

**To the Board and its Chairman  
SUE IEBT SANOATSODIROTBANK**

### **Qualified Opinion**

We have audited the accompanying Financial Statements of SUE IEBT Sanoatsodirotbank [hereafter: the Bank], which include: a Statement on Financial Position as of 31st December 2022, and relevant Statement on Comprehensive Income, Cash Flow Statement, and Statement of Changes in Equity for the year then ended, as well as a summary of significant accounting policies and other explanatory notes to the Financial Statements.

In our opinion, except for the possible impact of the Qualified Opinion of our report, the Consolidated Financial Statements, in all its aspects, trustworthily represent the Bank's Financial Position as of 31<sup>st</sup> December 2022 as well as its Financial Performance and Cash Flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

### **Basis for the Qualified Opinion**

When preparing the present financial statement, the Bank has depreciated credits in accordance with the Instruction #215 'An Order of Arrangement and Use of Reserves and the Provision for Possible Credit Losses' of the National bank of Tajikistan, which may differ from IFRS 9 Financial Instruments.

### **Important audit issues**

Important audit issues are those that, according to our professional judgement, have been considered more important for the audit of these financial statements for the current year. These issues are considered in our financial Statements as a whole and when forming our views on the Statements, and we do not express a particular opinion on these issues.

**Legal disputes:** We draw your attention to the Note 6, which reveals information on legal disputes claimed by the Bank. There is no lawsuit against the bank.

**Events that occurred after the reporting period:** We attract your attention to the note 7, which discloses information about events that occurred after the reporting period.

**Authorized capital** - please note that on the basis of the Decree of the Government of the Republic of Tajikistan No. 247 as of May 21, 2022, the authorized capital was increased by 58,696,114 TJS at the expense of the capital surplus.

We conducted the audit in accordance with the International Standards on Auditing (ISA). Our obligations under these standards are set out in the "auditor's responsibilities" section of our report. We are independent of the bank in accordance with the ethical requirements applicable to the audit of these financial statements. We have also fulfilled other ethical procedures as per ethical requirements. We consider that we have received complete and necessary audit evidence to express a qualified opinion.

## Management's Responsibility for the Financial Statements' Preparation

The Bank's Management is responsible for the preparation of the financial statements and their compliance with IFRS. The responsibility includes development, implementation and maintenance of an internal system of control over the preparation and fair presentation of Financial Statements free from material misstatements caused by fraud and/or errors; selection and application of appropriate accounting policies, as well as an application of reasonable accounting estimates.

## Auditor's responsibility

Our responsibility is to express our opinion on the financial statements based on our audit. We have conducted the audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements as well as plan and conduct audits with a view to obtain a reasonable assurance about whether the Financial Statements are free from material misstatements. Audits involve procedures necessary to obtain audit evidence on figures and notes in the Financial Statements. A selection of appropriate procedures depends on a professional auditor's judgment, including an assessment of Financial Statements' material misstatement risks caused by fraud and/or error. Such risk assessment includes an examination of an internal system of control over Financial Statements' preparation and fair presentation, with a view to develop appropriate audit procedures, but not with a view to express an opinion on internal control system effectiveness. The audits also include an analysis of accounting principles, and materiality of estimates made by the Management, as well as Financial Statements' overall presentation evaluation.

Within the audits in compliance with international auditing standards, we adhere to our professional opinion during the audits.

Also:

- We determine and evaluate the financial misstatement risks on frauds and/or errors; and, to provide reasonable evidence on such risks, we conduct audits and obtain reasonable evidence;
- We analyze the internal control system not with a view to evaluate its effectiveness, but with a view to prepare audit evidence meeting the situation;
- We make evaluations on a proper use of an accounting policy and a reasonableness of data which the Management included in the notes;
- Based on an appropriate and regular use of the accounting system, we carry out audit procedures to determine material misstatements regarding events and occurrences that might originate significant doubts on activities of the Bank as a subject continuing its activity in the future.
- We conclude on the Management's purposeful application of a regular accounting principle and, on the basis of the evidence obtained, on determining whether significant uncertainties regarding events and circumstances cast doubt on the Bank's ability to continue its activity in the future. Our conclusions are based on audit evidence obtained prior to the date of submission of the audit report. Subsequent events and conditions will result in loss of the Bank's ability to continue operating;
- In general, we evaluate the presentation of financial statements, their structure and content subject to the interpretation of information, as well as ensuring the accuracy of the presentation of transactions based on those events and conditions.

We also send a letter of confirmation to those responsible for corporate governance that we comply with all ethical requirements for independence, and notify them of all relationships and other issues that may affect the independence of the auditors and, if necessary, of taking appropriate precautions.



**Dustov Safarbek Savriddinovich**

**Director of LLC Consultant Audit**

**Qualification Banking Audit Certificate #57**

**as of January 8, 2014**

**License of the National bank of Tajikistan**

**NBT #00000139**

**as of April 29, 2021**

**Dushanbe city Republic of Tajikistan**

**April 5, 2023**



## STATEMENT OF COMPREHENSIVE INCOME

for the year ended on December 31, 2022

Items	Note	2022	2021
Interest income	4.1	61 373 498	44 962 381
Interest expense	4.2	(382 901)	(172 410)
<b>Net interest income</b>		<b>60 990 597</b>	<b>44 789 971</b>
Costs for the formation of a PPL for assets	4.3	(14 728 574)	(7 299 448)
Expenses on the general reserve	4.4	(2 025 000)	(1 438 046)
<b>Operating profit (loss)</b>		<b>44 237 023</b>	<b>36 052 476</b>
Income from commission services	4.5	1 796 097	589 434
Expenses for commission services	4.6	(1 565 266)	(535 574)
Income (losses) less expenses from operations in foreign currency	4.7	8 716 067	(8 775)
Income (losses) less expenses from revaluations of foreign currency	4.8	(332 186)	(59 751)
Other operating income	4.9	16 314 365	15 836 407
Administrative and other operating expenses	4.10	(27 620 056)	(17 110 284)
<b>Profit (loss) before taxation</b>		<b>41 546 045</b>	<b>34 763 933</b>
Income tax	4.11	(6 297 342)	(5 474 592)
<b>Net profit / loss</b>		<b>35 248 703</b>	<b>29 289 341</b>



Chairman of the Board

Rubzova H. J.

Chief accountant

Hotamov K. D.

## STATEMENT OF FINANCIAL POSITION

As of January 1, 2023

	Note	31.12.2022	31.12.2021
<b>Assets</b>			
Cash and equivalents	5.1	76 204 940	24 345 678
Required reserves in the NBT	5.2	584 158	256 537
Interbank credits	5.3	25 000 000	-
Credits issued to customers	5.4	267 294 365	189 405 299
Interests receivable	5.6	3 759 858	556 896
Investment to securities	5.7	123 931 463	200 225 594
Other current assets	5.8	3 281 228	4 818 471
Collateral received for sale	5.9	2 034 984	-
Fixed assets	5.10	75 081 033	72 968 189
Intangible assets	5.11	4 367 748	2 828 722
Tenant and improvement rights	5.12	372 213	130 099
Deferred tax asset	5.13	-	67 905
<b>Total assets</b>		<b>581 911 990</b>	<b>495 603 390</b>
<b>Liabilities</b>			
Customers' deposits	5.15	15 182 446	7 885 512
Interests payable	5.16	80 384	151 719
Taxes payable	5.17	1 715 778	4 246 206
General reserve on active assets	5.18	6 938 046	4 913 046
Other current liabilities	5.19	2 273 585	6 289 363
Credits	5.20	50 000 000	-
Deferred tax liabilities	5.21	210 313	-
<b>Total liabilities</b>		<b>76 400 552</b>	<b>23 485 846</b>
<b>Owner's equity</b>			
Paid share capital	5.22	438 696 114	380 000 000
Capital surplus	5.22	-	58 696 114
Retained earnings	5.22	34 055 345	33 421 430
Reserve for future banking operations	5.22	26 207 983	-
Contingency reserve	5.22	6 551 996	-
<b>Total capital</b>		<b>505 511 438</b>	<b>472 117 544</b>
<b>Total liabilities and capital</b>		<b>581 911 990</b>	<b>495 603 390</b>



Chairman of the Board

Bobozoda H. J.

Chief accountant

Hotamov K. D.

## CASH FLOW STATEMENT

for the year ended on December 31, 2022

	2022	2021
<b>Cash flow on operating activities</b>		
<b>Profit (loss) before taxation</b>	<b>41 546 045</b>	<b>34 763 933</b>
<b>Adjustment of profit before taxation:</b>		
Expenses on depreciation of assets	5 295 856	1 483 822
Expenses of the general fund and special fund on assets	16 753 574	8 737 494
Income from recovery of assets	(15 734 864)	(15 822 714)
Expenses on accruing the reserve for unused holidays	617 696	403 178
Adjustment of expenses for the previous year	-	18 443
Other accrued expenses	201 423	95 000
Other accrued incomes	(1 399 772)	(13 339)
Interest income from transactions with NBT securities	(16 045 813)	(4 484 570)
Income (loss) of foreign currency revaluation	332 186	59 751
<b>Net cash flow before changes in operating assets and liabilities</b>	<b>31 566 331</b>	<b>25 240 997</b>
<b>Changes in turnover assets and liabilities:</b>		
Net increase/decrease in credits of clients	(78 748 732)	(70 854 997)
Net increase/decrease in inter-bank credits	(25 000 000)	-
Net increase/decrease in other assets	1 537 244	4 600 138
Increase/decrease of required reserves in the NBT	(327 621)	(256 537)
Net increase\decrease in interests receivable	(3 098 445)	(656 846)
Net increase/decrease in other credits	50 000 000	-
Net increase\decrease in customer deposits	7 296 934	7 885 511
Increase/decrease in accrued interests payable	(71 335)	151 719
Net decrease/increase in other taxes	(5 409)	(20 656)
Paid income tax	(8 394 045)	(1 547 942)
Net increase/decrease in other liabilities	(4 192 582)	4 766 176
Non-tax payments from net profit	(1 853 182)	-
<b>Net cash flow before changes in current assets and liabilities:</b>	<b>(62 857 172)</b>	<b>(55 933 432)</b>
<b>Net cash flow from operating activities</b>	<b>(31 290 841)</b>	<b>(30 692 435)</b>
<b>Net cash flow from transactions of financial activities</b>		
Purchase of equipment and property	(6 727 360)	(14 824 891)
Purchase of intangible assets	(1 972 675)	(3 067 475)
Purchase of other long-term assets	(489 805)	-
Purchase of securities	(1 604 803 057)	(1 543 884 670)
Inflow of the sums of securities	1 697 143 000	1 348 500 709
<b>Net cash flow from transaction on financial activities</b>	<b>83 150 104</b>	<b>(213 276 327)</b>



Cash flow from financial transactions	-	-
Contribution to the capital surplus	-	-
Net cash flow for transactions of financial activities	-	-
Net decrease in cash	51 859 263	(243 968 762)
Cash at the beginning of the year	24 345 678	268 314 439
Cash at the end of the year	76 204 940	24 345 678

  
  
**Chairman of the Board**  
**Bobomirza M. J.**



**Chief accountant**  
**Hotamov K. D.**

# STATEMENT OF CHANGES IN EQUITY

for the year ended on December 31, 2022

	Paid share capital	Retained earnings	Capital surplus	Reserve for future banking operations	Contingency reserve	Total
<b>Balance as of January 1, 2021</b>	<b>200 000 000</b>	<b>4 132 088</b>	<b>180 000 000</b>			<b>384 132 088</b>
Contribution to the authorized capital	180 000 000	-	(18 000 000)	-	-	-
Net profit / loss	-	29 289 341	-	-	-	29 289 341
Increase in surplus capital	-	-	58 696 114	-	-	58 696 114
<b>Balance as of December 31, 2021</b>	<b>380 000 000</b>	<b>33 421 429</b>	<b>58 696 114</b>	-	-	<b>472 117 544</b>
Contribution to the authorized capital	58 696 114	-	(58 696 114)	-	-	-
Net profit / loss	-	35 248 703	-	-	-	35 248 703
Adjustment of retained earnings for previous years	-	(1 626)	-	-	-	(1 626)
Reserve created for future banking operations	-	(26 207 983)	-	26 207 983	-	-
Reserve created in case of unforeseen circumstances	-	(6 551 996)	-	-	6 551 996	-
Non-tax payments from net profit	-	(1 853 182)	-	-	-	(1 853 182)
<b>Balance as of December 31, 2022</b>	<b>438 696 114</b>	<b>34 055 345</b>	-	<b>26 207 983</b>	<b>6 551 996</b>	<b>505 511 438</b>



Chairman of the Board

Bobozoda H. J.

*[Signature]*

Chief accountant

Hotamov K. D.