

**CLOSE JOINT STOCK  
COMPANY MICRO CREDIT  
DEPOSIT ORGANIZATION  
“HUMO”**

**Financial statements  
for the year ended December 31, 2022  
and independent auditor's report**

## CLOSE JOINT STOCK COMPANY MDO "HUMO"

### STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the Close Joint Stock Company Micro Credit Deposit Organization "Humo" (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2022, the results of its operations, cash flows and changes in shareholders' capital for the year then ended, in accordance with International Financial Reporting Standards (hereinafter the "IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with legislation, accounting standards of the Republic of Tajikistan and requirements set by the National Bank of Tajikistan;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.


The financial statements for the year ended December 31, 2022 were approved and authorized for issue on March 31, 2023 by the management of the Company.

On behalf of the Management of the Company:

  
\_\_\_\_\_  
**Mayunusov F. M.**  
General Director

March 31, 2023  
Dushanbe, the Republic of Tajikistan



  
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**Abbasov A. I.**  
Financial Director

March 31, 2023  
Dushanbe, the Republic of Tajikistan



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and the Management of the Close Joint Stock Company Micro Credit Deposit Organization "Humo"

### Opinion

We have audited the financial statements of the Close Joint Stock Company Micro Credit Deposit Organization "Humo" (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### Basis for opinion

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

### Emphasis of matters

We draw your attention to Note 21 "Islamic finance receivables" of the financial statements. The Company calculates allowance for expected credit losses on receivables from Islamic finance in accordance with the requirements of the National Bank of Tajikistan (the "NBT"), which is different from the allowance for expected credit losses on receivables from Islamic finance in accordance with standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

To comply with the terms of Islamic finance products of the "Islamic Window" of the Company with the requirements of Islamic banking, AAOIFI standards, specialists from the "AlHuda Center of Islamic Banking and Economics" of the UAE were involved. The audit confirmed the compliance of Islamic finance products with AAOIFI standards.

### Other matters

The Company calculates an allowance for expected credit losses on loans to customers in accordance with IFRS 9 Financial Instruments ("IFRS 9"), which differs from the allowance calculated in accordance with the requirements of the National Bank of Tajikistan ("NBT"). As of December 31, 2022, the allowance for expected credit losses of loans issued, calculated in accordance with IFRS 9, amounted to 10,965 thousand somoni and the reserve calculated in accordance with the requirements of the NBT amounted to 25,219 thousand somoni.



The financial statements for the year ended December 31, 2021 were audited by another auditor, who expressed an unmodified opinion. As part of our audit of the financial statements for the year ended December 31, 2022, we made adjustments to the comparative figures for the year ended December 31, 2021, as shown in Note 4 to the financial statements. In our opinion, these adjustments are appropriate and properly implemented. We have not performed an audit, review, or any other procedure with respect to the financial statements of the Company for the year ended December 31, 2021, except for the adjustments set out in Note 4, and accordingly, we do not express an opinion or any other form of assurance regarding financial statements for the year ended December 31, 2021 as a whole.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Firdavs Khayrulloev

Director

License of auditor of Republic of Tajikistan  
№0000115, issued by  
National bank of Tajikistan  
from January 22, 2020

Baker Tilly Tajikistan LLC  
License No. 000014 issued by  
National Bank of Tajikistan

March 31, 2023  
Dushanbe, Republic of Tajikistan





**CLOSE JOINT STOCK COMPANY MDO "HUMO"**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2022**

*(in thousands of Tajik somoni)*


	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income	5	254,633	195,671
Interest expenses	5	(94,793)	(82,882)
<b>NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE ON EXPECTED CREDIT LOSSES</b>		<u>159,840</u>	<u>112,789</u>
Accrual of allowance for expected credit losses on interest bearing assets	6	(5,016)	(775)
<b>NET INTEREST INCOME</b>		<u>154,824</u>	<u>112,014</u>
Income from islamic financing activities	7	1,770	1,021
<b>NET INCOME FROM ISLAMIC FINANCING ACTIVITIES BEFORE ACCRUAL OF ALLOWANCE FOR EXPECTED CREDIT LOSSES ON ISLAMIC FINANCE RECEIVABLES</b>		<u>1,770</u>	<u>1,021</u>
Accrual of a allowance for expected credit losses on Islamic finance receivables	8	(71)	(60)
<b>NET INCOME FROM ISLAMIC FINANCING ACTIVITIES</b>		<u>1,699</u>	<u>961</u>
Net gain from commissions	9	1,987	2,649
Net loss on operations with financial instruments	10	(23,261)	(17,585)
Net gain on foreign exchange operations	11	67,112	8,126
(Accrual)/recovery of allowance for impairment losses on other assets	12	(1,604)	424
Other non-operating income	13	1,283	574
<b>NET NON-INTEREST INCOME/(LOSS)</b>		<u>45,517</u>	<u>(5,812)</u>
Operating expenses	14	(110,695)	(88,891)
<b>PROFIT BEFORE INCOME TAX</b>		<u>91,345</u>	<u>18,272</u>
Income tax	15	(20,098)	(7,005)
<b>NET PROFIT FOR THE YEAR</b>		<u>71,247</u>	<u>11,267</u>
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss:			
- Gain on revaluation of property and equipment		-	3,260
- Income tax effect		-	(651)
<b>Total comprehensive income</b>		<u>71,247</u>	<u>13,876</u>

**On behalf of the Management of the Company:**

  
\_\_\_\_\_  
**Mayunusov F. M.**  
**General Director**

March 31, 2023  
Dushanbe, the Republic of Tajikistan



  
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**Abbasov A. I.**  
**Financial Director**

March 31, 2023  
Dushanbe, the Republic of Tajikistan

The notes on pages 11-66 form an integral part of the financial statements. The independent auditors' report is on pages 3-5.

# CLOSE JOINT STOCK COMPANY MDO "HUMO"

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022 (in thousands of Tajik somoni)


	Notes	December 31, 2022	December 31, 2021
<b>ASSETS</b>			
Cash and cash equivalents	16	72,359	71,784
Due from banks	17	29,603	36,622
Obligatory reserve in the National bank of Tajikistan	18	8,018	6,707
Financial assets at fair value through profit or loss	19	14,121	3,857
Loans to customers	20	855,635	661,292
Islamic finance receivables	21	7,349	4,712
Long-term assets held for sale	22	238	1,139
Property, plant and equipment	23	27,229	21,752
Intangible assets	24	6,243	2,894
Right of use assets	25	6,152	3,697
Deferred tax assets	15	1,482	1,177
Other assets	26	38,595	30,815
<b>TOTAL ASSETS</b>		<b>1,067,024</b>	<b>846,448</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>LIABILITIES:</b>			
Due to banks and financial institutions	27	18,865	33,608
Customer accounts	28	264,671	204,025
Borrowings	29	469,862	426,647
Subordinated loans	30	51,336	73,634
Financial liabilities at fair value through profit or loss	15	22,462	2,955
Lease liabilities	25	6,202	3,708
Other liabilities	31	55,049	20,235
		<b>888,447</b>	<b>764,812</b>
<b>EQUITY</b>			
Share capital	32	85,578	17,522
Additional paid-in capital	32	-	5,329
General reserves		8,223	22,477
General reserve for performing assets		14,254	-
Revaluation reserve	23	2,527	2,603
Retained earnings		67,995	33,705
		<b>178,577</b>	<b>81,636</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,067,024</b>	<b>846,448</b>

On behalf of the Management of the Company:

  
Mayunusov F. M.  
General Director

March 31, 2023  
Dushanbe, the Republic of Tajikistan



  
Abbasov A. I.  
Financial Director

March 31, 2023  
Dushanbe, the Republic of Tajikistan

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