

000 "PCM TOCHINCTOR"
 № 18/83
 "88" signed 2083

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and the Board of the Microcredit Fund "Refinancing Fund"

Opinion

We have audited the financial statements of the Micro-Credit Fund "Refinancing Fund" (hereinafter referred to as the "Fund"), which comprise the statement of financial position as at December 31, 2022, 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 in, 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 Fund as at December 31, 2022, as well as its financial results and cash flows for the year then ended in in accordance with International Financial Reporting Standards (IFRS).

Basis for expression of opinion

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

Emphasis of matter

Impairment of loans issued
 We draw attention to note 18 to the financial statements, which provides information on provisions for expected credit losses on loans issued. The Fund has developed a methodology for assessing the reserve for expected credit losses in accordance with IFRS 9 "Financial Instruments", but continues to

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form reserves for expected credit losses in accordance with the requirements of the National Bank of Tajikistan. Despite a different method of forming a provision for expected credit losses, the amount of the reserve formed is adequate if the reserve had been determined in accordance with IFRS 9 "Financial Instruments".

Lease accounting

We draw attention to Note 15 to the financial statements, which provides information on lease assets and liabilities reflected in the financial statements in accordance with the requirements of IFRS 16 "Lease", which was applied by the Fund for the first time.

We do not express a modified opinion in connection with the above issues.

Responsibility of Management and persons responsible for corporate governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as Management determines is necessary to prepare 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 Fund's ability to continue as a going concern, for disclosing, as appropriate, information related to going concern, and for preparing statements based on the going concern assumption, unless Management intends to liquidate the Fund, terminate its operations or when it does not have any other real alternative, other than liquidation or termination of activity.

The persons responsible for corporate governance are responsible for overseeing the preparation of the Fund's financial statements.

Auditor's responsibility for the audit of 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.

The audit partner, based on the results of which this independent auditor's report has been prepared, is Matfunzhon Baratov.

Bahrullo Mulloev

Managing Partner - LLC "RSM Tajikistan"

License of the National Bank of Tajikistan
BMT No. 0000134 dated December 29, 2020

Matfunzhon Baratov
Engagement Partner

Certificate of a bank audit specialist
BMT No. 0000057 dated December 30, 2015

April 28, 2023
Dushanbe, Tajikistan



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(in Tajik somoni)

	Note	2022	2021
Interest and similar income	6	14,041,689	9,242,681
NET INTEREST INCOME		14,041,689	9,242,681
Commission and similar expenses	7	(30,126)	(24,392)
NET COMMISSION EXPENSES		(30,126)	(24,392)
Employee benefit expenses	8	(3,722,075)	(3,356,549)
Depreciation expenses of PPE and IA	14	(51,511)	(105,327)
Depreciation expense of RoU	15	(511,948)	-
Other expenses	9	(716,284)	(772,024)
PROFIT BEFORE TAX		9,009,745	4,984,389
Income tax	10	(1,793,469)	(1,703,807)
PROFIT FOR THE YEAR		7,216,276	3,280,582
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		7,216,276	3,280,582

The financial statements for the year ended December 31, 2022 were approved by the Fund's Management on April 28, 2023

[Signature]



Negmatov Tojiddin
Finance Director

[Signature]

Notes 1-25 are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

(in Tajik somoni)

	Note	December 31, 2022	December 31, 2021
ASSETS			
Cash and cash equivalents	11	197,516,842	232,311,061
Funds in other banks and financial organizations	12	26,577,016	-
Loans to customers	13	148,285,650	124,009,220
Prepayment of income tax		113,681	618,228
PPE and IA	14	228,734	192,710
Right of use assets	15	982,754	-
Other assets	16	40,474	430,355
TOTAL ASSETS		373,745,151	357,561,574
LIABILITIES			
Funds of banks and financial organizations	11	30,492,596	59,068,040
Lease obligations	15	996,853	-
Other liabilities	17	205,918	87,196
TOTAL LIABILITIES		31,695,367	59,155,236
EQUITY			
General reserve	18	10,796,072	7,515,490
Reserve for future operations	18	324,093,936	287,610,266
Retained earnings	18	7,159,776	3,280,582
TOTAL EQUITY		342,049,784	298,406,338
TOTAL LIABILITIES AND EQUITY		373,745,151	357,561,574

The financial statements for the year ended December 31, 2022 were approved by the Fund's Management on

[Signature]



Negmatov Tojiddin
Finance Director

[Signature]

Notes 1-25 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

(in Tajik somoni)

Note	General reserve	Reserve for future operations	Retained earnings	TOTAL
As of January 1, 2021	18	5,136,128	220,107,703	2,379,362
Formation of the general reserve	2,379,362	-	(2,379,362)	-
Refund of funds	-	67,502,563	-	67,502,563
Profit for the period	-	-	3,280,582	3,280,582
As of December 31, 2021	18	7,515,490	287,610,266	3,280,582
Opening balance adjustments	-	-	(56,500)	(56,500)
Formation of the general reserve	3,280,582	-	(3,280,582)	-
Refund of funds	-	36,483,670	-	36,483,670
Profit for the period	-	-	7,216,276	7,216,276
As of December 31, 2022	18	10,796,072	324,093,936	7,159,776
				342,049,784

The financial statements for the year ended December 31, 2022 were approved by the Fund's Management on

Negmatov Rojiddin
Finance Director

Notes 1-25 are an integral part of these financial statements

STATEMENT OF CASH FLOW
(in Tajik somoni)

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	9,009,745	4,984,389
Adjustments for:		
Depreciation of PPE and amortization of IA	51,511	105,327
Depreciation of a right of use assets	511,948	-
Finance costs of the lease	150,724	-
Cash inflow from operating activities before changes in operating assets and liabilities	9,723,928	5,089,716
Changes in operating assets and liabilities:		
Decrease/(increase) of funds in other banks and financial organizations	(26,577,016)	-
Decrease/(increase) in loans to customers	(24,276,430)	(62,133,741)
Decrease/(increase) in lease	(56,500)	-
Decrease/(increase) in other assets	389,881	(10,478,485)
Decrease/(increase) of funds of banks and financial organizations	(28,575,444)	10,225,292
(Decrease)/increase in other liabilities	118,722	(2,609)
Cash outflow from operating activities before taxation	(69,252,859)	(57,299,827)
Income tax paid	(1,288,922)	(1,583,961)
Cash outflow from operating activities	(70,541,781)	(58,883,788)
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of PPE	(87,535)	(36,933)
Cash outflow from investing activities	(87,535)	(36,933)
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in reserves	36,483,670	69,881,925
Repayment of lease payments	(648,573)	-
Cash inflow from financing activities	35,835,097	69,881,925
NET INCREASE / (DECREASE) CASH AND CASH EQUIVALENTS	(34,794,219)	10,961,204

CASH FLOW STATEMENT
(In Tajik somoni)

CASH AND CASH EQUIVALENTS, at the beginning of the year	232,311,061	221,349,857
CASH AND CASH EQUIVALENTS, at the end of the year	197,516,842	232,311,061

The financial statements for the year ended December 31, 2022 were approved and approved by the Fund's Management on April 28, 2023.:


Chairman
Rakhmonzoda Sharif




Finance Director
Negmatov Tojiddin

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