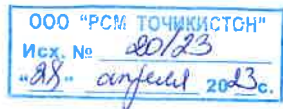




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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Management of Closed Joint Stock Company  
"International Bank of Tajikistan":

### Opinion

We have audited the accompanying consolidated financial statements of Closed Joint Stock Company "International Bank of Tajikistan" (hereafter the "Bank") and its subsidiaries Closed Joint Stock Company "Halyk Bank Tajikistan", Limited Liability Company "Sugurtai Asri 21" and Closed Joint Stock Company Microleasing Organization "Standard Ijora" (hereafter "the Group") which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year, then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

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

### Key Audit Matters

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

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*Key Audit Matters*

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*Methodology of loan portfolio impairment*

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The Management of the Group accrual allowances impairment in relation to financial instruments based on the terms of concluded agreements, assessing the financial condition of customers, as well as forecasting future cash inflow for obligations existing at the reporting date, taking into account events after the reporting date.

The allowance is formed on an individual basis, based on the assessment of the borrower's solvency, taking into account the assignment of classifications of the obligations of this borrower and its collateral.

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*Customer deposits*

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The Management of the Group attracts customer deposits from legal entities and individuals. Customer deposits are attracted both in national and foreign currencies on the basis of signed contracts with creditors on a short-term basis with subsequent prolongation.

We pay special attention to these issues due to significant change in this article in relation to the previous year. As at December 31, 2022 and 2021 the amount of the deposit portfolio amounted to 1,299,886 thousand somoni and 589,415 thousand somoni. The structure and service of each customer deposit requires from the Group to evaluate contractual agreements and their impact on deposits accounting.

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*Audit procedures concerning key audit matters*

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We conducted procedures related to classify loans by risk group, the internal control system was evaluated, loans of individuals and legal entities were tested on a sampling basis, including the calculation of impairment.

Note 12 "Loans to customers" contains detailed information on loans, taking into account the accrual of an allowance for impairment losses.

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From our part, the following procedures were performed:

- we reviewed and analyzed the signed agreements in order to evaluate and determine the proper procedure for recording the transaction in accordance with the requirements of IFRS;
- we have performed procedures to review the completeness and accuracy of the liabilities recognized in the consolidated financial statements and the results, including valuation in accordance with IFRS.

From our part, procedures were carried out to analyze contracts, analyze the internal control system for these customer deposits, and also, we have performed procedures in relation to recalculation of customer deposits and interest on them on a sampling basis.

Note 20 "Customer deposits" contains detailed information on deposits.

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**Other matter**

The consolidated financial statements of the Group for the year ended December 31, 2021 were audited by another auditor who expressed unqualified opinion on those statements on April 20, 2022.

**Responsibilities of Management and those charged with governance for the consolidated financial statements**

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditor's responsibility for the audit of consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standard on Auditing (hereinafter "ISAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by Management;

- conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

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

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

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

Bahrullo Mulloev  
Engagement Partner - RSM Tajikistan LLC



Maftunzhon Baratov  
Audit Partner



License of National Bank of Tajikistan  
BMT № 0000134 dated December 29, 2020

Specialist License on bank audit  
BMT № 0000057 dated December 30, 2015

April 28, 2023.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousand Tajik somoni	Note	As of December 31, 2022	As of December 31, 2021
<b>ASSETS</b>			
Cash and cash equivalents	8	725,176	220,300
Obligatory minimal reserves in NBT	9	78,990	36,165
Gold	10	273	-
Amounts due from banks and other financial institutions	11	457,469	309,541
Loans to customers	12	332,006	267,484
Finance leases issued to customers	13	3,893	4,967
Investment securities	14	12,731	5,291
Foreclosed assets	15	3,181	-
Property, plant and equipment	16	48,862	25,391
Right-of-use assets	17	18,671	9,434
Intangible assets	18	19,174	7,788
Deferred tax asset	32	2,467	1,140
Other assets	19	160,987	18,870
<b>TOTAL ASSETS</b>		<b>1,863,880</b>	<b>906,371</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Customer deposits	20	1,299,886	589,415
Amounts due to banks and financial institutions	21	221,799	150,740
Borrowings	22	23,753	20,472
Lease liabilities	17	21,365	10,646
Other liabilities	23	34,437	10,086
<b>TOTAL LIABILITIES</b>		<b>1,601,240</b>	<b>781,359</b>
<b>Equity</b>			
Share capital	24	125,950	104,500
Statutory general reserve for serviced loans		811	325
Statutory general reserve		5,784	3,921
Retained earnings		130,095	16,266
<b>TOTAL EQUITY</b>		<b>262,640</b>	<b>125,012</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,863,880</b>	<b>906,371</b>

The consolidated financial statements presented on pages 8 to 13 were signed by the Chairman of the Board and the Chief accountant of the Group on April 28, 2023.

The enclosed notes on pages 14 to 74 are an integral part of these consolidated financial statements.

Rajabov I.H.  
 Chairman of the Board



Odinaev S.A.  
 Chief accountant

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


In thousand Tajik somoni	Note	For the year ended 31 December 2022	For the year ended 31 December 2021
<b>BANK ACTIVITY</b>			
Interest and similar income	25	117,484	48,068
Interest and similar expense	25	(37,310)	(21,490)
<b>NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON ASSETS</b>		<b>80,174</b>	<b>26,578</b>
Accrual of allowance for impairment losses on loans to customer	12	(330)	(1,351)
<b>NET INTEREST INCOME</b>		<b>79,844</b>	<b>25,227</b>
Commission income, net	26	52,969	23,305
<b>RESULT FROM BANK ACTIVITY</b>		<b>132,813</b>	<b>48,532</b>
<b>LEASING ACTIVITY</b>			
Interest income from financial leasing	25	966	672
(Accrual)/Recovery of allowance for expected credit losses on finance leases	13	275	(414)
<b>RESULT FROM LEASING ACTIVITY</b>		<b>1,241</b>	<b>258</b>
<b>INSURANCE ACTIVITY</b>			
Income from insurance activities	27	1,226	598
Result of change in unearned premium reserve		258	(276)
Insurance payment		(17)	(394)
<b>RESULT FROM INSURANCE ACTIVITY</b>		<b>1,467</b>	<b>(72)</b>
<b>OTHER ACTIVITY</b>			
Operating expenses	28	(89,893)	(47,699)
Net gain on foreign exchange operations	29	108,336	10,683
Recovery/(Accrual) of allowance for impairment losses on other assets		(7,180)	6,753
Other non-operating income, net	31	11,905	1,580
<b>RESULT FROM OTHER ACTIVITY</b>		<b>23,168</b>	<b>(28,683)</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>158,689</b>	<b>20,035</b>
Income tax	32	(22,980)	(5,144)
<b>PROFIT/(LOSSES) FOR THE YEAR</b>		<b>135,709</b>	<b>14,891</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>135,709</b>	<b>14,891</b>

**Related to:**


Shareholders of the Parent Company	<b>135,709</b>	14,879
Non-controlling interest	-	12

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The enclosed notes on pages 14 to 74 are an integral part of these consolidated financial statements.

  
Rajabov I.H.  
Chairman of the Board



  
Odinaev S.A.  
Chief accountant

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousand Tajik somoni	Share capital	Statutory general reserve for serviced loans	Statutory general reserve	Retained earnings	Non-controlling interest	Total
Balance at December 31, 2020	104,500	325	3,921	14,317	899	123,962
Payment of non-controlling interest	-	-	-	-	(859)	(859)
Declared dividends	-	-	-	(12,930)	(52)	(12,982)
Total transactions with owners	-	-	-	(12,930)	(911)	(13,841)
Profit for the year	-	-	-	14,879	12	14,891
Balance at December 31, 2021	104,500	325	3,921	16,266	-	125,012
Increase of share capital	21,450	-	-	(21,450)	-	-
Contributions to general reserves	-	453	1,863	(453)	-	1,863
Contributions to general reserves for serviced loans	-	33	-	(33)	-	-
Other reserves	-	-	-	111	-	111
Declared dividends	-	-	-	(55)	-	(55)
<b>Total transactions with owners</b>	<b>21,450</b>	<b>486</b>	<b>1,863</b>	<b>(21,880)</b>	<b>-</b>	<b>1,919</b>
Profit for the year	-	-	-	135,709	-	135,709
<b>Balance at December 31, 2022</b>	<b>125,950</b>	<b>811</b>	<b>5,784</b>	<b>130,095</b>	<b>-</b>	<b>262,640</b>

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Rajabov I.H.  
Chairman of the Board



  
Odinaev S.A.  
Chief accountant



## CONSOLIDATED STATEMENT OF CASH FLOWS

In thousand Tajik somoni	For the year ended 31 December 2022	For the year ended 31 December 2021
<b>Cash flows from operating activities</b>		
Profit before income tax expenses	158,689	20,035
<i>Adjustments for:</i>		
Change in the allowance for expected credit losses of loans to customers	(88)	1,351
Change in the allowance for expected credit losses of finance leases	(275)	414
Change in the allowance for expected credit losses of amounts due from banks	4,546	146
Amortization of property, plant and equipment and intangible assets	10,481	4,642
Amortization of right-of-use assets	3,641	2,419
Change in the allowance for expected credit losses of foreclosed assets	(531)	(6,851)
Change in the allowance for expected credit losses of accounts receivables	2,194	(48)
Change in the reserve for unused vacations	273	388
Write – off of property, plant and equipment and intangible assets	198	81
Income from write – off of property, plant and equipment and intangible assets	-	(1,387)
Net income on foreign currency revaluation	(258)	(3,944)
Net interest income	(35,462)	(27,250)
Acquisition of a subsidiary, net of payments	44,039	-
<b>Cash inflows from operating activities before changes in operating assets and liabilities</b>	<b>187,447</b>	<b>(10,004)</b>
<b>Changes in operating assets and liabilities</b>		
<i>(Increase)/decrease in operating assets</i>		
Amounts due from banks	(72,661)	(26,448)
Gold	(273)	-
Loans to customers	(64,186)	(109,537)
Finance leases issued to customers	1,354	6,087
Investment securities	(7,435)	696
Foreclosed assets	(2,650)	11,163
Other assets	(145,636)	(7,660)
<i>Increase/(decrease) in operating liabilities</i>		
Customer deposits	710,470	125,016
Amounts due to banks and financial institutions	73,401	102,314
Other liabilities	24,209	404
<b>Cash outflow from operating activities before taxation</b>	<b>704,040</b>	<b>92,031</b>
Interest and commission received	81,591	47,878
Interest and commission paid	(43,653)	(21,443)
Income tax paid	(8,849)	(5,690)
<b>Net cash outflow from operating activities</b>	<b>733,129</b>	<b>112,776</b>

**Cash flows from investing activities**

Purchase of property, plant and equipment and intangible assets	<b>(22,353)</b>	(2,941)
Proceeds from disposal of property, plant and equipment and intangible assets	-	2,621
Acquisition of a subsidiary	<b>(55,685)</b>	-
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(78,038)</b>	<b>(320)</b>

**Cash flow from financing activities**

Additional paid-in capital	<b>21,450</b>	-
Increase (payment) from borrowings	<b>785</b>	20,400
Payment of borrowings	-	(33,390)
Payment of dividends	<b>55</b>	(12,982)
Buyout of non-controlling interest	-	(859)
Repayment of principal on lease payments	<b>(3,942)</b>	(1,967)
<b>Net cash inflow from financing activities</b>	<b>18,348</b>	<b>(28,798)</b>

Impact of changes in the foreign currency exchange rate on cash balances in foreign currency	<b>(579)</b>	(1,262)
<b>NET DECREASE CASH AND CASH EQUIVALENTS</b>	<b>673,439</b>	82,396
<b>Cash and cash equivalents at the beginning of the year</b>	<b>510,745</b>	428,349
<b>Cash and cash equivalents at the end of the year (Note 8)</b>	<b>1,183,605</b>	510,745

The consolidated financial statements presented on pages 8 to 13 were signed by the Chairman of the Board and the Chief accountant of the Group on April 28, 2023.

The enclosed notes on pages 14 to 74 are an integral part of these consolidated financial statements.

Rajabov I.H.  
 Chairman of the Board



Odinaev S.A.  
 Chief accountant

