

**CLOSED JOINT STOCK COMPANY
"OXUS MICROFINANCE COMPANY"**

**FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

**AND
INDEPENDENT AUDITOR'S REPORT**

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**INDEPENDENT AUDITOR'S REPORT
HLB MARKA AUDIT, LLC
ON FINANCIAL STATEMENTS OF
"OXUS MICROFINANCE COMPANY" CLOSED JOINT-STOCK COMPANY**

**To the Board of Directors
"OXUS Microfinance Company" CJSC**

Conclusion on findings of financial statements audit

Opinion

We have audited the financial statements of "OXUS Microfinance Company" Closed Joint-Stock Company (hereinafter referred to as the 'Company'), which include the Statement of Financial Position as of 31 December 2024, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

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 financial statements* section of our report. We are independent of the Company in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code, applied to our audit of the financial statements in the Kyrgyz Republic. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Audit key issues

Audit key issues are those 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 forming our opinion on these statements, and we do not express a separate opinion on these issues.

Provisions for expected credit losses on loans issued

Provided the significance of the "Loans issued" item in the Statement of financial position and the application of professional judgment by the Company's management for timely identification and assessment of the provisions for expected credit losses (hereinafter referred to as "ECL"), the calculation of the provisions for ECL in accordance with IFRS 9 "Financial Instruments" is considered one of the key audit issues.

The Company's approach to its credit risk management is presented in Note 29 "Risk management" of these financial statements. Data on the loans issued and provisions for ECL are presented in Note 7 "Loans issued" to the financial statements.

Our methodology

As part of our audit procedures, we reviewed the methodology that the Company approved in accordance with IFRS 9 and used it to identify cases of increased credit risk, as well as to calculate expected credit losses (ECL).

We analyzed the calculation of the reserve for ECL on a collective basis, including the selective verification of the source data and the assumptions used for the credit risk model, including internal credit ratings, as well as the classification of loans by stages of impairment.

As for the significant individually impaired loans, we have selectively analyzed the calculation of recoverable amount and ECL based on debt repayment scenarios determined by the Company and their probability, including the Company's assumptions about expected cash flows, including from the current activities of borrowers, as well as from the sale of collateral, taking into account available information on the market.

The audit procedures of ours also included testing, on a sample basis, of controls over the process of assessing the expected credit losses on customer loans, including testing of controls for accounting for overdue debts.

We also analyzed information regarding the expected credit losses on loans to customers disclosed in the financial statements of the Company.

Responsibilities of management of the Company and those charged with corporate governance for the financial statements

The Company's management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Company is responsible for assessing the ability of Company to continue its business, for disclosing, as appropriate, information related to business continuity, and for preparing financial statements based on the going concern assumption, unless the management intends to liquidate the Company, terminate her activity or when it does not have any other real alternative, other than liquidation or termination of its business.

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

Auditor's responsibilities for the audit of the 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 taken together, they could reasonably be expected to influence the economic decisions of users taken based on 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.
- With regard to events or conditions that may cast doubt on the ability of the Company to continue its activities as a going concern. If we conclude that there is material uncertainty, we need to pay attention in our audit report to the relevant disclosures in the financial statements, or, if such disclosures are inadequate, 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 continue as a going concern business.

- We evaluate the presentation of the financial statements as a whole, their structure and content, including disclosure of information, as well as whether the financial statements represent the underlying transactions and events in such a way as to ensure their fair presentation.

We carry out informational interaction with persons responsible for corporate governance, bringing to their attention, among other things, information about 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 during the audit.

We also provide the persons responsible for corporate governance with a statement that we have complied with all relevant ethical requirements regarding independence and informed these persons about all relationships and other issues that can reasonably be considered to have an impact on the independence of the auditor, and, if necessary, about appropriate precautions.

Out of the issues that we have brought to the attention of those responsible for corporate governance, we identify the issues that were most significant for the audit of financial statements for the current period and, therefore, are the key audit issues. We describe these issues in our audit report, except in cases where public disclosure of information about these issues is prohibited by law or regulation, or when in extremely rare cases we conclude that information about any issue should not be disclosed in our report, as it can reasonably be assumed that The negative consequences of communicating such information will exceed the socially significant benefits of communicating it.

Statement on other legal and regulative requirements

Following the provisions of the Regulation "On Minimum Requirements for an External Audit of Banks and Other Financial and Credit Organizations Licensed by the National Bank of the Kyrgyz Republic (NBKR)" Section 5, approved by Resolution of the National Bank of the Kyrgyz Republic dated June 15, 2017 No. 2017-P-12/25 -2-(Regulative and Legal Acts), during the audit of the financial statements of the Company for 2024, we conducted auditing of:

- compliance of the accounting and reflection of operations in the financial statements with requirements established by the legislation of the Kyrgyz Republic;
- arrangement of the lending activities: availability of credit policy; loan application review procedures; proper conduct of credit files (dossiers) of borrowers; monitoring the condition and quality of assets; procedures for classifying assets and assessing the adequacy of provisions for potential losses;
- frameworks of the internal control: decision-making procedure for credit and financial transactions; availability and compliance with regulations on structural units and job descriptions; control over the reflection of operations in accounting and the preparation of reliable statements;
- correspondence of the internal procedures and policies to the legislation of the Kyrgyz Republic;
- following the requirements of the legislation of the Kyrgyz Republic, including regulatory legal acts of the National Bank of Kyrgyz Republic;
- quality assessment on the risk management.

Findings of our audit appear below:

- Accounting and reflection of operations in the financial statements of the Company, in all material aspects, is carried out in accordance with the requirements established by the National Bank of the Kyrgyz Republic.

We did not carry out any procedures regarding the accounting data of the Company, except for the procedures that we considered necessary for the purpose of expressing an opinion on the reliability of the financial statements of the Company in material aspects;

- The Company's lending activities are organized in accordance with the requirements of the Credit Policy, which includes procedures for reviewing loan applications, maintaining credit files (dossiers) of borrowers, monitoring the status and quality of assets, classifying assets and assessing the adequacy of reserves to cover potential losses and costs;
- The internal control system of the Company includes the decision-making procedure for credit and financial transactions, the availability and compliance with regulations on structural units and job descriptions, control over the reflection of operations in accounting and the preparation of reliable statements;
- The Company's internal procedures and policies do not contradict the legislation of the Kyrgyz Republic;

- The Company's activities are carried out in accordance with the legislation of the Kyrgyz Republic and the National Bank of the Kyrgyz Republic;
- Risk management in the Company is carried out in accordance with the internal policies and procedures in accordance with the requirements of the National Bank of the Kyrgyz Republic;
- The activities of the Board of Directors and the management of the Company to monitor compliance with the established internal documents of the Company with the values of risks and the adequacy of own funds (equity) are carried out in accordance with the requirements of the National Bank of the Kyrgyz Republic.

HLB Marka Audit LLC

*License registration No.0146 dated November 13, 2018,
issued by the Public Service of Regulation and Supervision over the Financial Market
under the Government of the Kyrgyz Republic;
Registration certificate No.4850-3301-000 issued
by the Kyrgyz Republic Ministry of Justice dated January 10, 2019;
38, Professor Zima Street, Bishkek,
Kyrgyz Republic, telephone/fax: (312) 32-05-75.*



A.M. Asylbekova, Auditor, Director

*Qualified Auditor Certificate Series AD No.0012,
registration No.0462, dated 7 August 2019.
Registered in the "Register of Auditors" dated August 15, 2023.
Individual registration number 11072*

N.N. Kobritseva, Auditor, Engagement Team Leader

*Qualified Auditor Certificate No.00047
dated June 12, 2004; Registered in the "Register of Auditors"
on August 15, 2023. Individual registration number 11071.
CIPA №0000492 from 15.04.2011, DipIFR №1709119 from 10.12.2009.*

20 March 2025

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND
APPROVAL OF THE FINANCIAL STATEMENTS**

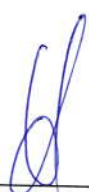
The following statement is made with a view to distinguishing the respective responsibilities of the management and auditors on the financial statements of "OXUS Microfinance Company" CJSC for the year ended 31 December 2024.

Management of the "OXUS Microfinance Company" CJSC (hereinafter referred to as the 'Company') has prepared the accompanying statements. The Company's management recognizes its responsibility for the preparation and fair presentation of the financial statements that present fairly, in all material respects the financial position at 31 December 2024, results of operations, cash flows and changes in shareholders' equity, including adequate disclosures, for the year ended as of a specific date in accordance with the International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management is responsible for selecting suitable accounting principles and applying them consistently, the use of reasonable and informed judgments and estimates, compliance with IFRS and the disclosure of all significant deviations from IFRS in the notes to the financial statements and the preparation of financial statements based on assumptions, that the Company will continue its business in the foreseeable future, except when it is inappropriate.

The Company's management is also responsible for developing, implementing and maintaining an effective and sound system of internal control in the Company, maintenance of accounting systems, which allows at any time to prepare information with reasonable accuracy on the financial position of the Company and ensuring compliance of the financial statements with the requirements of IFRS, taking measures within its competence to safeguard the assets of the Company, as well as detecting and preventing fraud, errors and other irregularities.

These financial statements for the year ended December 31, 2024 were approved by the Company's management on March 15, 2025.



D.A. Khomyakov, General Director
"OXUS Microfinance Company" CJSC



15 March 2025

“OXUS Microfinance Company” CJSC

Statement of Financial Position

As of 31 December 2024

(in thousands of Kyrgyz soms)


	Note	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents*	6	49 307	56 835
Securities		-	9 522
Loans issued*	7	1 133 751	1 034 202
Derivative financial instruments	8	2 976	7 824
Property, plant and equipment (PPE) and intangible assets (IA)	9	42 848	12 814
Advances issued for software		-	9 265
Right-of-use assets	10	16 453	10 873
Other assets	11	13 731	8 284
Total assets		1 259 066	1 149 619
Liabilities			
Loans received	12	981 928	860 116
Subordinated loans	13	33 843	47 622
Debt securities issued	14	29 525	29 195
Current income tax liabilities	15	679	1 047
Deferred income tax liability	15	1 588	420
Lease obligation	10	17 205	11 033
Other obligations	16	16 021	11 144
Total liabilities		1 080 789	960 577
Equity			
Authorized (share) capital	17	220 774	198 755
Retained earnings		(42 497)	(9 713)
Total equity		178 277	189 042
Total liabilities and equity		1 259 066	1 149 619

*As of December 31, 2024, the assets formed as per the requirements of the National Bank of the Kyrgyz Republic were as follows:


Cash for 51 016 thousand soms,

Loans issued for 1 115 175 thousand soms.

As of December 31, 2024, therefore, the retained earnings formed taking into account the requirements of the National Bank of the Kyrgyz Republic made up (58 208) thousand soms.


D.A. Khomyakov
General Director




R.S. Dosonov
Finance Director



"OXUS Microfinance Company" CJSC

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

(in thousands of Kyrgyz soms)


	Note	2024	2023
Interest income*	20	386 889	326 344
Interest expenses	20	(160 195)	(122 347)
Net interest income before provision for impairment		226 694	203 997
(Formation)/restoration of the allowance for impairment of assets for which interest is accrued**	21	(9 634)	6 078
Net interest income		217 060	210 075
Fees received		32	74
Net income (loss) from foreign exchange transactions	22	7 796	(7 905)
Net income (loss) on operations with derivative financial instruments	23	(29 617)	(24 471)
Other income (expenses)	24	(45 721)	3 647
(Formation)/recovery of provision for impairment of other assets***	21	294	(1 996)
Net noninterest income		(67 216)	(30 651)
Operating income		149 844	179 424
Operating expenses	25	(180 107)	(159 983)
Profit before tax		(30 263)	19 441
Profit tax expense	15	(2 521)	(2 537)
Profit of the year		(32 784)	16 904
Other comprehensive income			-
Total comprehensive income/(loss)		(32 784)	16 904

* For 2024, the interest income formed according the National Bank of the Kyrgyz Republic amounted to 385 233 thousand soms.


** For 2024, the expenses on reserves for impairment of assets formed at the request of the National Bank of the Kyrgyz Republic amounted to 15 564 thousand soms.

***For 2024, expenses on the provision for impairment of other assets formed as required the NBKR amounted to 0 thousand soms.

Accordingly, the loss for 2024, taking into account the requirements of the NBKR, amounts to 40,044 thousand soms.


D.A. Khomyakov
General Director




R.S. Dosonov
Finance Director



“OXUS Microfinance Company” CJSC

Statement of Changes in Equity

For the year ended 31 December 2024

(in thousands of Kyrgyz soms)

	Authorized (share) capital	Retained earnings	Total equity
Balance at January 1, 2023	198 755	(26 728)	172 027
Opening balance adjustments	-	111	111
Comprehensive income, for the year ended December 31, 2023	-	16 904	16 904
Balance at December 31, 2023	198 755	(9 713)	189 042
Authorised capital	22 019	-	22 019
Comprehensive income, for the year ended December 31, 2024	-	(32 784)	(32 784)
Balance at December 31, 2024	20 774	(42 497)	178 277

D.A. Khomyakov
General Director



R.S. Dosonov
Finance Director




“OXUS Microfinance Company” CJSC

Statement of Cash Flows


For the year ended 31 December 2024

(in thousands of Kyrgyz soms)

	Note	2024	2023
Cash flow from operating activities:			
Interest received		387 812	320 637
(Interest paid)		(166 511)	(137 402)
Fees received		32	74
Other income		(45 952)	3 747
(Operating expenses)		(157 974)	(126 215)
Cash inflow/(outflow) from operating activities before changes in operating assets and liabilities		17 407	60 841
<i>Change in operating assets and liabilities</i>			
<i>(Increase)/decrease in operating assets:</i>			
Net increase in loans issued		(104 029)	(217 557)
Derivative financial instruments		4 189	14 215
Other assets		(5 446)	(7 129)
<i>(Increase)/decrease in operating liabilities:</i>			
Other liabilities		4 230	3 256
(Profit tax paid)		(1 722)	(1 560)
Net change in cash from operating activities		(85 371)	(147 934)
Cash flow from investing activities			
(PPE and IA acquisition)		(38 555)	(19 051)
(Debt securities acquisition)		(25 000)	(94 433)
Debt securities repayment		34 640	85 355
Net change in cash from investing activities		(28 915)	(28 129)
Cash flows from financing activities			
Bonds issued	14	-	29 274
Loans received	12	605 650	707 658
(Loans received repayments)	12	(488 573)	(499 655)
(Leases payments)	10	(9 243)	(9 640)
Net change in cash from financing activities		107 834	227 637
Effect of FX rate changes on cash balances in foreign currency		(1 371)	1 719
Net change in cash position		(7 823)	53 293
Opening cash and cash equivalents	6	58 839	5 546
Closing cash and cash equivalents	6	51 016	58 839


D.A. Khomyakov
General Director




R.S. Dosonov
Chief Accountant

