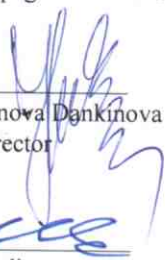


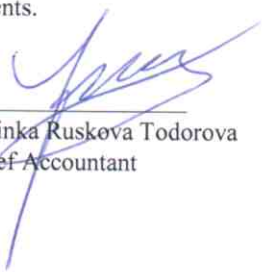
**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC  
INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**


**For the year ended 31 December 2015**

	Notes	2015 <i>BGN '000</i>	2014 <i>BGN '000</i>
Interest income	3.1	10,833	7,463
Interest expenses and charges	3.2	(4,846)	(3,981)
Dividend income		40	13
Other operating income	3.3	619	639
<b>Net operating income</b>		<b>6,646</b>	<b>4,134</b>
Impairment of loans granted	9	(2,895)	(851)
Payroll expenses	3.4	(595)	(519)
Depreciation and amortisation expenses	7	(10)	(16)
Other operating expenses	3.5	(193)	(253)
<b>Profit before tax</b>		<b>2,953</b>	<b>2,495</b>
Income tax expense	4	(291)	(247)
<b>Profit for the year</b>		<b>2,662</b>	<b>2,248</b>
<b>Other comprehensive income for the year, net of taxes</b>		-	-
<b>Total comprehensive income for the year, net of taxes</b>		<b>2,662</b>	<b>2,248</b>

These individual financial statements were authorized for issue by the Board of Directors on 23 March 2016. The notes on pages 17 to 38 are an integral part of these financial statements.

  
Nadya Yordanova Dankinova  
Executive Director

  
Kalinka Ruskova Todorova  
Chief Accountant

  
Registered auditor  
23 March 2016



**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC  
INDIVIDUAL STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2015**

	Notes	31 December	
		2015	2014
		BGN '000	BGN '000
<b>ASSETS</b>			
Cash and cash equivalents	5	26,272	44,922
Corporate income tax receivable	12	89	-
Receivables and prepayments	6	10	15
Loans granted	9	259,917	161,466
Loans granted to related parties	9,17	17,960	3,688
Deferred tax assets	4	1	1
Property, plant and equipment	7	20	20
Investment in subsidiary	8	500	500
<b>TOTAL ASSETS</b>		<b>304,769</b>	<b>210,612</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Payroll and social securities payables	11	78	49
Tax liabilities	12	-	41
Other liabilities	13	482	390
Loans payable	10	207,057	114,389
<b>TOTAL LIABILITIES</b>		<b>207,617</b>	<b>114,869</b>
<b>EQUITY</b>			
Share capital	14.1	90,000	90,000
Statutory reserves	14.2	1,922	1,697
Retained earnings		5,230	4,046
<b>TOTAL EQUITY</b>		<b>97,152</b>	<b>95,743</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>304,769</b>	<b>210,612</b>

These individual financial statements were authorized for issue by the Board of Directors on 23 March 2016.  
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Nadya Yordanova Dankinova  
Executive Director

Kalinka Ruskova Todorova  
Chief Accountant

Registered auditor  
23 March 2016



**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC  
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 December 2015**

	Share capital (Note 14.1)	Retained earnings	Statutory reserves (Note 14.2)	Total
	BGN'000	BGN'000	BGN'000	BGN'000
<b>As at 1 January 2014</b>	<b>60,000</b>	<b>3,751</b>	<b>1,431</b>	<b>65,182</b>
Profit for the year	-	2,248	-	2,248
Total comprehensive income	-	2,248	-	2,248
Increase of share capital	30,000	-	-	30,000
Distribution of dividends	-	(1,687)	-	(1,687)
Transfer to reserves	-	(266)	266	-
<b>As at 31 December 2014</b>	<b>90,000</b>	<b>4,046</b>	<b>1,697</b>	<b>95,743</b>
<b>As at 1 January 2015</b>	<b>90,000</b>	<b>4,046</b>	<b>1,697</b>	<b>95,743</b>
Profit for the year	-	2,662	-	2,662
Total comprehensive income	-	2,662	-	2,662
Distribution of dividends	-	(1,253)	-	(1,253)
Transfer to reserves	-	(225)	225	-
<b>As at 31 December 2015</b>	<b>90,000</b>	<b>5,230</b>	<b>1,922</b>	<b>97,152</b>

These individual financial statements were authorized for issue by the Board of Directors on 23 March 2016.  
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23 March 2016




**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC  
INDIVIDUAL CASH FLOW STATEMENT**

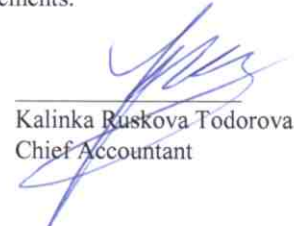
**For the year ended 31 December 2015**

	Notes	2015 <i>BGN'000</i>	2014 <i>BGN'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITY</b>			
Proceeds from interest on bank deposits		305	858
Loans granted to municipalities		(257,081)	(158,389)
Loans repaid by municipalities		155,853	128,736
Loans granted to related parties		(14,712)	(3,114)
Loans repaid by related parties		445	342
Interest received on granted loans		10,405	6,586
Payments to suppliers		(858)	(802)
Payments to personnel and for social security		(577)	(527)
Other proceeds, net		736	817
Income tax paid		(421)	(218)
<b>Net cash flows used in operating activity</b>		<b>(105,905)</b>	<b>(25,711)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Purchase of property, plant and equipment		(10)	(9)
Dividends received		40	13
<b>Net cash flows from investing activity</b>		<b>30</b>	<b>4</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Increase of share capital		-	30,000
Loan received		130,355	38,348
Repayment of loans		(37,317)	(11,415)
Dividends paid		(1,253)	(1,687)
Interest paid		(3,925)	(2,549)
Fees and commissions paid		(635)	(67)
<b>Net cash flow from financing activity</b>		<b>87,225</b>	<b>52,630</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(18,650)</b>	<b>26,923</b>
Cash and cash equivalents at the beginning of the period	5	44,922	17,999
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>26,272</b>	<b>44,922</b>

These individual financial statements were authorized for issue by the Board of Directors on 23 March 2016. The notes on pages 17 to 38 are an integral part of these financial statements.

  
Nadya Yordanova Dankinova  
Executive Director

  
Registered auditor  
23 March 2016

  
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