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CJSC SPITAMEN BANK

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Ernst & Young Ford Rhodes Sidat Hyder
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Independent Auditors' Report

To the Management Board of the Closed Joint Stock Company Spitamen Bank'

We have audited the accompanying financial statements of '**Closed Joint Stock Company Spitamen Bank'** (the Bank), which comprise the statement of financial position as at 31 December 2014, and the statements of comprehensive income, cash flow and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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, 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.

Auditor's 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 about 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 auditor's 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.

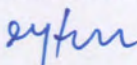
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis of qualified opinion

We did not observe the cash count as at 31 December 2014 as we were engaged as auditors of the Bank after the year ended 31 December 2014. Further, we were not able to satisfy ourselves as to the existence of the cash held by the Bank by other means. Accordingly, we were unable to determine whether any adjustment might be necessary to the cash in hand as at 31 December 2014

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the '**Closed Joint Stock Company Spitamen Bank'** as at 31 December 2014, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.





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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

Other Matter

The financial statements of the Bank for the year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 10 September 2014.

Ernst & Young Ford Rhodes Siddiqui & Co

Chartered Accountants

Engagement Partner: Omer Chughtai

Date: 08 June 2015

Karachi, Pakistan



CJSC SPITAMEN BANK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014	31 December 2013
		------(TJS '000)-----	
Interest income	5	31,005	15,358
Interest expense	6	(16,957)	(3,652)
		<u>14,048</u>	<u>11,706</u>
(Provision) / reversal of provision against loans to customers	13.1	(6,314)	466
Net interest income		<u>7,734</u>	<u>12,172</u>
Foreign exchange gain - net	7	26,728	2,173
Fee and commission income - net	8	5,613	3,411
Dividend income		71	-
Other income		9	11
Net operating income		<u>32,421</u>	<u>5,595</u>
		<u>40,155</u>	<u>17,767</u>
Operating expenses	9	16,447	7,054
Profit before tax		<u>23,708</u>	<u>10,713</u>
Taxation	10	(6,508)	(2,676)
		<u>17,200</u>	<u>8,037</u>
Profit for the year after taxation			
Other comprehensive income		-	-
Total comprehensive income for the year after taxation		<u>17,200</u>	<u>8,037</u>

The annexed notes 1 to 28 form an integral part of these financial statements.


Peter Fabian
Chairman



Hikoyatov A. A.
Chief Accountant

CJSC SPITAMEN BANK
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014	31 December 2013
		------(TJS '000)-----	
ASSETS			
Cash in hand and balances with the National Bank of Tajikistan	11	205,391	47,241
Due from banks	12	1,254	41,234
Loans to customers	13	138,711	78,420
Investment	14	714	714
Property and equipment	15	22,939	14,801
Intangible assets	16	9,331	2,966
Other assets	17	2,120	837
Total assets		<u>380,460</u>	<u>186,213</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits	18	52,227	72,208
Borrowings	19	246,595	51,799
Due to banks		2	220
Tax payable		4,989	2,425
Other liabilities		182	305
Total liabilities		<u>303,996</u>	<u>126,957</u>
EQUITY			
Share capital	20	53,622	50,114
Additional paid-in capital		217	217
General Reserve		140	140
Retained earnings		22,485	8,785
Total equity		76,464	59,256
TOTAL LIABILITIES AND EQUITY		<u>380,460</u>	<u>186,213</u>
CONTINGENCIES AND COMMITMENTS			

The annexed notes 1 to 28 form an integral part of these financial statements.


Peter Fabian
Chairman


Hikoyatov A. A.
Chief Accountant


CJSC SPITAMEN BANK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2014

Note	31 December 2014	31 December 2013
	------(TJS '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES	23,708	10,713
Profit before tax		
Adjustments for non cash items	1,105	924
Depreciation and amortization expense	14,722	2,199
Interest expense on borrowings	16,893	58
Unrealized exchange loss	6,314	466
(Provision) / reversal of provision against loans to customers	14	5
Loss on disposal of property and equipment	62,756	14,366
(Increase) / decrease in assets:	250	23,750
Due from banks	(2,352)	(271)
Mandatory reserve	(66,605)	(63,633)
Loans to customers	(1,283)	(490)
Other assets	(69,990)	(40,644)
Increase / (decrease) in liabilities:	(19,980)	63,671
Deposits	(218)	220
Due to banks	(123)	213
Accounts payable and other liabilities	(20,321)	64,104
Taxes paid	(3,944)	(380)
Interest paid on borrowing	(14,722)	(2,199)
Net cash (used in) / generated from operating activities	(46,221)	35,247
CASH FLOWS FROM INVESTING ACTIVITIES	23	442
Proceeds from sales of property and equipment	(6,373)	(2,924)
Purchase of intangible assets	(9,271)	(5,257)
Purchase of property and equipment	(15,621)	(7,739)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES	177,903	51,741
Proceeds from borrowings	8	-
Issuance of share capital	177,910	51,741
Net cash generated from financing activities		
Net increase in cash and cash equivalents during the year	116,068	79,249
Cash and cash equivalents at beginning of the year	85,115	5,865
Cash and cash equivalents at end of the year	201,182	85,114

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The annexed notes 1 to 28 form an integral part of these financial statements.


 Peter Fabian
 Chairman



 Hikoyatov A. A.
 Chief Accountant

CJSC SPITAMEN BANK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital	Additional paid-in capital	General reserve	Retained earnings	Total
	(TJS '000)				
Balances at 31 December 2012	50,114	217	140	748	51,219
Total comprehensive income for the year	-	-	-	8,037	8,037
Balances at 31 December 2013	<u>50,114</u>	<u>217</u>	<u>140</u>	<u>8,785</u>	<u>59,256</u>
Issuance of ordinary share capital	8	-	-	-	8
Issued as bonus shares	3,500	-	-	(3,500)	-
Total comprehensive income for the year	-	-	-	17,200	17,200
Balances at 31 December 2014	<u><u>53,622</u></u>	<u><u>217</u></u>	<u><u>140</u></u>	<u><u>22,485</u></u>	<u><u>76,464</u></u>

The annexed notes 1 to 28 form an integral part of these financial




Hikoyatov A. A.
Chief Accountant