

**JOINT STOCK COMMERCIAL BANK  
QISHLOQ QURILISH BANK**

**CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2022 AND  
INDEPENDENT AUDITOR'S REPORT**



**QISHLOQQURILISHBANK**



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**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 "Qishloq Qurilish Bank" is responsible for the preparation of the consolidated financial statements that present fairly the financial position of Joint-Stock Commercial Bank "Qishloq Qurilish Bank" and its subsidiary (collectively - the "Group") as at 31 December 2022 and the related consolidated statements 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 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 consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- maintaining statutory accounting records in compliance with legislation and accounting standards 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 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:

  
**Muratov A. A.**  
Chairman of the Management Board



  
**Makhmudov Kh. T.**  
Chief Accountant



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Supervisory Board of Joint Stock Commercial Bank "Qishloq Qurilish Bank"

### Opinion

We have audited the consolidated financial statements of Joint Stock Commercial Bank "Qishloq Qurilish Bank" (the "Bank") and its subsidiary (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 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.

### Emphasis of Matter – Liquidity and Going concern principle

We draw attention to Notes 3 and 16 to the consolidated financial statements which describes the non-compliance with certain financial covenants of its long-term loan agreements set by various international financial institutions. Our opinion is not modified in respect of this matter.

### 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

##### *Allowance for loans and advances to customers for expected credit losses*


As disclosed in Note 8 to the consolidated financial statements, the gross value of loans and advances to customers ("loans") amounted to UZS 20,892,417 million with related allowances for expected credit losses of UZS 1,637,365 million as at 31 December 2022.

Depending on the significance of loans, the management determines the expected credit losses ("ECL") on a collective or individual basis.

#### How the matter was addressed in the audit

We obtained an understanding of the processes and relevant control procedures over ECL provisioning, in particular, identification of significant increase in credit risk ("SICR" or "stage 2") and credit-impaired loans ("stage 3"), and the ECL modelling, including controls with respect to the completeness of the list of restructured loans and whether their stages are properly identified in the ECL calculation model.

We also assessed the Group's impairment methodology for compliance with the requirements of IFRS 9.

  
Turgunboy Tokhirov, Qualified Auditor/Engagement Director



During the year, the Bank has restructured loans of some borrowers under its own initiative and/or as a result of government's support of certain sectors of the economy. The changes in loan repayment schedules have increased judgment in relation to classification of loans into various impairment stages as stipulated under IFRS 9.

The underlying information used in the ECL model on loans assessed on a collective basis may include errors. The errors could be due to an incomplete list of loans that have been restructured. As the status of loan restructuring is one of the significant criteria for determination of stage categorization, an incomplete list of restructured loans might result in understatement of expected credit losses and overstatement of the net profit.

Individual assessment of expected credit losses for significant borrowers involves an analysis of overdue interest or principal, including determining whether a significant increase in credit risk or credit impairing events have occurred on loans since their initial recognition. The understatement of the value of the overdue days when determining stages for individually significant borrowers might result in improper staging which may significantly affect the allowance for the expected credit losses for individually significant borrowers.

Additionally, for significant loans classified as stage 3, the analysis involves estimation of future cash flows under the different scenarios weighted for their probabilities. Information used for such analysis includes expected value of collateral, costs and time required to sell the collateral.

Allowance for ECL is determined to be a key audit matter due to the significance of Loans and advances to customers' balances and the degree of judgement and estimation uncertainty, as discussed in Note 4, 8 and Note 30 to the consolidated financial statements.

For loans collectively assessed for impairment, with the assistance of internal credit risk specialists, we assessed the integrity and mathematical accuracy of the ECL models.

We obtained a list of loans that have been restructured and a list of legal claims, assessed accuracy and completeness of data and ascertained that stages of the restructured loans and the litigation cases were accurately reflected in the Group's loan portfolio. To test completeness of the list of such loans, we had selected a sample of loans and verified that classification of those loans was accurate.

We 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 interest or principal, including off-balances, restructuring events, existence of litigation processes and statistics for recoveries of loans.

For individually assessed loans, we analyzed the appropriateness of loans' staging by selecting a sample of these loans and testing whether conditions, including existence of overdue days, restructuring and current financial performance of the borrower for classification into respective stages were met.

We checked the fair value of collateral used for the calculation of allowances for ECL for individually significant loans in stage 3.

We also analyzed the Group's documented credit assessment of the borrowers, challenging assumptions underlying the ECL calculation, including future cash flow projections and the market valuation of collateral, as evidenced by available market and internal information.

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

## 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.



Turgunboy Tokhirov, Qualified Auditor/Engagement Director



## **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 scepticism 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.

  
Turgunboy Tokhirov, Qualified Auditor/Engagement Director



**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 Group 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 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 Group'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 Group's capital;
- the frequency during 2022 of reports prepared by the Bank's risk management functions, and which cover the Group'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 Group's significant risks, risk management system and recommendations for improvement;



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Turgunboy Tokhirov, Qualified Auditor/Engagement Director

- as at 31 December 2022, the Supervisory Board and Executive Management of the Bank had responsibility to monitor the Group's compliance with risk and capital adequacy limits set by Bank internal documentation. To exercise control over the effectiveness of Group 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 Group'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/Engagement Director  
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



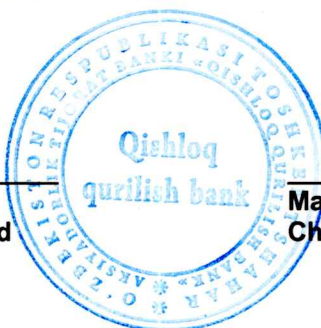

**JOINT-STOCK COMMERCIAL BANK "QISHLOQ QURILISH BANK"****Consolidated Statement of Financial Position***(in millions of Uzbekistan Soums)*

|  | Notes | 31 December<br>2022 | 31 December<br>2021 |
|--|-------|---------------------|---------------------|
| <b>ASSETS</b>  |       |                     |                     |
| Cash and cash equivalents  | 6     | 2,046,066           | 1,311,121           |
| Due from other banks   | 7     | 612,256             | 362,799             |
| Loans and advances to customers  | 8     | 19,255,052          | 16,885,058          |
| Investment securities measured at amortised cost                       | 9     | 1,246,670           | 787,552             |
| Financial assets at fair value through<br>other comprehensive income   | 10    | 21,284              | 15,925              |
| Property and equipment   | 11    | 348,561             | 325,777             |
| Intangible assets  | 11    | 22,817              | 3,116               |
| Deferred income tax asset  | 27    | 293,160             | 147,358             |
| Current income tax prepayment  |       | 11,183              | 30,862              |
| Other assets   | 12    | 35,904              | 75,321              |
| Assets classified as held for sale                                     | 13    | 63,489              | -                   |
| <b>TOTAL ASSETS</b>  |       | <b>23,956,442</b>   | <b>19,944,889</b>   |
| <b>LIABILITIES AND EQUITY</b>  |       |                     |                     |
| <b>LIABILITIES</b>   |       |                     |                     |
| Due to other banks   | 14    | 2,292,335           | 1,401,962           |
| Customer accounts  | 15    | 4,911,716           | 4,169,128           |
| Borrowings from government and international<br>financial institutions | 16    | 14,666,621          | 12,131,007          |
| Debt securities in issue   | 17    | 104,498             | 94,456              |
| Other liabilities  | 18    | 50,946              | 42,073              |
| Liabilities associated with assets held for sale                       | 13    | 26,281              | -                   |
| <b>Total liabilities</b>   |       | <b>22,052,397</b>   | <b>17,838,626</b>   |
| <b>EQUITY</b>  |       |                     |                     |
| Share capital  | 19    | 1,859,887           | 1,859,887           |
| Share premium  | 19    | 942                 | 942                 |
| Retained earnings  |       | 39,425              | 244,828             |
| Investment revaluation reserve   |       | 3,791               | 481                 |
| Other reserves   |       | -                   | 125                 |
| <b>Total equity</b>  |       | <b>1,904,045</b>    | <b>2,106,263</b>    |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                    |       | <b>23,956,442</b>   | <b>19,944,889</b>   |

Approved for issue and signed on 26 June 2023.



Muratov A. A.  
Chairman of the Management Board

Makhmudov Kh. T.  
Chief Accountant

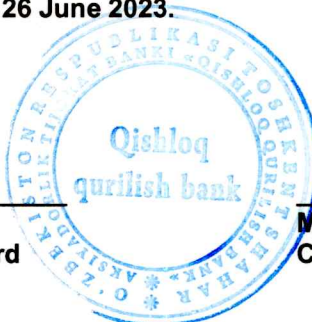


**JOINT-STOCK COMMERCIAL BANK "QISHLOQ QURILISH BANK"**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
*(in millions of Uzbekistan Soums)*

|  | Notes  | 2022             | 2021           |
|--|--------|------------------|----------------|
| Interest income  | 21     | 2,613,455        | 1,901,717      |
| Interest expense   | 21     | (1,540,908)      | (1,055,887)    |
| <b>NET INTEREST INCOME</b>   |        | <b>1,072,547</b> | <b>845,830</b> |
| Provision for expected credit losses   | 30     | (739,732)        | (446,212)      |
| <b>NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS</b>          |        | <b>332,815</b>   | <b>399,618</b> |
| Fee and commission income  | 22     | 192,507          | 141,092        |
| Fee and commission expense   | 22     | (45,922)         | (28,596)       |
| Net gain on foreign exchange operations  | 23     | 39,730           | 24,464         |
| Other income   | 24     | 5,793            | 7,247          |
| Impairment losses on other operations  | 12     | -                | (27,359)       |
| Income from insurance operations   |        | 15,290           | 22,280         |
| Expense from insurance operations  |        | (977)            | (13,350)       |
| Change in insurance reserves, net  | 13, 25 | (10,364)         | (8,865)        |
| <b>NET NON-INTEREST INCOME</b>   |        | <b>196,057</b>   | <b>116,913</b> |
| <b>OPERATING INCOME</b>  |        | <b>528,872</b>   | <b>516,531</b> |
| Operating expenses   | 26     | (786,747)        | (501,715)      |
| <b>(LOSS)/PROFIT BEFORE INCOME TAX</b>   |        | <b>(257,875)</b> | <b>14,816</b>  |
| Income tax benefit/(expense)   | 27     | 52,615           | (1,444)        |
| <b>(LOSS)/PROFIT FOR THE YEAR</b>  |        | <b>(205,260)</b> | <b>13,372</b>  |
| <b>Other comprehensive income</b>  |        |                  |                |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>             |        |                  |                |
| Changes in the fair value of equity instruments classified as FVTOCI                   |        | 4,137            | 601            |
| Income tax relating to the equity instruments classified as FVTOCI                     |        | (827)            | (120)          |
| <b>Other comprehensive income for the year</b>   |        | <b>3,310</b>     | <b>481</b>     |
| <b>TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR</b>                                  |        | <b>(201,950)</b> | <b>13,853</b>  |
| <b>Basic and diluted (loss)/income per ordinary share (expressed in UZS per share)</b> | 28     | <b>(14)</b>      | <b>1</b>       |

Approved for issue and signed on 26 June 2023.

  
**Muratov A. A.**  
Chairman of the Management Board



  
**Makhmudov Kh. T.**  
Chief Accountant

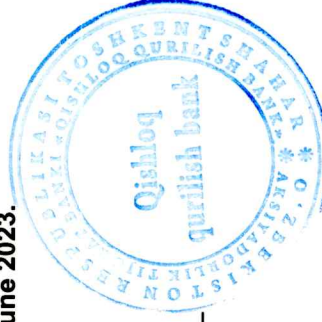


**JOINT-STOCK COMMERCIAL BANK "QISHLOQ QURILISH BANK"**  
**Consolidated Statement of Changes in Equity**

(in millions of Uzbekistan Soums)

|  | Note | Share capital    | Share premium | Retained earnings | Investment revaluation reserve | Other reserves | Total equity     |
|--|------|------------------|---------------|-------------------|--------------------------------|----------------|------------------|
| <b>31 December 2020</b>                                    |      | <b>1,859,887</b> | <b>942</b>    | <b>231,724</b>    | <b>-</b>                       | <b>125</b>     | <b>2,092,678</b> |
| Profit for the year  |      | -                | -             | 13,372            | -                              | -              | 13,372           |
| Other comprehensive income for the year, net of income tax |      | -                | -             | -                 | 481                            | -              | 481              |
| Dividends declared - preference shares                     | 18   | -                | -             | (268)             | -                              | -              | (268)            |
| <b>31 December 2021</b>                                    |      | <b>1,859,887</b> | <b>942</b>    | <b>244,828</b>    | <b>481</b>                     | <b>125</b>     | <b>2,106,263</b> |
| Loss for the year  |      | -                | -             | (205,260)         | -                              | -              | (205,260)        |
| Other comprehensive income for the year, net of income tax |      | -                | -             | -                 | 3,310                          | -              | 3,310            |
| Change in other insurance reserves                         |      | -                | -             | 125               | -                              | (125)          | -                |
| Dividends declared - preference shares                     | 18   | -                | -             | (268)             | -                              | -              | (268)            |
| <b>31 December 2022</b>                                    |      | <b>1,859,887</b> | <b>942</b>    | <b>39,425</b>     | <b>3,791</b>                   | <b>-</b>       | <b>1,904,045</b> |

Approved for issue and signed on 26 June 2023.



**Muratov A. A.**  
**Chairman of the Management Board**

**Makhmudov Kh. T.**  
**Chief Accountant**

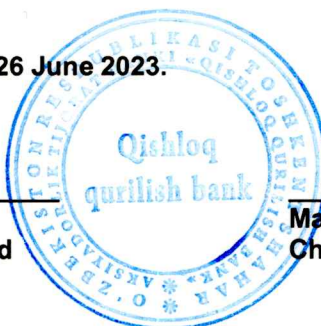


**JOINT-STOCK COMMERCIAL BANK "QISHLOQ QURILISH BANK"**  
**Consolidated Statement of Cash Flows**  
*(in millions of Uzbekistan Soums)*

|  | Notes | 2022             | 2021               |
|--|-------|------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |       |                  |                    |
| Interest received  |       | 2,519,816        | 1,833,959          |
| Interest paid  |       | (1,481,916)      | (1,023,573)        |
| Fees and commissions received  |       | 181,495          | 141,338            |
| Fees and commissions paid  |       | (45,922)         | (28,596)           |
| Income received from trading in foreign currencies   |       | 37,630           | 25,921             |
| Income from insurance operations received  |       | 15,290           | 22,280             |
| Expense from insurance operations paid   |       | (977)            | (13,350)           |
| Other income received  |       | 2,911            | 4,132              |
| Staff costs paid   |       | (489,675)        | (372,345)          |
| Operating expenses paid  |       | (220,859)        | (121,444)          |
| Income tax paid  |       | (74,335)         | (79,329)           |
| <b>Cash flows from operating activities before changes in operating assets and liabilities</b> |       | <b>443,458</b>   | <b>388,993</b>     |
| <b>Net (increase)/decrease in:</b>   |       |                  |                    |
| - due from other banks   |       | (298,850)        | 74,029             |
| - loans and advances to customers  |       | (2,695,921)      | (3,758,278)        |
| - other assets   |       | 63,436           | (19,606)           |
| <b>Net increase/(decrease) in:</b>   |       |                  |                    |
| - due to other banks   |       | 830,947          | 295,207            |
| - debt securities  |       | 9,999            | 41,600             |
| - customer accounts  |       | 725,414          | 1,170,421          |
| - other liabilities  |       | 7,104            | (16,085)           |
| <b>Net cash used in operating activities</b>   |       | <b>(914,413)</b> | <b>(1,823,719)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |       |                  |                    |
| Purchase of property, equipment and intangible assets  |       | (110,877)        | (73,825)           |
| Proceeds from sale of property and equipment   |       | 2,136            | 5,925              |
| Acquisition of financial assets at fair value through other comprehensive income               |       | (1,222)          | (5,000)            |
| Acquisition of Investment securities measured at amortised cost                                |       | (1,090,442)      | (790,367)          |
| Proceeds from disposal of Investment securities measured at amortised cost                     |       | 653,616          | 205,569            |
| Dividend income received   |       | 2,335            | 464                |
| <b>Net cash used in investing activities</b>   |       | <b>(544,454)</b> | <b>(657,234)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |       |                  |                    |
| Dividends paid   |       | (263)            | (393)              |
| Proceeds from borrowings from government and international financial institutions              | 20    | 5,060,618        | 4,342,803          |
| Repayment of borrowings from government and international financial institutions               | 20    | (2,884,841)      | (1,615,683)        |
| <b>Net cash inflow from financing activities</b>   |       | <b>2,175,514</b> | <b>2,726,727</b>   |
| Effect of changes in foreign exchange rate on cash and cash equivalents                        |       | 20,722           | 15,280             |
| Effect of changes in expected credit losses  |       | (2,424)          | 31                 |
| <b>Net increase in cash and cash equivalents</b>   |       | <b>734,945</b>   | <b>261,085</b>     |
| <b>CASH AND CASH EQUIVALENTS at the beginning of the year</b>                                  | 6     | <b>1,311,121</b> | <b>1,050,036</b>   |
| <b>CASH AND CASH EQUIVALENTS at the end of the year</b>  | 6     | <b>2,046,066</b> | <b>1,311,121</b>   |

Approved for issue and signed on 26 June 2023.

  
**Muratov A. A.**  
**Chairman of the Management Board**



  
**Makhmudov Kh. T.**  
**Chief Accountant**