

**INSURANCE LIMITED
LIABILITY COMPANY
“SPITAMEN SUGURTA”**

**Consolidated Financial Statements
for the year ended December 31, 2015**

and independent auditors' report



**BAKER TILLY
TAJIKISTAN**



BAKER TILLY TAJIKISTAN

Republic of Tajikistan,
Dushanbe, 734025,
37/1 Bokhtar str., BC "Vefa"
9th floor, office 906
Tel/Fax: +992 (44) 600-46-55
www.bakertilly.tj
e-mail: contact@bakertilly.tj

INDEPENDENT AUDITORS' REPORT

To the Shareholders of the ILLC "Spitamen Sugurta":

We have audited the accompanying consolidated financial statements of the Insurance Limited Liability Company "Spitamen Sugurta" (the "Group"), which comprise the consolidated financial statement of financial position as at December 31, 2015 and an appropriate consolidated statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement cash flows for the year then ended, and a disclosure of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of this consolidated financial statement in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on this consolidated financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, financial position of the Group as at December 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

September 8, 2016
Dushanbe, Republic of Tajikistan

Daler Kabilov



Director, LLC "Baker Tilly Tajikistan"

License # 0000077 issued by the Ministry of Finance
of the Republic of Tajikistan and License # 9, issued by the
National Bank of Tajikistan

ILLC "SPITAMEN SUGURTA"

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands of Tajik somoni)

	Notes	Year ended December 31, 2015	Year ended December 31, 2014
Continuing operations			
INSURANCE ACTIVITY:			
Insurance premiums, gross	5	1,917	2,157
Written premiums, net		1,917	2,157
Change in unearned premium reserve	22	240	129
Earned insurance premiums, net		2,157	2,286
Change in provision for losses	23	(25)	151
Results of insurance activity		2,132	2,437
BANKING ACTIVITY:			
Interest income	6	28,214	-
Interest expenses	6	(27,911)	-
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		303	-
Accrual of allowance for impairment losses on interest bearing assets	13	(37,871)	-
NET INTEREST EXPENSES		(37,568)	-
Commission income	7	5,710	-
Commission expenses	7	(522)	-
Results of banking activity		(32,380)	-
INVESTMENT ACTIVITY:			
Income from bargain subsidiary acquisition	15	11,000	-
Interest income on due from banks		195	749
Results of investment activity		11,195	749

ILLC "SPITAMEN SUGURTA"

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

(in thousands of Tajik somoni)

	Notes	December 31, 2015	December 31, 2014
ASSETS:			
Cash and cash equivalents	11	303,483	614
Due from banks	12	181,200	6,401
Loans to customers	13	146,347	-
Investments	14	9,897	-
Investment in associate	15	-	36,489
Trade accounts receivable		90	142
Property and equipment	17	47,227	58
Intangible assets	18	17,144	2
Taxes paid in advance		2,244	4
Other assets	19	10,882	28
		<u>718,514</u>	<u>43,738</u>
Non-current assets classified as held for sale	16	-	2,927
TOTAL ASSETS		<u><u>718,514</u></u>	<u><u>46,665</u></u>
EQUITY AND LIABILITIES:			
LIABILITIES:			
Due to banks and financial institutions		51,209	-
Trade accounts payable		26,144	91
Customer deposits	20	309,685	-
Borrowings	21	278,884	-
Unearned premium reserve	22	1,128	1,368
Provision for losses	23	98	108
Deferred tax liabilities	10	242	134
Other liabilities		908	339
		<u>668,298</u>	<u>2,040</u>
Non-current liabilities classified as held for sale	16	-	1,127
TOTAL LIABILITIES		<u><u>668,298</u></u>	<u><u>3,167</u></u>

ILLC "SPITAMEN SUGURTA"

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015 (CONTINUED)**
(in thousands of Tajik somoni)

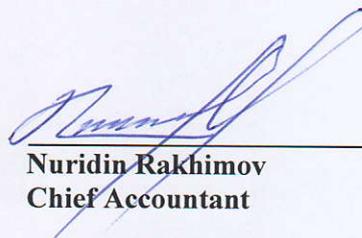
	Notes	December 31, 2015	December 31, 2014
EQUITY:			
Ordinary capital	24	31,946	28,030
Obligatory reserves		212	220
Retained earnings		1,666	15,248
Revaluation reserve on property and equipment		16,392	-
		<u>50,216</u>	<u>43,498</u>
TOTAL EQUITY AND LIABILITIES		<u>718,514</u>	<u>46,665</u>

On behalf of the Management:



Rauf Amzaliev
Director

September 8, 2016
Dushanbe, Republic of Tajikistan



Nuridin Rakhimov
Chief Accountant

September 8, 2016
Dushanbe, Republic of Tajikistan

The notes on pages 11-51 form an integral part of the consolidated financial statements.
The Independent Auditors' Report is on pages 3-4