

INDEPENDENT AUDITOR'S REPORT

To the Owners and Board of Directors of the LLC "MCC "Bailyk Finance":

Opinion

We have audited the financial statements of the LLC "MCC "Bailyk Finance" (the "Company"), which comprise the statement of financial position as at December 31, 2021, 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 Company as at December 31, 2021, 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 Company 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.

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 general principles of preparation of financial statements and regulations of the NBKR, 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.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 and regulations of the NBKR 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 financial statements.

As part of an audit in accordance with ISAs and regulations of the NBKR, 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 Company'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 Company'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 Company 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.

Other matters

The Company prepared financial statements in accordance with regulations of the National Bank of the Kyrgyz Republic (the "NBKR") for the year ended December 31, 2020 for which we issued a separate audit report dated February 28, 2021 addressed to the Owners and Board of Directors of LLC "MCC "Bailyk Finance".



Kubat Alymkulov

Daniyar Isanaev

Certified accountant, FCCA

Certificate of auditor of the Kyrgyz Republic No. A 0069
dated October 19, 2009

Audit Partner

Director, Baker Tilly Bishkek LLC

Certificate of auditor of the Kyrgyz Republic
No. AD0028 dated December 23, 2021
Audit Director

Baker Tilly Bishkek LLC,

License Series A No. 0049 dated July 1, 2011 issued by the State committee on review and regulation of the financial market of the Kyrgyz Republic

February 28, 2022

Bishkek, the Kyrgyz Republic

February 28, 2022

Bishkek, the Kyrgyz Republic

LLC "MICRO-CREDIT COMPANY "BAILYK FINANCE"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

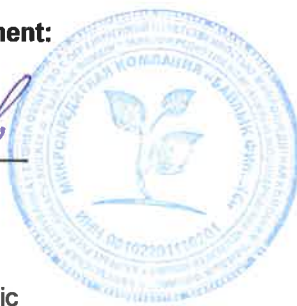
(in thousands of Kyrgyz Soms)

	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income	4	760,616	573,158
Interest expense	4	(289,499)	(194,430)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR EXPECTED CREDIT LOSSES ON INTEREST BEARING ASSETS	4	471,117	378,728
Allowance for expected credit losses on interest bearing assets	6	(60,525)	(24,090)
NET INTEREST INCOME		410,592	354,638
Commission income	5	67,207	24,221
Commission expenses	5	(5,557)	(1,524)
Net (loss)/gain on operations with financial instruments at FVTPL	7	(41,293)	13,325
Net loss on foreign exchange operations	8	(13,817)	(28,372)
Allowance for expected credit losses on non-interest bearing assets	6	194	(1,873)
Other income	9	21,928	12,298
NET NON-INTEREST INCOME		28,662	18,075
Operating expenses	10	(337,937)	(233,314)
PROFIT BEFORE INCOME TAX		101,317	139,399
Income tax	11	(11,349)	(14,341)
NET PROFIT		89,968	125,058
TOTAL COMPREHENSIVE INCOME		89,968	125,058

On behalf of the Management:


Chinara Moldazhanova
General Director

February 28, 2022
Bishkek, the Kyrgyz Republic




Maya Dzhusupova
Chief Accountant

February 28, 2022
Bishkek, the Kyrgyz Republic

The notes on pages 10-58 form an integral part of the financial statements. The independent auditor's report is on pages 3-4.

LLC "MICRO-CREDIT COMPANY" "BAILYK FINANCE"

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2021 (in thousands of Kyrgyz soms)

	Notes	December 31, 2021	December 31, 2020
ASSETS			
Due from banks	12	151,652	237,666
Deposits and cash in banks	13	40,925	40,434
Loans to customers	14	2,518,424	1,686,237
Financial instruments at fair value through profit or loss	15	26,111	27,133
Property, equipment and intangible assets	16	30,712	19,987
Right-of-use assets	17	67,293	39,250
Deferred tax assets	11	2,291	-
Other assets	18	11,550	32,088
TOTAL ASSETS		2,848,958	2,082,795
LIABILITIES AND EQUITY			
LIABILITIES			
Borrowings	19	2,207,610	1,571,809
Lease liabilities	17	72,550	43,876
Deferred tax liability	11	-	1,630
Advances received from customers		34,443	31,473
Other liabilities	20	35,049	24,669
		2,349,652	1,673,457
EQUITY:			
Share capital	21	250,000	188,993
Retained earnings		249,306	220,345
		499,306	409,338
TOTAL LIABILITIES AND EQUITY		2,848,958	2,082,795

On behalf of the Management:


Chinara Moldazhanova
General Director

February 28, 2022
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LLC "MICRO-CREDIT COMPANY "BAILYK FINANCE"


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kyrgyz Soms)

	Note	Share capital	Retained earnings	Total equity
Balance at January 1, 2020	22	188,993	95,287	284,280
Comprehensive income				
Profit		-	125,058	125,058
Total comprehensive income		-	125,058	125,058
Balance at December 31, 2020	22	188,993	220,345	409,338
Comprehensive income				
Profit		-	89,968	89,968
Total comprehensive income		-	89,968	89,968
Increase in share capital	22	61,007	(61,007)	-
Total transactions with participants		61,007	(61,007)	-
Balance at December 31, 2021	22	250,000	249,306	499,306

On behalf of the Management:


Chinara Moldazhanova
 General Director
 February 28, 2022
 Bishkek, the Kyrgyz Republic


Maya Dzhusupova
 Chief Accountant
 February 28, 2022
 Bishkek, the Kyrgyz Republic

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LLC “MICRO-CREDIT COMPANY“BAILYK FINANCE”

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kyrgyz soms)

	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received		746,272	557,530
Interest paid		(286,717)	(186,810)
Commission received		67,207	24,221
Commission paid		(5,557)	(1,524)
Other cash receipts		20,181	11,416
Loss on foreign currency transactions	8	(1,464)	(2,439)
Payments on operations with financial instruments	7	(53,835)	(11,434)
Operating expenses paid		<u>(305,270)</u>	<u>(211,706)</u>
Cash flow from operating activities before changes in operating assets and liabilities		<u>180,817</u>	<u>179,254</u>
Changes in operating assets and liabilities:			
Deposits and cash in financial institutions		(1,150)	(18,117)
Loans to customers		(877,709)	(435,952)
Financial instruments at fair value through profit or loss		13,564	4,781
Other assets		20,538	(25,602)
Borrowers' prepayments		2,970	15,353
Other liabilities		<u>10,102</u>	<u>4,733</u>
Cash outflow from operating activities before income tax paid		<u>(650,868)</u>	<u>(275,550)</u>
Income tax paid		<u>(14,992)</u>	<u>(12,715)</u>
Net cash outflow from operating activities:		<u>(665,860)</u>	<u>(288,265)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, equipment and intangible assets		-	27
Purchase of property, equipment and intangible assets	16	<u>(27,098)</u>	<u>(13,709)</u>
Net cash outflow from investing activities		<u>(27,098)</u>	<u>(13,682)</u>

LLC "MICRO-CREDIT COMPANY" "BAILYK FINANCE"

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021 (CONTINUED) (in thousands of Kyrgyz soms)

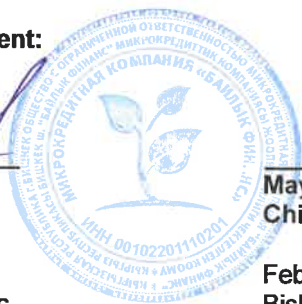
	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	19	1,716,009	922,190
Repayment of borrowings	19	(1,096,578)	(407,319)
Repayment of lease liabilities		(14,261)	(7,523)
Net cash inflow from financing activities:		605,170	507,348
NET INCREASE IN CASH AND CASH EQUIVALENTS		(87,788)	205,401
Effect of foreign exchange translation difference on cash and cash equivalents		1,580	1,659
CASH AND CASH EQUIVALENTS, at the beginning of the year	12	238,203	31,143
CASH AND CASH EQUIVALENTS, at the end of the year	12	151,995	238,203

On May 24, 2021 the increase of share capital of the Company from 188,993 thousand soms to 250,000 thousand soms through allocating part of the retained earnings of the Company for 2020 in the amount of 61,007 thousand soms was approved on the General Meeting of Participants of the LLC "Micro-credit Company "Bailyk Finance" held on May 24, 2021.

On behalf of the Management:


Chinara Moldazhanova
General Director

February 28, 2022
Bishkek, the Kyrgyz Republic




Maya Dzhusupova
Chief Accountant

February 28, 2022
Bishkek, the Kyrgyz Republic

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