

Demir Kyrgyz International Bank CJSC

Financial Statements

for the year ended 31 December 2014



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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 2014, 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 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

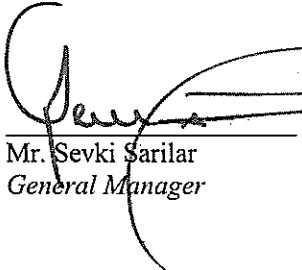
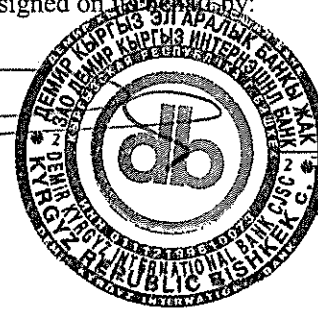


KPMG Bishkek LLC

26 February 2015

Demir Kyrgyz International Bank CJSC
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2014

	Note	2014 KGS'000	2013 KGS'000
Interest income	4	888,077	719,855
Interest expense	4	(160,829)	(103,077)
Net interest income before impairment losses on interest bearing assets		727,248	616,778
Impairment losses on interest bearing assets	5	(66,847)	(39,389)
Net interest income		660,401	577,389
Fee and commission income	6	223,304	199,920
Fee and commission expense	7	(68,119)	(42,059)
Net fee and commission income		155,185	157,861
Net foreign exchange gain	8	131,623	75,204
Other operating expenses		(323)	(3,670)
Operating income		946,886	806,784
Operating expenses	9	(523,307)	(419,747)
Operating profit		423,579	387,037
Impairment losses on other transactions	5	(99)	(6,960)
Profit before income tax		423,480	380,077
Income tax expense	10	(45,627)	(41,302)
Profit for the year		377,853	338,775
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		(5,749)	1,805
Total comprehensive income for the year		372,104	340,580
Earnings per share			
Basic and diluted earnings per share, in KGS	22	2,851	2,556

The financial statements as set out on pages 5 to 53 were approved by the Management on 26 February 2015 and were signed on its behalf by:

 Mr. Sevki Sarilar General Manager		 Mrs. Zulfiya Djakipova Chief Accountant
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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 2014

	Note	2014 KGS'000	2013 KGS'000
ASSETS			
Cash and cash equivalents	11	5,225,361	5,180,879
Available-for-sale financial assets	12	61,624	530,056
Loans and advances to banks	13	254,596	819,514
Loans to customers	14	6,036,804	4,654,726
Current tax asset		-	1,255
Property, equipment and intangible assets	15	278,313	198,427
Other assets	16	211,674	138,925
Total assets		12,068,372	11,523,782
LIABILITIES			
Due to banks	17	9,719	535,668
Current accounts and deposits from customers	18	10,274,321	9,490,602
Other borrowed funds	19	329,241	124,281
Current tax liability		7,730	-
Deferred tax liability	10	5,336	3,772
Other liabilities	20	127,383	88,146
Total liabilities		10,753,730	10,242,469
EQUITY			
Share capital	21	132,540	132,540
Share premium		1	1
Revaluation reserve for available-for-sale financial assets		344	6,093
Retained earnings		1,181,757	1,142,679
Total equity		1,314,642	1,281,313
Total liabilities and equity		12,068,372	11,523,782

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 2014

	2014 KGS'000	2013 KGS'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	884,439	707,014
Interest payments	(138,623)	(87,324)
Fee and commission receipts	223,304	197,933
Fee and commission payments	(68,119)	(42,059)
Net receipts from foreign exchange	120,407	82,121
Other receipts	197	-
General administrative expenses payments	(442,468)	(351,513)
(Increase) decrease in operating assets		
Loans and advances to banks	815,525	(407,966)
Loans to customers	(750,049)	(1,051,380)
Other assets	(75,353)	66,999
Increase (decrease) in operating liabilities		
Due to banks	(526,356)	280,984
Current accounts and deposits from customers	(400,811)	1,045,509
Other liabilities	15,182	(20,683)
Net cash provided from operating activities before income tax paid	(342,725)	419,635
Income tax paid	(35,078)	(51,220)
Cash flows (used in)/from operations	(377,803)	368,415
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of available-for-sale financial assets	(120,745)	(761,008)
Repayment of available-for-sale financial assets	583,428	552,019
Purchases of property and equipment and intangible assets	(120,544)	(83,046)
Sales of property and equipment and intangible assets	1,690	3,762
Cash flows from/(used) in investing activities	343,829	(288,273)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of borrowed funds	159,233	122,795
Dividends paid	(338,775)	-
Cash flows (used in)/from financing activities	(179,542)	122,795
Net (decrease)/increase in cash and cash equivalents	(213,516)	202,937
Effect of changes in exchange rates on cash and cash equivalents	257,998	159,410
Cash and cash equivalents as at the beginning of the year	5,180,879	4,818,532
Cash and cash equivalents as at the end of the year (Note 11)	5,225,361	5,180,879

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 2014

KGS'000	Share capital	Share premium	Revaluation reserve for available- for-sale financial assets	Retained earnings	Total equity
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
Balance as at 1 January 2014	132,540	1	6,093	1,142,679	1,281,313
Total comprehensive income					
Profit for the year	-	-	-	377,853	377,853
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	-	-	(5,749)	-	(5,749)
Total comprehensive income for the year	-	-	(5,749)	377,853	372,104
Transactions with owners, recorded directly in equity					
Dividends paid	-	-	-	(338,775)	(338,775)
Total transactions with owners	-	-	-	(338,775)	(338,775)
Balance as at 31 December 2014	132,540	1	344	1,181,757	1,314,642

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