



**PRIVATE JOINT-STOCK BANK
«TRUSTBANK»**

**Consolidated financial statement for the year ended 31 December 2022
and Independent auditor's opinion
(Translated from Russian language)**

АО ООО «Grant Thornton»

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Independent Auditor's opinion

To shareholders and the Supervisory Board of PJSB «Trustbank»

Opinion

We have audited the consolidated financial statements of Private Joint-Stock Bank "Trustbank" (hereinafter referred to as the "Bank") and its subsidiary (hereinafter collectively referred to as the "Group"), which consist of the consolidated statement of financial position as at 31 December 2022 and the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date and the notes to the consolidated financial statements, including a summary of key accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects the financial position of the Group as at 31 December 2022, as well as its financial results and cash flows for the year ended on that date, 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 in accordance with these standards are described further in the section "Auditor's responsibility for auditing consolidated financial statements" of our opinion. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the schedule in the Code of Ethics of Professional Accountants of the International Ethics Standards Board for Accountants (PAIESB Code) and ethical requirements applicable to our audit of the financial statements in the Republic of Uzbekistan, and we have fulfilled our 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.

Key audit matters

Key audit matters are matters that, in our professional judgment, were the most significant for our audit of the financial statements for the current period. These issues were considered in the context of our audit of the financial statements as a whole and in the formation of our opinion on these statements, and we do not express a separate opinion on these issues.

Key audit matters***What audit procedures were performed regarding the key audit matter******Provision for credit losses on loans to customers, as well as on credit related commitments***

Due to the materiality of the provision for impairment of loans and advances to customers and credit related liabilities for the financial position of the Group, as well as due to the complexity and necessity to apply judgments in estimating expected credit losses in accordance with the new IFRS 9 Financial Instruments This issue is one of the key audit questions.

It is necessary to apply judgment to determine a significant increase of credit risk from the date of initial recognition, both on an individual and on a portfolio basis, as well as for the calculation of expected credit losses. The assessment of the increase in credit risk is based on the relative change in credit ratings, the duration of overdue debts and other objective and subjective factors. The choice of thresholds at which an increase of credit risk is recognized as significant, such as the magnitude of deterioration in a credit rating, is also subjective.

The calculation of expected credit losses includes valuation techniques that use significant unobservable input data and factors, such as internal credit ratings, as well as comprehensive statistical modeling and expert judgment. These methods are used to determine the probability of default based on available historical data and external information.

To calculate expected credit losses in respect of significant financial assets that have been individually impacted by a credit impairment, it is required to analyze financial and non-financial information, and extensive use of assumptions. Estimation of future cash flows is based on such material unobservable baseline data as the borrower's current and projected financial indicators, the value of the collateral and an estimate of the likelihood of possible scenarios. The use of other modeling techniques, assumptions and forecasts can lead to significantly different estimates of the provision for expected credit losses.

Information on the provision for expected credit losses in respect of loans and advances to customers, as well as credit related commitments presented in Notes 10, 18 and 30 to the consolidated financial statements.

In the process of our audit, we paid special attention to the following: assessment of credit risk models and assumptions used to determine key parameters for provisioning and expected credit losses on a portfolio; assessment of management's judgments regarding the identification of a significant increase of credit risk on both of an individual and portfolio basis, using quantitative and qualitative criteria; testing of expected future cash flows, including cash flows from collateral, in respect of significant loans and advances to customers and credit related commitments.

Our audit procedures included an assessment of the methodology for calculation of expected credit losses developed by the Group in accordance with IFRS 9, for estimation of provision for impairment of loans and advances to customers, as well as credit related commitments. We evaluated the rationality of the credit risk factors and the thresholds chosen by management to determine a significant increase in credit risk on both of an individual and portfolio basis. We assessed the sequence of application of the criteria selected by management at the reporting date.

When testing the impairment calculated on a portfolio basis, we analyzed the underlying statistical models, key input data and assumptions, as well as forward-looking information used to calculate expected credit losses. For selected significant loans, we conducted an audit of internal credit ratings, credit risk factors and classification by stages. In collaboration with valuation specialists, we analyzed assumptions about future cash flows for selected material corporate loans, including the value of the collateral and the likelihood of possible scenarios. We reviewed the results of a Group that was subsequently tested on the models used for IFRS 9.

Valuation of loans and advances to customers at fair value through profit or loss

We focused on this issue in connection with the materiality of the amount and the subjective nature of the valuation of loans and advances to customers, measured at fair value through profit or loss.

The fair value of these loans is estimated using complex valuation models that use data that are not observable on the market, including data that reflect the credit quality of customers, interest rate curves, and volatility.

Note 10 and 30 to the consolidated financial statements provide detailed information about the measurement of loans and advances to customers at fair value through profit or loss.

During our audit, we paid special attention to the assessment of the key methodologies, formulas and source of information used by the Group for the assessment, for their compliance with IFRS.

We tested models for evaluating our selected loans. Our work included an assessment of whether the models and the data used are acceptable, the repetition of individual calculations, as well as various analytical and other procedures.

Other information

Management is responsible for other information. Other information includes information contained in the annual report, but does not include the consolidated financial statements and our audit report about it.

Our view of the financial statements does not apply to other information, and we will not provide conclusion with assurance of any form regarding this information.

In a view of conducting our audit of the financial statements, our responsibility is to review other information and consider whether there are significant discrepancies between other information and the financial statements or our knowledge gained during the audit and whether other information contains other significant distortion.

If, based on the work we have carried out, we conclude that other information contains a material misstatement, we must report this fact.

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

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with IFRS and for such internal control system as management determines is necessary to enable the preparation of the consolidated financial statements that is free from material misstatements, due to fraud or errors.

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

The management and those charged with governance are responsible for overseeing the preparation of the consolidated financial statements of the Group.



Auditor's responsibility for auditing consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or on 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 conducted in accordance with International Standards on Auditing, we apply professional judgment to retain professional skepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of consolidated financial statements due to fraud or error; develop and conduct audit procedures in response to these risks; we obtain audit evidence that is sufficient and appropriate to serve as a basis for expressing our opinion. The risk of non-detection of material as a result of unfair acts is higher than the risk of not detecting a significant distortion as a result of an error, since unfair acts may include conspiracy, fraud, intentional omission, misrepresentation of information or actions bypassing the internal control system;
- obtain an understanding of the internal control system that is relevant to the audit, in order to develop audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control system;
- assess the proper nature of the accounting policies applied and the reasonableness of accounting estimates and the corresponding disclosure of information prepared by management;
- make a conclusion about the legitimacy of management's use of the assumption of business continuity, and on the basis of the obtained audit evidence - the conclusion whether there is a significant uncertainty in connection with events or conditions that may raise significant doubts in the ability of the Group to continue its business continuously. If we conclude that there is significant uncertainty, we must draw attention to our disclosure in the consolidated financial statements, or, if such disclosure is inappropriate, modify our opinion. Our conclusions are based on the audit evidence received before the date of our audit report. However, future events or conditions may lead to the Group losing the ability to continue its business continuously;
- assess the presentation of the consolidated financial statements in general, its structure and content, including disclosure of information, as well as whether the consolidated financial statements present the underlying operations and events in a manner that ensures their reliable representation;
- obtain sufficient appropriate audit evidence relating to the financial information of the organization or activities within the Group in order to express an opinion on the consolidated financial statements. We are responsible for the management, control and conduct of the Group's audit. We remain fully responsible for our audit opinion.

We collaborate with persons responsible for corporate governance, including, among other things, information on the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify in the course of the audit.

We also provide the Management and those responsible for corporate governance with a statement that we have complied with all relevant ethical requirements regarding independence and informed these individuals about all relationships and other issues that can reasonably be considered to affect the independence of the auditor. And if it is required - on appropriate precautions.



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From the issues that we brought to the attention of the Management and to those responsible for corporate governance, we identify issues that were most essential to the audit of the consolidated financial statements for the current period and, therefore, are considered as key audit issues. We describe these issues in our audit report, except when public disclosure of information on these matters is prohibited by law or regulation. In extremely rare cases, we conclude that information on any matter should not be communicated in our report, since it can be reasonably assumed that the negative consequences of communicating such information will exceed the socially significant benefits.

Jamshid Karimov
General Director

Auditor's qualification certificate for conducting bank audits No. 19 dated December 28, 2021, issued by the Central Bank of the Republic of Uzbekistan.


Steele  *for LLC*

April 18, 2023
Tashkent, Uzbekistan

Consolidated statement of financial position

	Notes	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents	7	2 422 220 381	2 194 954 519
Mandatory reserves in CBU	8	50 975 127	49 403 417
Due from other banks	9	317 512 638	249 364 472
Loans and advances to customers	10	3 473 754 962	2 786 412 186
Investment financial assets	11	1 420 672 550	1 166 233 816
Investments in an associate	12	128 096 089	111 206 484
Advance income tax payment		11 765 779	-
Deferred tax asset	24	19 814 052	13 300 050
Fixed assets and intangible assets	13	350 609 329	289 083 047
Non-current assets held for sale		2 365 618	11 676 984
Other assets	14	87 642 410	52 161 416
Total assets		8 285 428 935	6 923 796 391
Liabilities			
Due to other banks	15	200 249 079	107 393 833
Customer deposits	16	6 339 604 454	5 470 607 756
Other borrowings	17	132 194 812	215 545 466
Other liabilities	18	64 983 224	26 023 465
Total liabilities		6 737 031 569	5 819 570 520
Equity			
Share capital	19	561 961 733	361 961 733
Added capital	19	252 817 471	142 022 059
Retained earnings and funds		733 618 162	600 242 079
Total equity		1 548 397 366	1 104 225 871
Total liabilities and equity		8 285 428 935	6 923 796 391

Approved and signed on behalf of the management of the Group:


S.R. Normukhamedov
Chairman of the Board of the Bank

April 18, 2023



A.B. Mamatkulov
Chief Accountant of the Bank

The notes on pages from 11 to 85 are an integral part of these consolidated financial statements

Consolidated statement of profit and loss and other comprehensive income

	Notes	For the year ended 31 December	
		2022	2021
Interest income calculated at the effective interest rate	20	835 322 780	620 258 657
Other interest income	20	238 708 490	105 378 453
Interest expense calculated at the effective interest rate	20	(94 641 657)	(83 340 064)
Other interest expenses	20	(13 507 837)	(14 155 382)
Net interest income		965 881 776	628 141 664
Provision for credit losses on debt financial assets	7,9,10,11	(58 873 212)	(33 879 055)
Net income / (expense) from initial recognition of financial instruments and loan modifications	10,17	(16 951 121)	(446 770)
Net interest income after provision for credit losses		890 057 443	593 815 839
Fee and commission income	21	210 807 471	151 567 415
Commission expenses	21	(31 491 701)	(18 819 080)
Net income / (expenses) from operations in foreign currency and from revaluation of foreign currency		83 603 562	47 501 576
The share of the financial result of the associated organization	12	24 608 199	28 397 427
Recovery / (creation) of a provision for credit losses on credit related commitments	18	(13 210 080)	3 348 433
Creation of a provision for other assets		(892 712)	(7 374 501)
Other operating income	22	5 314 884	3 175 576
Administrative and other operating expenses	23	(478 161 489)	(286 985 877)
Income before tax		690 635 577	514 626 808
Income tax expense	24	(98 743 668)	(80 820 379)
Net income for the year		591 891 909	433 806 429
Other comprehensive income:			
Securities classified as measured at fair value through other comprehensive income - equity instruments		201 449	(287 761)
Income tax relating to components of comprehensive income		(40 290)	57 552
Total other comprehensive income / (loss)		161 159	(230 209)
Total comprehensive income for the year		592 053 068	433 576 220

Approved and signed on behalf of the management of the Group:


S.R. Normukhamedov
Chairman of the Board of the Bank

April 18, 2023


A.B. Mamatkulov
Chief Accountant of the Bank




The notes on pages from 11 to 85 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital	Added capital	Retained earnings and funds	Total equity
Balance as at 1 January 2021	361 961 733	142 022 059	256 726 059	760 709 851
Net income for the year	-	-	433 806 429	433 806 429
Other comprehensive income	-	-	(230 209)	(230 209)
Total comprehensive income for the year	-	-	433 576 220	433 576 220
Dividends declared on ordinary shares	-	-	(90 056 750)	(90 056 750)
Dividends declared on preferred shares	-	-	(3 450)	(3 450)
Balance as at 31 December 2021	361 961 733	142 022 059	600 242 079	1 104 225 871
Net income for the year	-	-	591 891 909	591 891 909
Other comprehensive income	-	-	161 159	161 159
Total comprehensive income for the year	-	-	592 053 068	592 053 068
Increase in equity	200 000 000	110 795 412	-	310 795 412
Dividends declared on ordinary shares	-	-	(458 673 535)	(458 673 535)
Dividends declared on preferred shares	-	-	(3 450)	(3 450)
Balance as at 31 December 2021	561 961 733	252 817 471	733 618 162	1 548 397 366

Approved and signed on behalf of the management of the Group:


S.R. Normukhamedov
Chairman of the Board of the Bank
April 18, 2023



A.B. Mamatkulov
Chief Accountant of the Bank

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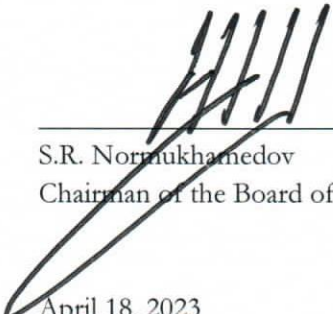
Consolidated statement of cash flows

	For the year ended 31 December	
	2022	2021
<i>Cash flow from operating activities</i>		
Interest received	1 070 170 613	726 615 398
Interest paid	(108 149 494)	(105 535 760)
Fee and Commission received	203 313 236	150 995 394
Commissions paid	(29 770 201)	(19 190 174)
Net income from operations in foreign currency	(81 833 193)	(65 017 692)
Other operating income received	7 742 179	7 605 497
Staff costs	(297 406 361)	(175 372 583)
Administrative and other operating expenses	(130 128 952)	(114 230 837)
Income tax paid	(117 827 380)	(86 196 274)
Cash flow from operating activities before changes in operating assets and liabilities	516 110 447	319 672 969
<i>Net (increase) / decrease in operating assets</i>		
Mandatory reserves in CBU	(1 571 710)	(6 410 175)
Due from other banks	(68 148 166)	(179 825 116)
Loans and advances to customers	(769 482 836)	(478 123 273)
Other assets	(35 480 994)	(5 618 868)
<i>Net increase / (decrease) in operating liabilities</i>		
Due to other banks	92 855 246	(83 376 940)
Customer deposits	868 996 698	2 035 151 813
Other liabilities	38 959 759	399 056
Net cash flow from operating activities	642 238 444	1 601 869 466
<i>Cash flow from investing activities</i>		
Investment securities purchased	(5 848 757 464)	(2 075 782 045)
Investment securities repaid	5 769 717 000	1 466 812 466
Investment in an associated organization	(19 316 900)	(16 584 572)
Acquisition of fixed assets and intangible assets	(103 055 834)	(107 489 581)
Revenue from sale of fixed assets	1 940 878	1 877 974
Net cash flow from investing activities	(199 472 320)	(731 165 758)
<i>Cash flow from financing activities</i>		
Other borrowings received	95 727 925	161 469 163
Other borrowings repaid	(185 567 865)	(36 831 545)
Dividends paid	(147 881 573)	(90 060 200)
Net cash flow from financing activities	(237 721 513)	34 577 418

Consolidated statement of cash flows (Continue)

	For the year ended 31 December	
	2022	2021
The effect of changes in exchange rates on cash and cash equivalents	23 991 620	17 516 116
The effect of expected credit losses on cash and cash equivalents	(1 770 369)	(1 659 304)
Net change in cash and cash equivalents	227 265 862	921 137 938
Cash and cash equivalents at the beginning of the reporting year	2 194 954 519	1 273 089 081
Cash and cash equivalents at the end of the reporting year	2 422 220 381	2 194 227 019

Approved and signed on behalf of the management of the Group:



S.R. Norriukhamedov
Chairman of the Board of the Bank

April 18, 2023



A.B. Mamaikulov
Chief Accountant of the Bank



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