

# **OPEN JOINT STOCK COMPANY DOS-CREDOBANK**

**Financial statements**  
for the year ended December 31, 2023  
**and independent auditor's report**

## **INDEPENDENT AUDITOR'S REPORT**

To Shareholders, Board of Directors and Management of the OJSC Dos-Credobank:

### **Opinion**

We have audited the financial statements of the OJSC Dos-Credobank (the "Bank"), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (the "IFRS").

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (the "ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Kyrgyz Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Allowance for expected credit losses*

The Bank evaluates financial assets in accordance with the requirements of IFRS 9 "Financial Instruments". Valuation of financial assets and allowances for expected credit losses requires a significant level of judgement from management of the Bank. Identification of signs of significant increase in credit risk, assessment of the probability of default and calculation of the amount of the allowance include the analysis of various factors. The use of different models and judgements can significantly influence the level of the Bank's allowance for expected credit losses.

We analyzed the methodology for estimation of the Bank's expected credit losses and reviewed the models used in calculation of expected credit losses. We have checked the accuracy of calculations of the probability of default and the level of losses in case of default on a sample basis and ensured the reasonableness of the judgments used by the management of the Bank.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, for compliance with the legislation of the Kyrgyz Republic, the requirements of the National Bank of the Kyrgyz Republic (the "NBKR"), and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and regulations of IFRS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Bank's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Kubat Alymkulov  
Certified accountant, FCCA  
Certificate of auditor of the Kyrgyz Republic  
No. A 0069 dated October 19, 2009  
Audit Partner,  
Director of Baker Tilly Bishkek LLC

Baker Tilly Bishkek LLC is registered in the "Register of audit organizations admitted for audit of public Interest entities and large entrepreneurship entities" of the Unified state register of auditors, audit organizations, professional audit associations. Individual registration number 2101510 dated August 9, 2023

February 24, 2024  
Bishkek, the Kyrgyz Republic


OPEN JOINT STOCK COMPANY DOS-CREDOBANK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2023

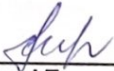
(in thousands of Kyrgyz soms)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income	4	1,231,990	897,333
Interest expenses	4	(565,913)	(374,192)
<b>NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR EXPECTED CREDIT LOSSES ON INTEREST BEARING ASSETS</b>		<u>666,077</u>	<u>523,141</u>
Accrual of allowance for expected credit losses on interest bearing assets	11	(56,864)	(89,457)
<b>NET INTEREST INCOME</b>		<u>609,213</u>	<u>433,684</u>
Commission income	5	389,941	360,443
Commission expenses	5	(121,990)	(91,048)
Net gain on swap operations		1,557	3,736
Net gain on foreign currency transactions	6	494,427	1,218,820
Recovery / (accrual) of allowance for impairment losses and expected credit losses	10, 16, 17, 22	10,618	(12,302)
Other income, net		39,384	14,473
<b>NET NON-INTEREST INCOME</b>		<u>813,937</u>	<u>1,494,122</u>
Operating expenses	7	(1,121,592)	(1,004,035)
<b>PROFIT BEFORE INCOME TAX</b>		<u>301,558</u>	<u>923,771</u>
Income tax expenses	8	(35,091)	(93,546)
<b>NET PROFIT</b>		<u>266,467</u>	<u>830,225</u>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>266,467</u>	<u>830,225</u>
Earnings per share, in soms	24	326	1,016
Weighted average number of ordinary shares		817,008	817,008

On behalf of the Management of the Bank:

  
Eshberdieva C.M.  
Chairman of the Board

February 24, 2024  
Bishkek, the Kyrgyz Republic

  
Alybaeva I.T.  
Chief accountant

February 24, 2024  
Bishkek, the Kyrgyz Republic

The notes on pages 11-62 form an integral part of the financial statements. The independent auditor's report is on pages 3-5.

**OPEN JOINT STOCK COMPANY DOS-CREDOBANK**

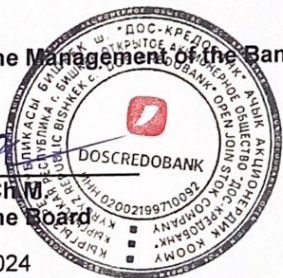
**STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**  
*(in thousands of Kyrgyz soms)*

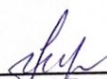
	Notes	December 31, 2023	December 31, 2022
<b>ASSETS</b>			
Cash and cash equivalents	9	2,339,591	1,777,571
Due from banks	10	496,399	644,699
Loans to customers	11	5,944,286	4,345,180
Investments in securities	12	1,005,941	845,175
Financial assets at fair value through profit or loss	13	75,506	81,396
Property, equipment and intangible assets	14	1,019,471	677,183
Right-of-use assets	15	16,245	25,631
Non-current assets held for sale	16	10,666	6,675
Other assets	17	770,105	333,571
<b>TOTAL ASSETS</b>		<b>11,678,210</b>	<b>8,737,081</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES:</b>			
Customer accounts	18	8,383,395	5,790,400
Due to banks and financial institutions	19	186,337	222,439
Financial liabilities at fair value through profit or loss	13	76,559	2,676
Deferred income tax liability	8	6,297	1,238
Other borrowed funds	20	413,455	235,537
Debt securities issued	21	85,688	-
Lease liabilities	15	17,315	27,521
Other liabilities	22	719,981	709,068
		<b>9,889,027</b>	<b>6,988,879</b>
<b>EQUITY:</b>			
Share capital	23	817,008	817,008
Retained earnings		972,175	931,194
		<b>1,789,183</b>	<b>1,748,202</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,678,210</b>	<b>8,737,081</b>

On behalf of the Management of the Bank:

  
**Eshberdieva Ch.M.**  
 Chairman of the Board

February 24, 2024  
 Bishkek, the Kyrgyz Republic



  
**Alybaeva I.T.**  
 Chief accountant

February 24, 2024  
 Bishkek, the Kyrgyz Republic

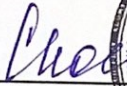
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**OPEN JOINT STOCK COMPANY DOS-CREDOBANK**

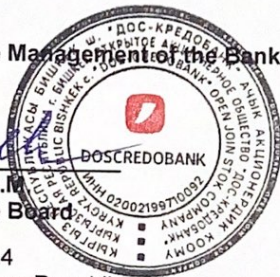
**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(in thousands of Kyrgyz soms)**

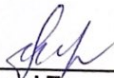
	Note	Share capital	Retained earnings	Total equity
Balance as at December 31, 2021	23	<u>817,008</u>	<u>131,684</u>	<u>948,692</u>
<b>Comprehensive income</b>				
Profit		-	830,225	830,225
<b>Total comprehensive income</b>		-	<u>830,225</u>	<u>830,225</u>
<b>Transactions with shareholders</b>				
Dividends declared	23	-	(30,715)	(30,715)
<b>Total transactions with shareholders</b>		-	<u>(30,715)</u>	<u>(30,715)</u>
Balance as at December 31, 2022	23	<u>817,008</u>	<u>931,194</u>	<u>1,748,202</u>
<b>Comprehensive income</b>				
Profit		-	266,467	266,467
<b>Total comprehensive income</b>		-	<u>266,467</u>	<u>266,467</u>
<b>Transactions with shareholders</b>				
Dividends declared		-	(225,486)	(225,486)
<b>Total transactions with shareholders</b>		-	<u>(225,486)</u>	<u>(225,486)</u>
Balance as at December 31, 2023	23	<u>817,008</u>	<u>972,175</u>	<u>1,789,183</u>

On behalf of the Management of the Bank:

  
Eshberdieva Ch.M.  
Chairman of the Board

February 24, 2024  
Bishkek, the Kyrgyz Republic



  
Alybaeva I.T.  
Chief accountant

February 24, 2024  
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**OPEN JOINT STOCK COMPANY DOS-CREDOBANK**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
*(in thousands of Kyrgyz soms)*

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Interest received		1,215,657	918,058
Interest paid		(554,505)	(370,398)
Commission received	5	389,941	360,443
Commission paid	5	(121,990)	(91,048)
Gain on foreign currency transactions	6	484,566	1,228,151
Income on derivatives		1,557	3,736
Other income		39,384	14,473
Salary and bonuses to employees		(747,012)	(680,876)
Administrative expenses		(276,285)	(203,563)
		<u>431,313</u>	<u>1,178,976</u>
Cash flow from operating activities before changes in operating assets and liabilities			
(Increase) / decrease in operating assets:			
Due from banks		781	(17,528)
Loans to customers		(1,666,723)	(1,517,614)
Financial assets at fair value through profit or loss		82,450	(78,964)
Non-current assets held for sale		14,900	16,152
Other assets		(452,074)	(251,945)
Increase / (decrease) in operating liabilities:			
Customer accounts		2,558,019	1,061,997
Due to banks and financial institutions		(18,687)	84,498
Financial liabilities at fair value through profit or loss		(2,676)	281
Other liabilities		59,913	235,389
		<u>1,007,216</u>	<u>711,242</u>
Inflow from operating activities before taxation			
Income tax paid		(51,500)	(72,695)
		<u>955,716</u>	<u>638,547</u>
Net cash inflow from operating activities			




**OPEN JOINT STOCK COMPANY DOS-CREDOBANK**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023 (CONTINUED)**  
*(in thousands of Kyrgyz soms)*

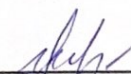
	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, equipment and intangible assets	14	(483,967)	(262,510)
Gain from disposal of property, equipment		<u>51,596</u>	<u>2,716</u>
Net cash outflow from investing activities		<u>(432,371)</u>	<u>(259,794)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from other borrowed funds	20	217,875	211,911
Debt securities issued	21	85,000	-
Repayment of other borrowed funds	20	(40,321)	(6,218)
Payment of dividends to shareholders of the Bank	22	(226,142)	(38,726)
Payments of lease liabilities	15	<u>(14,252)</u>	<u>(14,165)</u>
Net cash inflow from financing activities		<u>22,160</u>	<u>152,802</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>545,505</u>	<u>531,555</u>
Effect of foreign exchange differences on cash and cash equivalents		<u>29,134</u>	<u>86,730</u>
CASH AND CASH EQUIVALENTS, at the beginning of the year	9	<u>3,253,781</u>	<u>2,635,496</u>
CASH AND CASH EQUIVALENTS, at the end of the year	9	<u><u>3,828,420</u></u>	<u><u>3,253,781</u></u>

On behalf of the Management of the Bank:

  
Eshberdieva Ch.M.  
Chairman of the Board

February 24, 2024  
Bishkek, the Kyrgyz Republic



  
Alybaeva I.T.  
Chief accountant

February 24, 2024  
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