

INDEPENDENT AUDITOR'S REPORT

To Shareholder and Board of Directors of the State Development Bank of the Kyrgyz Republic OJSC:

Opinion

We have audited the separate financial statements of the State Development Bank of the Kyrgyz Republic Open Joint Stock Company (hereinafter - the "Bank"), which comprise the separate statement of financial position as at December 31, 2023 and 2022, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the years then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at December 31, 2023 and 2022, and its separate financial performance and separate cash flows for the years then ended in accordance with International Financial Reporting Standards (hereinafter - the "IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (hereinafter - the "ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the separate 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 (hereinafter - the "IESBA Code") together with the ethical requirements that are relevant to our audit of the separate 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.

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

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

In preparing the separate 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 organization 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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.

Other matter

These separate financial statements of the Bank have been prepared in accordance with International Accounting Standard (IAS) 27 "Separate financial statements" issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee (the "IFRIC"). The Bank also issues the consolidated financial statements of the Group for the year ended December 31, 2023, into which its subsidiary is consolidated. We provided our opinion on these consolidated financial statements in the Independent Auditor's Report dated March 19, 2024.



Kubat Alymkulov

Certified accountant, FCCA
 Certificate of auditor of the Kyrgyz Republic
 No. A 0069 dated October 19, 2009
 Audit Partner,
 Director, 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

March 19, 2024
 Bishkek, the Kyrgyz Republic

STATE DEVELOPMENT BANK OF THE KYRGYZ REPUBLIC OJSC


SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (in thousands of Kyrgyz soms)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income	4	706,278	-
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR EXPECTED CREDIT LOSSES ON INTEREST BEARING ASSETS	4	706,278	-
Accrual of allowance for expected credit losses on interest bearing assets	9	(3,992)	-
NET INTEREST INCOME		702,286	-
Net gain from investing operations		19,933	-
Commission expenses		(12)	-
NET NON-INTEREST GAIN		19,921	-
Operating expenses	5	(98,689)	-
PROFIT BEFORE INCOME TAX		623,518	-
Income tax	6	(63,875)	-
NET PROFIT		559,643	-
Total comprehensive income		559,643	-
Earnings per share, in soms	16	0.07	-
Weighted average number of shares		8,532,691	-

On behalf of the Management of the Bank:


Temirbekov M. A.
Chairman of Management Board

March 19, 2024
 Bishkek, the Kyrgyz Republic


Soorbekova A. T.
Chief Accountant

March 19, 2024
 Bishkek, the Kyrgyz Republic

The notes on pages 10-40 form an integral part of the separate financial statements.
The independent auditor's report is on pages 3-4.

STATE DEVELOPMENT BANK OF THE KYRGYZ REPUBLIC OJSC

SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023 AND 2022

(in thousands of Kyrgyz soms)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Cash and cash equivalents	7	299,236	-
Restricted cash	8	-	500,000
Loans to customers and financial institutions	9	196,172	-
Investments in securities	10	11,896,334	-
Investments in subsidiaries	11	14,800,000	-
Property, equipment and intangible assets	12	20,028	-
Deferred tax assets	6	545	-
Other assets		1,475	-
TOTAL ASSETS		27,213,790	500,000
EQUITY AND LIABILITIES			
LIABILITIES:			
Accounts payable on investments in subsidiaries	13	9,800,000	-
Current income tax liabilities		39,908	-
Other liabilities	14	14,239	-
TOTAL LIABILITIES		9,854,147	-
EQUITY:			
Share capital	15	16,800,000	-
Additional paid-in capital	15	-	500,000
Retained earnings		559,643	-
TOTAL EQUITY		17,359,643	500,000
EQUITY AND LIABILITIES		27,213,790	500,000

On behalf of the Management of the Bank:


Temirbekov M. A.
Chairman of Management Board

March 19, 2024
 Bishkek, the Kyrgyz Republic


Soorbekova A. T.
Chief Accountant

March 19, 2024
 Bishkek, the Kyrgyz Republic

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STATE DEVELOPMENT BANK OF THE KYRGYZ REPUBLIC OJSC

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (in thousands of Kyrgyz soms)

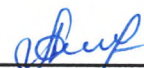
	Note	Share capital	Additional paid-in capital	Retained earnings	Total equity
Balance at December 31, 2021		-	-	-	-
Changes in additional paid-in capital		-	500,000	-	500,000
Profit for the year		-	-	-	-
Balance at December 31, 2022	15	-	500,000	-	500,000
Changes in additional paid-in capital		500,000	(500,000)	-	-
Contribution of share capital		16,300,000	-	-	16,300,000
Profit for the year		-	-	559,643	559,643
Balance at December 31, 2023	15	16,800,000	-	559,643	17,359,643

On behalf of the Management of the Bank:


Temirbekov M. A.
 Chairman of Management Board

March 19, 2024
 Bishkek, the Kyrgyz Republic




Soorbekova A. T.
 Chief Accountant

March 19, 2024
 Bishkek, the Kyrgyz Republic

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STATE DEVELOPMENT BANK OF THE KYRGYZ REPUBLIC OJSC

**SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

(in thousands of Kyrgyz soms)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax expenses		623,518	-
Adjustments for:			
Interest income on loans to customers and financial institutions	4	(1,163)	-
Interest income on securities	4	(697,093)	-
Interest income on corresponding accounts in other banks	4	(8,022)	-
Accrual of allowance for expected credit losses on interest-bearing assets	9	3,992	-
Accrual of provision for unused vacation	14	2,852	-
Depreciation of property and equipment and amortization of intangible assets	12	860	-
Cash flow from operating activities before changes in operating assets and liabilities		(75,056)	-
Changes in operating assets and liabilities:			
Changes in loans to customers and financial institutions		(199,579)	-
Changes in other assets		(1,475)	-
Changes in other liabilities		11,387	-
Cash outflow from operating activities before taxation		(264,723)	-
Interest received on loans to customers and financial institutions		578	-
Interest received on securities		199,036	-
Interest received on corresponding accounts in other banks		8,022	-
Income tax paid		(24,512)	-
Net cash outflow from operating activities		(81,599)	-

STATE DEVELOPMENT BANK OF THE KYRGYZ REPUBLIC OJSC

SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (CONTINUED)

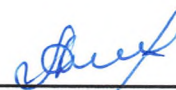
(in thousands of Kyrgyz soms)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, equipment and intangible assets	12	(20,888)	-
Purchase of investment securities		(16,286,183)	-
Proceeds from sale of investment securities		4,887,906	-
Purchase of shares	11, 13	(5,000,000)	-
Net cash outflow from investing activities		(16,419,165)	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Changes in additional paid-in capital	15	-	500,000
Contribution of share capital	15	16,300,000	-
Net cash inflow from financing activities		16,300,000	500,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(200,764)	500,000
Decrease / (increase) in restricted cash		500,000	(500,000)
CASH AND CASH EQUIVALENTS, at the beginning of the year	7	-	-
CASH AND CASH EQUIVALENTS, at the end of the year	7	299,236	-

On behalf of the Management of the Bank:


Temirbekov M. A.
Chairman of Management Board
 March 19, 2024
 Bishkek, the Kyrgyz Republic




Soorbekova A. T.
Chief Accountant
 March 19, 2024
 Bishkek, the Kyrgyz Republic

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