

# Independent auditor's report

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**ОсОО Грант Торнтон**

КР, 720001 Бишкек,  
ул. Токтогула 125/1  
Т. +996 312 97 94 90,  
Ф. +996 312 97 94 91

**Grant Thornton LLC**

125/1 Toktogul Str.  
720010 Bishkek, KR  
Т + 996 312 97 94 90  
F + 996 312 97 94 91  
www.grantthornton.kg

To the Shareholders, Board of Directors and the Shariah Board of the CJSC MCC "Bailyk Finance":

## *Opinion*

We have audited the financial statements of the CJSC MCC "Bailyk Finance" (the "Company"), which comprise the statement of financial position as at 31 December 2025, 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 and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with regulations of the National Bank of the Kyrgyz Republic (the "NBKR").

## *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and the requirements prescribed by the Regulation "About the Minimum Requirements to Carrying Out External Audit of the Microfinancial Organisations in the Kyrgyz Republic" No. 19/4 dated 28 June 2006 (as last amended by the Resolution of the Board of the National Bank of the Kyrgyz Republic dated 8 December 2023 No. 2023-П-12/76-1) (the "NBKR requirements"). 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 in relation to 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 those ethical 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 IFRSs and requirements of 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 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, 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.

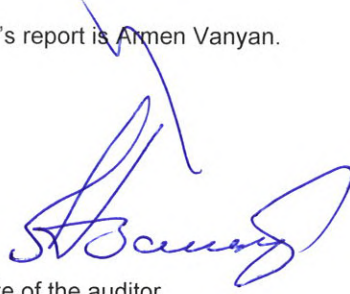
We also provide those charged with governance with a statement confirming that we have complied with all relevant ethical requirements regarding independence and have communicated with them all relationships and other matters that could reasonably be considered to affect our independence, as well as, where applicable, the related safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Armen Vanyan.



Davirbek Sadikov  
Audit manager  
Qualification certificate of the auditor  
Series A No. 0168 dated 14 November 2012



Armen Vanyan  
Director/ Partner  
Qualification certificate of the auditor  
Series A No. 0264 dated 11 July 2016

16 March 2026  
Bishkek

Grant Thornton LLC  
License for auditing  
State Service for Regulation and Supervision of the Financial Market  
under the Government of the Kyrgyz Republic, 3 May 2013



# CJSC MICRO-CREDIT COMPANY "BAILYK FINANCE"

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(in thousands of Kyrgyz Soms)

	Notes	For the year ended 31 December 2025	For the year ended 31 December 2024
Interest income	5	2,128,060	1,905,460
Interest expense	5	(935,082)	(815,227)
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS	5	1,192,978	1,090,233
Accrual of allowance for impairment losses on interest bearing assets	6, 14	(42,037)	(102,311)
NET INTEREST INCOME		1,150,941	987,922
Commission income		137,134	104,278
Net loss on operations with financial instruments at FVTPL	7	(83,965)	(81,478)
Net (loss)/ gain on foreign exchange operations	8	(7,315)	11,225
Accrual of allowance on other assets	6, 18	(5,478)	(5,456)
Other income	9	93,997	39,516
NET NON-INTEREST INCOME		134,373	68,085
Operating expenses	10	(998,558)	(872,283)
PROFIT BEFORE INCOME TAX		286,756	183,724
Income tax expense	11	(31,640)	(31,408)
NET PROFIT		255,116	152,316
TOTAL COMPREHENSIVE INCOME		255,116	152,316

On behalf of the Management:

  
Chinara Moldazhanova  
General Director

16 March 2026  
Bishkek, the Kyrgyz Republic



  
Maya Dzhusupova  
Chief Accountant

16 March 2026  
Bishkek, the Kyrgyz Republic


The notes on pages 11-57 form an integral part of the financial statements. The independent auditor's report is on pages 3-5.

# CJSC MICRO-CREDIT COMPANY "BAILYK FINANCE"

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2025 (in thousands of Kyrgyz soms)

	Notes	31 December 2025	31 December 2024
<b>ASSETS</b>			
Cash and cash equivalents	12	204,797	394,620
Deposits and cash in banks	13	15,000	15,000
Loans to customers	14	7,207,697	5,447,953
Financial instruments at fair value through profit or loss	15	111,417	47,589
Property, equipment and intangible assets	16	87,748	81,836
Right-of-use assets	17	37,490	36,878
Deferred tax assets	11	871	1,407
Other assets	18	115,912	79,235
<b>TOTAL ASSETS</b>		<b>7,780,932</b>	<b>6,104,518</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Borrowings	19	6,229,521	4,862,380
Subordinated loan	20	145,244	93,453
Lease liabilities	17	26,507	32,964
Advances received from customers		96,717	78,963
Other liabilities	21	118,229	177,160
		<b>6,616,218</b>	<b>5,244,920</b>
<b>EQUITY</b>			
Share capital	22	750,000	700,000
Retained earnings		414,714	159,598
		<b>1,164,714</b>	<b>859,598</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,780,932</b>	<b>6,104,518</b>

On behalf of the Management:

  
Chinara Moldazhanova  
General Director

16 March 2026  
Bishkek, the Kyrgyz Republic



  
Maya Dzhusupova  
Chief Accountant

16 March 2026  
Bishkek, the Kyrgyz Republic

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# CJSC MICRO-CREDIT COMPANY "BAILYK FINANCE"

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025 (in thousands of Kyrgyz Soms)

	Notes	Share capital	Retained earnings	Total Equity
Balance at 1 January 2024		250,000	509,119	759,119
<b>Comprehensive income</b>				
Profit		-	152,316	152,316
<b>Total comprehensive income</b>		-	152,316	152,316
<b>Transactions with the Shareholders</b>				
Dividends paid	22	-	(51,837)	(51,837)
Increase in share capital		450,000	(450,000)	-
<b>Total transactions with the Shareholders</b>		450,000	(501,837)	(51,837)
Balance at 31 December 2024		700,000	159,598	859,598
<b>Comprehensive income</b>				
Profit		-	255,116	255,116
<b>Total comprehensive income</b>		-	255,116	255,116
<b>Transactions with the Shareholders</b>				
Dividends paid		-	-	-
Increase in share capital		50,000	-	50,000
<b>Total transactions with the Shareholders</b>		50,000	-	50,000
Balance at 31 December 2025		750,000	414,714	1,164,714

On behalf of the Management:

  
Chinara Moldazhanova  
General Director

16 March 2026  
Bishkek, the Kyrgyz Republic



  
Maya Dzhusupova  
Chief Accountant

16 March 2026  
Bishkek, the Kyrgyz Republic

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# CJSC MICRO-CREDIT COMPANY“BAILYK FINANCE”

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

(in thousands of Kyrgyz soms)

	Notes	For the year ended 31 December 2025	For the year ended 31 December 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Interest received		2,104,742	1,893,610
Interest paid		(908,423)	(794,566)
Commission received		137,134	104,278
Other cash receipts	9	93,335	39,516
Loss on foreign currency transactions	8	(2,393)	(304)
Loss on operations with financial instruments at FVTPL	7	(88,909)	(66,843)
Operating expenses paid		<u>(917,343)</u>	<u>(808,983)</u>
Cash flow from operating activities before changes in operating assets and liabilities		<u>418,143</u>	<u>366,708</u>
<b>Changes in operating assets and liabilities:</b>			
Deposits and cash in financial institutions		-	1,400
Loans to customers		(1,778,463)	(1,173,659)
Financial instruments at fair value through profit or loss		(59,210)	(24,433)
Other assets		(42,685)	(39,038)
Borrowers' prepayments		17,753	26,483
Other liabilities		<u>(58,025)</u>	<u>67,078</u>
Cash outflow from operating activities before income tax paid		<u>(1,502,487)</u>	<u>(775,461)</u>
Income tax paid		<u>(31,103)</u>	<u>(30,415)</u>
Net cash outflow from operating activities:		<u>(1,533,590)</u>	<u>(805,876)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from the sale of fixed assets and intangible assets		1,480	3,167
Purchase of property, equipment and intangible assets	16	<u>(54,316)</u>	<u>(82,895)</u>
Net cash outflow from investing activities		<u>(52,836)</u>	<u>(79,728)</u>

# CJSC MICRO-CREDIT COMPANY "BAILYK FINANCE"

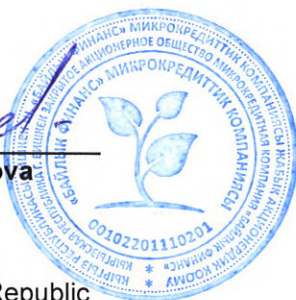
## STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 (in thousands of Kyrgyz soms)

	Notes	For the year ended 31 December 2025	For the year ended 31 December 2024
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash contribution to share capital by existing shareholders	22	50,000	-
Paid dividends		-	(51,837)
Proceeds from borrowings	19	3,384,643	3,540,440
Proceeds from subordinated loan	20	50,000	
Repayment of borrowings	19	(2,047,354)	(2,562,146)
Repayment of lease liabilities	17	(40,950)	(31,736)
Net cash inflow from financing activities:		<u>1,396,339</u>	<u>894,721</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>(190,087)</u>	<u>9,117</u>
Effect of foreign exchange translation difference on cash and cash equivalents		<u>264</u>	<u>(4,142)</u>
CASH AND CASH EQUIVALENTS, at the beginning of the year	12	<u>394,620</u>	<u>389,645</u>
CASH AND CASH EQUIVALENTS, at the end of the year	12	<u>204,797</u>	<u>394,620</u>

On behalf of the Management:

  
Chinara Moldazhanova  
General Director

16 March 2026  
Bishkek, the Kyrgyz Republic



  
Maya Dzhusupova  
Chief Accountant

16 March 2026  
Bishkek, the Kyrgyz Republic

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## **CJSC MCC “BAILYK FINANCE”**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

*(in thousands of Kyrgyz soms)*

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#### **4. ISLAMIC WINDOW**

In accordance with the NBKR Certificate of Registration No. 346 dated 10 March 2011, reissued on 26 January 2024, due to a change in the organisational and legal form and the Financing Policy in accordance with the Islamic Principles of Banking and Finance, guided by the Protocols of the Shariah Board of the Company No. 01-21-ШЦ dated 1 June 2021 and No.-02-21-ШЦ dated 4 December 2021. Starting from 8 December 2021, the activity of the Islamic Window for customer financing for the product “Murabaha” has been launched.

In accordance with the Regulation “On the requirements for the preparation, publication, and submission to the National Bank of the Kyrgyz Republic of the financial statements by the non-bank finance and credit organisations operating in accordance with the islamic principles of banking and finance” (“the Regulation”), approved by the Resolution of the NBKR Management No. 2024-П-12/5-4-(НПА) dated 14 February 2024, as amended by the Resolution of the NBKR Management No. 2025-П-12/46-1-(НПА) dated 12 September 2025, a microfinance organisation prepares and submits additional financial statements on activities in accordance with the islamic principles of banking and finance, in the form of an appendix to the financial statements.

# CJSC MCC “BAILYK FINANCE”

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(in thousands of Kyrgyz soms)

Below are all the necessary forms of the Company's financial statements as required by the Regulation.

### The financial statement as at 31 December 2025 (Form No.1):

	31 December 2025	31 December 2024
<b>ASSETS</b>		
Current account in a commercial bank intended for Islamic financing (Note 12)	74,847	62,740
Financing provided by the client under the Murabaha agreement (Note 14)	88,027	136,788
Allowance for impairment losses under Islamic finance (Note 14)	(9,400)	(11,115)
Other assets	1,039	130
<b>TOTAL ASSETS</b>	<b>154,513</b>	<b>188,543</b>
<b>LIABILITIES</b>		
Other liabilities	4,485	3,108
<b>TOTAL LIABILITIES</b>	<b>4,485</b>	<b>3,108</b>
<b>EQUITY</b>		
Share capital	185,435	155,428
Accumulated income	(35,407)	30,007
<b>TOTAL EQUITY</b>	<b>150,028</b>	<b>185,435</b>
<b>TOTAL LIABILITY AND EQUITY</b>	<b>154,513</b>	<b>188,543</b>

### Statement of profit or loss for the year ended 31 December 2025 (Form No.2)

	For the year ended 31 December 2025	For the year ended 31 December 2024
Income from Murabaha	30,638	33,340
Accrual/ recovery of allowance for impairment losses on financing	1,711	(608)
<b>Net income</b>	<b>32,349</b>	<b>32,732</b>
Operating and administrative expenses	(64,545)	(306)
<b>Net operating income</b>	<b>(32,196)</b>	<b>32,426</b>
Charity and zakiat expenses	-	-
Income tax	(3,211)	(3,618)
<b>Net profit</b>	<b>(35,407)</b>	<b>28,808</b>

The conclusion of the Shariah Board is an appendix to these financial statements.



CJSC MICRO-CREDIT COMPANY  
"BAILYK FINANCE"  
BLDG 170, 2<sup>ND</sup> FLOOR, FATYANOV STR., BISHKEK  
PHONE: +996 312 979 444  
E-MAIL: [OFFICE@BF.KG](mailto:OFFICE@BF.KG)

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## **SHARIAH BOARD REPORT CJSC MCC "Bailyk Finance"**

**(Approved by Shariah Board Minutes No. 03-26 dated 2 March 2026)**

This Report has been prepared by the Shariah Board of CJSC MCC "Bailyk Finance" (hereinafter the "Company") in accordance with the requirements of the Regulation "On requirements for the preparation, publication, and submission of financial statements to the National Bank of the Kyrgyz Republic by non-banking financial and credit organisations performing operations in accordance with Islamic principles of banking and finance," approved by the Resolution of the Management of the National Bank of the Kyrgyz Republic dated 14 February 2024, No. 2024-П-12/5-4-(НПА), the Charter, and internal regulations of the Company, as well as applicable AAOIFI standards.

According to the Company's Charter and the Regulation on the Shariah Board, approved by the Minutes of the General Meeting of Participants No. 04-21 dated 24 May 2021, the objective of the Shariah Board is to ensure that operations and transactions carried out by the Company's Islamic Window comply with Islamic principles of banking and finance and Shariah Standards.

### **Review of Shariah Board Activities during 2025**

Throughout 2025, the Shariah Board carried out systematic activities aimed at ensuring the compliance of the Company's Islamic Window operations with Shariah Standards.

Significant attention during the reporting period was paid to updating and improving internal regulations regarding the "Murabaha" product, including amendments to the Financing Rules, Financing Procedure, Product Passport, and the Accounting Procedure for Murabaha transactions. Furthermore, the Shariah Board reviewed and approved the updated Policy on the classification of assets placed in accordance with Islamic principles of banking and finance and the formation of reserves for potential losses and damages.

During the reporting period, the Shariah Board also reviewed and approved the use of the accumulated funds' balance of the Islamic Window to finance certain Company expenses and procurement. In doing so, the Shariah Board established restrictions aimed at ensuring strict compliance with Shariah Standards, including a prohibition on using said funds for the repayment of loans or payment of commissions, interest, and penalties on conventional loans; for the insurance of property, risks, or the life and health of employees outside the framework of Islamic insurance (Takaful); and for organizing corporate events involving the consumption of alcoholic beverages.

As part of its control and oversight functions, the Shariah Board reviewed the audit report of the Internal Audit Service titled "Financing Process in Accordance with Islamic Principles of Banking and Finance." Following the review of the audit report and considering the new regulatory requirements of the National Bank of the Kyrgyz Republic, the Shariah Board formulated recommendations for implementation by the Head of the Islamic Window. The implementation of these recommendations is scheduled for the next reporting year and will remain under the Shariah Board's supervision.

Additionally, within its competence, the Shariah Board reviewed and approved matters related to the expansion and diversification of funding sources. Specifically, the Shariah Board reviewed the acquisition of Murabaha financing from the International Islamic Trade Finance Corporation (ITFC) under the terms provided by the Master Murabaha Agreement, Facility Terms, and General Terms and Conditions for Trade Finance. The Shariah Board prepared and submitted detailed inquiries regarding the text of these documents, which led to a series of meetings, including discussions with ITFC representatives. As a result, certain comments were incorporated into the documents, and an agreement was reached on others. Based on the work and negotiations conducted, the Shariah Board approved the financing from ITFC for the first pilot transaction as an exception, subject to specific frameworks and restrictions.

In total, during 2025, the activities of the Shariah Board were documented in 9 sets of meeting minutes, recording the decisions and recommendations made on matters within the Shariah Board's competence.

Furthermore, several working consultative calls involving Shariah Board members were organised outside the framework of formal meetings and minutes to discuss matters related to attracting financing based on Islamic principles of banking and finance.

#### **On Charity**

During the reporting period, the Company did not allocate funds for charitable purposes (Sadaka, Zakat, or other forms of Shariah-compliant donations). This was due to the Company's non-application of late payment penalties, fines, or other financial sanctions subject to charitable distribution under Shariah principles, as well as the absence of instances where income received from transactions was deemed non-compliant with Shariah principles.

#### **On Prohibited Assets**

During the reporting period, the Company did not hold assets derived from prohibited income or acquired through prohibited expenses, and no disposals regarding such assets were required.

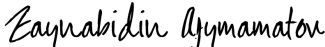
#### **Opinion of the Shariah Board**

Based on the information and explanations provided to verify the compliance of the Company's activities with Shariah Standards, the Shariah Board concludes with reasonable assurance that the Company's products, operations, and financial instruments subject to Shariah supervision were structured and implemented in compliance with Shariah Standards, and that income and expenses are properly reflected in the financial statements. Shariah supervision did not reveal any material violations of Shariah principles or Standards that would affect the Shariah Board's conclusion.

Respectfully,

On behalf of the Shariah Board  
CJSC MCC "Bailyk Finance"

DocuSigned by:



**Azhimamatov Z.K.**

Chairman of the Shariah Board  
CJSC MCC "Bailyk Finance"

16 March 2026,  
Bishkek, Kyrgyz Republic