

## **SPECIAL PURPOSE INDEPENDENT AUDITORS' REPORT**

To the Shareholders of JSC "Insurance company "Universalna":

We have audited the accompanying preliminary opening IFRS consolidated balance sheet of JSC "Insurance company "Universalna" (the "Company") and its subsidiary (jointly – the "Group") as at 31 December 2006 ("the consolidated balance sheet"). This consolidated balance sheet is the responsibility of the Group's management.

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

Management is responsible for the preparation and fair presentation of this consolidated balance sheet in accordance with the basis set out in the Note 2 to the consolidated balance sheet. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated balance sheet that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on this consolidated balance sheet 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 whether the consolidated balance sheet is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated balance sheet. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated balance sheet, 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 balance sheet 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 balance sheet.

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 balance sheet presents fairly, in all material respects, the financial position of the Group as at 31 December 2006 in accordance with the basis set out in Note 2 to the consolidated balance sheet, which describes how IFRS have been applied in accordance with International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards", including the assumptions management has made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when management prepares its first complete set of IFRS financial statements as at 31 December 2008.

**Emphasis of matter**

Without qualifying our opinion, we draw your attention to Note 2 to the consolidated balance sheet that explains why there is a possibility that the accompanying consolidated balance sheet may require adjustments before constituting part of the first complete set of IFRS financial statements. Moreover, we draw attention to the fact that, under IFRS, only a complete set of financial statements comprising a balance sheet, statements of income, changes in equity and cash flows, together with comparative financial information and explanatory notes, can provide a fair presentation of the Group's financial position, results of operations, and cash flows in accordance with IFRS.

**Use of report**

This report is intended solely for the information and use of the Management and Shareholders of the Group in connection with its conversion of the basis of the preparation of the financial statements to IFRS. It should not be used for any other purpose or provided to other parties.

*Deloitte & Touche*

23 August 2007