




OPEN JOINT STOCK COMPANY “ORIENBANK”

Financial Statements
for the year ended December 31, 2021

and independent auditors' opinion



INDEPENDENT AUDITORS' OPINION

To the Shareholders and the Supervisory Board of the OJSC "Orienbank":

Opinion

We have audited the accompanying financial statements of the Open Joint Stock Company "Orienbank" (the "Bank"), which comprise the statement of financial position as at December 31, 2021 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, financial position of the Bank as at December 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (hereafter, 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 Bank 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 matter

The Bank recognized lease expenses in accordance with IFRS 16 "Leases" for the year ended 31 December 2021. Therefore, the lease expense for the year ended 31 December 2021 was calculated in accordance with IFRS 16, while the lease expense for the year ended 31 December 2020 was calculated in accordance with IAS 17 "Lease", which differs from the requirements of IFRS 16.

We draw your attention to Note 17 of the financial statements, where it is stated that the Bank calculates expected credit loss allowance on the loan portfolio in accordance with IFRS 9 "Financial Instruments" (hereinafter "IFRS 9"), which differs from the provision calculated in accordance with the requirements of the National Bank of Tajikistan (hereinafter "NBT"). The allowances for expected credit losses of loans issued for the years ended 31 December 2021 and 2020 calculated in accordance with IFRS 9 amounted to 1,311,382 thousand somoni and 1,182,810 thousand somoni, respectively, and the provision calculated according to the NBT amounted to 1,179,072 thousand somoni and 1,090,366 thousand somoni, respectively.

Other matter

LLC "Orien-Leasing" is a subsidiary of the Bank. This Company was not consolidated into the Bank's financial statements due to the insignificance of the result of operations, assets and liabilities as of December 31, 2021 and 2020 and for the years ended on these dates.

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 Bank'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 Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank'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 Bank'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 Bank'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 Bank 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.

Khairullaev Firdavs

Director,

Auditor Licence of the Republic of Tajikistan № 000015, issued
by the National Bank of Tajikistan from January 22, 2020

Baker Tilly Tajikistan LLC

License № 000014 issued by the National Bank of Tajikistan.

April 29, 2022

Dushanbe, Republic of Tajikistan



OJSC "ORIENBANK"

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021**
(in thousands of Tajik Somoni)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
Interest income	5	599,999	566,003
Interest expenses	5	(114,499)	(88,777)
Expenses from providing assets at rates above or below market rates	16	(4,915)	(124,878)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS ISSUED		480,585	352,348
Accrual of allowance for expected credit losses on loans to customers	16	(143,590)	(46,864)
NET INTEREST INCOME		336,995	305,484
Commission income	5	81,180	75,725
Commission expenses	5	(20,247)	(15,894)
Net gain / (loss) on operations with financial instruments	6	132,330	(136,185)
Net (loss) / gain on foreign exchange transactions	7	(1,063)	159,521
Accrual of allowance for impairment and expected credit losses	8	(51,083)	(13,814)
Other non-operational income / (expenses), net	9	990	(18)
NET NON - INTEREST INCOME		142,107	69,335
Operating expenses	10	(176,744)	(166,397)
PROFIT BEFORE INCOME TAX		302,358	208,422
Income tax	11	(91,404)	(72,074)
PROFIT FOR THE YEAR		210,954	136,348
Other comprehensive income:		-	-
TOTAL COMPREHENSIVE INCOME		210,954	136,348
Earnings per share, basic	27	37.96	28.12

On behalf of the Management:

Asadullozoda Hasan
Chairman

April 29, 2022

Dushanbe, Republic of Tajikistan



Khamitov Konstantin
Chief Accountant

April 29, 2022

Dushanbe, Republic of Tajikistan

The notes on pages 11-64 form an integral part of the financial statements. The Independent Auditors' Report is on pages 3-5.

OJSC "ORIENBANK"

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
(in thousands of Tajik somoni)

	Notes	December 31, 2021	December 31, 2020
ASSETS:			
Cash and cash equivalents	12	530,680	438,456
Restricted cash	13	103,386	71,416
Due from banks	14	694,361	552,587
Financial instruments at fair value through profit or loss	15	1,000	-
Loans to customers	16	2,278,591	2,397,541
Investments	17	3,472	3,472
Property and equipment	18	439,537	439,915
Right-of-use assets	19	17,054	-
Intangible assets	20	5,272	7,467
Long-term assets held for sale	21	1,593	2,333
Deferred tax assets	11	-	7,077
Other assets	22	97,005	30,717
TOTAL ASSETS		4,171,951	3,950,981
LIABILITIES AND EQUITY:			
Due to banks and financial institutions	23	35,152	38,315
Financial instruments at fair value through profit or loss	15	-	131,330
Customer accounts	24	1,264,842	1,834,512
Borrowings and notes payable	25	1,709,773	1,085,289
Lease liabilities	19	18,335	-
Deferred tax liabilities	11	23,026	-
Other liabilities	26	106,720	38,907
		3,157,848	3,128,353
EQUITY:			
Share capital	27	625,336	484,862
Revaluation reserve on property and equipment	18	85,684	86,948
General reserves		108,348	108,348
Retained earnings		194,735	142,470
		1,014,103	822,628
TOTAL LIABILITIES AND EQUITY		4,171,951	3,950,981

On behalf of the Management:

Asadullozoda Hasan
Chairman

April 29, 2022

Dushanbe, Republic of Tajikistan



Khamitov Konstantin
Chief Accountant

April 29, 2022

Dushanbe, Republic of Tajikistan

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