

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016**

(in thousands of Kyrgyz Soms)

according to requirements of National Bank of the Kyrgyz Republic

	For the year ended December 31, 2016	For the year ended December 31, 2015
Interest income	87 732	82 861
Interest expenses	-37 787	-27 878
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS	49 945	54 983
Accrual of allowance for impairment losses on interest bearing assets	-37 666	-25 867
NET INTEREST INCOME	12 279	29 116
Commission income	20 197	6 299
Commission expenses	-2 843	-1 033
Net gain on financial instruments at fair value	4 507	937
Net gain on foreign exchange operations	11 253	3 514
Income from investments in associate company	1 449	1 641
Recovery of allowance for impairment losses on long-term assets available for sale	-5 182	-
Recovery of allowance for impairment losses on contingent liabilities	-293	-
Other income	4 051	530
NET NON-INTEREST INCOME	33 139	11 888
Operating expenses	-67 332	-56 581
LOSS BEFORE INCOME TAX	-21 914	-15 577
Income tax benefit	222	1 858
LOSS FOR THE YEAR	-21 692	-13 719
Other comprehensive income		
Gain from revaluation of financial assets available for sale	1 236	746
Income tax attributable to components of other comprehensive income	-123	-75
TOTAL COMPREHENSIVE LOSS	-20 579	-13 048
Earnings per share (Som)	-44,18	-39,15

Kachkeev Muras
Chairman of Management Board



Seidakhmatova Naïma
Chief Accountant

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

(in thousands of Kyrgyz Soms)

according to requirements of National Bank of the Kyrgyz Republic

	December 31, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	201 579	181 439
Due from banks	590 550	373 557
Loans to financial institutions	47 803	35 985
Loans to customers	492 881	514 063
Financial assets available for sale	21 290	53 773
Investments in associate company	17 446	17 641
Property, equipment and intangible assets	39 357	30 455
Long-term assets available for sale	15 546	-
Deffered tax asset	2 244	2 145
Other assets	3 728	15 119
	<u>1 432 425</u>	<u>1 224 177</u>
TOTAL ASSETS		
SHAREHOLDERS'S EQUITY AND LIABILITIES		
LIABILITIES:		
Due to banks and other financial institutions	162 948	240 933
Customer accounts	632 226	595 511
Loans received	103 845	-
Financial instruments at fair value through profit or loss	211	117
Other liabilities	7 676	6 586
	<u>906 906</u>	<u>843 147</u>
SHAREHOLDERS'S EQUITY:		
Share capital	566 389	422 389
Revaluation reserve for financial assets available for sale	1 784	671
Accumulated deficit	-42 654	-42 030
	<u>525 519</u>	<u>381 030</u>
TOTAL SHAREHOLDERS'S EQUITY AND LIABILITIES	<u>1 432 425</u>	<u>1 224 177</u>

Kachkeev Muras
Chairman of Management Board



Seidakhmatova Naima
Chief Accountant

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands of Kyrgyz Soms)
according to requirements of National Bank of the Kyrgyz Republic

	Share capital	Additional paid-in capital	Revaluation reserves for financial assets available for sale	Accumulated deficit	Total equity
Balance at December 31, 2014	242 389	-	-	-28 311	214 078
Comprehensive income					
Loss for the year	-	-	-	-13 719	-13 719
Change in revaluation reserve for financial assets available for sale	-	-	671	-	671
Total comprehensive income	<u>-</u>	<u>-</u>	<u>671</u>	<u>-13 719</u>	<u>-13 048</u>
Transactions with owners					
Issue of shares	180 000	-	-	-	180 000
Total comprehensive income	<u>180 000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180 000</u>
Balance at December 31, 2015	422 389	-	671	-42 030	381 030
Comprehensive income					
Loss for the year	-	-	-	-21 692	-21 692
Change in revaluation reserve for financial assets available for sale	-	-	1 113	-	1 113
Offset of additional paid-in capital with accumulated deficit	-	-21 068	-	21 068	-
Total comprehensive income	<u>-</u>	<u>-21 068</u>	<u>1 113</u>	<u>-624</u>	<u>-20 579</u>
Transactions with owners					
Issue of shares	144 000	-	-	-	144 000
Issue of shares with premium	-	21 068	-	-	21 068
Total transactions with owners	<u>144 000</u>	<u>21 068</u>	<u>-</u>	<u>-</u>	<u>165 068</u>
Balance at December 31, 2016	566 389	-	1 784	-42 654	525 519

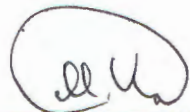
Kachkeev Muras
 Chairman of Management Board



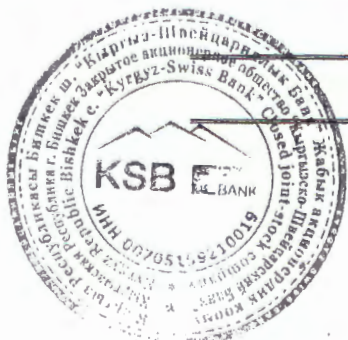
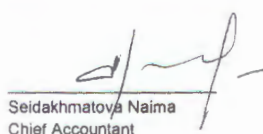
Seidakmatova Naima
 Chief Accountant

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(in thousands of Kyrgyz Soms)

	For the year ended December 31, 2016	For the year ended December 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Interest received	84 028	77 992
Interest paid	-38 435	-17 417
Commissions received	20 197	5 254
Commissions paid	-2 773	-1 101
Financial instruments operations, net	2 523	318
Foreign exchange operations, net	11 719	3 442
Other income	3 416	1 784
Operating expenses	-59 559	-51 329
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Cash flow from operating activities before changes in operating assets and liabilities	21 116	18 943
Changes in operating assets and liabilities		
Decrease/ (Increase) of obligatory reserve in NBKR	18 941	-57 195
Increase in loans to financial institutions	-16 971	-28 719
Increase in loans to customers	-5 951	-220 616
Increase in other assets	-10 264	-11 213
Decrease in repurchase agreements	0	9 276
(Decrease) / increase in due to banks and other financial institutions	-76 894	115 647
Increase in customer accounts	36 195	162 749
Increase in other liabilities	1 763	905
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Cash flow from operating activities before taxation and interest	-32 085	-10 223
Income tax paid	-	-
Net cash used in operating activities	-32 085	-10 223
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CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of investments	-19 852	-69 155
Proceeds from sale of investments	55 619	-
Purchase of property, equipment and intangible assets	-16 695	-2 480
Dividends received from associate company	1 644	-
Proceeds from sale of property, equipment and intangible assets	-	198
Net cash flow from / (used in) investing activities	20 718	-71 437
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CASH FLOWS FROM FINANCING ACTIVITIES:		
Issue of shares	144 000	180 000
Issue of shares with premium	21 068	-
Loans received	103 845	-
Net cash flow from financing activities	268 913	180 000
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Effect of exchange rate changes on the balance of cash and cash equivalents	-1 490	2 274
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NET INCREASE IN CASH AND CASH EQUIVALENTS	257 564	98 340
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CASH AND CASH EQUIVALENTS, at the beginning of year	461 336	360 722
CASH AND CASH EQUIVALENTS, at the end of year	717 410	461 336
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Kacheev Muras
Chairman of Management Board

Seidakhmatova Naima
Chief Accountant