



Joint Stock Company “UZBEK LEASING INTERNATIONAL A.O.”

**International Financial Reporting Standards
Financial Statements**

31 December 2016

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Independent auditor's report

To the Shareholders and Supervisory Board of Joint Stock Company "Uzbek Leasing International A.O."

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Joint Stock Company "Uzbek Leasing International A.O." (the "Company") as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2016;
- the statement of profit or loss and other comprehensive income for the year ended 31 December 2016;
- the statement of changes in equity for the year ended 31 December 2016;
- the statement of cash flows for the year ended 31 December 2016; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan and auditor's independence requirements that are relevant to our audit of the financial statements in the Republic of Uzbekistan. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 IFRS, 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.



The Supervisory Board of the Company is 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 scepticism 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 the purpose of 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.

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.



Emphasis of Matter

Without qualifying our opinion, we draw attention to the fact that the US Dollar amounts in the accompanying financial statements, which are presented solely for the convenience of users as described in Note 3 to the accompanying financial statements, do not form part of the financial statements. US Dollar amounts are translated from Uzbek Soum as a matter of arithmetical computation only, using the official rate of exchange of the Central Bank of Uzbekistan at 31 December 2016 of Uzbek Soum 3,231.48 to US Dollar 1 and should not be construed as a representation that the 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 the US Dollar amounts present fairly the financial position of the Company or the result of operation, cash flows or changes in equity in accordance with International Financial Reporting Standards.

Utkir Muhammadiyev
General Director
Certificate of auditor No. 05082
dated 23 February 2013

Suhrob Azimov
Auditor
Certificate of auditor No. 05338
dated 7 November 2015

Audit Organization "PricewaterhouseCoopers" LLC

Audit Organization "PricewaterhouseCoopers" LLC
19 April 2017
Tashkent, Uzbekistan

Joint Stock Company "UZBEK LEASING INTERNATIONAL A.O."
Statement of Financial Position

	Note	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
		UZS'000	(restated) UZS'000	(restated) UZS'000	*USD'000	(restated) *USD'000	(restated) *USD'000
ASSETS							
Cash and cash equivalents	8	21,964,265	47,096,677	5,108,158	6,797	14,574	1,581
Due from Banks	9	1,803,166	-	6,854,399	558	-	2,121
Finance lease receivables	4, 10	111,155,871	91,062,960	58,139,035	34,398	28,180	17,991
Equipment for leasing	4, 11	1,884,073	4,411,561	7,711,603	583	1,365	2,386
Prepayments to vendors for leasing equipment	13	4,265,593	220,900	1,231,446	1,320	68	381
Deferred income tax asset	26	897,336	-	-	278	-	-
Property and equipment	12	584,959	604,006	675,302	181	187	209
Other assets	14	3,442,946	2,833,689	2,457,525	1,066	879	763
TOTAL ASSETS		145,998,209	146,229,793	82,177,468	45,181	45,253	25,432
LIABILITIES							
Borrowings	4, 15	48,288,567	57,616,029	48,804,875	14,943	17,830	15,103
Finance lease liabilities	16	4,859,382	7,625,182	7,707,840	1,504	2,360	2,385
Advances from lessees	3, 4, 17	3,692,389	3,585,325	4,513,250	1,143	1,109	1,397
Trade payables	3, 4, 18	14,170,005	19,360,177	1,071,994	4,385	5,991	332
Other liabilities	3, 4, 19	1,103,412	1,820,345	1,164,742	341	563	360
TOTAL LIABILITIES		72,113,755	90,007,058	63,262,701	22,316	27,853	19,577
EQUITY							
Share capital	20	9,113,589	9,113,589	5,129,071	2,820	2,820	1,587
Additional paid in capital	20	25,714,969	25,714,969	1,850,224	7,959	7,959	574
Retained earnings	4	39,055,896	21,394,177	11,935,472	12,086	6,621	3,694
TOTAL EQUITY		73,884,454	56,222,735	18,914,767	22,865	17,400	5,855
TOTAL LIABILITIES AND EQUITY		145,998,209	146,229,793	82,177,468	45,181	45,253	25,432

Approved for issue and signed on 14 April 2017.

Mustafaev Z.B.
Chief Executive Officer



Lim T.M.
Chief Accountant

The notes set out on pages 5 to 51 form an integral part of these financial statements.

* The USD equivalent figures are provided for information purposes only and do not form part of the financial statements – refer to Note 3.

Joint Stock Company “UZBEK LEASING INTERNATIONAL A.O.”
Statement of Profit or Loss and Other Comprehensive Income

	Note	2016 UZS'000	2015 (restated) UZS'000	2016 *USD'000	2015 (restated) *USD'000
Interest income on finance leases	3, 4, 21	32,178,014	25,827,126	9,958	7,992
Interest expense on finance leases	3, 4, 21	(1,233,386)	(1,207,631)	(382)	(374)
Net interest income on finance leases		30,944,628	24,619,495	9,576	7,618
Provision for impairment of finance lease receivables	10	(197,423)	(403,418)	(61)	(125)
Net interest income on finance leases after provision for impairment of finance lease receivables		30,747,205	24,216,077	9,515	7,493
Other interest expense	3, 4, 22	(5,443,510)	(7,089,948)	(1,685)	(2,194)
Other operating income	3, 23	1,840,266	130,180	569	40
Administrative and other operating expenses	4, 24	(8,802,307)	(7,574,690)	(2,724)	(2,344)
Provision for impairment of other assets	14	(91,812)	(374,580)	(28)	(116)
Foreign exchange gains less losses	4	2,791,242	2,548,395	864	789
PROFIT BEFORE INCOME TAX		21,041,084	11,855,434	6,511	3,668
Income tax benefit	26	897,336	-	278	-
PROFIT FOR THE YEAR		21,938,420	11,855,434	6,789	3,668
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		21,938,420	11,855,434	6,789	3,668

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Joint Stock Company “UZBEK LEASING INTERNATIONAL A.O.”
Statement of Changes in Equity

	Note	Share capital	Additional paid in capital	Retained earnings (restated)	Total equity	Charter capital	Additional paid in capital	Retained earnings (restated)	Total equity
		UZS'000	UZS'000	UZS'000	UZS'000	*USD'000	*USD'000	*USD'000	*USD'000
Balance at 1 January 2015 (as previously reported)		5,129,071	1,850,224	17,764,345	24,743,640	1,587	574	5,498	7,659
Effect of restatement	4	-	-	(5,828,873)	(5,828,873)	-	-	(1,804)	(1,804)
Balance at 1 January 2015 (restated)		5,129,071	1,850,224	11,935,472	18,914,767	1,587	574	3,694	5,855
Profit for the year (restated)	4	-	-	11,855,434	11,855,434	-	-	3,668	3,668
Other comprehensive income for the year	4	-	-	-	-	-	-	-	-
Total comprehensive income for 2015 (restated)	4	-	-	11,855,434	11,855,434	-	-	3,668	3,668
Share issue		3,984,518	23,864,745	-	27,849,263	1,233	7,385	-	8,618
Dividends declared	25	-	-	(2,396,729)	(2,396,729)	-	-	(741)	(741)
Balance at 31 December 2015 (restated)		9,113,589	25,714,969	21,394,177	56,222,735	2,820	7,959	6,621	17,400
Net profit for the year		-	-	21,938,420	21,938,420	-	-	6,789	6,789
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Total comprehensive income for 2016		-	-	21,938,420	21,938,420	-	-	6,789	6,789
Dividends declared	25	-	-	(4,276,701)	(4,276,701)	-	-	(1,324)	(1,324)
Balance at 31 December 2016		9,113,589	25,714,969	39,055,896	73,884,454	2,820	7,959	12,086	22,865

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Joint Stock Company “UZBEK LEASING INTERNATIONAL A.O.”
Statement of Cash Flows

	Note	2016 UZS'000	2015 (restated) UZS'000	2016 *USD'000	2015 (restated) *USD'000
Cash flows from operating activities					
Interest income received on finance lease		31,572,595	22,946,138	9,770	7,101
Interest paid		(6,542,791)	(7,975,234)	(2,025)	(2,468)
Other operating income received		311,753	1,627,848	96	504
Administrative and other operating expenses paid		(4,030,967)	(3,000,713)	(1,247)	(929)
Staff costs paid		(3,536,754)	(3,379,267)	(1,094)	(1,046)
Cash flows from operating activities before changes in operating assets and liabilities		17,773,836	10,218,772	5,500	3,162
Net (increase)/decrease in due from banks		(1,531,733)	6,854,399	(474)	2,121
Net (increase) in finance lease receivables		(8,431,986)	(34,113,479)	(2,609)	(10,557)
Net decrease in equipment for leasing		2,527,488	3,300,042	782	1,021
Net (increase)/decrease in prepayments made to vendors for leasing equipment		(3,986,346)	1,010,546	(1,234)	313
Net (increase) in other assets		(1,574,268)	(376,164)	(487)	(116)
Net increase/(decrease) in advance received from lessees		107,064	(147,393)	33	(46)
Net (decrease)/increase in trade payables		(8,001,560)	18,288,183	(2,476)	5,659
Net (decrease)/increase in other liabilities		(9,297)	309,655	(3)	96
Net cash (used in) / from operating activities		(3,126,802)	5,344,561	(968)	1,653
Cash flows from investing activities					
Purchase of property and equipment	12	(369,826)	(152,127)	(114)	(47)
Loans issued to employees		284,356	99,865	88	31
Net cash used in investing activities		(85,470)	(52,262)	(26)	(16)
Cash flows from financing activities					
Dividends paid	25	(4,423,315)	(1,641,759)	(1,370)	(508)
New shares issue	20	-	13,825,991	-	4,279
Repayment of finance lease liabilities		(5,845,445)	(1,432,573)	(1,809)	(443)
Proceeds from borrowings		16,995,348	58,465,535	5,259	18,092
Repayment of borrowings		(28,654,853)	(32,527,258)	(8,867)	(10,066)
Net cash (used in) / from financing activities		(21,928,265)	36,689,936	(6,787)	11,354
Effect of exchange rate changes on cash and cash equivalents		8,125	6,284	3	2
Net (decrease) / increase in cash and cash equivalents		(25,132,412)	41,988,519	(7,778)	12,993
Cash and cash equivalents at the beginning of the year	8	47,096,677	5,108,158	14,575	1,581
Cash and cash equivalents at the end of the year	8	21,964,265	47,096,677	6,797	14,574

The notes set out on pages 5 to 51 form an integral part of these financial statements.

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