JSC JV "UZBEK LEASING INTERNATIONAL A.O."

Financial statements for the year ended 31 December 2015
and Independent Auditor's Report

CONTENT

Independent Auditor’s Report

To the Management and Shareholders of JSC JV “Uzbek Leasing International A.O.”:

We have performed an audit of attached financial statements of JSC JV “Uzbek Leasing International A.O.” (hereinafter – the Company). Financial statements comprise Statement of Financial position as of 31 December 2015, Statement of Comprehensive income, Cash flow statement and Statement of changes in owners’ capital for the year ended on abovementioned date, and well as main principles of accounting policy and other explanatory notes.

Management’s responsibility for financial statements

Management of the Company is responsible for preparation and fair presentation of specified financial statements in accordance with International Financial Reporting Standards, as well as for maintenance of internal control system, which management of the Company considers necessary for preparation of financial statements, which are free of material misstatements that may result from frauds or mistakes.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit engagement. We have conducted our audit in accordance with the International Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatements.

Audit comprises of performance of necessary procedures for obtaining auditing evidence that confirms figure presented in these financial statements and information disclosed. The selected procedures depend on auditor’s judgement, including assessment of risk of material misstatements in financial statements that may result from frauds and mistakes. During the assessment of such risks and auditor examines internal control system related to the preparation and fair presentation of entity’s financial statements to develop audit procedures applicable in particular circumstances, but not to express an opinion about effectiveness of entity’s internal control. Audit also includes assessment of acceptability of accounting policies used and reasonableness accounting estimates made by management, as well as evaluating of financial statements in general.

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. 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.5 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.

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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 financial statements present fairly in all material respects, the financial position of the Company as of December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter Paragraph

Without qualifying our opinion, we would like to draw attention to the fact that the US dollar amounts in the accompanying financial statements are solely presented for the convenience of the users as described in Note 3 to the accompanying financial statements and do not form part of the financial statements. US dollar amounts are translated from Uzbek Soum as a matter of arithmetical computation only, using Exchange Rate of the Central Bank of Republic of Uzbekistan at 31 December 2015: UZS/USD – 2,809.98 (average Exchange Rate used for the year ended 31 December 2015 - 2,571.15 UZS per one USD) and should not be construed as a representation that Uzbek Soum amounts have been, could be or will be in the future converted to US dollar at this rate or at any other exchange rate nor that US dollar amounts present fairly the financial position of the Company or the result of operation, cash flow or changes in equity in accordance with International Financial Reporting Standards.

Explanatory close

The financial statements of the Company for the year ended 31 December 2014 was verified by another auditor who expressed unqualified opinion with the same emphasis of matter paragraph on that financial statements on 14 April 2015.

Grant Thornton AO LLC

«Grant Thornton» AO LLC
15 April 2016
Tashkent, Uzbekistan

Statement of Financial Position

	Notes	31 December 2015	31 December 2014	Supplementary information (USD'000) 31 December 2015	Supplementary information (USD'000) 31 December 2014
Assets					
Cash and Cash equivalents	6	47 096 677	5 108 158	16 761	2 109
Due from Banks	7	-	6 854 399	-	2 830
Finance Lease Receivables,net	8	101 424 737	62 778 354	36 094	25 916
Equipment for leasing	9	755 036	7 711 603	269	3 183
Property, equipment and intangible assets	10	604 006	675 302	215	279
Pre-payments made to vendors for lease equipment	11	220 900	1 231 446	79	508
Other assets	12	2 833 689	2 457 525	1 008	1 015
Total assets		**152 935 045**	**86 816 787**	**54 426**	**35 840**
Liabilities					
Borrowings	13	58 052 568	48 804 875	20 659	20 147
Finance lease liabilities	14	7 625 182	7 707 840	2 714	3 182
Advances from leasees	15	6 204 121	3 323 696	2 208	1 372
Other liabilities	16	18 558 550	2 236 736	6 604	925
Total Liabilities		**90 440 421**	**62 073 147**	**32 185**	**25 626**
Equity					
Share capital	17	34 828 558	6 979 295	12 395	2 881
Retained Earning		27 666 066	17 764 345	9 846	7 333
Total equity		**62 494 624**	**24 743 640**	**22 241**	**10 214**
Total liabilities and equity		**152 935 045**	**86 816 787**	**54 426**	**35 840**

Approved and signed on behalf of the Company management:

Mr. Zafar B Mustafaev
Chief Executive Officer

Ms. Tatyana M Lim,
Chief Accountant

15 April 2016
Tashkent, Uzbekistan

Notes on pages from 7 to 52 are inseparable part of these financial statements.

Statement of Comprehensive Income

Supplementary information (USD'000)

	Notes	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Income					
Interest income on finance lease	18	24 017 732	14 702 455	9 341	6 069
Provision for impairment of finance lease receivables	8	(403 418)	(339 305)	(157)	(140)
Interest income net of provision for impairement of finance lease receivables		**23 614 314**	**14 363 150**	**9 184**	**5 929**
Interest expense	19	(7 513 923)	(6 215 886)	(2 922)	(2 566)
FX gains less losses		2 981 744	3 113 658	1 160	1 285
Provision for impairment of other assets	12	(374 580)	-	(146)	-
Other operating income	20	1 627 848	427 887	633	177
Operating expense	21	(8 036 953)	(5 036 675)	(3 126)	(2 079)
Profit for the year		**12 298 450**	**6 652 134**	**4 783**	**2 746**
Total comprehensive income for the year		**12 298 450**	**6 652 134**	**4 783**	**2 746**

Approved and signed on behalf of the Company management:

Mr. Zafar B Mustafaev
Chief Executive Officer

Ms. Tatyana M Lim,
Chief Accountant

15 April 2016

Tashkent, Uzbekistan

Notes on pages from 7 to 52 are inseparable part of these financial statements.

Statement of Changes in Owners' Equity

						Supplementary information (USD'000)			
	Notes	Share capital	Additional Capital	Retained Earnings	Total Equity	Share capital	Additional Capital	Retained Earnings	Total Equity
Balance at 1 January 2014		**5 129 070**	**1 850 225**	**12 529 111**	**19 508 406**	**2 117**	**764**	**5 172**	**8 053**
Net profit for the year		-	-	6 652 134	6 652 134	-	-	2 746	2 746
Dividends declared	22	-	-	(1 416 900)	(1 416 900)	-	-	(585)	(585)
Balance at 31 December 2014		**5 129 070**	**1 850 225**	**17 764 345**	**24 743 640**	**2 117**	**764**	**7 333**	**10 214**
Issue of new shares	17	3 984 518	-	-	**3 984 518**	1 418	-	-	1 418
Share premium	17	-	23 864 745	-	23 864 745	-	8 493	-	8 493
Net profit for the year		-		12 298 450	12 298 450	-	-	4 783	4 783
Dividends declared	22	-		(2 396 729)	(2 396 729)	-	-	(931)	(931)
Effect on FX translation		-		-	-	(57)	(340)	(1 339)	(1 736)
Balance at 31 December 2015		**9 113 588**	**25 714 970**	**27 666 066**	**62 494 624**	**3 478**	**8 917**	**9 846**	**22 241**

Approved and signed on behalf of the Company management:

Mr. Zafar B Mustafaev
Chief Executive Officer

Ms. Tatyana M Lim,
Chief Accountant

15 April 2016

Tashkent, Uzbekistan

Cash Flow Statement

	Notes	31 December 2015	31 December 2014	Supplementary information (USD'000) 31 December 2015	31 December 2014
Cash flow from operating activities					
Finance income received from leases		23 825 695	15 066 611	9 267	6 220
Interest paid		(7 512 973)	(5 713 744)	(2 922)	(2 359)
Other income received		1 627 848	44 968	633	19
Staff cost paid	8	(3 379 267)	(2 870 543)	(1 314)	(1 185)
Operating expenses paid	15	(3 476 571)	(2 283 376)	(1 352)	(943)
Cash flow from operating activities before changes in operating assets and liabilities		**11 084 732**	**4 243 916**	**4 311**	**1 752**
Net decrease/(increase) in Due from Banks	9	6 854 399	1 107 346	2 439	457
Net decrease/(increase) in Finance lease receivables	9	(38 646 383)	(17 554 612)	(13 753)	(7 247)
Net decrease/(increase) in Equipment for leasing		6 956 567	(5 021 170)	2 476	(2 073)
Net decrease/(increase) in Pre-payments made to vendors		1 010 546	(307 438)	360	(127)
Net decrease/(increase) in Other Assets		(376 164)	(908 204)	(134)	(375)
Net increase/(decrease) in advances received		2 880 425	1 445 077	1 025	597
Net increase/(decrease) in other liabilities		16 321 814	820 144	5 809	339
Net cash from operating activities		**6 085 936**	**(16 174 941)**	**2 532**	**(6 677)**
Cash flow from investing activities					
Purchase of Property and Equipment	8	(138 532)	(624 627)	(49)	(258)
Proceeds from disposal of Property and Equipment	9	99 865	66 771	36	28
Net cash used in investing activities		**(38 667)**	**(557 856)**	**(14)**	**(230)**
Cash flow from financing activities					
Borrow ings received		58 465 535	38 341 463	20 806	15 828
Repayments of Borrow ings		(32 527 258)	(17 023 168)	(12 155)	(7 027)
Repayment of Finance lease from banks		(1 432 573)	(1 755 084)	(510)	(725)
Dividends paid	13	(2 396 729)	(1 416 900)	(931)	(585)
New share issue		13 825 991	-	4 920	-
Net cash used in financing activities		**35 934 966**	**18 146 311**	**12 131**	**7 491**
Effect of Exchange rate changes on cash and cash equivalents	11	**6 284**	**43 137**	**2**	**18**
Net increase/(decrease) in cahs and cash equivalents		**41 988 519**	**1 456 651**	**14 652**	**602**
Cash and cash equivalents at the beginning of the year		5 108 158	3 651 507	2 109	1 507
Cash and cash equivalents, end of year	11	**47 096 677**	**5 108 158**	**16 761**	**2 109**

Approved and signed on behalf of the Company management:

Mr. Zafar B Mustafaev
Chief Executive Officer

Ms. Tatyana M Lim,
Chief Accountant

15 April 2016
Tashkent, Uzbekistan