

**CLOSED JOINT-STOCK  
COMPANY MICROLENDING  
DEPOSIT ORGANIZATION  
SPITAMEN CAPITAL**

**Consolidated financial statements**  
for the year ended 31 December 2013

## INDEPENDENT AUDITORS' REPORT

To the Shareholder and the Supervisory Board of the Closed Joint-Stock Company Microlending Deposit Organization Spitamen Capital:

We have audited the accompanying consolidated financial statements of Closed Joint-Stock Company Microlending Deposit Organization Spitamen Capital and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Closed Joint-Stock Company Microlending Deposit Organization Spitamen Capital as a 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*Deloitte & Touche, LLC*

10 September 2014  
Dushanbe  
Republic of Tajikistan



**CLOSED JOINT-STOCK COMPANY MICROLENDING DEPOSIT ORGANIZATION  
SPITAMEN CAPITAL**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013**

*(in thousands of Tajik Somoni)*

	Notes	Year ended 31 December 2013	Year ended 31 December 2012
<b>Continuing operations</b>			
Interest income	5, 23	15,137	3,088
Interest expense	5, 23	(3,651)	(346)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		11,486	2,742
Recovery/(provision) for impairment losses on interest bearing assets	6	226	(367)
NET INTEREST INCOME		11,712	2,375
Net gain on foreign exchange operations	7	2,173	260
Fee and commission income	8	3,831	2,451
Fee and commission expense		(565)	(57)
Other (expenses)/income	9	(76)	758
NET NON-INTEREST INCOME		5,363	3,412
OPERATING PROFIT		17,075	5,787
OPERATING EXPENSES		(6,599)	(3,234)
PROFIT BEFORE INCOME TAX		10,476	2,553
Income tax expense	11	(2,676)	(164)
NET INCOME FROM CONTINUING OPERATIONS		7,800	2,389
Discontinued operations			
Profit for the period from discontinued operations	12	-	409
TOTAL COMPREHENSIVE INCOME		7,800	2,798
Attributable to:			
Owners of the Group		7,800	2,716
Non-controlling interests		-	82
		7,800	2,798

On behalf of the Management:

Toshev O.M.  
Chairman

10 September 2014  
Dushanbe,  
Republic of Tajikistan



Hikoyatov A.A.  
Chief Accountant

10 September 2014  
Dushanbe,  
Republic of Tajikistan

The notes on pages 9-41 form an integral part of these consolidated financial statements.





**CLOSED JOINT-STOCK COMPANY MICROLENDING DEPOSIT ORGANIZATION  
SPITAMEN CAPITAL**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2013**

*(in thousands of Tajik Somoni)*

	Share Capital	Additional- ly paid capital	General Reserve <sup>1</sup>	(Accumu- lated deficit)/ Retained earnings	Equity attribu- table to the owners of the Group	Non- control- ling interest	Total Equity
<b>As at 31 December 2011</b>	3,600	217	254	(1,271)	2,800	295	3,095
Issue of ordinary share capital	46,514	-	-	-	46,514	-	46,514
Disposal of subsidiary	-	-	-	-	-	(377)	(377)
Transfer to general reserve	-	-	140	(140)	-	-	-
Total comprehensive income	-	-	-	2,716	2,716	82	2,798
<b>As at 31 December 2012</b>	50,114	217	394	1,305	52,030	-	52,030
Transfer to general reserve	-	-	711	(711)	-	-	-
Total comprehensive income	-	-	-	7,800	7,800	-	7,800
<b>As at 31 December 2013</b>	<u>50,114</u>	<u>217</u>	<u>1,105</u>	<u>8,394</u>	<u>59,830</u>	<u>-</u>	<u>59,830</u>

<sup>1</sup> The general reserve includes appropriations of retained earnings which are required under the legislation of the Republic of Tajikistan.

On behalf of the Management

**Toshev O.M.**  
Chairman

10 September 2014  
Dushanbe,  
Republic of Tajikistan



**Hikoyatov A.A.**  
Chief Accountant

10 September 2014  
Dushanbe,  
Republic of Tajikistan

The notes on pages 9-41 form an integral part of these consolidated financial statements.

**CLOSED JOINT-STOCK COMPANY MICROLENDING DEPOSIT ORGANIZATION  
SPITAMEN CAPITAL**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2013**  
*(in thousands of Tajik Somoni)*

	Notes	Year ended 31 December 2013	Year ended 31 December 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Interest received		13,814	2,908
Interest paid		(3,653)	(698)
Fee and commission income received		3,831	2,451
Fee and commission expense paid		(565)	(57)
Earned insurance premium		-	-
Dealing in foreign currencies		2,098	264
Other income		17	-
Operating expenses		<u>(5,680)</u>	<u>(1,878)</u>
Cash inflow from operating activities before changes in operating assets and liabilities		9,862	2,990
Changes in operating assets and liabilities			
Increase in operating assets:			
Minimum reserve deposit with the National Bank of Tajikistan		(270)	(2,261)
Due to banks		12,010	(11,842)
Loans to customers		(61,379)	(11,783)
Other assets		(236)	(298)
(Decrease)/increase in operating liabilities			
Customer accounts		63,672	4,100
Due to banks and other financial institutions		220	(1,334)
Other liabilities		<u>309</u>	<u>(958)</u>
Cash inflow/(outflow) from operating activities before taxation		24,188	(21,386)
Income tax paid		<u>(476)</u>	<u>(41)</u>
Net cash inflow/(outflow) from operating activities		<u>23,712</u>	<u>(21,427)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment		(5,050)	(437)
Purchase of intangible assets		(2,924)	-
Proceeds on sales of property and equipment		180	714
Purchases of held for sale property		-	(89)
Purchases of investments available for sale		<u>-</u>	<u>(1,403)</u>
Net cash outflow from investing activities		<u>(7,794)</u>	<u>(1,215)</u>



**CLOSED JOINT-STOCK COMPANY MICROLENDING DEPOSIT ORGANIZATION  
SPITAMEN CAPITAL**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)**  
*(in thousands of Tajik Somoni)*

	Notes	Year ended 31 December 2013	Year ended 31 December 2012
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Borrowings		51,799	-
Issue of ordinary share capital		-	36,514
Net cash inflow from financing activities		51,799	36,514
Effect of changes in foreign exchange rate on cash and cash equivalents		75	(3)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		67,792	13,869
CASH AND CASH EQUIVALENTS, beginning of year	12	16,866	2,997
CASH AND CASH EQUIVALENTS, end of year	12	84,658	16,866

For the year ended 31 December 2012, the net cash flows from operating, investing and financing activities of discontinued operations amounted to inflow of 785 thousand Somoni, outflow of 944 thousand Somoni and inflow of 240 thousand Somoni, respectively.

For the year ended 31 December 2012 the building of Head office of the Group was injected to share capital at cost of 10,000 thousand Somoni (Note 17).

On behalf of the Management

Toshev O.M.  
Chairman

10 September 2014  
Dushanbe,  
Republic of Tajikistan



Hikoyatov A.A.  
Chief Accountant

10 September 2014  
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