

**CLOSED JOINT STOCK  
COMPANY MICROCREDIT  
DEPOSIT ORGANIZATION  
“HUMO”**

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

**and independent auditors' report**

## CJSC MDO "HUMO"

### STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the financial statements of Closed Joint Stock Company Microcredit Deposit Organization "HUMO" (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2015, the results of its operations, cash flows and changes in shareholders' capital for the year then ended, in accordance with International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with legislation and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

The financial statements for the year ended December 31, 2015 were approved and authorized for issue on January 29, 2016 by the Management of the Company.

**On behalf of the Management:**



**Vaisova Mavsuda**  
General Director



**Mayunusov Firdavs**  
Financial Director

January 29, 2016  
Dushanbe, Republic of Tajikistan

January 29, 2016  
Dushanbe, Republic of Tajikistan



## BAKER TILLY TAJIKISTAN

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### INDEPENDENT AUDITORS' REPORT

To the Shareholders and Management of the CJSC MDO "HUMO":

We have audited the accompanying financial statements of the Closed Joint Stock Company Microcredit Deposit Organization "HUMO" (the "Company"), which comprise the statement of financial position as at December 31, 2015 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 Company as at December 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

January 29, 2016  
Dushanbe, Republic of Tajikistan

Daler Kabilov

Director, Baker Tilly Tajikistan LLC



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# CJSC MDO "HUMO"

## 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
Interest income	5	76,181	53,019
Interest expenses	5	(23,987)	(17,048)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		52,194	35,971
Accrual of allowance for impairment losses on interest bearing assets	14	(16,066)	(4,738)
NET INTEREST INCOME		36,128	31,233
Commission income	6	228	5
Commission expenses	6	(710)	(559)
Net gain on operations with financial instruments	7	2,712	455
Net loss on foreign exchange operations	8	(5,471)	(2,184)
Other non-operating income/(loss), net		40	(49)
NET NON - INTEREST EXPENSES		(3,201)	(2,332)
Operating expenses	9	(37,128)	(25,834)
(LOSS)/PROFIT BEFORE INCOME TAX		(4,201)	3,067
Income tax	10	(1,610)	(1,012)
NET (LOSS)/PROFIT FOR THE YEAR		(5,811)	2,055
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME		(5,811)	2,055

On behalf of the Management:

  
Vaisova Mavsuda  
General Director

January 29, 2016  
Dushanbe, Republic of Tajikistan



  
Mayunusov Firdavs  
Financial Director

January 29, 2016  
Dushanbe, Republic of Tajikistan


The notes on pages 10-49 form an integral part of the financial statements. The Independent Auditors' Report is on pages 3-4.

# CJSC MDO "HUMO"

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


	Notes	December 31, 2015	December 31, 2014
<b>ASSETS:</b>			
Cash and cash equivalents	11	17,718	839
Due from banks	12	11,701	27,016
Financial instruments at fair value through profit or loss	13	3,864	539
Loans to customers	14	201,513	185,997
Property and equipment	15	10,923	10,407
Intangible assets	16	1,996	1,537
Deferred tax assets	10	587	409
Other assets	17	2,554	5,053
<b>TOTAL ASSETS</b>		<b>250,856</b>	<b>231,797</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>LIABILITIES:</b>			
Due to banks and financial institutions		-	11
Customer accounts	18	11,644	2,616
Borrowings	19	181,449	178,217
Subordinated loans	20	25,660	13,369
Other liabilities	21	2,548	2,218
		<b>221,301</b>	<b>196,431</b>
<b>SHAREHOLDERS' EQUITY:</b>			
Share capital	22	16,646	16,646
Additional paid-in capital	22	5,329	5,329
Reserve for future operations		5,528	5,596
General reserves		7,863	5,740
(Accumulated deficit)/retained earnings		(5,811)	2,055
		<b>29,555</b>	<b>35,366</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>250,856</b>	<b>231,797</b>

On behalf of the Management:

  
**Vaisova Mavsuda**  
General Director

January 29, 2016  
Dushanbe, Republic of Tajikistan



  
**Mayunusov Firdavs**  
Financial Director

January 29, 2016  
Dushanbe, Republic of Tajikistan

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**CJSC MDO "HUMO"**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2015**  
*(in thousands of Tajik somoni)*

	Note	Share capital	Additional paid-in capital	General reserves	Reserve for future operations	(Accumulated deficit)/retained earnings	Total equity
Balance at December 31, 2013	22	5,600	-	2,463	-	16,690	24,753
Dividends declared		-	-	-	-	(17)	(17)
Increase of share capital by retained earnings		7,800	-	-	-	(7,800)	-
Share capital issue		3,246	5,329	-	-	-	8,575
Change in general reserves		-	-	3,277	5,596	(8,873)	-
Net profit for the year		-	-	-	-	2,055	2,055
Balance at December 31, 2014	22	16,646	5,329	5,740	5,596	2,055	35,366
Change in general reserves		-	-	2,123	(68)	(2,055)	-
Net loss for the year		-	-	-	-	(5,811)	(5,811)
Balance at December 31, 2015	22	16,646	5,329	7,863	5,528	(5,811)	29,555

**On behalf of the Management:**



**Vaisova Mavsuda**  
General Director

January 29, 2016  
Dushanbe, Republic of Tajikistan




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## CJSC MDO "HUMO"

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015 (in thousands of Tajik somoni)

	Notes	Year ended December 31, 2015	Year ended December 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
(Loss)/profit before income tax expenses		(4,201)	3,067
Adjustments for:			
Change in allowance for impairment losses on interest bearing assets	14	16,066	4,738
Depreciation of property and equipment	15	898	442
Amortization of intangible assets	16	195	88
Loss on disposal of property and equipment	9	11	-
Amortization of commission expenses on borrowings and foreign currency contracts		710	559
Amortization of commission income on loans to customers	14	(50)	-
Change in unused vacation provision	21	415	186
Amortization of deferred income		(40)	(41)
Financial instruments at fair value through profit and loss	7	(2,712)	(455)
Forex exchange differences	8	5,551	1,014
Interest income, net	5	(52,194)	(35,971)
Cash flows before changes in operating assets and liabilities		(35,351)	(26,373)
Changes in operating assets and liabilities:			
Decrease/(increase) in due from banks		5,920	(5,101)
Decrease/(increase) in loans to customers		5,410	(50,079)
Decrease/(increase) in financial instruments at fair value through profit and loss		779	(84)
Decrease in other assets		1,462	2,452
Increase in customer accounts		7,587	2,214
Decrease in due to banks and financial institutions		(11)	(288)
(Decrease)/increase in other liabilities		(157)	6
Cash outflow from operating activities before taxation and interest		(14,361)	(77,253)
Interest received		75,322	50,876
Interest paid		(23,341)	(13,619)
Income tax paid		(704)	(2,925)
Net cash inflow/(outflow) from operating activities		36,916	(42,921)



**CJSC MDO "HUMO"**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015 (CONTINUED)**  
*(in thousands of Tajik somoni)*

	Notes	Year ended December 31, 2015	Year ended December 31, 2014
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment	15	(1,398)	(5,274)
Purchase of intangible assets	16	(654)	(1,625)
Net cash outflow from investing activities		(2,052)	(6,899)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase in share capital	22	-	8,575
Dividends paid	22	-	(17)
Proceeds from borrowings		77,865	94,839
Repayment of borrowings		(112,391)	(38,971)
Net cash (outflow)/inflow from financing activities		(34,526)	64,426
NET INCREASE IN CASH AND CASH EQUIVALENTS		338	14,606
Effect of changes in exchange rates on cash and cash equivalents		2,252	649
CASH AND CASH EQUIVALENTS, at the beginning of the year	11	19,785	4,530
CASH AND CASH EQUIVALENTS, at the end of the year	11	22,375	19,785

**On behalf of the Management:**

  
\_\_\_\_\_  
**Vaisova Mavsuda**  
**General Director**



  
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**Mayunusov Firdavs**  
**Financial Director**

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