

CJSC “Kyrgyz-Swiss Bank”

Financial Statements
for the year ended December 31, 2015

and independent auditors' report

CJSC "KYRGYZ-SWISS BANK"

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the CJSC "Kyrgyz-Swiss Bank" (the "Bank").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Bank as at December 31, 2015, the results of its operations, cash flows and changes in shareholder's capital for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Bank will continue in business for the foreseeable future.

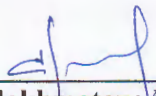
Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Bank;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Bank comply with IFRS;
- maintaining statutory accounting records in compliance with legislation and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Bank; and
- detecting and preventing fraud and other irregularities.

The financial statements for the year ended December 31, 2015 were approved and authorized for issue on March 5, 2016 by the management of the Bank.

On behalf of the Management of the Bank:


Ormonbekova Altynai
Acting Chairman of Management Board


Seidakhmatova Naima
Chief Accountant

March 5, 2016
Bishkek, Kyrgyz Republic

March 5, 2016
Bishkek, Kyrgyz Republic





**BAKER TILLY
BISHKEK**

INDEPENDENT AUDITORS' REPORT

To the Shareholder and Management of the CJSC "Kyrgyz-Swiss Bank":

We have audited the accompanying financial statements of the CJSC "Kyrgyz-Swiss Bank" (the "Bank"), which comprise the statement of financial position as at December 31, 2015 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 auditors' 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 accompanying financial statements present fairly, in all material respects, financial position of the Bank as at December 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 19 to the accompanying financial statements. On May 19, 2015 the Board of Directors decided to acquire 20% of shares of CJSC MFC "Aim Credit" for the amount of 16,000 thousand som. The Bank classifies investments as investments in associate company and recognizes the results of CJSC MFC "Aim Credit" using equity method. Financial results for the calculation of income from investments in associate company was taken from the unaudited financial statements of CJSC MFC "Aim Credit" for the year ended December 31, 2015. There is an uncertainty as to the correctness of the results in the unaudited financial statements of CJSC MFC "Aim Credit" and the possibility of changes in the financial results when audited financial statements of CJSC MFC "Aim Credit" would be available.

March 5, 2016

Kubat Alymkulov



Certified accountant, FCCA

Certificate of auditor of the Kyrgyz Republic # A 0069

Audit Director, Baker Tilly Bishkek LLC

"Baker Tilly Bishkek" LLC,

License Series A # 0049 issued by the State Committee
on Review and Regulation of the financial market of the
Kyrgyz Republic

CJSC "KYRGYZ-SWISS BANK"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands of Kyrgyz Soms)

	Notes	For the year ended December 31, 2015	For the year ended December 31, 2014
Interest income	6	82,861	31,568
Interest expenses	6	(27,878)	(3,137)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS	6	54,983	28,431
Accrual of allowance for impairment losses on interest bearing assets	7	(25,867)	(5,478)
NET INTEREST INCOME		29,116	22,953
Commission income	8	6,299	5,602
Commission expenses	8	(1,033)	(1,668)
Net gain on financial instruments at fair value	9	937	2,205
Net gain on foreign exchange operations	10	3,514	1,403
Income from investments in associate company	19	1,641	-
Recovery of allowance for impairment losses on contingent liabilities	7	-	109
Other income	11	530	33
NET NON - INTEREST INCOME		11,888	7,684
Operating expenses	12	(56,581)	(30,356)
(LOSS)/PROFIT BEFORE INCOME TAX		(15,577)	281
Income tax benefit	13	1,858	140
(LOSS)/PROFIT FOR THE YEAR		(13,719)	421
Other comprehensive income:		-	-
Gain from revaluation of financial assets available for sale		746	-
Income tax attributable to components of other comprehensive income		(75)	-
TOTAL COMPREHENSIVE (LOSS)/INCOME		(13,048)	421
Earnings per share (som)	27	(39.15)	1.74

On behalf of the Management of the Bank:

Ormonbekova Altynai
Acting Chairman of Management Board

March 5, 2016
Bishkek, Kyrgyz Republic

Seidakhmatova Naima
Chief Accountant

March 5, 2016
Bishkek, Kyrgyz Republic

CJSC "KYRGYZ-SWISS BANK"

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

(in thousands of Kyrgyz Soms)

	Notes	December 31, 2015	December 31, 2014
ASSETS:			
Cash and cash equivalents	14	181,439	85,973
Due from banks	15	373,557	311,214
Loans to financial institutions	16	35,985	12,912
Loans to customers	17	514,063	310,693
Financial assets available for sale	18	53,773	-
Investments in associate company	19	17,641	-
Repurchase agreements		-	9,284
Property, equipment and intangible assets	20	30,455	33,136
Deferred tax asset	13	2,145	363
Other assets	21	15,119	5,315
TOTAL ASSETS		1,224,177	768,890
SHAREHOLDER'S EQUITY AND LIABILITIES:			
LIABILITIES:			
Due to banks and other financial institutions	22	240,933	123,179
Customer accounts	23	595,511	424,876
Financial instruments at fair value through profit or loss	24	117	1,667
Other liabilities	25	6,586	5,090
		843,147	554,812
SHAREHOLDER'S EQUITY:			
Share capital	26	422,389	242,389
Revaluation reserves for financial assets available for sale		671	-
Accumulated deficit		(42,030)	(28,311)
		381,030	214,078
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		1,224,177	768,890

On behalf of the Management of the Bank:

Ormonbekova Altynai
Acting Chairman of Management Board

March 5, 2016
Bishkek, Kyrgyz Republic

Seidakhmatova Naima
Chief Accountant

March 5, 2016
Bishkek, Kyrgyz Republic

CJSC "KYRGYZ-SWISS BANK"

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands of Kyrgyz Soms)

	Notes	Share capital	Revaluation reserves for financial assets available for sale	Accumulated deficit	Total equity
Balance at December 31, 2013	26	242,389	325	(28,732)	213,982
Comprehensive income					
Profit for the year		-	-	421	421
Change in revaluation reserve for financial assets available for sale		-	(325)	-	(325)
Total comprehensive income		-	(325)	421	96
Transactions with owners					
Issue of shares		-	-	-	-
Dividends declared		-	-	-	-
Total transactions with owners		-	-	-	-
Balance at December 31, 2014	26	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		-	671	(13,719)	(13,048)
Transactions with owners					
Issue of shares		180,000	-	-	180,000
Dividends declared		-	-	-	-
Total transactions with owners		180,000	-	-	180,000
Balance at December 31, 2015	26	422,389	671	(42,030)	381,030

On behalf of the Management of the Bank:

Ormonbekova Altynai
Acting Chairman of Management Board

Seidakhmatova Naima
Chief accountant

March 5, 2016
Bishkek, Kyrgyz Republic

March 5, 2016
Bishkek, Kyrgyz Republic

The notes on pages 11-56 form an integral part of the financial statements. The Independent Auditors' Report is on pages 4-5.

CJSC "KYRGYZ-SWISS BANK"

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

(In thousands of Kyrgyz Soms)


	Notes	For the year ended December 31, 2015	For the year ended December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received	6	77,992	30,173
Interest paid	6	(17,417)	(629)
Commissions received	8	5,254	5,395
Commissions paid	8	(1,101)	(3,503)
Financial instruments operations, net	9	318	998
Foreign exchange operations, net	10	3,442	1,178
Other income	11	1,784	163
Operating expenses	12	(51,329)	(27,088)
Cash flow from operating activities before changes in operating assets and liabilities		18,943	6,687
Changes in operating assets and liabilities			
Increase of obligatory reserve in NBKR		(57,195)	(36,049)
Increase of loans to financial institutions		(28,719)	(13,082)
Increase in loans to customers		(220,616)	(238,629)
Increase in other assets		(11,213)	(3,925)
Decrease/(increase) in repurchase agreements		9,276	(9,276)
Increase in due to banks and other financial institutions		115,647	121,951
Increase in customer accounts		162,749	418,251
Increase in other liabilities		905	100
Cash flow from operating activities before taxation and interest		(29,166)	239,341
Income tax paid		-	(51)
Net cash generated from operating activities		(29,166)	239,290

CJSC "KYRGYZ-SWISS BANK"

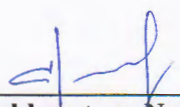
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015 (CONTINUED) (in thousands of Kyrgyz Soms)

	Notes	For the year ended December 31, 2015	For the year ended December 31, 2014
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments		(69,155)	-
Proceeds from sale of investments		-	123,964
Purchase of property, equipment and intangible Assets	20	(2,480)	(29,638)
Proceeds from sale of property, equipment and intangible assets		198	-
Net cash flow from investing activities		(71,437)	94,326
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of shares	26	180,000	-
Net cash flow from financing activities		180,000	-
Effect of exchange rate changes on the balance of cash and cash equivalents		2,274	395
NET INCREASE IN CASH AND CASH EQUIVALENTS		100,614	340,698
CASH AND CASH EQUIVALENTS, at the beginning of year	14	360,722	20,024
CASH AND CASH EQUIVALENTS, at the end of year	14	461,336	360,722

On behalf of the Management of the Bank:


Ormonbekova Altynai
Acting Chairman of Management Board

March 5, 2016
Bishkek, Kyrgyz Republic


Seidakhmatova Naima
Chief accountant

March 5, 2016
Bishkek, Kyrgyz Republic

The notes on pages 11-56 form an integral part of the financial statements. The Independent Auditors' Report is on pages 4-5.