

INDEPENDENT AUDITORS' REPORT

To the Shareholders, Supervisory Board and Management of the CJSC MDO "HUMO":

Opinion

We have audited the accompanying financial statements of the Closed Joint Stock Company Micro Credit Deposit Organization «Humo», which comprise the statement of financial position as of December 31, 2020 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 a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

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 auditors' 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

According to the requirements of article 17, paragraph 28, part "a" of the Tax Code of the Republic of Tajikistan, the Company paid and recognized as an advance payment of taxes on dividends in the amount of 1,458 thousand somoni, based on the results of financial activities for 2018. It should be noted that, in fact, the Company did not declare dividends in the general meeting of shareholders. The Company expects that the paid dividend tax will be considered in the actual payment of dividends to the shareholders of the Company in 2021.

The Company recognized lease expenses in accordance with IFRS 16 "Leases" for the year ended 31 December 2020. Therefore, the lease expense for the year ended December 31, 2020 was calculated in accordance with IFRS 16, while the for the year ended December 31, 2019 was calculated in accordance with IAS 17 Leases, which differs from the requirements of IFRS 16.

We draw your attention to Note 19 "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 information

The financial statements for the year ended December 31, 2019 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, 2020, we made adjustments to the comparative figures for the year ended December 31, 2019, 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, 2019, 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, 2019 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 the 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.

- 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.

Khayrulloev Firdavs

Partner, LLC Baker Tilly Tajikistan
License No. 0000063 issued by
the National Bank of the Republic of Tajikistan
from 28.12.2016.

March 26, 2021
Dushanbe, the Republic of Tajikistan



CJSC MDO "HUMO"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2020	For the year ended December 31, 2019 (restated)
Interest income		154,084	133,970
Interest expenses		(73,834)	(58,942)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS TO CUSTOMERS		80,250	75,028
Accrual of allowance for expected credit losses on loans to customers		(8,790)	(1,979)
NET INTEREST INCOME		71,460	73,049
Income from Islamic finance activities		259	-
NET INCOME FROM ISLAMIC FINANCING ACTIVITIES TO RESERVES FOR IMPAIRMENT OF ASSETS WHICH CALCULATE INTEREST		259	-
Formation of an allowance for expected credit losses on receivables from Islamic finance		(72)	-
NET INCOME FROM ISLAMIC FINANCING ACTIVITIES		187	-
Commission income, net		7,480	6,594
Net gain/(loss) on operations with financial instruments		807	(4,877)
Net (loss)/gain on foreign exchange transactions		(1,790)	4,250
Recovery/(accrual) of allowance for expected credit losses on other assets		23	(217)
Other non-operating income, net		1,961	2,005
NET NON-INTEREST INCOME		8,481	7,755
Operating expenses		(72,169)	(60,505)
PROFIT BEFORE INCOME TAX		7,959	20,299
Income tax		(2,309)	(5,659)
NET PROFIT		5,650	14,640

CJSC MDO "HUMO"

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2020	For the year ended December 31, 2019 <i>(restated)</i>
NET PROFIT		<u>5,650</u>	<u>14,640</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u>5,650</u>	<u>14,640</u>

On behalf of the Management of the Company:



Vaisova M.S.
General Director

March 26, 2021
Dushanbe, the Republic of Tajikistan



Abbasov A.I.
Financial Manager

March 26, 2021
Dushanbe, the Republic of Tajikistan

The notes on pages 13-71 form an integral part of the financial statements. The independent auditors' report is on pages 4-6.

CJSC MDO "HUMO"

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020 (in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2020	For the year ended December 31, 2019 (restated)
ASSETS:			
Cash and cash equivalents	13	55,283	33,144
Mandatory reserves in the National Bank of Tajikistan	14	2,450	4,045
Due from banks		62,414	28,237
Financial instruments measured at fair value through profit or loss for the period		5,811	4,276
Loans to customers		512,978	486,325
Islamic finance receivables		3,043	-
Long-term assets held for sale		2,090	2,405
Investments at amortized cost	15	-	7,000
Property and equipment	16	18,291	18,039
Right-of-use assets	19	6,753	-
Intangible assets	20	3,621	2,268
Deferred tax assets	12	121	200
Other assets	21	20,488	11,689
TOTAL ASSETS		693,343	597,628
LIABILITIES AND EQUITY:			
LIABILITIES:			
Due to banks and financial institutions	23	2,323	1,342
Customer accounts	22	157,100	123,185
Borrowings	24	376,519	348,377
Subordinated loans	25	61,984	53,047
Lease liabilities	19	6,926	-
Other liabilities	26	19,564	8,400
		624,416	534,351
EQUITY:			
Share capital	27	17,522	17,522
Additional paid-in capital		5,329	5,329
Reserve for future operations	15	5,522	5,522
General reserve		16,955	8,117
Retained earnings		23,599	26,787
		68,927	63,277
TOTAL LIABILITIES AND CAPITAL		693,343	597,628

On behalf of the Management of the Company:


Vaisova M.S.
General Director

March 26, 2021
Dushanbe, the Republic of Tajikistan


Abbasov A.I.
Financial Manager

March 26, 2021
Dushanbe, the Republic of Tajikistan

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