

INDEPENDENT AUDITOR'S REPORT

To the Owners and the Board of Directors of Close Joint Stock Company Micro Credit Deposit-Taking Organization "Humo"

Opinion

We have audited the financial statements of Closed Joint Stock Company Micro Credit Deposit-Taking Organization "Humo" (hereinafter "Company"), which comprise the statement of financial position as at 31 December 2018, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter "Financial Statements").

In our opinion the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities in accordance with these standards are further described in the "Auditor's Responsibilities for the Audit of Financial Statements" section of our report. We are Independent of the Company, in accordance with the ethical requirements of the Code of ethics of professional accountants of the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tajikistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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

Negative currency position - we draw attention to Note 4 (page 19) of the Financial Statements, where Company's negative currency position is indicated. Our opinion is not modified in respect of this matter.

Other matter

The Financial Statements of the Company for the year ended 31 December 2017 were audited by another audit firm who expressed "Unmodified opinion" on those financial statements on 16 February 2018.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

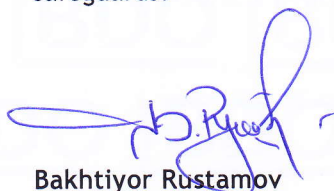
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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 expressing an opinion on the effectiveness of the Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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.

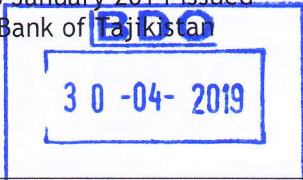
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Bakhtiyor Rustamov
Audit Partner

License on auditing No.0000078 dated
21 June 2017 issued by the National
Bank of Tajikistan
Qualification certificate of auditor
№56 dated 8 January 2014 issued
by National Bank of Tajikistan

Dushanbe:



30-04-2019



Statement of Management's Responsibilities for the Preparation and Approval of Financial Statements for the year ended 31 December 2018

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's report, is made with a view to distinguish the respective responsibilities of management of Closed Joint Stock Company Micro Credit Deposit-Taking Organization "Humo" (hereinafter "Company") and those of independent auditor in relation to the Company's financial statements.

Management of the Company is responsible for preparation of the financial statements that presents fairly the financial position of the Company as at 31 December 2018, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

In preparing the financial statements management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Stating whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Preparing the financial statements on going concern basis, unless it is inappropriate to presume that the Company will continue business in the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, through out 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 IFRSs;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Tajikistan;
- 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 31 December 2018 were approved and authorized for issue on 30th of April 2019 by the Management of the Company.

On behalf of the Management



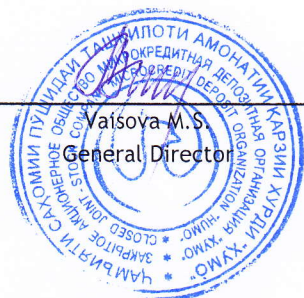
Vaisova M.S.
General Director

Bairov Ilhom
Finance Manager

CJSC MDO HUMO
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2018
 (in thousands of Tajik Somoni)

	Notes	Year ended 31 December 2018	Year ended 31 December 2017
Interest income	5	103,753	76,916
Interest expenses	6	(37,132)	(27,887)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		66,620	49,029
Recovery of allowance for impairment losses on interest bearing assets	15	661	304
NET INTEREST INCOME		67,281	49,333
Commission income	7	5,934	3,167
Commission expenses	7	(417)	(390)
Net loss on operations with financial instruments	8	(3,940)	(2,932)
Net gain/(loss) on foreign exchange operations	9	968	(2,526)
Other non-operating income		226	70
NET NON - INTEREST INCOME/(LOSS)		2,771	(2,611)
Operating expenses	10	(50,545)	(41,992)
PROFIT BEFORE INCOME TAX		19,507	4,730
Income tax	11	(5,788)	(2,521)
NET PROFIT FOR THE YEAR		13,719	2,209
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		13,719	2,209

The annexed notes 1 to 30 form an integral part of these financial statements



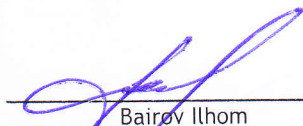
Barrov Ilhom
Finance Manager

CJSC MDO HUMO
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	12	23,156	22,453
Due from banks	13	29,600	45,706
Financial instruments at fair value through profit or loss	14	3,946	3,023
Loans to customers	15	337,504	212,343
Property and equipment	17	15,419	10,997
Intangible assets	18	1,497	1,540
Assets held for sale	16	2,519	3,996
Deferred tax assets	11	724	507
Other assets	19	12,335	10,354
TOTAL ASSETS		426,700	310,919
SHAREHOLDERS' EQUITY AND LIABILITIES			
LIABILITIES:			
Due to banks and financial institutions	20	6,725	3,552
Customer accounts	21	65,281	37,233
Borrowings	22	244,485	192,175
Subordinated loans	23	47,798	36,198
Other liabilities	24	13,775	6,551
		378,064	275,709
EQUITY:			
Share capital	25	17,522	16,646
Additional paid-in capital		5,329	5,329
Reserve for future operations		5,521	3,163
General reserves		6,694	7,863
Retained earnings		13,570	2,209
		48,636	35,210
TOTAL EQUITY AND LIABILITIES		426,700	310,919

The annexed notes 1 to 30 form an integral part of these financial statements




Bairov Ilhom
Finance Manager

CJSC MDO HUMO
STATEMENT OF CHANGE OF EQUITY
AS AT 31 DECEMBER 2018
(in thousands of Tajik Somoni)

	Share capital	Additional paid-in capital	General reserves	Reserve for future operations	Retained earnings	Total capital
Balance at 31 December 2016	16,646	5,329	7,863	-	3,163	33,001
Change in reserve for future operations	-	-	-	3,163	(3,163)	-
Net profit for the year	-	-	-	-	2,209	2,209
Balance at 31 December 2017	16,646	5,329	7,863	3,163	2,209	35,210
Effect of initial adoption of IFRS-9	-	-	(1,169)	-	-	(1,169)
Balance at 1 January 2018	16,646	5,329	6,694	3,163	2,209	34,041
Increase of share capital	876	-	-	-	-	876
Change in reserve for future operations	-	-	-	2,358	(2,358)	-
Profit for the year	-	-	-	-	13,719	13,719
Balance at 31 December 2018	17,522	5,329	6,694	5,521	13,570	48,636

The annexed notes 1 to 30 form an integral part of these financial statements.



Vaisova M.S.
General Director

Bairov Ilhom
Finance Manager

CJSC MDO HUMO
 STATEMENT OF CASH FLOW
 FOR THE YEAR ENDED 31 DECEMBER 2018
 (in thousands of Tajik Somoni)

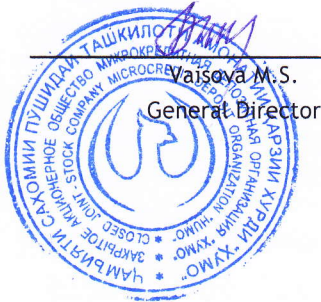
	Year ended 31 December 2018	Year ended 31 December 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax expense	19,507	4,730
Adjustments for:		
Changes in allowance for impairment losses on interest bearing assets	(5,158)	(304)
Effect of initial adoption of IFRS-9	(1,169)	-
Changes in allowance on advances paid	(14)	13
Depreciation of property, plant and equipment	1,366	1,110
Recovery of provision for assets held for sale	143	-
Amortization of intangible assets	256	228
Loss on disposal of property and equipment	12	10
Amortization of commission expenses on borrowings	417	390
Amortization of commission income on loans to customers	(3,359)	(1,063)
Change in provision for unused vacation	622	598
Amortization of deferred income	(51)	(49)
Financial instrument at fair value through profit and loss	3,807	2,932
Change in provision for contingent liabilities	501	-
Interest income	(103,753)	(76,916)
Interest expenses	37,132	27,887
Foreign exchange differences	968	7,794
Cash flow from operating activities before changes in operating assets and liabilities	(48,772)	(32,640)
Changes in operating assets and liabilities:		
(Increase)/decrease in due from banks	5,606	(13,047)
(Increase)/decrease in loans to customers	(114,976)	(38,679)
(Increase)/decrease in financial instruments at fair value through profit and loss	(4,730)	(7,240)
Change in assets held for sale	1,334	-
Increase in other assets	(1,967)	(10,129)
Increase in customer account	27,826	15,340
Increase in due to banks and other financial institutions	3,173	2,150
Increase in other liabilities	4,245	2,533
Cash (outflow)/inflow from operating activities before income tax and interest	(128,262)	(81,712)
Interest received	102,084	73,399
Interest paid	(35,030)	(37,383)
Income tax paid	(4,097)	(2,575)
Net cash (outflow)/inflow from operating activities	(65,304)	(48,271)
CASHFLOW FROM INVESTING ACTIVITIES		
Aquisition of property and equipment	(5,800)	(1,628)
Aquisition of intangible asset	(213)	-
Net cash outflow from investing activities	(6,013)	(1,628)

CJSC MDO HUMO
 STATEMENT OF CASH FLOW (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2018
 (in thousands of Tajik Somoni)

	Year ended 31 December 2018	Year ended 31 December 2017
CASHFLOW FROM FINANCING ACTIVITIES		
Increase of share capital	876	-
Proceeds from borrowings	184,717	149,575
Repayment of borrowings	(123,104)	(85,550)
Net cash (outflow)/inflow from financing activities	62,489	64,025
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(8,828)	14,126
Effect of change in exchange rates on cash and cash equivalents	(968)	1,336
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	47,868	32,406
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	38,072	47,868

*In note 12 annexed to this Financial Statements detailed description of accounts included in cash and cash equivalents

The annexed notes 1 to 30 form an integral part of these financial statements



Bairoy Ilhom
 Finance Manager