**167**	**15,092**		2,325		137	2,462
Investment securities		**2,003**			**2,003**		2,003			2,003
Lease liabilities		**49,614**			**49,614**		44,162			44,162
Other liabilities	**17**	**1,797**	**1,902**		**3,716**	1,590	15,508	54	1,929	19,081
Debt securities issued	**989**	**2,710**	**59**	**600**	**4,358**	989	2,802	59	600	4,450
Subordinated debts	**113**	**19,105**	**1,850**		**21,068**	16,247	32,381	1,854	208	50,690
Guarantees issued		**32,532**		**109,121**	**141,653**		61,945		94,810	156,755
Unused credit lines		**10,304**	**717**	**29,103**	**40,124**		20,239	972	34,242	55,453

	For the six months ended (unaudited)									
	30 June 2026					30 June 2025				
in thousands of Azerbaijani manats	**Share-holders/ Ultimate owners**	**Entities under common control**	**Key manage-ment personnel**	**Other**	**Total**	Share-holders/ Ultimate owners	Entities under common control	Key manage-ment personnel	Other	Total
Interest income on loans	**648**	**10,410**	**291**	**3,418**	**14,767**	650	10,783	94	4,079	15,606
Interest income (except loans)		**667**	**–**	**–**	**667**	–	2,765	–	–	2,765
Interest expense	**(94)**	**(7,406)**	**–**	**–**	**(7,500)**	(4,415)	(12,937)	(205)	(6,010)	(23,567)
Credit loss (expense)/gain on financial assets		**680**	**10**	**(374)**	**316**	–	351	(13)	7	345
Net gains from foreign currencies: dealing	**349**	**2,228**	**86**	**1,434**	**4,097**	428	1,244	59	1,315	3,046
Net losses from foreign currencies: translation differences	**4**	**861**	**–**	**–**	**865**	(81)	20,398	–	–	20,317
Net gains from foreign currencies: operations with foreign currency derivatives	**–**	**(2,879)**	**–**	**–**	**(2,879)**	–	7,852	–	148	8,000
General and administrative expenses		**(3,828)**	**–**	**(1)**	**(3,829)**	–	(4,025)	–	–	(4,025)
Fee and commission income	**274**	**1,873**	**–**	**–**	**2,147**	315	10,859	57	2,396	13,627
Fee and commission expense		**(3,712)**	**–**	**–**	**(3,712)**	–	(2,765)	–	(52)	(2,817)
Net loss on modification of financial assets measured at amortised cost		**2,539**		**(1,743)**	**796**	–	–	–	(1,056)	(1,056)
Other income		**5**		**876**	**881**	–	106	–	1	107

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. RELATED PARTY DISCLOSURES (continued)

Compensation to members of key management personnel was comprised of the following:

	For six months ended (unaudited)	
in thousands of Azerbaijani manats	**30 June 2026**	30 June 2025
Salaries and other benefits	**(8,741)**	(8,605)
Social security costs	**(1,206)**	(1,188)
Total key management compensation	**(9,947)**	(9,793)

24. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

in thousands of Azerbaijani manats	Note	Debt Securities Issued	Subordinated debts	Total
Carrying amount as at 1 January 2025			97,217	97,217
Proceeds from issue		–	16,026	16,026
Foreign currency translation		–	(27)	(27)
Carrying amount as at 30 June 2025 (unaudited)	12,13	–	113,216	113,216
Carrying amount as at 1 January 2026	12,13	**40,680**	**89,575**	**130,255**
Accrual of interest		**2,099**	**1,582**	**3,681**
Payment of principal		**–**	**(8,296)**	**(8,296)**
Payment of interest		**(2,070)**	**(1,872)**	**(3,942)**
Foreign currency translation		**(116)**	**97**	**(19)**
Carrying amount as at 30 June 2026 (unaudited)	12,13	**40,593**	**81,086**	**121,679**

25. CAPITAL ADEQUACY

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the ratios established by the CBAR and NBG. During the past period, the Group had complied in full with all its externally imposed capital requirements.

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

CBAR capital adequacy ratio

The CBAR requires banks to maintain a minimum capital adequacy ratio of 6.5% (2025: 6.5%) and 12.5% (2025: 12.5%) for Tier 1 Capital and Total Capital, respectively, based on its guidelines.

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Tier 1 capital	**786,419**	693,325
Tier 2 capital	**126,069**	216,441
Less: deductions from capital	**(126,922)**	(126,951)
Total regulatory capital	**785,566**	782,815
Risk-weighted assets	**3,406,018**	3,534,510
Capital adequacy ratio (Tier 1)	**23.09%**	19.62%
Capital adequacy ratio (Total Capital)	**23.06%**	22.15%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. CAPITAL ADEQUACY (continued)

NBG capital adequacy ratio

The NBG requires JSC PASHA Bank Georgia to maintain a minimum total capital adequacy ratio of 23.35% (31 December 2025: 22.37%).

in thousands of Azerbaijani manats	**30 June 2026 (unaudited)**	31 December 2025
Tier 1 capital	**88,650**	85,989
Tier 2 capital	**17,366**	17,874
Total regulatory capital	**106,016**	103,863
Risk weighted assets	**412,586**	420,490
Capital adequacy ratio	**25.70%**	24.70%
Core Tier 1 capital / Tier 1 capital adequacy ratio	**19.42%**	28.43%

26. EVENT AFTER THE REPORTING DATE

On July 10 2026 Bank made the first tranche of the dividend payment in the amount of AZN 53,522 thousand.

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ED None.

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