

**JOINT STOCK COMMERCIAL BANK
"AGROBANK" AND ITS SUBSIDIARIES**

**Consolidated Financial Statements and
Independent Auditor's Report**
For the Year Ended 31 December 2022

**Joint Stock Commercial Bank "Agrobank" and its subsidiaries
Statement of management's responsibilities for the preparation
and approval of the consolidated financial statements
for the year ended 31 December 2022**

Management of Joint Stock Commercial Bank "Agrobank" ("the Bank") and its subsidiaries ("the Group") is responsible for the preparation of the consolidated financial statements that present fairly the financial position of the Group as at 31 December 2022, and the related consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and of significant accounting policies and notes to the consolidated financial statements (the "consolidated financial statements") in compliance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining accounting records in compliance with legislation of the Republic of Uzbekistan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved by the Management Board of the Group on 26 June 2023.

On behalf of the Management Board:


Mamatkulov R.U.
Chairman of the Management Board



26 June 2023
Tashkent, Uzbekistan


Yuldoshov A.O.
Chief Accountant

26 June 2023
Tashkent, Uzbekistan

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Joint Stock Commercial Bank "Agrobank"

Opinion

We have audited the consolidated financial statements of JSCB Agrobank and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements in the Republic of Uzbekistan, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
<p><i>Assessment and measurement of expected credit losses (ECL) on loans and advances to customers.</i></p> <p>As disclosed in note 8, loans and advances to customers amounted to UZS 46,120,486 million as at 31 December 2022 less expected credit losses (ECL) of UZS 1,286,044 million.</p> <p>For loans assessed on a collective basis, the impairment model incorporates assumptions on probabilities of default (PD), loss given default (LGD)</p>	<p>We obtained an understanding of management's process relating to the assessment and measurement of expected credit losses on loans to customers.</p> <p>With the assistance of our internal credit risk specialist, we analysed the impairment methodology of the Group in respect of loans and advances to customers for its compliance with IFRS 9 requirements.</p>

Turgunboy Tokhirov, Qualified Auditor

and exposure at default (EAD), which are inherently judgmental (Note 3).

The ECL may be misstated due to errors in the underlying data – incomplete or inaccurate loan information (overdue days, outstanding balances, restructuring status, existence of legal claims and other information) leading to incorrect assessment of PD, LGD and EAD assumptions. In addition, the Group's ECL is highly sensitive to the assumptions used in determining the recovery rates from the sale of collateral or the claims made on insurance policies securing such loans.

Because loans to customers form a major portion of the Group's assets, and due to the significance of the judgments and subjectivity of assumptions used in classifying loans to customers into various stages stipulated in IFRS 9 and assessing the related expected losses, this area was determined as a key audit matter.

We challenged the key assumptions for exposure at default, probability of default and loss given default rates with reference to historical information.

Further, we analysed the integrity of the models and tested accuracy and completeness of input data used in the models by selecting a sample of loans and tracing to source documents.

To test the recovery rates from insurance policies that secured the loans and advances to customers, we tested, on a sample basis, the accuracy and completeness of the data on the historical satisfaction by the insurance companies of the claims made by the Group.

We also tested, on a sample basis, the accuracy and completeness of input data in the models, including principal balances, allocation of loans by days in arrears, and checked other parameters of the model, such as delinquency of principal, including off-balance, restructuring events, and existence of litigation processes.

We evaluated the adequacy and completeness of disclosures in the financial statements relating to the loans to customers in accordance with IFRS requirements.

We found no material exceptions in these tests.

Other Information – Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Report of findings from procedures performed in accordance with the requirements of Law of the Republic of Uzbekistan No. LRU-580 dated 5 November 2019 "On Banks and Banking Activity"

Management of the Bank is responsible for the Bank's compliance with prudential ratios set by the Central bank of the Republic of Uzbekistan ("Central bank") and ensuring that internal control and organization of risk management systems comply with Central bank requirements.

In accordance with Articles 74 of the Law of the Republic of Uzbekistan No. LRU-580 dated 5 November 2019 "On Banks and Banking Activity" (the "Law"), we have performed procedures to check:

- the Bank's compliance with prudential ratios as at 31 December 2022 set by the Central bank;
- whether the elements of the Bank's internal control and organization of risk management systems comply with Central bank requirements.

These procedures were selected based on our judgment, and were limited to an analysis and study of documents; a comparison of the Bank's approved requirements, procedures and methodologies with Central bank requirements, as well as recalculations, comparisons and reconciliations of numerical data and other information.

Our findings from the procedures performed are as follows.

Based on our procedures with respect to the Bank's compliance with prudential ratios set by the Central bank, we found that the Bank's prudential ratios, as at 31 December 2022, were within the limits set by the Central bank.

We have not performed any procedures on the underlying accounting data of the Bank, other than those which we considered necessary to enable us to express an opinion as to whether the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS.

Based on our procedures with respect to whether the elements of the Bank's internal control and organization of risk management systems comply with Central bank requirements, we found that:

- in accordance with Central bank requirements and recommendations, as at 31 December 2022, the Bank's internal audit function was subordinated and accountable to the Supervisory Board, and the risk management function of the Bank was not subordinated and accountable to subdivisions assuming corresponding risks;
- the frequency of reports prepared by the Bank's internal audit function during 2022 complied with Central bank requirements. The reports were approved by the Bank's Supervisory Board and included observations made by the Bank's internal audit function in respect of internal control systems;
- as at 31 December 2022 the Bank has an information security function in place as required by the Central bank, and an information security policy was approved by the Bank's Management Board. The information security function was subordinated to and reported directly to the Chairman of the Management Board;
- Reports by the Bank's information security function to the Chairman of the Management Board during 2022 included an assessment and analysis of information security risks, and the results of actions to manage such risks;
- the Bank's internal documentation, effective as at 31 December 2022, that sets out methodologies to identify and manage the Bank's significant risks, and carry out stress-testing, was approved by the Bank's authorised management bodies in accordance with Central bank requirements and recommendations;
- as at 31 December 2022, the Bank maintained a system for reporting on the Bank's significant risks, and on the Bank's capital;

- the frequency during 2022 of reports prepared by the Bank's risk management functions, and which cover the Bank's management of significant risks, was in compliance with the Bank's internal documentation. Those reports included observations made by the Bank's risk management functions as to their assessment of the Bank's significant risks, risk management system and recommendations for improvement;
- as at 31 December 2022, the Supervisory Board and Executive Management of the Bank had responsibility to monitor the Bank's compliance with risk and capital adequacy limits set by Bank internal documentation. To exercise control over the effectiveness of Bank's risk management procedures and their consistent application during 2022, the Supervisory Board and Executive Management of the Bank regularly discussed the reports prepared by the risk management and internal audit functions of the Bank, and considered proposed measures to eliminate weaknesses.

Procedures with respect to elements of the Bank's internal control and organization of risk management systems were performed solely for the purpose of examining whether these elements, as prescribed by the Law and as described above, comply with Central bank requirements.



"Deloitte & Touche" Audit Organisation LLC is included in the Register of audit organisations of the Ministry of Finance of the Republic of Uzbekistan from 8 June 2021

Turgunboy Tokhirov
Qualified Auditor
Auditor qualification certificate authorizing audit of companies, #05422 dated 20 August 2016 issued by the Ministry of Finance of the Republic of Uzbekistan

Auditor qualification certificate authorizing audit of banks, #6/11 dated 29 March 2021 issued by the Central bank of the Republic of Uzbekistan


26 June 2023
Tashkent, Uzbekistan

Acting Director
"Deloitte & Touche" Audit Organisation LLC

Joint Stock Commercial Bank "Agrobank" and its subsidiaries
Consolidated Statement of Financial Position
as at 31 December 2022
(in millions of Uzbek soums)

	Notes	31 December 2022	31 December 2021
ASSETS			
Cash and cash equivalents	6,30	4 416 753	3 411 673
Due from other banks	7,30	187 588	208 872
Loans and advances to customers	8,30	44 834 442	32 068 653
Investment securities	9,30	906 478	1 978 864
Investment in associates		52 511	51 744
Deferred income tax assets	23	161 245	114 396
Property, equipment and intangible assets	10	1 974 757	1 261 301
Right-of-use assets		5 756	7 844
Other assets	11,30	248 185	322 356
Current income tax prepayment		159 953	121 985
TOTAL ASSETS		52 947 668	39 547 688
LIABILITIES			
Due to other banks	12,30	2 664 342	994 133
Customer accounts	13,30	13 642 653	12 257 779
Debt securities issued	14,30	270 001	112 109
Other borrowed funds	15,30	26 780 835	16 887 348
Lease liabilities		6 329	11 342
Other liabilities	16	179 609	217 000
Current income tax liabilities		153 656	50 690
Subordinated debt	17,30	229 749	221 812
TOTAL LIABILITIES		43 927 174	30 752 213
EQUITY			
Share capital	18	8 579 005	5 632 829
Additional paid-in capital	18	-	2 946 176
Share premium	18	1 412	1 412
Treasury shares	18	(115)	(115)
Revaluation reserve for investment securities		4 882	4 882
Retained earnings		412 267	212 899
Equity attributable to owners of the Bank		8 997 451	8 798 083
Non-controlling interest		23 043	(2 608)
TOTAL EQUITY		9 020 494	8 795 475
TOTAL LIABILITY AND EQUITY		52 947 668	39 547 688

On behalf of the Management Board:


Mamatkulov R.U.
Chairman of the Board




Yuldoshov A.O.
Chief Accountant

26 June 2023
Tashkent, Uzbekistan


26 June 2023
Tashkent, Uzbekistan

The notes on pages 11-66 form an integral part of these consolidated financial statements.

Joint Stock Commercial Bank "Agrobank" and its subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2022
(in millions of Uzbek soums)

	Notes	2022	2021
Interest income	20,30	5 312 885	4 207 966
Interest expense	20,30	(3 055 490)	(2 522 723)
Net interest income	20	2 257 395	1 685 243
Provision for expected credit losses	8	(1 241 534)	(760 115)
Net interest income after provision charge for expected credit losses		1 015 861	925 128
Fee and commission income	21,30	853 474	509 711
Fee and commission expense	21,30	(478 267)	(189 907)
<i>Net gains from foreign currencies:</i>			
- dealing transactions		776 299	122 730
- translation differences		13 073	12 992
Dividend income		6 366	3 295
Other operating income		40 487	33 607
(Provision)/ recovery for impairment on other non-financial assets		(6 927)	7 847
Provision for expected credit losses on other financial assets and credit related commitments		(7 303)	(6 198)
Administrative and other operating expenses	22	(1 912 798)	(1 359 423)
Profit before tax		300 265	59 782
Income tax (expense)/ benefit	23	(106 807)	10 828
NET PROFIT FOR THE YEAR		193 458	70 610
Profit is attributable to:			
-Owners of the Bank		199 514	70 610
-Non-controlling interest		(6 056)	-
Net profit for the year		193 458	70 610
Earnings per ordinary share for profit attributable to the owners of the Bank, basic and diluted in UZS	24	28	16
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		193 458	70 610
Total comprehensive income is attributable to:			
- Owners of the Bank		199 514	70 610
- Non-controlling interest		(6 056)	-
Total comprehensive income for the year		193 458	70 610

On behalf of the Management Board:


Mamatkulov R.U.
Chairman of the Board

26 June 2023
Tashkent, Uzbekistan




Yuldoshov A.O.
Chief Accountant

26 June 2023
Tashkent, Uzbekistan

The notes on pages 11-66 form an integral part of these consolidated financial statements.

Joint Stock Commercial Bank "Agrobank" and its subsidiaries
Consolidated Statement of Changes in Equity
for the year ended 31 December 2022
(in millions of Uzbek soums)

	Attributable to owners of the Bank							Total equity		
	Notes	Share capital	Additional paid-in capital	Share premium	Treasury shares	Revaluation reserve for investment securities	Retained earnings		Equity attributable to owners of the Bank	Non-controlling interest
1 January 2021		4 932 829	-	1 412	(115)	4 882	142 435	5 081 443	(2 608)	5 078 835
Net profit for the year		-	-	-	-	-	70 610	70 610	-	70 610
Total comprehensive income for 2021		-	-	-	-	-	70 610	70 610	-	70 610
Shares issued	18	700 000	2 946 176	-	-	-	-	3 646 176	-	3 646 176
Dividends declared - preferential shares		-	-	-	-	-	(146)	(146)	-	(146)
31 December 2021		5 632 829	2 946 176	1 412	(115)	4 882	212 899	8 798 083	(2 608)	8 795 475
Net profit/(loss) for the year		-	-	-	-	-	199 514	199 514	(6 056)	193 458
Total comprehensive income for 2022		-	-	-	-	-	199 514	199 514	(6 056)	193 458
Shares issued	18	2 946 176	(2 946 176)	-	-	-	-	-	31 707	31 707
Dividends declared - preferential shares		-	-	-	-	-	(146)	(146)	-	(146)
31 December 2022		8 579 005	-	1 412	(115)	4 882	412 267	8 997 451	23 043	9 020 494

On behalf of the Management Board:

P. Murodov

Mamatkulov R.U.
Chairman of the Board

26 June 2023
Tashkent, Uzbekistan



Yuldoshov A.O.

Yuldoshov A.O.
Chief Accountant

26 June 2023
Tashkent, Uzbekistan

The notes on pages 11-66 form an integral part of these consolidated financial statements.

Joint Stock Commercial Bank "Agrobank" and its subsidiaries
Consolidated Statement of Cash Flows
for the year ended 31 December 2022
(in millions of Uzbek soums)

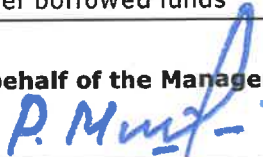
	Notes	2022	2021
Cash flows from operating activities			
Interest received		4 707 730	3 944 557
Interest paid		(2 945 237)	(2 532 673)
Fee and commission received		847 062	497 536
Fee and commission paid		(478 267)	(189 907)
Other income received		806 157	157 664
Staff costs paid		(1 091 122)	(802 945)
Administrative and other operating expenses paid		(801 685)	(312 075)
Income tax paid		(88 658)	(138 986)
Cash flows from operating activities before changes in operating assets and liabilities		955 980	623 171
<i>Net (increase) / decrease in:</i>			
- due from other banks		37 061	40 288
- loans and advances to customers		(13 140 172)	(7 498 972)
- other assets		(16 990)	13 818
<i>Net increase / (decrease) in:</i>			
- due to other banks		381 262	(1 692 659)
- customer accounts		1 348 421	2 731 393
- <i>debt securities issued</i>		159 035	23 344
- other liabilities		9 244	8 928
Net cash used in operating activities		(10 266 159)	(5 750 689)

The notes on pages 12-66 form an integral part of these consolidated financial statements.

Joint Stock Commercial Bank "Agrobank" and its subsidiaries
Consolidated Statement of Cash Flows
for the year ended 31 December 2022 (continued)
(in millions of Uzbek soums)

	Notes	2022	2021
Cash flows from investing activities			
Acquisition of premises, equipment and intangible assets		(758 181)	(275 067)
Proceeds from sale of premises and equipment		12 470	19 404
Acquisition of investment securities		(886 085)	(1 895 755)
Proceeds from redemption of investment securities		1 955 871	1 326 552
Acquisition of consumable biological assets	11	-	(42 975)
Acquisition of greenhouse	11	-	(46 358)
Acquisition of investment in associate		(767)	(434)
Dividend income received		6 366	3 295
Net cash flow from/(used in) investing activities		329 674	(911 338)
Cash flows from financing activities			
Issue of share capital	18	-	700 000
Proceeds from long-term placements of other banks	12	1 244 950	106 400
Repayment of long-term placements of other banks	12	(15 369)	(1 107)
Proceeds from other borrowed funds		27 029 727	22 841 995
Repayment of other borrowed funds		(17 372 688)	(16 607 832)
Dividends paid		(146)	(146)
Repayment of lease liabilities	10	(5 861)	-
Net cash from financing activities		10 880 613	7 039 310
Effect of exchange rate changes on cash and cash equivalents		61 293	45 207
Effect of expected credit loss	6	(341)	(46)
Net increase in cash and cash equivalents		1 005 080	422 444
Cash and cash equivalents at the beginning of the year	6	3 411 673	2 989 229
Cash and cash equivalents at the end of the year		4 416 753	3 411 673
Non-cash transactions:			
<i>Leasing of greenhouses and biological assets</i>			
-Loans and advances to customers		98 095	-
-Other assets		(98 095)	-
<i>Recognition of guarantees</i>			
-Loans and advances to customers		57 059	-
-Other borrowed funds		57 059	-
<i>Conversion of debt into shareholders' equity</i>			
-Share capital	18	-	2 946 176
-Other borrowed funds	18	-	(2 946 176)

On behalf of the Management Board


Mamatkulov R.U.
Chairman of the Board



26 June 2023
Tashkent, Uzbekistan


Yuldoshov A.O.
Chief Accountant

26 June 2023
Tashkent, Uzbekistan

The notes on pages 12-66 form an integral part of these consolidated financial statements.