



Vostok Emerging Finance

Financial Report for the Period January 1, 2016–March 31, 2016

Financial Result

- > Net result for the period was USD 2.45 million (mln). Earnings per share were USD 0.0037.
- > The positive net result over the period is primarily coming from the positive share price development in Vostok Emerging Finance's only listed equity holding, Tinkoff Bank.

Net Asset Value

- > The net asset value of Vostok Emerging Finance Ltd ("VEF" or the "Company") was USD 97.9 mln as at March 31, 2016 (December 31, 2015: USD 95.5 mln), or USD 0.15 per share (December 31, 2015: USD 0.14). At March 31, 2016 given a USD/SEK exchange rate of 8.1472, it was SEK 798 mln (December 31, 2015: SEK 798 mln) and SEK 1.21 per share (December 31, 2015: SEK 1.21 per share), respectively.

Key Events during the Period

- > In March 2016, Vostok Emerging Finance announced a USD 1.2 mln investment into FinanZero, a marketplace for consumer loans in Brazil. FinanZero is an independent broker for loans, negotiating the customer's loan with several banks and credit institutions, to find the loan with the best interest rate and terms for the consumer. FinanZero handles the lending process from start to finish, with the customer and the bank fully integrated into FinanZero's system. The business combines aspects of comparison, lead generation and consumer loan brokerage.
- > Henrik Stenlund, formerly with Modern Times Group (part of Kinnevik), and Alexis Koumoudos, most recently at Skyline Capital Management, have joined VEF.
- > Tinkoff Bank share price recovery continued up 14.4% over the period to USD 3.49 as at quarter end.

>02 Management report

Dear fellow shareholder, Vostok Emerging Finance (VEF) has made a productive and positive start to 2016, following on from the successful 4Q15 rights issue, when we raised SEK 588 mln of fresh capital to support our strategy of investing in some of the most exciting fintech companies coming through in emerging markets. Key portfolio highlight during the quarter, was making our first investment of the new year in FinanZero, a consumer loan marketplace in Brazil. Also of note, has been the positive momentum in our share price, up 14% from recent placement price as at the end of quarter. This is all the more satisfying given the turbulent global economic and market backdrop into which we were operating in this period.

Following 2015, which was broadly regarded as a boom year for private equity and venture capital investing, through 1Q16, the industry took its lead from public markets and got off to a quiet start, with many commentators and headlines focusing on a more difficult environment for the industry in general. As stated before, we at VEF are all too aware of the challenging global macro and market backdrop in which we are operating, with many of our focus geographies affected directly by contracting economies, weakening currencies and volatile politics to name just a few of the implications. At one level, this backdrop only sharpens our focus and raises the investment bar regarding any potential incremental investments. On another level, VEF's strategy is to invest in fintech companies whose business model success is, in large part, due to structural market changes underway in the financial services sector across scalable markets. Hence, irrespective of the ups and downs of economic cycles, we continue to invest with a strong supportive structural tailwind behind us.

We spent much of a busy 1Q16 on the road visiting markets (inclusive of Russia, Africa, Pakistan and Middle East) and companies, both current holdings as well as new opportunities. Geographically, Pakistan was a specifically interesting trip, where we saw much of what has come to pass in India in the fintech space, starting to come through in this sizeable market opportunity. Segment wise, over the quarter we spent much time and focus on the payments and remittances space, which consists of a large piece of the opportunity set in our world and often a gateway to other financial service opportunities. As we go, we continue to find comfort in the fact that there is no shortage of investment pipeline in our region/segment of focus, and we are engaged on an on-going basis with potential investments. Picking the winners from the opportunity set remains our key challenge, as opposed to finding them. We are comfortable that in this environment patience is a key factor.

As mentioned, we concluded our first investment of 2016 and indeed our first ever in Latin America, into FinanZero.com.br, a marketplace for consumer loans in Brazil. VEF invested USD 1.2 mln for a minority stake of the company. FinanZero is a pioneer marketplace for consumer loans in Brazil. The business is an independent online broker for loans, negotiating the customer's loan with several banks and credit institutions, to find the loan with the best interest rate and terms for the consumer. FinanZero handles the lending process from start to finish, with the customer and the bank fully integrated into FinanZero's system. The business combines aspects of comparison, lead generation and consumer loan brokerage. This is a business model we have seen scale and succeed in other markets. The size of market,

nature of the opportunity, combined with strength of team made it a clear winning opportunity for us to go after.

Our portfolio holdings continued to make good progress through the quarter:

- > Tinkoff Bank remains an anchor holding in the VEF portfolio and in our opinion the best fintech play in Russia. The latest set of results, 4Q15, delivered yet another uptick in RoAE to 16.7% for the quarter, despite the still difficult Russian macro/market backdrop, while management guided for a circa doubling of profits YoY in 2016. This continues to be a business that is making the most of the current environment, remaining on the front foot with new hires, gaining market share and rolling out new lines of business. The share price trend continues to reflect this with Tinkoff shares up 14.4% YTD to quarter end.
- > REVO continues to deliver strong growth in its merchant point of sale/consumer instalment credit business in Russia, continuously adding a diverse array of regional and nationwide merchant partners while up and running with their online merchant product. 1Q16 delivered a second quarterly profit in a row and most of the focus is on scaling at speed while maintaining risk. Sister company, Sorsdata, a play on consumer data analytics, target migrating and loyalty programmes has moved out of successful pilot stage and looking to deliver its first merchant agreements in 2Q16.
- > JUMO continues to progress in delivering its leading mobile money marketplace for Africa and key mobile money markets beyond. Their integration with mobile network operators (MNO's) across the continent continued into 2016 as

they look to build near 100% MNO connectivity for the 6 key mobile money markets on the continent today. The other side of the marketplace is now very much in focus as they look to compliment their own balance sheet early stage facilities with a broader array of FSP (Financial services providers). We would expect to see its inaugural savings product rolled out to compliment credit and for the platform to deepen its ecosystem on all fronts as we move through the year.

- > VEF remains in a majority cash position following our 4Q15 cash call and this remains a key strength for our company in many ways in this volatile and very opportune environment. VEF is in a very strong position to support our current portfolio holdings and add to them with new investments as we go through 2016.

As well as portfolio developments, through the quarter we continued to bolster the VEF team and lay further foundations for longevity of success. We welcome Henrik Stenlund to the team, formerly with Modern Times Group (part of Kinnevik) in a variety of management positions. Henrik adds great experience and depth to our bench. Alexis Koumoudos also joined VEF, after a number of years in the hedge fund space, most recently at Skyline Capital Management, and works alongside me today, making a big difference to scaling and deepening our (re)search and due diligence efforts.

As always, I would like to close off my comments by thanking my board of directors and the team at Vostok Emerging Finance for all their input and efforts over the period. To fellow shareholders, we appreciate your on-going support, and remain committed to delivering shareholder value through a focused approach on

increasing the NAV per share, coupled with healthy level of company transparency and investor communication as we go.

May 2016,
David Nangle

>04 Background

Vostok Emerging Finance Ltd (VEF) was incorporated and registered with the Bermuda Registrar of Companies on May 28, 2015 with registered number 50298. There were no business activities in the Company between May 28, 2015 and June 9, 2015.

A Special General Meeting of the shareholders of Vostok New Ventures Ltd (VNV) on June 9, 2015 resolved in accordance with the Board of Directors' proposed transfer of the holding in Tinkoff Bank to the shareholders through the formation and spin-off of Vostok Emerging Finance Ltd. On July 16, 2015 Vostok New Ventures' wholly owned subsidiary Vostok Emerging Finance containing the Tinkoff stake (9,079,794 SDRs) was spun-off and distributed to the shareholders of Vostok New Ventures Ltd via a mandatory redemption program.

From July 16, 2015 the Swedish Depository Receipts of Vostok Emerging Finance Ltd are traded on First North, with the ticker VEMF SDB.

The first financial year comprised the period May 28, 2015–December 31, 2015. Thereafter the financial year is January 1–December 31.

Portfolio development

Vostok Emerging Finance's net asset value (NAV) per share increased by 2.52% in USD over the period 1Q16. During the same period the MSCI

Emerging Markets index increased by 5.4% in USD terms. Vostok Emerging Finance's SDR price increased by 8.2% in USD over the period 1Q16.

VEF price/NAV performance 1Q16

| 0% | 2% | 4% | 6% | 8% | 10%

VEF SDR (USD)

MSCI EM Index*

VEF NAV (USD)

Last price paid on relevant stock exchange.

* The MSCI Emerging Markets Index is a free float weighted equity index that consists of indices in 26 emerging economies.

Portfolio structure

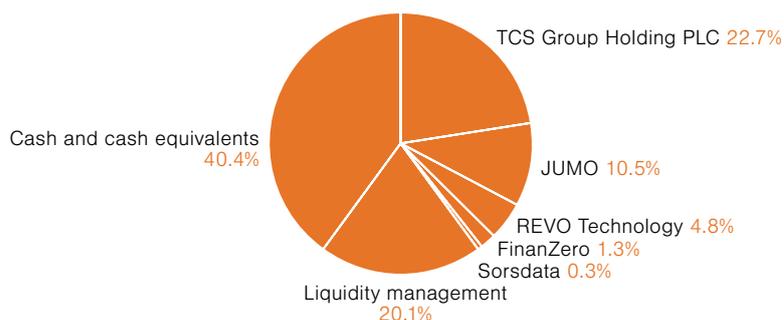
The investment portfolio stated at market value as at March 31, 2016 is shown below.

Number of shares	Company	Fair value, USD March 31, 2016	Percentage weight	Value per share, USD March 31, 2016
6,379,794	TCS Group Holding PLC (Tinkoff Bank) ²	22,265,481	22.7%	3.49 ¹
1,748	JUMO ³	10,309,704	10.5%	5,898.0 ¹
3,584	REVO Technology ³	4,700,000	4.8%	1,311.4 ¹
13,600	FinanZero ³	1,227,409	1.3%	90.25 ¹
882	Sorsdata ³	300,000	0.3%	340.1 ¹
	Liquidity management	19,665,460	20.1%	
	Cash and cash equivalents	39,585,729	40.4%	
	Total	98,053,782	100.0%	

1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.

2. Level 1 of financial asset at fair value through profit or loss

3. Level 2 of financial asset at fair value through profit or loss





Tinkoff Bank

TCS Group Holding PLC

Vostok Emerging Finance's number of shares as at March 31, 2016	6,379,794
Total Value as at March 31, 2016 (USD)	22,265,481
Share of total portfolio	22.7%
Share of total shares outstanding	3.5%
Value development Januari 1–March 31, 2016 (in USD)	14.4%

Website: tinkoff.ru/eng/

Key financial highlights full year 2015*

- > Net interest income was RUB 28.1 bln (2014: RUB 30.8 bln)
- > Profit before tax amounted to RUB 2.6 bln (2014: RUB 4.9 bln)
- > Net income amounted to RUB 1.9 bln (2014: RUB 3.4 bln)
- > Net interest margin at 28.6% (2014: 34.8%)
- > Total assets increased by 28% to RUB 139.7 bln (YE2014: RUB 108.8 bln)
- > Share of non-performing loans (NPLs) down at 12.4% (YE2014: 14.5%)
- > Customer accounts increased by 106% to RUB 89.3 bln (YE2014: RUB 43.4 bln)
- > Solid capitalization with CBR N1 capital adequacy ratio at 13.0% at the end of 2015

* Source: 4Q15 report of TCS Group Holding PLC

Tinkoff Bank is an innovative provider of online retail financial services operating in Russia through a high-tech branchless platform. Since its launch in 2007 by Mr Oleg Tinkov, a renowned Russian entrepreneur with a long track record of creating successful businesses, Tinkoff Bank has grown into a leader in the Russian credit card market as well as being at the forefront of innovation in delivery of online consumer financial services. The low-cost, innovation driven business model is flexible with a proven ability to rapidly grow and contract given the cyclicity of the Russian marketplace. Tinkoff Bank's senior management consists of a team of experienced professionals formerly employed by Visa, McKinsey and several top Russian banks, widely regarded to be the foremost management team in the Russian financial services space today.

As of December 31, 2015, Tinkoff Bank is the number 2 credit card issuer in Russia with 8.3% market share. In addition to a market-leading credit card offering, Tinkoff Bank has developed a successful online retail deposits programme. Tinkoff Bank's other innovative lines of business include Tinkoff Online Insurance, which enables Tinkoff Bank to underwrite and sell its own innovative online insurance products, and in October 2015, Tinkoff Bank announced the launch of brokerage services for its customers based on BCS Broker solution. The new offering will enable Tinkoff's customers to open brokerage accounts and purchase securities online. More recently, the company announced the launch of Tinkoff.ru, a consumer financial services marketplace where Russians will have the ability to obtain a number of different financial products from different financial services companies (including Tinkoff Bank), from the one online marketplace.

Tinkoff Bank was listed on the main list of London Stock Exchange on October 25, 2013.

Vostok Emerging Finance owns 3.5% of Tinkoff Bank (TCS Group Holding PLC).

In the fourth quarter 2015, Tinkoff Bank continued its 2015 upward quarterly earnings trajectory from a 1Q15 low. 4Q15 RoAE was 16.7% (4Q14 10.9%), with the recovery primarily driven by improved asset quality. The ongoing and continued improvement in financial performance is all the more impressive given the challenging macro backdrop in which they are operating.

On March 1, 2016, the bank adopted a new dividend policy taking effect from March 2, 2016. Under the new policy Tinkoff Bank can now declare and pay dividends provided that the banks current and projected N1 capital adequacy ratio remains at or above 10.5%.

In April 2016, Tinkoff launched a new universal financial marketplace, Tinkoff.ru. The new Tinkoff.ru platform enables customers to access all of its financial services from the main page. All users are granted access to both Tinkoff Bank's products and those of other financial organisations. Services included on the platform are: payments, card-2-card transfers, mortgage platform, government services and more.

Tinkoff expects net income for FY2016 to amount to RUB 3–4 bln and a cautious cost of risk at 15% for 2016. Tinkoff will release its 1Q16 results on June 6, 2016.

>06 REVO Technology and Sorsdata



REVO and Sorsdata were founded in December 2012. REVO was formed to address unmet needs of leading Russian merchants in purchase financing leveraging newest available mobile and cloud technologies. Sorsdata, REVO's sister company, is a data analytics and consumer marketing/loyalty company, which collaborates closely with REVO.

Vostok Emerging Finance owns 25% of both companies, following exercising its option in December 2015 to acquire an additional 12.5% of each company at the same terms as in VEF's initial investment in late September 2015.

REVO's business model applies proven mobile and cloud solutions, alongside a well-established credit approval infrastructure and collection operations in Russia to offer customers staggered-payment solutions at the time of purchase. The strategy is to capture and analyse consumer data to drive growth and profitability of merchants. The company is focused on lower ticket retail categories with over USD 100 billion in annual turnover, including apparel, toys, footwear, sporting goods, housewares, cosmetics, medical services and others. REVO is the first mover in the Russian market to deliver small ticket instalment plans for consumers in a paperless way at merchant's cash registers. This model is similar in many ways to that of Klarna in Sweden and Affirm in the US.

Sorsdata, focuses on customer data analytics largely gathered through the REVO machine and provides targeted marketing services for merchants to drive repeat purchases and loyalty. This model is similar in many ways to that of Aimia in Canada.

In 2015, REVO's business experienced another strong year of growth as it continues to sign up new merchants, both at a regional and federal level, increase store rollout within existent merchant partners and improve store penetration within existing merchant agreements, all while building its consumer customer base with rising repeat rates and decreasing default payments. Online merchant acquisition has started to show early traction, while 4Q15 was the first full quarter of profitability for the business, a key milestone for any young growing company. Sorsdata is at an earlier stage of product roll out with a number of pilot projects currently in progress at partner retail chains.

During the first quarter of 2016, REVO has continued to deliver strong growth in its merchant point of sale/consumer instalment credit business and continuously adding a diverse array of regional and nationwide merchant partners to its service. REVO was profitable in 1Q16.

REVO Technology

Vostok Emerging Finance's number of shares as at March 31, 2016	3,584
Total Value as at March 31, 2016 (USD)	4,700,000
Share of total portfolio	4.8%
Share of total shares outstanding	25.0%
Value development January 1–March 31, 2016 (in USD)	–

Sorsdata

Vostok Emerging Finance's number of shares as at March 31, 2016	882
Total Value as at March 31, 2016 (USD)	300,000
Share of total portfolio	0.3%
Share of total shares outstanding	25.0%
Value development January 1–March 31, 2016 (in USD)	–

Website: revoplus.ru

REVO Operational Development*

	Dec 2013	Dec 2014	Dec 2015	March 2016
No. of active stores	67	572	1,623	1,970
No. of instalments granted (cumulative)	6,402	9,969	41,217	51,774
Avg. instalment plan (Rub)	2,442	3,852	4,103	4,225
Avg. duration of instalment plan (months)	4.5	4.9	4.6	4.7
Avg. APR of instalment plans	64.2%	83.8%	95.9%	95.3%

* Source: Company data received from REVO Technology



JUMO World Limited

Vostok Emerging Finance's number of shares as at March 31, 2016	1,748
Total Value as at March 31, 2016 (USD)	10,309,704
Share of total portfolio	10.5%
Share of total shares outstanding	7.6%
Value development January 1–March 31, 2016 (in USD)	–

Website: jumo.world

JUMO World Limited is a mobile money marketplace for people, small businesses and mobile network operators operating across Africa but headquartered out of Cape Town. Through partnerships with mobile network operators, JUMO offers mobile wallet users access to a growing suite of financial products. The mobile money ecosystem consists of consumers, agents (where consumers deposit and withdraw their money) and merchants who accept mobile money payment. JUMO has found that all three of these constituents have limited access to financial choices so they built their first product, Access, which solves short-term working capital requirements. JUMO issued approx. 6 mln individual loans in 2015. Savings solutions plan to be rolled out in 2016.

JUMO has grown in 2015 from a team of 7 to 100+, rolling out their products across Kenya, Tanzania and Zambia, with their partners, Airtel, Tigo and MTN, with more in the pipeline for 2016.

Vostok Emerging Finance has invested a total of USD 10 mln during the fourth quarter of 2015. An initial investment of USD 4 mln in October and an additional USD 6 mln in December 2015. Both investments were for newly issued shares. As per March 31, 2016 JUMO is valued on the basis of the latest funding round in December 2015 with a valuation of USD 10.3 mln for VEF's 7.6% ownership in the company.

FinanZero



FinanZero

Vostok Emerging Finance's number of shares as at March 31, 2016	13,600
Total Value as at March 31, 2016 (USD)	1,227,409
Share of total portfolio	1.3%
Share of total shares outstanding	20%
Value development January 1–March 31, 2016 (in USD)	–

Website: finanzero.com.br

FinanZero is a pioneer marketplace for consumer loans in Brazil. The business is an independent broker for loans, negotiating the customer's loan with several banks and credit institutions, to find the loan with the best interest rate and terms for the consumer. FinanZero handles the lending process from start to finish, with the customer and the bank fully integrated into FinanZero's system. The business combines aspects of comparison, lead generation and consumer loan brokerage.

Vostok Emerging Finance has invested a total of USD 1.2 mln in FinanZero during the first quarter of 2016. As per March 31, 2016 FinanZero is valued on the basis of this transaction

>08 Investments

During the period, gross investments in financial assets were USD 21.18 mln. Investments concern new investments in FinanZero (USD 1.2 mln) and liquidity placements.

Company – results for the period and net asset value

During the period, the result from financial assets at fair value through profit or loss amounted to USD 2.52 mln, mainly coming from share price appreciation in TCS.

Net operating expenses amounted to USD -0.37 mln.

Net financial items were USD 0.22 mln.

Net result for the period was USD 2.45 mln.

Total shareholders' equity amounted to USD 97.96 mln on March 31, 2016.

Liquid assets

The liquid assets of the Company, defined as cash and bank deposits adjusted for concluded but not yet settled share transactions, amounted to USD 39.59 mln on March 31, 2016.

Financial and Operating risks

The Company's risks and risk management are described in detail in Note 4 of the Company's Annual Report 2015.

Statement of profit or loss

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	January 1, 2016– March 31, 2016
<i>(Expressed in USD thousand)</i>	
Result from financial assets at fair value through profit or loss ¹	2,525
Dividend and coupon income	73
Total operating income	2,598
Operating expenses	-373
Operating result	2,225
Financial income and expenses	
Interest income	1
Currency exchange gains/losses, net	223
Net financial items	224
Result before tax	2,449
Taxation	–
Profit for the period	2,449
Profit for the period attributable to owners of the Company	2,449
Earnings per share (in USD)	0.0037
Diluted earnings per share (in USD)	0.0037

1. Financial assets at fair value through profit or loss are carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Result from financial assets at fair value through profit or loss' in the period in which they arise.

Statement of comprehensive income

	January 1, 2016– March 31, 2016
<i>(Expressed in USD thousand)</i>	
Profit for the period	2,449
Total other comprehensive income for the period	–
Total comprehensive income for the period	2,449

Total comprehensive income for the period above is entirely attributable to the equity holders of the Company.

>10 Statement of financial position

(Expressed in USD thousand)	March 31, 2016	December 31, 2015
Non-current assets		
<i>Financial non-current assets</i>		
Financial assets at fair value through profit or loss	58,468	34,768
Total financial non-current assets	58,468	34,768
Current assets		
Other current receivables	–	25
Cash and cash equivalents	39,586	62,302
Total current assets	39,586	62,327
TOTAL ASSETS	98,054	97,095
Equity		
<i>– Attributable to owners of the company</i>		
Share capital	6,615	6,615
Additional paid in capital	87,841	87,880
Retained earnings	3,502	1,053
Total equity	97,958	95,548
Current liabilities		
<i>Non-interest bearing current liabilities</i>		
Trade payables	23	1,491
Other current liabilities	23	21
Accrued expenses	50	34
Total current liabilities	96	1,547
TOTAL EQUITY AND LIABILITIES	98,054	97,095

Statement of changes in equity

>11

(Expressed in USD thousand)	Attributable to owners of the parent			Total
	Share Capital	Additional paid in capital	Retained earnings	
Balance at May 28, 2015	-	-	-	-
Issuance of share capital	735	26,322	-	27,057
Profit for the period May 28, 2015 to December 31, 2015	-	-	1,053	1,053
Total comprehensive income for the period May 28, 2015 to December 31, 2015	-	-	1,053	1,053
<i>Transactions with owners</i>				
Proceeds from rights issue	5,880	63,198	-	69,078
Transaction costs	-	-1,648	-	-1,648
Share based compensation	-	7	-	7
Balance at December 31, 2015	6,615	87,880	1,053	95,548
Balance at January 1, 2016	6,615	87,880	1,053	95,548
Profit for the period January 1, 2016 to March 31, 2016	-	-	2,449	2,449
Total comprehensive income for the period January 1, 2016 to March 31, 2016	-	-	2,449	2,449
<i>Transactions with owners</i>				
Proceeds from rights issue	-	-	-	-
Transaction costs	-	-42	-	-42
Share based compensation	-	3	-	3
Balance at March 31, 2016	6,615	8,841	3,502	97,958

>12 Statement of cash flows

	January 1, 2016– March 31, 2016
<i>(Expressed in USD thousand)</i>	
Operating activities	
Result before tax	2,449
<i>Adjustment for non-cash items:</i>	
Interest income and expense, net	-1
Currency exchange gains/-losses	-223
Result from financial assets at fair value through profit or loss	-2,525
Other non-cash items affecting profit and loss	3
Change in current receivables	30
Change in current liabilities	-1,426
Net cash used in operating activities	-1,692
Investments in financial assets	-21,175
Sales of financial assets	–
Interest received	1
Net cash flow from/used in operating activities	-22,866
Financing activities	
Proceeds from rights issue, net of transaction costs	-42
Net cash flow from financing activities	-42
Change in cash and cash equivalents	-22,908
Cash and cash equivalents at beginning of the period	62,302
Exchange gains/losses on cash and cash equivalents	193
Cash and cash equivalents at end of period	39,586

	January 1, 2016– March 31, 2016
Return on capital employed, % ¹	2.53
Equity ratio, % ²	99.91
Shareholders' equity/share, USD ³	0.15
Earnings/share, USD ⁴	0.0037
Diluted earnings/share, USD ⁵	0.0037
Net asset value/share, USD ⁶	0.15
Net asset value/share, SEK ⁶	1.21
Net asset value, SEK	798,054,872
Weighted average number of shares for the financial period	661,495,995
Weighted average number of shares for the financial period (fully diluted)	661,495,995
Number of shares at balance sheet date	661,495,995

1. Return on capital employed is defined as the Company's result for the period plus interest expenses plus/less exchange differences on financial loans divided by the average capital employed (the average total assets less non-interest bearing liabilities over the period). Return on capital employed is not annualised.

2. Equity ratio is defined as shareholders' equity in relation to total assets.

3. Shareholders' equity/share is defined as shareholders' equity divided by total number of shares.

4. Earnings/share is defined as result for the period divided by average weighted number of shares for the period.

5. Diluted earnings/share is defined as result for the period divided by average weighted number of shares for the period calculated on a fully diluted basis.

6. Net asset value/share is defined as shareholders' equity divided by total number of shares.

>14 Note 1 Accounting principles

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit and loss. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the accounts for the Company 2015.

The Company's 2015 annual report is available at the Company's website:

<http://www.vostokemergingfinance.com/en/investor-relations/financial-reports/>

The interim financial information on pages 9–15 are an integral part of this financial report.

Note 2 Related party transactions

During the period Vostok Emerging Finance has recognized the following related party transactions:

USD thousand	Operating expenses	Current liabilities
Key management and Board of Directors*	158	24

* Compensation paid or payable includes salary and consulting fees to the management and remuneration to the Board members.

Note 3 Fair value estimation

The numbers below are based on the same accounting and valuation policies as used in the Company's most recent Annual Report. For more information regarding financial instruments in level 2 and 3 see note 5 in the Company's Annual Report 2015.

The fair value of financial instruments is measured by level of the following fair value measurement hierarchy:

- > Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- > Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- > Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets that are measured at fair value at March 31, 2016.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	41,931	16,537	–	58,468
Total assets	41,931	16,537	–	58,468

The following table presents the Company's assets that are measured at fair value at December 31, 2015.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value through profit or loss	19,458	15,310	–	34,768
Total assets	19,458	15,310	–	34,768

As per March 31, 2016 the Company's holding in Tinkoff Bank is classified as a level 1 investment as its GDRs are trading on London Stock Exchange. Vostok Emerging Finance also has liquidity management portfolio of listed corporate bonds that are also classified as level 1 investments. REVO, which is owned through the parent company Souxou, and Sorsdata, which is owned through the parent company Mouxou, the investments in JUMO and FinanZero are all valued as level 2 on the basis of the valuations in their each respective latest transaction which all closed in late 2015 or early 2016.

REVO

As per March 31, 2016, VEF has a 25% ownership REVO and has invested a total of USD 4.7 mln in the company. REVO is valued on the basis of the latest transaction in the company when VEF exercised its option to double its ownership stake to 25%. VEF closed the second tranche of the investment on December 16, 2015. REVO is valued at USD 18.8 mln post-money and VEF's stake is duly valued at USD 4.7 mln as a level 2 investment. VEF owns 3,584 shares in REVO.

Sorsdata

As per March 31, 2016, VEF owns 25% of Sorsdata and has invested a total of USD 300k in the company. Sorsdata is valued on the basis of the latest transaction in the company, when VEF exercised its option to double its holding. VEF closed this (second) tranche of the investment on December 16, 2015. Sorsdata is duly valued at USD 1.2 mln post-money and VEF's stake is valued at USD 300k as level 2 investment. VEF owns 882 shares in Sorsdata.

JUMO

As per March 31, 2016, VEF owns 1,748 shares or 7.6% fully diluted in JUMO World Limited (formerly known as AFB Mauritius) that owns and operates JUMO. JUMO is valued as per the most recent transaction in the company in December 2015. VEF participated in this round and subscribed for approx. USD 6 mln worth of new shares in JUMO. The transaction values VEF's stake to USD 10.3 mln. As per March 31, 2016, JUMO is valued on the basis of this transaction and categorized as a level 2 investment.

FinanZero

As per March 31, 2016, VEF owns 13,600 shares in FinanZero following an investment in primary capital of approximately USD 1.2 mln. As per March 31, 2016, FinanZero is valued on the basis of this transaction and is categorized as a level 2 investment.

Change in financial assets at fair value through profit or loss

Company	Opening balance Jan 1, 2016	Investments/ (disposals), net, USD	FV change	Closing balance Mar 31, 2016	Percentage weight of total portfolio
Tinkoff Bank	19,458,372	-	2,807,109	22,265,481	22.7%
REVO	4,700,000	-	-	4,700,000	4.8%
Sorsdata	300,000	-	-	300,000	0.3%
JUMO	10,309,704	-	-	10,309,704	10.5%
FinanZero	-	1,227,409	-	1,227,409	1.3%
Total	34,768,076	1,227,409	2,807,109	38,802,594	

>16 Upcoming Reporting Dates

Vostok Emerging Finance's financial report for the period January 1, 2016–June 30, 2016 will be published on August 31, 2016.

May 18, 2016

David Nangle
Managing Director

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This report has not been subject to review by the Company's auditors.

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