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**SPITAMEN
INSURANCE
INSURING LIMITED
LIABILITY COMPANY**

Consolidated financial statements
For the year ended 31 December 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Spitamen Insurance, ILLC

Opinion

We have audited the consolidated financial statements of Spitamen Insurance, ILLC and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2016, 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 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 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 Tajikistan, 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

As discussed in Notes 2 and 31 to the consolidated financial statements, as at 31 December 2016 the subsidiary CJSC Spitamen Bank had not complied with one coefficient set by Instruction #176 of the National Bank of Tajikistan "On regulation of lending organisations operations". These events may result in sanctions being applied by the National Bank of Tajikistan in its capacity as a regulator. Management's plans concerning these matters are also discussed in Note 2 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not qualified in respect of this matter.

As described in Note 15 to the consolidated financial statements, 90% of the Group's customer accounts as at 31 December 2016 were due to one customer, which is a significant concentration. Our opinion is not modified in respect of this matter.

We draw attention to Note 5 to the consolidated financial statements which describes the restatement of corresponding figures for the year ended 31 December 2015. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of Spitamen Insurance, ILLC for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 8 September 2016.

As part of our audit of the 2016 consolidated financial statements, we also audited the adjustments described in Note 5 that were applied to amend the 2015 corresponding figures. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2015 consolidated financial statements of Spitamen Insurance, ILLC other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 consolidated financial statements taken as a whole.

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 IFRS, 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.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Gulanor Atobek, Director
(qualification certificate No. 0000113 dated 04 December 2013
issued by the Ministry of Finance of the Republic of Tajikistan)

Deloitte & Touche, LLC
License for auditing activities in the Republic of Tajikistan
BM №0000106, issued by the Ministry of Finance of the Republic of Tajikistan
dated 13 May 2017

License for auditing activities in banking sector
BMTN№ 0000019, issued by the National Bank of Tajikistan
dated 08 January 2014

25 January 2018
Dushanbe, Republic of Tajikistan



SPITAMEN INSURANCE INSURING LIMITED LIABILITY COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

(in thousands Tajik Somoni)

	Notes	31 December 2016	31 December 2015 restated*	1 January 2015
ASSETS				
Cash and cash equivalents	6	438,673	463,056	614
Restricted cash	6	28,780	14,776	-
Due from banks	7	394	16,225	6,401
Loans to customers	8, 32	178,566	146,347	-
Investments available-for-sale	9, 32	138	138	-
Investments in associates		-	-	36,489
Accounts receivable from insurance operations		106	90	142
Income tax assets	27	3,151	2,244	4
Property and equipment	10	48,297	47,634	58
Intangible assets	11	18,927	17,144	2
Non-current assets, held for sale	12	23,053	4,401	2,927
Other assets	13	7,011	5,367	28
TOTAL ASSETS		747,096	717,422	46,665
LIABILITIES				
Due to banks and other financial institutions	14	1,103	51,424	-
Customer accounts	15	427,280	309,685	-
Borrowings	16	227,698	278,884	-
Accounts payable on insurance operations		184	123	91
Unearned premium reserve	17	1,414	1,128	1,368
Provision for losses	18	141	98	108
Income tax liabilities	27	548	242	134
Non-current liabilities, held for sale	28	-	-	1,127
Other liabilities	19	25,625	26,714	339
Total liabilities		683,993	668,298	3,167
EQUITY				
Share capital	20	49,946	31,946	28,030
Treasury stock		(785)	(785)	-
Obligatory reserves		289	212	220
Reserve on revaluation of property and equipment	10	15,245	16,392	-
Retained earnings		(1,592)	1,359	15,248
Total equity		63,103	49,124	43,498
TOTAL LIABILITIES AND EQUITY		747,096	717,422	46,665

* Please, refer to Note 5 to the consolidated financial statements.

On behalf of the Management Board:

Amzaliev R.Sh.
Director



Rahimov N.K.
Chief Accountant

25 January 2018
Dushanbe, Republic of Tajikistan