

Demir Kyrgyz International Bank CJSC

Financial Statements

for the year ended 31 December 2013



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Independent Auditors' Report

To the Board of Directors of Demir Kyrgyz International Bank CJSC

We have audited the accompanying financial statements of Demir Kyrgyz International Bank CJSC (the "Bank"), which comprise the statement of financial position as at 31 December 2013, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements 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 about whether the financial statements are free from material misstatement.

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. In 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. 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.

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 Bank as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

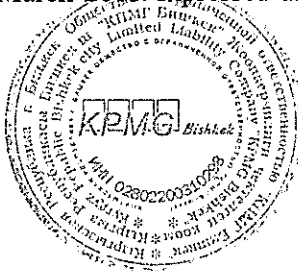
Other Matter

The financial statements of the Bank as at and for the year ended 31 December 2012 were audited by other auditors whose report dated 7 March 2013, expressed an unmodified opinion on those statements.

KPMG Bishkek LLC

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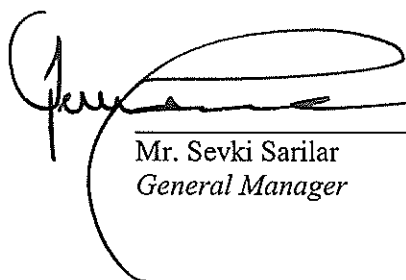
12 March 2014



Demir Kyrgyz International Bank CJSC
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013

	Note	2013 KGS'000	2012 KGS'000
Interest income	4	719,855	548,910
Interest expense	4	(103,077)	(65,654)
Net interest income before impairment losses on interest bearing assets		616,778	483,256
Impairment losses on interest bearing assets	5	(39,389)	(31,449)
Net interest income		577,389	451,807
Fee and commission income	6	199,920	171,098
Fee and commission expense	7	(42,059)	(33,848)
Net foreign exchange income	8	75,204	90,969
Other operating (expenses)/income		(3,670)	944
Operating income		806,784	680,970
Operating expenses	9	(419,747)	(361,630)
Operating profit		387,037	319,340
Impairment losses on other transactions	5	(6,960)	(5,254)
Profit before income tax		380,077	314,086
Income tax expense	10	(41,302)	(32,020)
Profit for the year		338,775	282,066
Other comprehensive income, net of income tax			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Revaluation reserve for available-for-sale financial assets:			
- Net change in fair value		1,805	2,983
Total comprehensive income for the year		340,580	285,049
Earnings per share			
Basic and diluted earnings per share, in KGS		2,556	2,128

The financial statements as set out on pages 5 to 54 were approved by Management on 7 March 2014 and were signed on its behalf by:


 Mr. Sevki Sarilar
 General Manager


 Mr. Aslan Karamelek
 Chief Financial Officer


 Mrs. Zulfiya Djakipova
 Chief Accountant



The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the financial statements.

Demir Kyrgyz International Bank CJSC
Statement of Financial Position as at 31 December 2013

	Note	2013 KGS'000	2012 KGS'000
ASSETS			
Cash and cash equivalents	11	5,180,879	4,818,532
Available-for-sale financial assets	12	530,056	319,262
Loans and advances to banks	13	819,514	394,051
Loans to customers	14	4,654,726	3,501,338
Current tax asset		1,255	-
Property, equipment and intangible assets	15	198,427	170,208
Other assets	16	138,925	208,657
Total assets		11,523,782	9,412,048
LIABILITIES			
Due to banks	17	535,668	253,292
Current accounts and deposits from customers	18	9,490,602	8,112,064
Other borrowed funds	19	124,281	-
Current tax liability		-	9,653
Deferred tax liability	10	3,772	2,782
Other liabilities	20	88,146	93,524
Total liabilities		10,242,469	8,471,315
EQUITY			
Share capital	21	132,540	132,540
Share premium		1	1
Revaluation reserve for available-for-sale financial assets		6,093	4,288
Retained earnings		1,142,679	803,904
Total equity		1,281,313	940,733
Total liabilities and equity		11,523,782	9,412,048

The statement of financial position is to be read in conjunction with the notes to, and forming part of, the financial statements.

Demir Kyrgyz International Bank CJSC
Statement of Cash Flows for the year ended 31 December 2013

	2013 KGS'000	2012 KGS'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	707,014	532,176
Interest payments	(87,324)	(53,362)
Fee and commission receipts	197,933	171,098
Fee and commission payments	(42,059)	(33,848)
Net receipts from foreign exchange	82,121	21,094
Other receipts	-	944
General administrative expenses payments	(351,513)	(303,778)
(Increase) decrease in operating assets		
Loans and advances to banks	(407,966)	(35,920)
Loans to customers	(1,051,380)	(1,254,976)
Other assets	66,999	(158,553)
Increase (decrease) in operating liabilities		
Due to banks	280,984	245,957
Current accounts and deposits from customers	1,045,509	2,464,488
Other liabilities	(20,683)	49,164
Net cash provided from operating activities before income tax paid	419,635	1,644,484
Income tax paid	(51,220)	(38,361)
Cash flows from operations	368,415	1,606,123
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of available-for-sale financial assets	(761,008)	(1,100,603)
Repayment of available-for-sale financial assets	552,019	962,598
Purchases of property and equipment and intangible assets	(83,046)	(42,385)
Sales of property and equipment and intangible assets	3,762	184
Cash flows used in investing activities	(288,273)	(180,206)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of borrowed funds	122,795	-
Dividends paid	-	(164,500)
Cash flows from/(used in) financing activities	122,795	(164,500)
Net increase in cash and cash equivalents	202,937	1,261,417
Effect of changes in exchange rates on cash and cash equivalents	159,410	69,875
Cash and cash equivalents as at the beginning of the year	4,818,532	3,487,240
Cash and cash equivalents as at the end of the year (Note 11)	5,180,879	4,818,532

The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the financial statements.

Demir Kyrgyz International Bank CJSC
Statement of Changes in Equity for the year ended 31 December 2013

KGS'000	Share capital	Share premium	Revaluation reserve for available-for-sale financial assets	Retained earnings	Total equity
Balance as at 1 January 2012	132,540	1	1,305	686,338	820,184
Total comprehensive income					
Profit for the year	-	-	-	282,066	282,066
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Net change in fair value of available-for-sale financial assets, net of income tax	-	-	2,983	-	2,983
Total comprehensive income for the year	-	-	2,983	282,066	285,049
Transactions with owners, recorded directly in equity					
Dividends declared	-	-	-	(164,500)	(164,500)
Total transactions with owners	-	-	-	(164,500)	(164,500)
Balance as at 31 December 2012	132,540	1	4,288	803,904	940,733
Balance as at 1 January 2013	132,540	1	4,288	803,904	940,733
Total comprehensive income					
Profit for the year	-	-	-	338,775	338,775
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Net change in fair value of available-for-sale financial assets, net of income tax	-	-	1,805	-	1,805
Total comprehensive income for the year	-	-	1,805	338,775	340,580
Balance as at 31 December 2013	132,540	1	6,093	1,142,679	1,281,313

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements.