

CLOSED 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, 2023

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's 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 Closed Joint Stock Company Microcredit 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, 2023, 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.

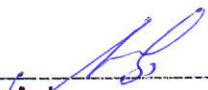
The financial statements for the year ended December 31, 2023 were approved and authorized for issue on March 29, 2024 by the management of the Company.

On behalf of the Management of the Company:


Mayunusov F. M.
General Director

March 29, 2024
Dushanbe, the Republic of Tajikistan




Abbasov A. I.
Financial Director

March 29, 2024
Dushanbe, the Republic of Tajikistan

**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders, Supervisory Board and the Management of the Closed Joint Stock Company Microcredit Deposit Organization "Humo"

Opinion

We have audited the financial statements of the Closed Joint Stock Company Microcredit Deposit Organization "Humo" (the "Company"), which comprise the statement of financial position as at December 31, 2023, 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, 2023, 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 19, the Company calculates an allowance for expected credit losses on loans to customers in accordance with IFRS 9 Financial Instruments (the "IFRS 9"), which differs from the allowance calculated in accordance with the requirements of the National Bank of Tajikistan (the "NBT"). As of December 31, 2023, the allowance for expected credit losses of loans issued, calculated in accordance with IFRS 9, amounted to 18,480 thousand somoni and the reserve calculated in accordance with the requirements of the NBT amounted to 23,006 thousand somoni.

We draw your attention to Note 20 "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 (the "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.

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, compliance with legislation, accounting standards of the Republic of Tajikistan, requirements set by the National Bank of Tajikistan 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 are 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.

Shavkatjon Nazirov

Director

License of auditor of the Republic of Tajikistan
Number 0000115, issued by National Bank of Tajikistan
on January 22, 2020

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

March 29, 2024

Dushanbe, the Republic of Tajikistan




CLOSED JOINT STOCK COMPANY MDO “HUMO”

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023**

(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income	4	377,812	254,633
Interest expenses	4	(145,559)	(94,793)
NET INTEREST INCOME BEFORE EXPECTED CREDIT LOSSES		232,253	159,840
Accrual of allowance for expected credit losses on interest bearing assets	5	(13,962)	(5,016)
NET INTEREST INCOME		218,291	154,824
Income from Islamic finance activities	6	3,190	1,770
NET INCOME FROM ISLAMIC FINANCING ACTIVITIES BEFORE EXPECTED CREDIT LOSSES		3,190	1,770
Accrual of allowance for expected credit losses on Islamic finance receivables	7	(247)	(71)
NET INCOME FROM ISLAMIC FINANCING ACTIVITIES		2,943	1,699
Net gain from commissions	8	5,682	1,987
Net loss on operations with financial instruments	9	(10,238)	(23,261)
Net gain on foreign exchange operations	10	11,250	67,112
Accrual of allowance for expected credit losses and impairment losses on other assets	11	(1,772)	(1,430)
Other non-operating income	12	3,571	1,109
NET NON-INTEREST INCOME		8,493	45,517
Operating expenses	13	(142,446)	(110,695)
PROFIT BEFORE INCOME TAX		87,281	91,345
Income tax	14	(17,666)	(20,098)
NET PROFIT FOR THE YEAR		69,615	71,247
Other comprehensive income		-	-
Total comprehensive income		69,615	71,247

On behalf of the Management of the Company:



Mayunusov F. M.
General Director

March 29, 2024
Dushanbe, the Republic of Tajikistan





Abbasov A. I.
Financial Director

March 29, 2024
Dushanbe, the Republic of Tajikistan

The notes on pages 10-65 form an integral part of the financial statements. The independent auditors' report is on pages 3-4.

CLOSED JOINT STOCK COMPANY MDO "HUMO"

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

(in thousands of Tajik somoni)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Cash and cash equivalents	15	162,335	72,359
Due from banks	16	133,393	29,603
Obligatory reserve in the National Bank of Tajikistan	17	12,998	8,018
Financial assets at fair value through profit or loss	18	8	14,121
Loans to customers	19	1,149,560	855,635
Islamic finance receivables	20	15,620	7,349
Long-term assets held for sale	21	145	238
Property and equipment	22	33,738	27,229
Intangible assets	23	6,047	6,243
Right of use assets	24	11,359	6,152
Deferred tax assets	14	3,857	1,482
Other assets	25	65,745	38,595
TOTAL ASSETS		1,594,805	1,067,024
SHAREHOLDERS' EQUITY AND LIABILITIES			
LIABILITIES:			
Due to banks and financial institutions	26	8,668	18,865
Customer accounts	27	384,153	264,671
Borrowings	28	831,187	469,862
Subordinated loans	29	33,175	51,336
Financial liabilities at fair value through profit or loss	18	3,924	22,462
Lease liabilities	24	12,278	6,202
Other liabilities	30	56,576	55,049
		1,329,961	888,447
EQUITY			
Share capital	31	99,002	85,578
Additional paid-in capital	31	17,478	-
General reserves		5,522	8,223
General reserve for performing assets		16,955	14,254
Revaluation reserve	22	2,451	2,527
Retained earnings		123,436	67,995
		264,844	178,577
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,594,805	1,067,024

On behalf of the Management of the Company:


Mayunusov F. M.
General Director

March 29, 2024
Dushanbe, the Republic of Tajikistan




Abbasov A. I.
Financial Director

March 29, 2024
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