



**SPITAMEN
INSURANCE
INSURING LIMITED
LIABILITY COMPANY**

Consolidated Financial Statements
and Independent Auditor's Report
For the year ended 31 December 2018

SPETAKMEN INSURANCE INSURING LIMITED LIABILITY COMPANY

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SPITAMEN INSURANCE INSURING LIMITED LIABILITY COMPANY

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of Spitamen Insurance Insuring Limited Liability Company ("the Company") and its subsidiary (hereinafter – "the Group") as at 31 December 2018, and the related consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the year presented, 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:

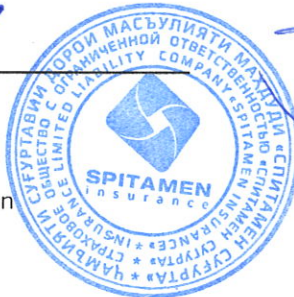
- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the 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 the legislation of the Republic of Tajikistan and accounting standards and IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud, error and other irregularities.

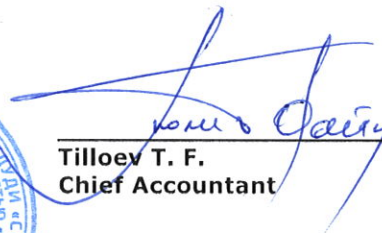
The consolidated financial statements of the Group for the year ended 31 December 2018 were approved by Management of the Group on 30 December 2020.

On behalf of the Management Board:


Masimov M. K.
Director

30 December 2020
Dushanbe, Republic of Tajikistan




Tilloev T. F.
Chief Accountant

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Supervisory Board of Spitamen Insurance Insuring Limited Liability Company:

Qualified 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 2018, 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, except for the effects of the matters described in the Basis for Qualified opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Qualified Opinion

As disclosed in Note 8 to the consolidated financial statements, as at 31 December 2018 and 2017, buildings and other real estate as part of the property and equipment balance amounted to 13,532 thousand Somoni and 13,186 thousand Somoni, respectively. Based on the Group's accounting policies buildings and other real estate are accounted for at revalued amounts. In accordance with International Accounting Standards 16 "Property, Plant and Equipment" ("IAS 16"), revaluations should be made with sufficient regularity, so that the carrying amounts do not differ materially from the fair values as at the reporting date. As discussed in Note 2, the latest revaluation of the Group's buildings and other real estate was performed as of 31 December 2015 by independent appraiser. In 2017, the Group sold its head office building and as at the date of sale the fair value of building was significantly higher than its carrying amount. We were unable to obtain sufficient appropriate audit evidence that the carrying values of items of buildings and other real estate as at 31 December 2018 and 2017 do not differ materially from the fair values at these dates. Consequently, we were unable to determine whether any adjustments were necessary to carrying amount of buildings and other real estate, reserve on revaluation and retained earnings as at 31 December 2018 and 2017, and to the corresponding effects on the gain on revaluation, impairment loss and depreciation expense recognised in the consolidated statement of profit or loss and other comprehensive income for the years then ended as well as the information disclosed in respective notes. Our opinion for the year ended 31 December 2017 was also modified in respect of this issue.

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 qualified opinion.

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 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 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. 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.

30 December 2020

Dushanbe, Republic of Tajikistan



Gulnora Atobek

Audit Director

Qualification certificate № 0000340 dated 11 April 2019,
(issued by the Ministry of Finance of the Republic of Tajikistan)

Deloitte & Touche, LLC

License on auditing in the Republic of Tajikistan BMN№ 0000106 dated 13 May 2017, issued by the
Ministry of Finance of the Republic of Tajikistan.

License on auditing of financial institutions in the Republic of Tajikistan
BMN№ 0000093 dated 9 January 2019, issued by the National Bank of Tajikistan.



SPITAMEN INSURANCE INSURING LIMITED LIABILITY COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

(in thousands of Tajik Somoni)

	Notes	31 December 2018	31 December 2017
ASSETS:			
Cash and cash equivalents	4	416,056	627,497
Restricted cash	4	29,166	46,955
Due from banks and other financial institutions	5	-	1,729
Loans to customers	6, 31	210,445	204,519
Investment securities	7	37	37
Accounts receivable from insurance operations		94	114
Income tax assets	27	354	-
Property and equipment	8	27,977	27,911
Intangible assets	9	17,928	16,904
Non-current assets held for sale	10	14,885	27,641
Other assets	11	14,926	14,474
TOTAL ASSETS		731,868	967,781
LIABILITIES AND EQUITY			
LIABILITIES:			
Due to banks and other financial institutions	12	5,683	10,098
Customer accounts	13	359,985	608,036
Borrowings	14	261,693	255,010
Accounts payable on insurance operations		159	216
Unearned premium reserve	15	1,585	1,483
Provision for losses	16	97	100
Income tax liabilities	27	644	3,788
Other liabilities	17	3,789	3,881
Subordinated debt	18	15,087	-
Total liabilities		648,722	882,612
EQUITY:			
Share capital	19	87,742	86,062
Obligatory reserves		200	200
Reserve on revaluation of property and equipment		1,301	1,398
(Accumulated deficit)/retained earnings		(6,097)	(2,491)
Total equity		83,146	85,169
TOTAL LIABILITIES AND EQUITY		731,868	967,781

On behalf of the Management Board:

Hasanov M. K.
Director

30 December 2020
Dushanbe, Republic of Tajikistan



Tilloev T. F.
Chief Accountant