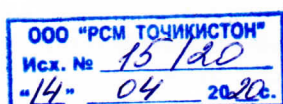


Open Joint Stock Company
“Orienbank”

Financial statements
and Independence auditor's report
for the year ended December 31, 2019



RSM Tajikistan, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Supervisory Board of Open Joint Stock Company "Orienbank":

Opinion

We have audited the accompanying financial statement of Open Joint Stock Company "Orienbank" (hereinafter the "Bank"), which comprise the Statement of financial position as of 31 December 2019, the Statement of profit and 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 statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of the Bank as at December 31, 2019, and its financial performance and cash flows for the year, then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are independent of the Bank within the meaning of the ethical requirements applicable to our audit of the financial statement and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and we do not express an opinion on these individual matters.

Loan impairment methodology

The Bank impairs financial instruments in accordance with Instruction №215 “On Procedure of Creation and Use of Reserve and Loan Loss Provision Fund” of the National Bank of Tajikistan. Since the amount of impairment according to the instructions of the National Bank of Tajikistan is higher than the amount of impairment in accordance with IFRS 9, the Bank used the amount of the accrual allowance in accordance with the instructions of the National Bank of Tajikistan for the purpose of prepare financial statements for the year ended December 31, 2019. Note 10 discloses information on loans with allowance for impairment in accordance with Instruction № 215 of the National Bank of Tajikistan.

The Management of the Bank accrual allowances impairment in relation to financial instruments based on the terms of concluded agreements, assessing the financial condition of customers, as well as forecasting future cash inflow for obligations existing at the reporting date.

We conducted procedures related to classify loans by risk group, the internal control system was evaluated, loans of individuals and legal entities were tested on a selective basis, including the calculation of impairment. We reviewed and evaluated key methods for identifying and classifying loans by risk group and existing models for calculating impairment for individuals and legal entities.

Foreclosed assets

We draw attention to the Note 15 to the financial statements. As of December 31, 2019 and 2018 the Bank's statement of the financial position presents foreclosed assets in the amount of 7 494 thousand somoni and 6 773 thousand somoni, respectively, including allowance for impairment in the amount of 24 981 thousand somoni and 15 849 thousand somoni, respectively. Bank calculates the impairment for foreclosed assets in accordance with instruction of National Bank of Tajikistan.

Legal actions

We draw attention to Note 30, which describes the legal actions against the Bank. This paragraph describes the legal actions that were claimed for and against the Bank.

Other matter

Other matter paragraph – A paragraph included in the auditor's report that refers to a matter other than those presented or disclosed in the financial statements that, in the auditor's judgment, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.

Methodology of impairment of loan portfolio

In 2018, the Bank engaged an external consultant to develop a methodology and model for transforming the accounting of its financial instruments in accordance with IFRS 9 “Financial Instruments”. At present, the Bank continues to continue to impair financial instruments in accordance with Instruction № 215 “On Procedure of Creation and Use of Reserve and Loan Loss Provision Fund” of the National Bank of Tajikistan. Since the amount of impairment according to the instructions of the National Bank of Tajikistan is higher than the amount of impairment in accordance with IFRS 9, the Bank used the amount of the accrual allowance in accordance with the instructions of the National Bank of Tajikistan for the purpose of prepare financial statements for the year ended December 31, 2019.

Going concern

The financial statements of the Bank have been prepared using the going concern principle in accounting. The use of this accounting framework is appropriate unless the Management intends to liquidate the Bank or terminate its business, or it has no real alternative but to do so. As part of our audit of the financial statements, we came to the conclusion that the use by the Management of the going concern principle in accounting in preparing the financial statements of the Bank is appropriate. Management has not identified material uncertainty that could cast significant doubt on the Bank's ability to continue as a going concern, and therefore no such information is disclosed in the financial statements.

Based on our audit of financial statements, we draw attention to the impact of the COVID-19 coronavirus pandemic infection on the economic situation in the region and the reduction in cash flows associated with this epidemic.

These events or conditions, along with other issues disclosed in the Note 4, indicate that there is material uncertainty that could raise significant doubts about the Bank's ability to continue as a going concern. We do not express a modified opinion in connection with this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with IFRS, and for such internal control as Management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters relating 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 responsibility for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 International Standard on Auditing (hereinafter "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 this financial statement.

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

- identify and assess the risks of material misstatement of the financial statement, 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, if any, 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;


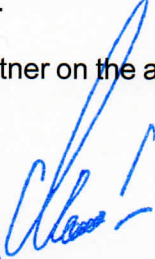
- evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mulloev Bahrullo Sulaymonovich.



Bahrullo Mulloev
Managing partner
Specialist license on bank audit
BMT № 0000058 dated 31 December 2015



Kamilla Saidova
Audit manager
Specialist license on bank audit
BMT № 0000056 dated 31 December 2015

RSM Tajikistan LLC
License of National Bank of Tajikistan
BMT № 0000054 dated 31 December 2015

April 14, 2020

STATEMENT OF FINANCIAL POSITION

In thousand Tajik somoni

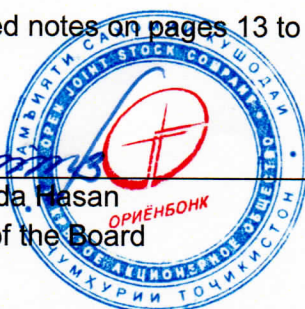
	Note	As of 31 December 2019	As of 31 December 2018
ASSETS			
Cash and cash equivalents	8	500 963	537 775
Minimal reserve in NBT	8	99 375	106 041
Amounts due from other financial institutions	9	204 314	167 707
Financial instruments at fair value through profit or loss	10	4 854	3 439
Loans to customers	11	1 858 049	1 313 953
Investment securities	12	8 472	8 472
Property, plant and equipment	13	436 516	441 785
Intangible assets	14	8 476	10 836
Foreclosed assets	15	7 494	6 773
Income tax prepayments		4 346	24 979
Deferred tax assets	29	-	8 982
Other assets	16	16 145	32 564
TOTAL ASSETS		3 149 004	2 663 306
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks and financial institutions	17	55 282	12 148
Customer deposits	18	1 603 720	1 403 540
Borrowings and notes payable	19	516 464	545 090
Deferred tax liabilities	29	49 374	-
Income tax liabilities	29	-	4 885
Other liabilities	20	16 824	14 679
TOTAL LIABILITIES		2 241 664	1 980 342
Equity			
Share capital	21	484 860	440 579
Statutory general reserve		108 348	108 326
PPE revaluation reserve		81 895	81 600
Other reserves		3 040	3 040
Retained earnings		229 197	49 419
TOTAL EQUITY		907 340	682 964
TOTAL LIABILITIES AND EQUITY		3 149 004	2 663 306

Chairman of the Board and Chief accountant signed the financial statement from pages 8 to 64 on April 14, 2020.

The enclosed notes on pages 13 to 64 are an integral part of this financial statement.

Asadullozoda Hasan
Chairman of the Board

Hamitov Konstantin
Chief accountant

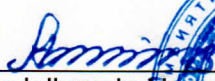



STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

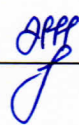
In thousand Tajik somoni	Note	For the year ended 31 December 2019	For the year ended 31 December 2018
Interest and similar income	22	520 537	419 819
Interest and similar expense	22	(90 852)	(83 681)
NET INTEREST INCOME		429 685	336 138
Accrual of allowance for impairment losses on interest bearing assets		(105 951)	(293 194)
NET INTEREST INCOME/(EXPENSE)		323 734	42 944
Fee and commission income	23	105 742	74 113
Fee and commission expense	23	(12 643)	(15 030)
NET FEE AND COMMISSION INCOME		93 099	59 083
Net gain on foreign exchange operations	24	82 702	91 698
Recovery/(Accrual) of allowance for impairment losses	25	(9 879)	(10 608)
Other income	26	990	283
NET NON - INTEREST INCOME		166 912	140 456
Staff costs	27	(75 181)	(48 421)
Depreciation of property, plant and equipment	13	(12 882)	(13 600)
Amortization of intangible assets	14	(4 494)	(7 162)
Other expenses	28	(55 427)	(49 064)
PROFIT/(LOSSES) BEFORE INCOME TAX		342 662	65 153
Income tax expense	29	(103 560)	(25 040)
PROFIT/(LOSSES) FOR THE YEAR		239 102	40 113
OTHER COMPREHENSIVE INCOME		1 859	1 162
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		240 961	41 275
Earnings per share		49,70	9,26

Chairman of the Board and Chief accountant signed the financial statement from pages 8 to 64 on April 14, 2020.

The enclosed notes on pages 13 to 64 are an integral part of this financial statement.


Asadullozoda Hasan
Chairman of the Board




Hamitov Konstantin
Chief accountant