Statement of financial position

as at 31 December

as at 51 December		31 December	31 December
In thousands of Leones Assets	Note	2017	2016
Cash and cash equivalents	16	135,757,354	189,877,442
Loans and advances to customers	17	7,615,342	7,735,920
Investment securities	18	244,790,563	198,438,605
Property and equipment	19	11,268,543	6,721,011
Intangible assets	20	1,020,254	636,676
Deferred tax asset	13d	1,391,945	5,808,387
Other assets	22	4,687,246	3,269,708
Total assets		406,531,247	412,487,749
		=======	=======
Liabilities			
Deposits from customers	23	334,933,701	364,852,929
Income tax liability	13c	4,192,958	1,064,159
Other liabilities	24	1,729,226	967,348
Total liabilities		340,855,885	366,884,436
Equity			
Share capital	25	53,174,373	53,174,373
Deposit for shares	26	688,527	688,527
Statutory reserve	27.1	17,392,734	7,366,790
Retained earnings	27.2	(5,667,651)	(15,693,594)
Other reserves	27.4	87,379	67,217
Total equity attributable to			
equity holders of the Bank	¥1	65,675,362	45,603,313
Total liabilities and equity		406,531,247	412,487,749
		========	

These financial statements were approved by the Board of Directors on 15 01 2018

Directors

Statement of profit or loss and other comprehensive income for the year ended 31 December

In thousands of Leones	Note	31 December 2017	31 December 2016
Interest and similar income Interest expenses and similar charges	8 8	48,741,031 (10,067,134)	27,570,629 (7,117,693)
Net interest income		38,673,897	20,452,936
Fees and commission income Net trading income Other income	9 10 11	8,969,817 8,751,708 402,908	7,147,925 8,890,267 195,716
Operating income		56,798,330	36,686,844
Impairment loss on loans and advances Personnel expenses Operating lease expense Depreciation and amortisation Other expenses	17 12.1 19, 20 12b	(24,221) (6,021,580) (1,429,688) (1,955,636) (18,603,862)	(8,359,015) (5,116,276) (1,048,968) (2,254,738) (12,185,701)
Profit before income tax		28,763,343	7,722,146
Income tax expense	13a	(8,711,456)	3,827,156
Profit for the year	15	20,051,887	11,549,302
Other comprehensive income, net of income tax		======	======
Defined benefit plan actuarial loss on defined benefit obligation		28,803	88,752
Deferred tax on actuarial loss on defined benefit obligation		(8,641)	(26,626)
Other comprehensive income for the year, net of income tax		20,162	62,126
Total comprehensive income for the year		20,072,049	11,611,428 ======

Statement of profit or loss and other comprehensive income (continued)

for the year ended 30 December

In thousands of Leones	31 December 2017	31 December 2016
Profit attributable to:		
Equity holders of the Bank	20,051,887	11,549,302
Profit for the year	20,051,887 ======	11,549,302
Total comprehensive income attributable to:		
Equity holders of the Bank	20,072,049	11,611,428
Total comprehensive income for the year	20,072,049	11,611,428 ======

These financial statements were approved by the Board of Directors on 15 \ \circ 1 \ 2018

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Statement of changes in equity

In thousands of Leones	Share capital	Deposit for shares	Statutory reserve	Retained earnings	Credit risk reserves	Other reserves	Total
Balance at 1 January 2016	53,174,373	688,527	1,592,139	(30,159,450)	8,691,205	5,091	33,991,885
Total comprehensive income for the period							
Profit for the year	-	-	-	11,549,302	-	-	11,549,302
Other comprehensive income Remeasurement of defined benefit liability net of tax	+_	-	-	_	-	62,126	62,126
Total other comprehensive income	-	-	-	-	-	62,126	62,126
Other transfers							
Transfer from credit risk reserve Transfer to statutory reserve	-	-	- 5,774,651	8,691,205 (5,774,651)	(8,691,205)	-	-
Total other transfers			5,774,651	2,916,554	(8,691,205)	-	-
Total comprehensive income and other transfers		40 0	5,774,651	14,465,856	(8,691,205)	62,126	11,611,428
Transactions with owners, recorded directly in equal solution in the second shares	uity -	-	-	-	- <u>-</u>	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-
Balance at 31 December 2016	53,174,373	688,527	7,366,790	(15,693,594)	-	67,217	45,603,313

Statement of changes in equity (continued)

In thousands of Leones	Share capital	Deposit for shares	Statutory reserve	Retained earnings	Credit risk reserves	Other reserves	Total
Balance at 1 January 2017	53,174,373	688,327	7,366,790	(15,693,594)	-	67,217	45,603,313
Total comprehensive income for the period							·
Profit for the year Other comprehensive income	- ,	_	-	20,051,887		-	20,051,887
Remeasurement of defined benefit liability net of tax	-	-	-	-	-	20,162	20,162
Total other comprehensive income	-	-	-	-	-	20,162	20,162
Other transfers							
Transfer from credit risk reserve	-	_	-	-	-	-	-
Transfer to statutory reserve	-	-	10,025,944	(10,025,944)	-	-	
Total other transfers	-	-	10,025,944	(10,025,944)	-	=	-
Total comprehensive income and other transfers	-	-	10,025,944	10,025,943	-	20,162	20,072,049
Transactions with owners, recorded directly in equ	uity -	-	-	-	-	-	-
Balance at 31 December 2017	53,174,373	688,527	17,392,734	(5,667,651) ========	-	87,379 =======	65,675,362 ======

Statement of cash flows

for the year ended 31 December		01 D	21 December
In thousands of Leones	Note	31 December 2017	31 December 2016
Cash flows from operating activities			
Profit		20,051,887	11,549,302
Adjustment for:	19,20	1,955,636	2,254,738
Depreciation and amortisationNet impairment loss on loans and ac		(24,221)	8,359,015
- Net interest income	8	(38,673,897)	(20,452,936)
 Net interest income Net actuarial gain on end of service 		28,803	88,752
- Profit from disposal of property and		(31,150)	(56,001)
- Tax expense		8,711,456	(3,827,156)
		(7,981,486)	(2,084,286)
Changes in: - Loans and advances		144,799	(1,600,168)
- Other assets		(1,417,538)	(531,216)
- Deposits from customers		(29,919,228)	82,456,189
- Other liabilities		761,878	303,660
		(38,411,575)	78,544,179
Interest received	8	48,741,031	27,570,629
Interest paid	8	(10,067,134)	(7,117,693)
Income tax paid	13c	(1,174,856)	(120,000)
Net cash generated from operating act	tivities	(912,534)	(98,877,115)
Cash flows from investing activities			
Proceeds from disposal of asset		31,150	56,001
Acquisition of investment securities		(46,351,958)	(49,810,350)
Acquisition of property and equipment		(6,324,604)	(3,073,112)
Acquisition of intangible assets Intangible assets reclassified from rec	eivables	(474,464) (87,678)	(452,741) -
Net cash used in investing activities		(53,207,554)	(53,280,202)
Cash flows from financing activities			
Net increase in cash and cash equivalents at 1 Januar		(54,120,088) 189,877,442	45,596,913 144,280,529
Cash and cash equivalent at 31 Decer	mber 16.1	135,757,354	189,877,442
		=======	======