

Demir Kyrgyz International Bank CJSC

Financial Statements

for the year ended 31 December 2015



KPMG Bishkek LLC
21 Erkindik Boulevard
Orion Business Centre, Office 201
Bishkek, Kyrgyz Republic 720040

Telephone +996 312 623 380
Fax +996 312 623 856
E-mail kpmg@kpmg.kg

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 2015, 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 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Bishkek LLC

KPMG Bishkek LLC
29 February 2016




Demir Kyrgyz International Bank CJSC
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015

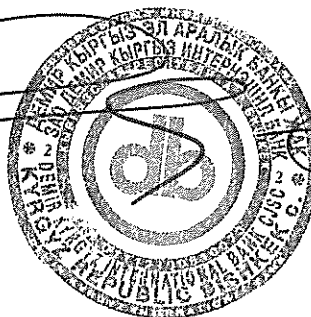
	Note	2015 KGS'000	2014 KGS'000
Interest income	4	986,175	888,077
Interest expense	4	(265,722)	(160,829)
Net interest income before impairment losses on interest bearing assets		720,453	727,248
Impairment losses on interest bearing assets	5	(16,018)	(66,847)
Net interest income		704,435	660,401
Fee and commission income	6	261,983	223,304
Fee and commission expense	7	(85,723)	(68,119)
Net fee and commission income		176,260	155,185
Net foreign exchange gain	8	165,980	131,623
Other operating income (expenses)		7,874	(323)
Operating income		1,054,549	946,886
Operating expenses	9	(679,417)	(523,307)
Impairment losses on other items	5	(34,721)	(99)
Profit before income tax		340,411	423,480
Income tax expense	10	(41,273)	(45,627)
Profit for the year		299,138	377,853
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		(344)	(5,749)
Total comprehensive income for the year		298,794	372,104

Earnings per share

Basic and diluted earnings per share, in KGS	20	997	1,260
--	----	-----	-------

The financial statements as set out on pages 5 to 53 were approved by the Management on 29 February 2016 and were signed on its behalf by:


 Mr. Sevki Sarilar
 General Manager




 Mrs. Zulfliya 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 2015

	Note	2015 KGS'000	2014 KGS'000
ASSETS			
Cash and cash equivalents	11	6,389,706	5,225,361
Available-for-sale financial assets		-	61,624
Loans and advances to banks	12	2,920,697	254,596
Loans to customers	13	5,691,168	6,036,804
Property, equipment and intangible assets	14	390,964	278,313
Other assets	15	208,527	211,674
Total assets		15,601,062	12,068,372
LIABILITIES			
Due to banks		3,960	9,719
Current accounts and deposits from customers	16	13,439,977	10,274,321
Other borrowed funds	17	403,187	329,241
Current tax liability		12,974	7,730
Deferred tax liability	10	11,425	5,336
Other liabilities	18	116,103	127,383
Total liabilities		13,987,626	10,753,730
EQUITY			
Share capital	19	300,000	132,540
Share premium		1	1
Revaluation reserve for available-for-sale financial assets		-	344
Retained earnings		1,313,435	1,181,757
Total equity		1,613,436	1,314,642
Total liabilities and equity		15,601,062	12,068,372

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

Denir Kyrgyz International Bank CJSC
Statement of Cash Flows for the year ended 31 December 2015

	2015 KGS'000	2014 KGS'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	953,373	884,439
Interest payments	(229,338)	(138,623)
Fee and commission receipts	261,983	223,304
Fee and commission payments	(85,723)	(68,119)
Net receipts from foreign exchange	181,143	120,407
Other receipts	7,874	197
General administrative expenses payments	(589,086)	(442,468)
(Increase) decrease in operating assets		
Loans and advances to banks	(2,292,911)	815,525
Loans to customers	1,195,688	(750,049)
Other assets	6,384	(75,353)
Increase (decrease) in operating liabilities		
Due to banks	(7,430)	(526,356)
Current accounts and deposits from customers	988,770	(400,811)
Other liabilities	(40,799)	15,182
Net cash from (used in) operating activities before income tax paid	349,928	(342,725)
Income tax paid	(29,940)	(35,078)
Cash flows from (used in) operations	319,988	(377,803)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of available-for-sale financial assets	-	(120,745)
Repayment of available-for-sale financial assets	61,280	583,428
Purchases of property and equipment and intangible assets	(153,072)	(120,544)
Sales of property and equipment and intangible assets	-	1,690
Cash flows (used in) from investing activities	(91,792)	343,829
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of borrowed funds	30,050	159,233
Repayments of borrowed funds	(43,423)	-
Dividends paid	-	(338,775)
Cash flows used in financing activities	(13,373)	(179,542)
Net increase (decrease) in cash and cash equivalents	214,823	(213,516)
Effect of changes in exchange rates on cash and cash equivalents	949,522	257,998
Cash and cash equivalents as at the beginning of the year	5,225,361	5,180,879
Cash and cash equivalents as at the end of the year (Note 11)	6,389,706	5,225,361

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 2015

KGS'000	Share capital	Share premium	Revaluation reserve for available- for-sale financial assets	Retained earnings	Total equity
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
Balance as at 1 January 2015	132,540	1	344	1,181,757	1,314,642
Total comprehensive income					
Profit for the year	-	-	-	299,138	299,138
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	-	-	(344)	-	(344)
Total comprehensive income for the year	-	-	(344)	299,138	298,794
Transactions with owners, recorded directly in equity					
Shares issue	167,460	-	-	(167,460)	-
Total transactions with owners	167,460	-	-	(167,460)	-
Balance as at 31 December 2015	300,000	1	-	1,313,435	1,613,436

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