

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

**Financial Statements**  
for the year ended December 31, 2014

**and independent auditors' report**

## MICROCREDIT DEPOSIT ORGANIZATION "HUMO"

### STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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 distinguishing 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, 2014, 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:


- properly selecting and applying accounting policies;
- 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, 2014 were approved and authorized for issue on February 13, 2015 by the Management of the Company.

On behalf of the Management:

  
Vaisova Mavsuda  
General Director

February 13, 2015  
Dushanbe, Republic of Tajikistan



  
Mayunusov Firdavs  
Financial Director

February 13, 2015  
Dushanbe, Republic of Tajikistan





## BAKER TILLY TAJIKISTAN

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### INDEPENDENT AUDITORS' REPORT

To the Shareholders and Management of the Closed Joint Stock Company Microcredit Deposit Organization "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, 2014 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 performed basic level of audit procedures for the statement of financial position items as at December 31, 2013 as these date are considered as opening balance for accompanying financial statements, but we do not express our audit opinion in regards of the Company's financial position as at December 31, 2013 and its financial performance for the year then ended.

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, 2014, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Daler Kabilov  
Director, Baker Tilly Tajikistan LLC



Baker Tilly Tajikistan LLC,  
License number 000439 issued by the Ministry of finance of  
the Republic of Tajikistan, and License number 9 issued by  
National bank of Tajikistan.

February 13, 2015  
Dushanbe, Republic of Tajikistan




# MICROCREDIT DEPOSIT ORGANIZATION "HUMO"

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2014 (in thousands of Tajik somoni)


	Notes	Year ended 31 December 2014	Year ended 31 December 2013 (restated)
Interest income	6	53,019	37,142
Interest expenses	6	(17,048)	(10,421)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		35,971	26,721
Accrual of provision for impairment losses on interest bearing assets	13	(4,738)	(1,166)
NET INTEREST INCOME		31,233	25,555
Commission income	7	5	169
Commission expenses	7	(559)	(201)
Net (loss)/gain on foreign exchange operations	8	(2,184)	736
Net gain on operations with financial instruments		455	-
Other (expenses)/income, net		(49)	18
NET NON - INTEREST INCOME		(2,332)	722
Operating expenses	9	(25,834)	(17,700)
PROFIT BEFORE INCOME TAX		3,067	8,577
Income tax	10	(1,012)	(2,180)
NET PROFIT FOR THE YEAR		2,055	6,397
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		2,055	6,397

On behalf of the Management:

  
Vaisova Mavsuda  
General Director

February 13, 2015  
Dushanbe, Republic of Tajikistan



  
Mayunusov Firdavs  
Financial Director

February 13, 2015  
Dushanbe, Republic of Tajikistan

The notes on pages 10-44 form an integral part of the financial statements. The Independent Auditors' Report is on pages 3-4.

# MICROCREDIT DEPOSIT ORGANIZATION "HUMO"


## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

(in thousands of Tajik somoni)


	Notes	December 31, 2014	December 31, 2013 (restated)
<b>ASSETS:</b>			
Cash and cash equivalents	11	839	40
Due from banks	12	27,016	6,877
Loans to customers	13	185,997	134,441
Property and equipment	14	10,407	5,559
Intangible assets	15	1,537	-
Deferred tax assets	10	409	237
Other assets	16	5,592	5,237
<b>TOTAL ASSETS</b>		<b>231,797</b>	<b>152,391</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>LIABILITIES:</b>			
Borrowings	17	178,217	122,226
Subordinated loans	18	13,369	2,974
Due to banks and financial institutions	19	11	296
Customer accounts	20	2,616	712
Other liabilities	21	2,218	1,430
		<b>196,431</b>	<b>127,638</b>
<b>SHAREHOLDERS' EQUITY:</b>			
Share capital	22	16,646	5,600
Additional paid-in capital	22	5,329	-
Reserve for future operations		5,596	-
General reserves		5,740	2,463
Retained earnings		2,055	16,690
		<b>35,366</b>	<b>24,753</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>231,797</b>	<b>152,391</b>

On behalf of the Management:

  
**Vaisova Mavsuda**  
 General Director

February 13, 2015  
 Dushanbe, Republic of Tajikistan



  
**Mayunusov Firdavs**  
 Financial Director

February 13, 2015  
 Dushanbe, Republic of Tajikistan

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# MICROCREDIT DEPOSIT ORGANIZATION "HUMO"

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2014

(in thousands of Tajik somoni)


	Notes	Share capital	Additional paid-in capital	General reserves	Reserve for future operations	Retained earnings	Total equity
Balance at December 31, 2012 (restated)	22	5,561	-	-	-	12,756	18,317
<b>Operations with shareholders:</b>							
Share capital issue		39	-	-	-	-	39
Change in general reserves		-	-	2,463	-	(2,463)	-
Total operations with shareholders		39	-	2,463	-	(2,463)	39
Total comprehensive income for the year		-	-	-	-	6,397	6,397
Balance at December 31, 2013 (restated)	22	5,600	-	2,463	-	16,690	24,753
<b>Operations with shareholders:</b>							
Dividends declared		-	-	-	-	(17)	(17)
Reinvestment of retained earnings to the share capital		7,800	-	-	-	(7,800)	-
Share capital issue		3,246	5,329	-	-	-	8,575
Change in reserves		-	-	3,277	5,596	(8,873)	-
Total operations with shareholders		11,046	5,329	3,277	5,596	(16,690)	8,558
Total comprehensive income 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

On behalf of the Management:

  
Vaisova Mavsuda  
General Director

February 13, 2015  
Dushanbe, Republic of Tajikistan



  
Mayunusov Firdavs  
Financial Director

February 13, 2015  
Dushanbe, Republic of Tajikistan

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# MICROCREDIT DEPOSIT ORGANIZATION "HUMO"

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2014 (in thousands of Tajik somoni)

	Notes	Year ended 31 December 2014	Year ended 31 December 2013 (restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit before income tax expenses		3,067	8,577
Adjustments for:			
Change in allowance for impairment losses on interest bearing assets	13	4,738	1,166
Depreciation of property and equipment	14	442	335
Amortization of intangible assets	15	88	-
Loss on disposal of property and equipment	9	-	15
Amortization of commission expenses on borrowings and swap transactions	7	559	201
Change in unused vacation provision	9, 21	186	131
Amortization of deferred income		(41)	(7)
Losses on forex		1,014	49
Net interest income	6	(35,971)	(26,721)
Cash flows before changes in operating assets and liabilities		(25,918)	(16,254)
Changes in operating assets and liabilities			
(Increase)/decrease in due from banks		(5,101)	1,218
Increase in loans to customers		(46,256)	(55,943)
Decrease/(increase) in other assets		1,913	(2,512)
Increase in customer accounts		2,214	712
(Decrease)/increase in due to banks and financial institutions		(288)	296
Increase in other liabilities		6	307
Cash outflow from operating activities before taxation and interest		(73,430)	(72,176)
Interest received		47,053	36,655
Interest paid		(13,619)	(10,744)
Income tax paid		(2,925)	(2,600)
Net cash outflow from operating activities		(42,921)	(48,865)




# MICROCREDIT DEPOSIT ORGANIZATION "HUMO"

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2014 (continued) (in thousands of Tajik somoni)

	Notes	Year ended 31 December 2014	Year ended 31 December 2013 (restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment	14	(5,274)	(5,019)
Purchase of intangible assets	15	(1,625)	-
Purchase of long-term investments		-	(51)
Net cash outflow from investing activities		(6,899)	(5,070)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase in share capital		8,575	39
Proceeds from borrowings		94,839	76,517
Principal payments of borrowings		(38,971)	(23,809)
Dividends paid		(17)	-
Net cash inflow from financing activities		64,426	52,747
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		14,606	(1,188)
Effect of exchange rate changes on the balance of cash held in foreign currencies		649	785
CASH AND CASH EQUIVALENTS, at the beginning of the year	11	4,530	4,933
CASH AND CASH EQUIVALENTS, at the end of the year	11	19,785	4,530

On June 26, 2014 the Board of Trustees of the Company decided to increase share capital of the Company from retained earnings in amount of 7,800 thousand somoni (Note 22).

On behalf of the Management:

  
Vaisova Mavsuda  
General Director

February 13, 2015  
Dushanbe, Republic of Tajikistan



  
Mayunusov Firdavs  
Financial Director

February 13, 2015  
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