АЗИЯЛЫҚ НЕСИЕ ҚОРЫ
АЗИАТСКИЙ КРЕДИТНЫЙ ФОНД

ANNUAL REPORT 2016

ГОДОВОЙ ОТЧЕТ

CONTENTS

LETTER FROM THE MANAGEMENT

Dear friends and partners,

I am pleased to present the 2016 Annual Report of Microfinance Organization Asian Credit Fund LLC (ACF).

As it was mentioned in previous annual report in 2015 ACF developed and approved new Strategy 2016–2020 and now I am happy to share the result of our first year.

2016 year was aimed on supporting woman entrepreneurship in rural areas and people involved in agriculture. Why ACF decided to pay special attention to supporting women? We all know that in every country of the world women have a higher unemployment rate then men and receive lower wages when employed. At the same time, women should take care of children and do housekeeping. Working with women, we noticed how they are eager to start their business, to take financial steams in their hands. Women are less likely to spend income in a non-productive, short-term manner. Their priorities are children, nutrition, medical services, education, and household needs. Women primary interest is the well-being of their families. So, supporting women has a positive ripple effect on women' self-confidence and independence, improved health, education and welfare of all members of a household. Therefore, in 2016 ACF started building awareness amongst rural women that they can commercialize their skills, empowering women by providing access to finance to start business or expand existing one and providing different kinds of non-financial trainings to them. Within this strategy in 2016, ACF supported more than 17,200 women providing them KZT 3.7 billion for business expansion and other family needs.

In 2016, ACF continued encouraging rural household to acquire livestock and create income diversification through agriculture, which in result improves households' quality of life. As of the end of 2016, 38% of loan portfolio was in agriculture. During last year, ACF supported 8,500 households involved in agriculture in the total amount of KZT 1.7 billion.

During the last year, ACF continued providing non-financial services for rural population, which are directed mainly toward women in rural areas, helping them strengthen their business skills and improving their quality of life. Last year ACF Business Academy provided the course "How to Start a Business from Scratch" to 320 rural households (60% increase in comparison to 2015) from six regions where ACF operated. In addition, ACF continued its financial education initiative "Plan your future" aimed at improving rural households' money management practices. During 2016, more than 17,200 rural households received training.

In 2016, ACF started preparation to the second year of the Strategy. It is widely known that Kazakhstan holds the largest event "2017 EXPO". The EXPO subject is "Energy of the future" which will disclose the best world energy saving technologies, new developments and technologies of existing alternative sources usage. ACF's Strategy is also outline 2017 as a year of green loan products and services. In this regard, ACF has decided to spend the whole year under the theme of "green economy". So, in 2016 we installed in Saryagash village office 20 solar panels, which provide the whole office with electricity. We hope that other companies operating in Kazakhstan will follow ACF's example in that respect!

I conclude this letter with my best wishes to the readers of our 2016 Annual Report and kindly ask you to review the report to learn more about ACF's performance and its achievements, including its annual financial statements.

Zhanna Zhakupova
Executive Director
ACF

MISSION STATEMENT

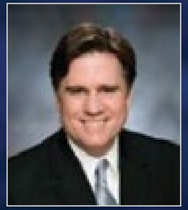
ACF VISION
We nurture sustainable rural households to build vibrant civil societies.

ACF MISSION
To be the leading development organization in Kazakh microfinance sector that provides financial and development products and services to households to improve the quality of their lives.

SUPERVISORY BOARD

Jim Anderson
Senior Technical Advisor
Kompanion Bank
Kyrgyzstan

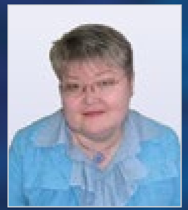
Jim Anderson has extensive field based experience in Central and Southeast Asia and Mongolia with a focus on SME and microfinance. He worked for the IFC in Central Asia and Vietnam and was Mercy Corps' Senior Technical Advisor at XacBank, Mongolia and Manager Financial Services based in Ulaanbaatar supporting Mercy Corps' MFI network. He also worked for the United Nations Capital Development Fund (UNCDF) where he was Chief Technical Advisor, Inclusive Finance in the Lao PDR. From 2005–2011 he served as a member of the Board of Asian Credit Fund. He also has over 15 years of commercial banking experience with leadership positions in New York and Tokyo.



Stephen Mitchell
Vice President of Financial Services
Mercy Corps
USA

Stephen Mitchell has 32 years of domestic and international finance experience, having worked extensively in the private sector for major U.S. financial and public accounting institutions, including U.S. Bank and PriceWaterhouseCoopers. He has served as Chairman of XacBank, one of Asia's most successful commercial microfinance organizations, and is an international microfinance advisor. At Mercy Corps in his CFO role, Stephen oversaw the agency's international finance, accounting, information technology (IT), regulatory compliance, internal audit, administration, and legal functions. Currently, he oversees Mercy Corps' global microfinance and microinsurance portfolio of activities.

Stephen holds an MBA in Finance and Accounting from the University of California at Irvine, USA, and an undergraduate degree in Political Science from Brigham Young University, USA. Stephen is a Certified Public Accountant.



Jamila Assanova
Executive Director
Civil Society Development Association "ARGO"
Kazakhstan

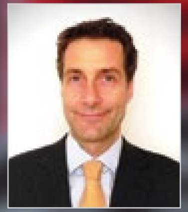
Jamila has more than 15 years of professional experience, specifically in civil society development in Kazakhstan. Prior to her role with ARGO, she worked for Counterpart Consortium, Kazakhstan, as a trainer and Senior Program Manager. Jamila has served on numerous grant committees, including at the World Bank and the United States Agency for International Development (USAID). She is a member of numerous international and national associations and networks, including the American Evaluation Association, and the International Society for Third Sector Research. At present, Jamila heads a public committee for the Akimat of Almaty.

Jamila holds two Master's degrees, one in Economics and Management from the Kazakh Institute of Management and Marketing, and one in Biology from the Kazakh State National University.

Ulanbek Termechikov,
Chief Executive Officer
Kompanion Bank
Kyrgyzstan

With over 10 years' experience at the National Bank of the Kyrgyz Republic and 5 years' experience at Kompanion, since 2009 Ulanbek has worked with Kompanion in the position of Chief Executive Officer.

Ulanbek is a graduate of the Ukrainian Institution of International Relations, with a Master's degree in Economics.



Christian Andersen
Chief Executive Officer
BOPA (Base of Pyramid Asia)
Singapore

Christian has more than 15 years experience in business management in Asia and has been involved in microfinance since 2005.

He has personally visited more than 60 MFIs in Asia and Latin America in connection with searching for suitable partners for Base of Pyramid Asia (BOPA), which Christian co-founded in 2013. BOPA is a Holding company that focus on equity investment in smaller and early stage microfinance institutions in Asia.

Christian holds a Master in Business Administration (MBA) from IMD, Swizerland and is a World Bank / Asian Development Bank certified Microfinance Trainer of Trainers (MFTOT). He has further attended microfinance training courses at CGAP, BRAC and Boulder Institute of Microfinance.

Apart from ACF, Christian is board member in Chamroeun Microfinance (Cambodia), Alliance Microfinance (Myanmar) and KIF (East Timor).

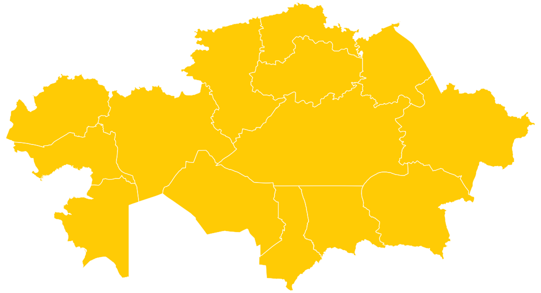
KAZAKHSTAN OVERVIEW 2016

17.7 M
THE OVERALL POPULATION
+253,000

48% 52%

5%
UNEMPLOYMENTS
445,000

1%
GDP GROWTH, BY
KZT 45,474 B



6%
PEOPLE EARNED MORE
KZT 134,108
AVERAGE MONTHLY WAGE

9.7%
FOOD PRICE

9.5%
NON-FOOD PRICE

6.1%
PAID SERVICES PRICE

8.5%
INFLATION RATE

18%
IMPORT: USD 27,800 M

20%
EXPORT: USD 37,245 M

9.9%
INVESTMENTS IN EQUITY: KZT 7,719 B

KAZAKHSTAN OUTLOOK 2017

4.9%
UNEMPLOYMENTS
440,000

2.4%
GDP GROWTH, BY
KZT 49,740.6 B

14%
PEOPLE EARNED MORE
KZT 152,316
AVERAGE MONTHLY WAGE

USD 50
WORLD OIL PRICE PER BARREL

3.0%
PRODUCTION GROWTH

8.0%
INFLATION RATE

2.5%
AGRICULTURE GROWTH

Sources:

National Bank press release No. 3, dated January 31, 2017

Economy.gov.kz. The outlook of social and economic development of the Republic of Kazakhstan for 2017–2021 taking into account changes as of February 13, 2017 (protocol No. 7)

CLIENT SUCCESS STORY

KARAGANDA BRANCH, YEREMENTAU SUBOFFICE

As a result of 1920–1930 political collisions, 4.5 million ethnic Kazakhs whose ancestors left the country appeared to be beyond the limits of Kazakhstan.

After achieving independence, Kazakhstan started the process of inviting the compatriots to the historical homeland to redress historical injustices in relation to the ancestors of those who had to leave the country long time ago.

Manchi Kapura and her family comprised of husband and two sons responded to the call of Kazakhstan to return to the homeland of their ancestors. In 1992, the family moved to the west of Kazakhstan, Aktobe city, having left all their relatives and friends in Mongolia.

Historical homeland met many Oralmans[1] by unpleasant surprises. Many of them say that they regret for leaving habitable places—reality at new place appeared to be absolutely different from promised. These are lack of work, basic access to medicine, difficulties in receiving accommodation, language barrier, difficulty to obtain the "Oralman" status, which gives certain financial privileges. However, all these difficulties did not frighten Manchi Kapura. She had sons and knew that she would not be able to provide them with worthy education, if they return to Mongolia.

In 2004, the family moved to Yerkenshilik village, Akmola region, closer to the capital city of Kazakhstan. The older son was growing and family wanted to give him good education they did not manage to get some time ago. Manchi Kapura found a job in the village and her husband was employed at the construction site in Astana. Family had small but own farmstead—two cows and five sheep. Family was looking ahead with confidence.

But, life introduces unexpected changes, as it usually occurs. In 2009, the spouse of Manchi Kapura suddenly died and she remained alone with two children. It seemed that her life crashed at a moment. However, Manchi Kapura not accustomed to complain about her life and wait for somebody's help understood that she had to become the main earner in the family. For the sake of her children future.

Having used all savings available, she opened small shop in the home where the family was living. Manchi Kapura was aware that her shop needed constant increase of the inventory. She did not want to borrow money from moneylenders at high interest. But where to take money, living in the rural area? She was very surprised to know that Asian Credit Fund (hereinafter referred to as "ACF") provided funding in her village. Finding out all conditions, Manchi Kapura decided to try and take group loan together with her friends, village inhabitants. She received first loan in 2011 in the amount of KZT 100,000 for goods turnover. Within three years from 2011 to 2013 Manchi Kapura applied annually for loans to extend the trading stock of her shop. It should be mentioned that Manchi Kapura, as financially literate person, used all loans only for business. As a result, her turnover has grown almost by 330% for 5 years.

In 2013, Manchi Kapura found out about ACF Energy-efficiency Program aimed at energy-saving and energy-efficient measures. ACF specialists told her that she would get 15–31% heat economy in case of walls insulation. Manchi Kapura decided to take the loan for shop insulation and arrangement of heating therein.

In 2014, her older son who saw the example of mother and strengthened by her support decided to start producing plastic windows and doors. As a careful mother, and knowing first-hand how it is difficult to start own business, Manchi Kapura decided to help her son. And again ACF helped by providing financial resources for purchase of the equipment to produce plastic windows and a truck for production transportation. Having provided the funds for start-up, ACF was sure that business experience of Manchi Kapura and her active life position was the guarantee of success for any undertaking!

Manchi Kapura is full of plans for the future. She would like to build a house for younger son who works as a teacher of physical training in the school. She would like to buy a land plot in Astana and build a house for older son. Manchi Kapura says, "I plan to implement all my future projects with the help of ACF since ACF specialists did not only support me in difficult period but helped me to achieve all my wishes!"

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[1] *Oralmans ("repatriated")—are the foreigners or people of Kazakh nationality who did not have citizenship as of the moment of acquisition of state sovereignty by Kazakhstan and came to the country pursuant to the legislation of the Kazakhstan for permanent residence. The status of Oralman is assigned for a time before acquiring citizenship of Kazakhstan.*

FINANCIAL STATEMENTS

Year ended 31 December 2016
together with independent auditor's report

Statement of financial position

as at 31 December 2016 (in thousands of tenge)

	Notes	Dec. 31, 2016	Dec. 31, 2015 (restated)*	Dec. 31, 2014 (restated)*
Assets				
Cash and cash equivalents	5	518,208	333,127	98,104
Derivative financial assets	6	77,899	–	85,811
Amounts due from credit institutions	7	–	1,280,417	–
Loans to customers	8	2,873,346	1,911,064	1,468,901
Current corporate income tax assets	11	22,120	–	–
Deferred corporate income tax assets	11	1,905	3,897	3,757
Property and equipment		54,548	39,209	30,033
Intangible assets		11,244	6,165	4,255
Other assets	9	19,320	27,204	33,409
Total assets		**3,578,590**	**3,601,083**	**1,724,270**
Liabilities				
Amounts due to credit institutions	10	2,852,128	2,886,224	1,373,838
Current corporate income tax liabilities	11	–	62,697	25,695
Other liabilities	9	55,179	39,052	18,545
Total liabilities		**2,907,307**	**2,987,973**	**1,418,078**
Equity				
Charter capital	12	341,297	341,297	286,922
Retained earnings		329,986	271,813	19,270
Total equity		**671,283**	**613,110**	**306,192**
Total equity and liabilities		**3,578,590**	**3,601,083**	**1,724,270**

** Certain amounts in this column do not agree with amounts in the financial statements for 2015 as they reflect the adjustments made and disclosed in Note 2.*

Signed and authorised for release on behalf of the Management of the Company

Zhakupova Zh. B. Executive Director

An O.K. Chief Accountant

14 June 2017

Statement of comprehensive income

as at 31 December 2016 (in thousands of tenge)

	Notes	Dec. 31, 2016	Dec. 31, 2015 (restated)*
Interest income on loans to customers		1,240,404	1,001,924
Interest expense on amounts due to credit institutions		(389,784)	(265,237)
Net interest income		**850,620**	**736,687**
Impairment charge on loans to customers	8	(72,769)	(766)
Net interest income after impairment charge on loans to customers		**777,851**	**735,921**
Net losses from derivative financial instruments		(54,964)	–
Net (losses)/gains from transactions in foreign currencies		(22,071)	29,923
Other income		8,990	5,048
Operating expenses	13	(613,979)	(441,360)
Other impairment and provisions	9	(3,869)	–
Other expenses		(3,756)	(9,863)
Profit before corporate income tax expense		**88,202**	**319,669**
Corporate income tax expense	11	(30,029)	(67,126)
Profit for the year		**58,173**	**252,543**
Other comprehensive income for the year		–	–
Total comprehensive income for the year		**58,173**	**252,543**

Statement of changes in equity

as at 31 December 2016 (in thousands of tenge)

	Charter capital	Retained earnings (restated)*	Total equity
As at 31 December 2014	**286,922**	**(11,468)**	**275,454**
Adjustment on correction of error *(Note 2)*	–	30,738	30,738
As at 31 December 2014 (restated)	**286,922**	19,270	**306,192**
Total comprehensive income for the year (restated)	–	252,543	252,543
Contribution to the charter capital *(Note 12)*	54,375	–	54,375
As at 31 December 2015 (restated)	**341,297**	271,813	**613,110**
Total comprehensive income for the year	–	58,173	58,173
As at 31 December 2016	**341,297**	**329,986**	**671,283**

** Certain amounts in this column do not agree with amounts in the financial statements for 2015 as they reflect the adjustments made and disclosed in Note 2.*

Statement of cash flows

as at 31 December 2016 (in thousands of tenge)

	Notes	Dec. 31, 2016	Dec. 31, 2015 (restated)*
Cash flows from operating activities			
Profit before corporate income tax expense		88,202	319,669
Adjustments:			
Depreciation and amortisation	13	12,235	9,282
Accrued interest income		(1,240,404)	(1,001,924)
Accrued interest expense		389,784	265,237
Impairment charge on loans to customers	8	72,769	766
Other impairment and provisions	9	3,869	–
Accrued vacation reserve and other payroll accruals		10,661	5,829
Unrealised losses from derivative financial instruments		11,354	–
Unrealised losses/(gains) from transactions in foreign currencies		24,632	(29,923)
Discount on amounts due to credit institutions		(6,646)	–
Loss on disposal of property and equipment		869	2,221
Net decrease / (increase) in operating assets:			
Derivative financial assets		560,237	–
Loans to customers		(982,765)	(407,681)
Other assets		1,842	(993)
Net (decrease) / increase in operating liabilities:			
Other liabilities		21,524	(16,264)

Continued on next page

	Notes	Dec. 31, 2016	Dec. 31, 2015 (restated)*
Net cash flows used in operating activities before corporate income tax		**(1,031,837)**	**(853,781)**
Interest income received		1,188,118	966,676
Interest expense paid		(369,587)	(216,437)
Corporate income tax paid		(112,854)	(29,967)
Net cash used in operating activities		**(326,160)**	**(133,509)**
Cash flows from investing activities			
Purchase of property and equipment		(27,615)	(20,631)
Proceeds from sale of property and equipment		2,173	–
Purchase of intangible assets		(5,907)	(1,958)
Net cash used in investing activities		**(31,349)**	**(22,589)**
Cash flows from financing activities			
Contribution to the charter capital	12	–	54,375
Proceeds from amounts due to credit institutions		1,834,329	678,830
Repayment of amounts due to credit institutions		(1,281,352)	(411,409)
Net cash flow from financing activities		**552,977**	**321,796**
Effect of exchange rate changes on cash and cash equivalents		(10,387)	69,325
Net increase in cash and cash equivalents		**185,081**	**235,023**
Cash and cash equivalents, beginning		333,127	98,104
Cash and cash equivalents, ending	5	**518,208**	**333,127**

** Certain amounts in this column do not agree with amounts in the financial statements for 2015 as they reflect the adjustments made and disclosed in Note 2.*

1. Principal activities

Microfinance organization "Asian Credit Fund" Limited Liability Company (hereinafter—the "Company") was registered on 27 October 2005, and is carrying out its activities in the territory of the Republic of Kazakhstan. On 29 December 2014, the Company was re-registered in connection with the decision of its participants on changing the name of the Company from Microcredit organization "Asian Credit Fund" Limited Liability Company to Microfinance organization "Asian Credit Fund" Limited Liability Company as per requirement of the Law of Republic of Kazakhstan Law on Microfinance Organizations, issued on 26 November 2012, with last amendments on 28 November 2016.

The Company's principal activity is granting micro loans to customers. As at 31 December 2016, the Company had 5 branches and 32 outlets in the Republic of Kazakhstan (31 December 2015: 4 branches and 24 outlets).

The Company's head office is located at 189D Tole bi str., Almaty, the Republic of Kazakhstan.

Participatory shares in the Company are distributed as follows:

	Ownership in %	
Name	Dec. 31, 2016	Dec. 31, 2015
BOPA Pte LTD	47.57	47.57
Mercy Corps	30.35	30.35
"Asian Credit Fund" Public Fund	20.18	20.18
Caravella Invest LLP	1.90	1.90
	100.00	100.00

The Company's shares in the charter capital are not proportional to contributions made. The controlling participant of the Company is Mercy Corps which has an additional participatory share in the Company through "Asian Credit Fund" Public Fund.

2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter—"IFRS").

The financial statements are prepared under the historical cost convention except as disclosed in Summary of accounting policies, for instance, derivative financial instruments.

The financial statements are presented in thousands of Kazakhstan tenge (hereinafter—"KZT" or "tenge"), unless otherwise indicated.

RESTATEMENT OF COMPARATIVE INFORMATION

In the course of its preparation of financial statements for the year ended December 2016, the Company identified an error in the accounting for derivative financial instruments relating to the financial statements of the Company for the years ended 31 December 2014 and 2015.

Loans obtained by the Company in tenge and collaterized with foreign currency deposits with the same counterparty, amount, origination and maturity date (offsetting loans), representing foreign currency swap in accordance with IAS 39 requirements, were accounted for as amounts due to credit institutions and amounts due from credit institutions, respectively, rather than as derivative financial instruments as at 31 December 2014 and 2015.

To correct this error, the Company restated information in the statement of financial position as at 31 December 2014 and 2015.

The Company considered that the error did not have a material impact on the Company's statement of comprehensive income for 2015 and the statement of financial position as at 31 December 2015, except for the effect on the retained earnings as presented below.

In addition, the Company identified an error in estimation of allowance for impairment of loans to customers as at 31 December 2015 and for the year then ended. To correct this error, the Company restated information in the statement of financial position as at 31 December 2015 and the statement of comprehensive income for 2015.

Below is presented the effect of restatement of the comparative information on the statement of financial position as at 31 December 2014 and 2015 and the statements of comprehensive income and cash flows for the year ended 31 December 2015:

Statement of financial position as at 31 December 2014:	*As previously reported*	*Restatement*	*Restated*
Assets			
Amounts due from credit institutions	687,790	(687,790)	–
Derivative financial assets	–	85,811	85,811
Liabilities			
Amounts due to credit institutions	2,006,555	(632,717)	1,373,838
Equity			
(Accumulated deficit)/retained earnings	(11,468)	30,738	19,270
Total equity	**275,454**	**30,738**	**306,192**

Statement of financial position as at 31 December 2015:

Assets			
Loans to customers	1,860,047	51,017	1,911,064
Deferred corporate income tax assets	14,100	(10,203)	3,897
Equity			
Retained earnings	200,261	71,552	271,813
Total equity	**541,558**	**71,552**	**613,110**

Statement of comprehensive income for the year ended 31 December 2015:

Impairment charge on loans to customers	(51,783)	51,017	(766)
Corporate income tax expense	(56,923)	(10,203)	(67,126)
Total comprehensive income for the year	**211,729**	**40,814**	**252,543**

Statement of cash flows for the year ended 31 December 2015:

Profit before corporate income tax expense	268,652	51,017	319,669
Impairment charge on loans to customers	51,783	(51,017)	766

3. Summary of accounting policies

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following amended IFRS which are effective for annual periods beginning on or after 1 January 2016:

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1;
- That specific line items in the statement of comprehensive income and the statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements;
- That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement comprehensive income. These amendments are effective for annual periods beginning on or after 1 January 2016. These amendments had no impact on the Company.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016. These amendments had no impact on the Company.

ANNUAL IMPROVEMENTS 2012–2014 CYCLE

These improvements are effective for annual periods beginning on or after 1 January 2016. They include, in particular:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively. The amendment had no impact on the Company.

IFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments. These amendments had no impact on the Company.

FAIR VALUE MEASUREMENT

The Company evaluates such financial instruments as derivatives at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in Note 16.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

FINANCIAL INSTRUMENTS

Initial recognition

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets upon initial recognition, and subsequently can reclassify financial assets in certain cases as described below.

Date of recognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets and liabilities at fair value through profit or loss

Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as trading securities or designated as investment securities available-for-sale. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, current accounts of the Company in the commercial banks, and highly liquid financial assets with original maturities of less than 3 (three) months, which are not exposed to significant risk of changes in fair value and are used by the Company to settle short-term liabilities. Cash and cash equivalents are recorded at amortised cost in the statement of financial position.

DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, the Company enters into various derivative financial instruments, including swaps in foreign exchange markets. Such financial instruments are held for trading and are recorded at fair value. The fair values are estimated based on quoted market prices or pricing models that take into account the current market and contractual prices of the underlying instruments and other factors. Derivatives are carried as assets when their fair value is positive and as liabilities when it is negative. Gains and losses resulting from these instruments are included in the statement of comprehensive income within *Net losses from derivative financial instruments*.

LEASES

Operating—Company as lessee

Leases of assets under which the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term and included in the statement of comprehensive income within *Operating expenses*.

MEASUREMENT OF FINANCIAL INSTRUMENTS AT INITIAL RECOGNITION

When financial instruments are recognised initially, they are measured at fair value, adjusted, in the case of instruments not at fair value through profit or loss, for directly attributable fees and costs.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price. If the Company determines that the fair value at initial recognition differs from the transaction price, then:

- If the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss;
- In all other cases, the initial measurement of the financial instrument is adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only when the inputs become observable, or when the instrument is derecognised.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The right of set-off must not be contingent on a future event and must be legally enforceable in all of the following circumstances:

- The normal course of business;
- The event of default; and
- The event of insolvency or bankruptcy of the entity and all of the counterparties.

These conditions are not generally met in master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

IMPAIRMENT OF FINANCIAL ASSETS

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Amounts due from credit institutions and loans to customers

For amounts due from credit institutions carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risks characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

Loans to customers carried at amortised cost are assessed for impairment collectively.

If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the statement of comprehensive income.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Company's internal credit grading system that considers credit risk characteristics such as asset type, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the group or their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Renegotiated loans

The Company restructures loans when a borrower does not follow an approved repayment schedule due to objective changes in circumstances. In this case, the Company considers that a borrower is able to repay a loan in full amount in case of changes of a repayment schedule.

The accounting treatment of such restructuring is as follows:

- If the loan restructuring is not caused by the financial difficulties of the borrower, the Company uses the same approach as for financial liabilities described below;
- If the loan restructuring is due to the financial difficulties of the borrower and the loan is impaired after restructuring, the Company recognises the difference between the present value of the new cash flows discounted using the original effective interest rate and the carrying amount before restructuring in the statement of comprehensive income within *Impairment charge on loans to customers* for the reporting period. In case loan is not impaired after restructuring, the Company recalculates the effective interest rate.

Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to collective impairment assessment, calculated using the loan's original or current effective interest rate.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and
- The Company either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

TAXATION

The current corporate income tax expense is calculated in accordance with the tax legislation of the Republic of Kazakhstan.

Deferred corporate income tax assets and liabilities are calculated in respect of all temporary differences using the liability method. Deferred corporate income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred corporate income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred corporate tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred corporate tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The Republic of Kazakhstan also has various operating taxes that are assessed on the Company's activities. These taxes are recorded in the statement of comprehensive income within *Operating expenses*.

PROPERTY AND EQUIPMENT

Property and equipment carried at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment. Such cost includes the cost of replacing part of equipment when that cost is incurred if the recognition criteria are met.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation of an asset begins when it is available for use. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	Years
Computer hardware	2.5–10
Vehicles	5
Office furniture and equipment	2–10

The asset's residual values, useful lives and methods are reviewed, and adjusted as appropriate, at each financial year-end.

Costs related to repairs and renewals are charged when incurred and included in the statement of comprehensive income within *Operating expenses*, unless they qualify for capitalisation.

INTANGIBLE ASSETS

Intangible assets include software and are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised over the useful economic lives of 10 (ten) years and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

RETIREMENT AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

The Company does not have any pension arrangements separate from the State pension system of the Republic of Kazakhstan, which requires current contributions by the employer calculated as a percentage of current gross salary payments for employees. These expenses are charged in the period the related salaries are earned. In addition, the Company has no post-retirement benefits or significant other compensated benefits requiring accrual.

EQUITY

Charter capital

Charter capital is classified as equity. Incremental costs directly attributable to the issue of additional charter capital are recognised as a deduction from equity, net of any tax effects.

Dividends

Dividends are recognised as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the financial statements are authorised for issue. The ability of the Company to declare and pay dividends is subject to the rules and regulations of the Republic of Kazakhstan legislation.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are not recognised in the statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the statement of financial position but disclosed when an inflow of economic benefits is probable.

INCOME AND EXPENSE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest and similar income and expense

For all financial instruments measured at amortised cost and interest bearing financial instruments classified as trading, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Once the value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

Other fees and commissions that are not an integral part of the overall profitability of loans, as well as other income and expenses are recognised as at the date of rendering of the corresponding service.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Kazakhstan tenge, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency at the official exchange rate established by the National Bank of the Republic of Kazakhstan (hereinafter—the "NBRK") ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Gains and losses resulting from the translation of foreign currency transactions are recognised in the statement of comprehensive income as Net losses/(gains) from transactions in foreign currencies. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the official exchange rates at the date when the fair value was determined. Differences between the contractual exchange rate of a transaction in a foreign currency and the official exchange rate on the date of the transaction are included in Net losses/(gains) from transactions in foreign currencies.

The official exchange rates established by the NBRK as at 31 December 2016 and 2015 were KZT 333.29 and KZT 339.47 to US Dollar 1, respectively.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

From a classification and measurement perspective, the new standard will require all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories will be replaced by fair value through profit or loss, fair value through other comprehensive income, and amortised cost categories. IFRS 9 will also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or fair value through other comprehensive income instruments as fair value through profit or loss, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments that are not held for trading may be irrevocably designated as fair value through other comprehensive income, with no subsequent reclassification of gains or losses to the income statement. The accounting for financial liabilities will largely be the same as the requirements of IAS 39.

IFRS 9 will also fundamentally change the approach to loan impairment. The standard will replace IAS 39's incurred loss approach with a forward-looking expected credit loss approach. The Company will be required to record an allowance for expected losses for all loans and other debt financial assets not carried at fair value through profit or loss, as well as for loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case the allowance would be based on the probability of default over the life of the asset.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but restatement of comparative information is not required; the effect on the transition date—1 January 2018—would be recorded in retained earnings. The adoption of IFRS 9 is expected to have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities. The Company expects a significant impact on its equity due to adoption of IFRS 9 impairment requirements, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, effective for periods beginning on 1 January 2018 with early adoption permitted. IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (e.g., IFRS 9, and IFRS 16 *Leases*).

Revenue under IFRS 15 will need to be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard will also specify a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and corresponding cash flows with customers.

The Company does not anticipate early adopting IFRS 15 and is currently evaluating its impact.

IFRS 16 Leases

The IASB issued the new standard for accounting for leases—IFRS 16 *Leases* in January 2016. The new standard does not significantly change the accounting for leases for lessors. However, it does require lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted provided the new revenue standard, IFRS 15, is applied on the same date. The Company does not anticipate early adopting IFRS 16 and is currently evaluating its impact.

Amendments to IAS 12 Income Taxes

In January 2016, through issuing amendments to IAS 12, the IASB clarified the accounting treatment of deferred tax assets of debt instruments measured at fair value for accounting, but measured at cost for tax purposes. The Company does not anticipate that adopting the amendments would have a material impact on its financial statements.

Amendments to IAS 7 Statement of Cash Flows

In January 2016, the IASB issued amendments to IAS 7 Statement of Cash Flows with the intention to improve disclosures of financing activities and help users to better understand the reporting entities' liquidity positions. Under the new requirements, entities will need to disclose changes in their financial liabilities as a result of financing activities such as changes from cash flows and non-cash items (e.g., gains and losses due to foreign currency movements). The amendment is effective from 1 January 2017. The Company is currently evaluating the impact.

Amendments to IFRS 2 Share-based Payment

The IASB issued amendments to IFRS 2 *Share-based Payment* in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate diversity in practice, but are narrow in scope and address specific areas of classification and measurement. The amendments address three main areas:

- The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- The classification of a share-based payment transaction with net settlement features for withholding tax obligations;
- The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

The amendment is effective for annual periods beginning on or after 1 January 2018. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application is permitted. The amendments are not expected to have any impact on the Company.

Amendments to IFRS 4—Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts standard that the Board is developing to replace IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. The optional temporary exemption from IFRS 9 is available to entities whose activities are predominantly connected with insurance. The temporary exemption permits such entities to continue to apply IAS 39 *Financial Instruments: Recognition and Measurement* while they defer the application of IFRS 9 until 1 January 2021 at the latest. The overlay approach requires an entity to remove from profit or loss additional volatility that may arise if IFRS 9 is applied with IFRS 4.

The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018. An entity may elect the overlay approach when it first applies IFRS 9 and apply that approach retrospectively to financial assets designated on transition to IFRS 9. The amendments are not expected to have any impact on the Company.

4. Significant accounting judgements and estimates

In the process of applying the Company's accounting policies, management has used its judgements and made estimates in determining the amounts recognised in the financial statements. The most significant use of judgements and estimates are as follows:

FAIR VALUES OF FINANCIAL INSTRUMENTS

Where the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

ALLOWANCE FOR IMPAIRMENT OF LOANS TO CUSTOMERS AND RECEIVABLES

The Company regularly reviews its loans and receivables to assess impairment. The Company uses its experienced judgement to estimate the amount of any impairment loss in cases where a borrower is in financial difficulties and there are few available sources of historical data relating to similar borrowers. Similarly, the Company estimates changes in future cash flows based on the observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the group of loans and receivables. The Company uses its subjective judgement to adjust observable data for a group of loans or receivables to reflect current circumstances.

TAXATION

The Republic of Kazakhstan currently has a single Tax Code that regulates main taxation matters. The existing taxes include corporate income tax, social and other taxes. Implementation of these regulations is often unclear or non-existent and only an insignificant number of precedents have been established. Often, differing opinions regarding legal interpretation exist both among and within government ministries and organisations; thus creating uncertainties and areas of conflict. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and forfeits. These facts create tax risks in Kazakhstan substantially more significant than typically found in countries with more developed tax systems. Management believes that the Company is in compliance with the tax laws of the Republic of Kazakhstan regulating its operations. However, the risk remains that respective authorities could take differing positions with regard to interpretive tax issues.

5. Cash and cash equivalents

Cash and cash equivalents comprise:

	2016	2015
Cash on hand	308	9
Current accounts with banks	517,900	333,118
Cash and cash equivalents	518,208	333,127

6. Derivative financial assets

The Company enters into transactions with the use of derivative financial instruments for decreasing the currency risk. The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are not indicative of the credit risk.

	31 December 2016			*31 December 2015*			*31 December 2014 (restated)*		
	Notional amount	*Fair values*		*Notional amount*	*Fair values*		*Notional amount*	*Fair values*	
		Asset	*Liability*		*Asset*	*Liability*		*Asset*	*Liability*
Foreign exchange agreements									
Currency swaps	166,645	77,899	–	–	–	–	115,049	85,811	–
	166,645	77,899	–	–	–	–	115,049	85,811	–

CURRENCY SWAPS

Currency swaps are contractual agreements between two parties to exchange notional principal and interest amounts in two currencies at specified future payment dates and fixed exchange rates.

As at 31 December 2016, the Company had KZT denominated loans in the amount of KZT 90,000 thousand received from local banks and security deposits denominated in US Dollars in the amount of KZT 166,645 thousand (USD 500 thousand), which serve as collateral against these loans. Since the contractual effect of these loans and deposits is equivalent to a currency swap, the said transactions have been treated as a derivative financial instrument.

Net losses from derivative financial instruments in the statement of comprehensive income in 2016 include realised and unrealised losses from change in fair value of currency swaps of KZT 43,610 thousand and KZT 11,354 thousand, respectively.

7. Amounts due from credit institutions

As at 31 December 2015, the Company had deposits denominated in US Dollars in the amount of KZT 1,280,417 thousand (USD 3,771 thousand), which are pledged as collateral against KZT denominated loans due to Capital Bank Kazakhstan JSC and BankPozitif Kazakhstan JSC in the total amount of KZT 632,736 thousand.

As at 31 December 2015, amounts due from credit institutions were non-interest bearing and not impaired.

8. Loans to customers

Loans to customers comprise:

	2016	*2015 (restated)*
Group loans	2,212,427	1,741,293
Individual loans	746,556	220,253
Gross loans to customers	**2,958,983**	**1,961,546**
Less: allowance for impairment	(85,637)	(50,482)
Loans to customers	**2,873,346**	**1,911,064**

Group loans are unsecured loans granted to groups of borrowers, who sign loan agreements with joint obligation to repay their loans. Loans to customers are mainly presented in the following economic sectors:

	2016	*2015 (restated)*
Agriculture	1,676,059	1,230,647
Trading	604,103	437,401
Consumer loans	550,046	214,394
Services	106,988	61,257
Production	21,787	17,847
Gross loans to customers	**2,958,983**	**1,961,546**
Less: allowance for impairment	(85,637)	(50,482)
Loans to customers	**2,873,346**	**1,911,064**

As at 31 December 2016 and 2015, loans to customers comprised loans issued to individuals.

ALLOWANCE FOR IMPAIRMENT OF LOANS TO CUSTOMERS

A reconciliation of the allowance for impairment of loans to customers is as follows:

	2016	*2015 (restated)*
At 1 January	**(50,482)**	**(81,151)**
Net impairment charge	(72,769)	(766)
Amounts written off	44,010	38,460
Recoveries	(6,396)	(7,025)
At 31 December	**(85,637)**	**(50,482)**

QUALITY OF LOANS TO CUSTOMERS

Below is information on quality of the loan portfolio:

31 December 2016	*Loans before allowance for impairment*	*Allowance for impairment*	*Loans less allowance for impairment*	*Allowance for impairment to loans before allowance for impairment, %*
Agriculture				
current	1,650,961	(46,534)	1,604,427	2.8%
overdue for less than 30 days	17,519	(1,038)	16,481	5.9%
overdue for 30 days to 59 days	3,989	(558)	3,431	14.0%
overdue for 60 days to 89 days	2,153	(560)	1,593	26.0%
overdue for 90 days to 179 days	1,437	(783)	654	54.5%
Total agriculture	1,676,059	(49,473)	1,626,586	3.0%
Trading				
current	592,503	(15,900)	576,603	2.7%
overdue for less than 30 days	8,513	(504)	8,009	5.9%
overdue for 30 days to 59 days	2,139	(299)	1,840	14.0%
overdue for 60 days to 89 days	553	(154)	399	27.8%
overdue for 90 days to 179 days	395	(216)	179	54.7%
Total trading	604,103	(17,073)	587,030	2.8%
Consumer loans				
current	541,505	(14,339)	527,166	2.6%
overdue for less than 30 days	6,642	(394)	6,248	5.9%
overdue for 30 days to 59 days	745	(106)	639	14.2%
overdue for 60 days to 89 days	546	(150)	396	27.5%
overdue for 90 days to 179 days	608	(325)	283	53.5%
Total consumer loans	550,046	(15,314)	534,732	2.8%
Services				
current	104,793	(2,822)	101,971	2.7%
overdue for less than 30 days	574	(34)	540	5.9%
overdue for 30 days to 59 days	1,183	(171)	1,012	14.5%
overdue for 60 days to 89 days	406	(113)	293	27.8%
overdue for 90 days to 179 days	32	(20)	12	62.5%
Total Services	106,988	(3,160)	103,828	3.0%
Production				
current	21,629	(606)	21,023	2.8%
overdue for less than 30 days	158	(11)	147	7.0%
Total production	21,787	(617)	21,170	2.8%
Total loans to customers	2,958,983	(85,637)	2,873,346	2.9%

QUALITY OF LOANS TO CUSTOMERS (CONTINUED)

31 December 2015 (restated)	*Loans before allowance for impairment*	*Allowance for impairment*	*Loans less allowance for impairment*	*Allowance for impairment to loans before allowance for impairment, %*
Agriculture				
current	1,198,823	(28,459)	1,170,364	2.4%
overdue for less than 30 days	24,613	(1,173)	23,440	4.8%
overdue for 30 days to 59 days	3,406	(409)	2,997	12.0%
overdue for 60 days to 89 days	1,016	(229)	787	22.5%
overdue for 90 days to 179 days	2,789	(1,300)	1,489	46.6%
Total agriculture	1,230,647	(31,570)	1,199,077	2.6%
Trading				
current	420,879	(9,401)	411,478	2.2%
overdue for less than 30 days	10,259	(488)	9,771	4.8%
overdue for 30 days to 59 days	2,275	(274)	2,001	12.0%
overdue for 60 days to 89 days	1,734	(406)	1,328	23.4%
overdue for 90 days to 179 days	2,254	(993)	1,261	44.1%
Total trading	437,401	(11,562)	425,839	2.6%
Consumer loans				
current	211,610	(4,920)	206,690	2.3%
overdue for less than 30 days	1,448	(69)	1,379	4.8%
overdue for 30 days to 59 days	840	(95)	745	11.3%
overdue for 60 days to 89 days	496	(234)	262	47.2%
Total consumer loans	214,394	(5,318)	209,076	2.5%
Services				
current	60,139	(1,321)	58,818	2.2%
overdue for less than 30 days	492	(23)	469	4.7%
overdue for 30 days to 59 days	41	(5)	36	12.2%
overdue for 90 days to 179 days	585	(261)	324	44.6%
Total Services	61,257	(1,610)	59,647	2.6%
Production				
current	17,442	(402)	17,040	2.3%
overdue for less than 30 days	405	(20)	385	4.9%
Total production	17,847	(422)	17,425	2.4%
Total loans to customers	1,961,546	(50,482)	1,911,064	2.6%

The Company estimates impairment allowance based on its historical loss experience by types of loans. In assessing loan impairment, the greater focus is placed on the presence of overdue payments of principal and interest. The significant assumptions used by management in determining the loan impairment allowance include loss ratio, which is a constant and can be estimated based on patterns of actual losses incurred since the inception of the Company.

ANALYSIS OF COLLATERAL AND OTHER CREDIT ENHANCEMENTS

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The following tables comprise analysis of loans by collateral classes:

2016	*Agriculture*	*Trading*	*Consumer loans*	*Services*	*Production*	*Total loans to customers*	*Share in loan portfolio*
Real estate	1,406	22,947	–	2,314	–	26,667	0.9%
Other collateral	333,641	164,018	186,839	30,560	4,683	719,741	24.3%
Unsecured loans	1,341,012	417,138	363,207	74,114	17,104	2,212,575	74.8%
Total	**1,676,059**	**604,103**	**550,046**	**106,988**	**21,787**	**2,958,983**	**100.0%**
2015							
Real estate	–	21,869	–	3,583	–	25,452	1.3%
Other collateral	79,579	76,552	24,580	11,602	2,670	194,983	9.9%
Unsecured loans	1,151,068	338,980	189,814	46,072	15,177	1,741,111	88.8%
Total	**1,230,647**	**437,401**	**214,394**	**61,257**	**17,847**	**1,961,546**	**100.0%**

Recoverability of loans mainly depends on creditworthiness of the borrower rather than on collateral. The Company's policy provides for foreclosure by selling the collateral in exceptional cases. This is supported by previous experience of obtaining and selling the collateral in the event of the borrower's inability to meet its obligations to the Company when due. Thus, in many cases, the Company believes that the value of collateral should not be taken into account when assessing the impairment, and comes from the fact that the collateral has zero financial impact on credit risk. The amounts reflected in the table above represent the carrying value of loans, and do not necessarily represent the fair value of collateral. Personal guarantees are the main collateral securing group loans for which borrowers are jointly and severally liable. They were not taken into account when evaluating impairment allowance.

CONCENTRATION OF LOANS TO CUSTOMERS

As at 31 December 2016 and 2015, the Company has no borrowers or groups of interrelated borrowers whose loan balances exceed 10% of equity.

9. Other assets and liabilities

Other assets comprise:

	2016	*2015*
Advances paid	16,720	19,785
Prepaid expenses	1,633	2,939
Prepaid taxes other than corporate income tax	900	599
Receivables from sale of repossessed collateral	841	1,001
Inventories	443	307
Other receivables	2,652	2,573
Other assets before allowance for impairment	**23,189**	**27,204**
Less: allowance for impairment	(3,869)	–
Other assets	**19,320**	**27,204**

The movements in other impairment allowances and provisions were as follows:

	2016	*2015*
At 1 January	–	–
Charge	(3,869)	–
At 31 December	**(3,869)**	**–**

Other liabilities comprise:

	2016	*2015*
Unused vacation reserve	17,770	14,201
Payables to employees	16,256	9,164
Taxes other than corporate income tax payable	10,682	7,672
Payables to suppliers	7,894	5,490
Other	2,577	2,525
Other liabilities	**55,179**	**39,052**

10. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	2016	*2015*
Loans from investment funds	2,718,395	2,172,291
Loans from other credit institutions	133,733	713,933
Amounts due to credit institutions	**2,852,128**	**2,886,224**

As at 31 December 2016, the Company had borrowings from 11 (eleven) investment funds and 1 (one) other credit institution (31 December 2015: 11 (eleven) investment funds and 3 (three) other credit institutions).

COVENANTS

As at 31 December 2016, the Company was in compliance with all the financial covenants under agreements with credit institutions.

As at 31 December 2015, the Company was in technical breach of a financial covenant under the loan agreements with Triple Jump Innovation Fund B.V. (hereinafter—the "Lender") dated 28 April 2014 and 8 August 2014, represented by loan write-off ratio, which should not exceed 2%. The actual write-off ratio of the Company as at 31 December 2015 was 2.2%. The Company duly notified the Lender and received the information letter dated 27 July 2016 that the Lender is considering the breach of 0.2% as not material and no actions are planned against the Company as a result of the breach. As at 31 December 2015, carrying value of amounts due to the Lender were equal to KZT 193,317 thousand. The Company has not received any waivers from the Lender during 2015. As at 31 December 2015, loans from the Lender are classified as repayable on demand (Note 15). As at 31 December 2016, all loans from the Lender were repaid.

11. Taxation

The corporate income tax expense comprises:

	2016	*2015 (restated)*
Current corporate income tax charge	(26,411)	(63,167)
Deferred corporate income tax (charge)/ benefit—origination and reversal of temporary differences	(1,992)	140
Correction of current corporate income tax of prior periods	(1,626)	(4,099)
Corporate income tax expense	**(30,029)**	**(67,126)**

The Republic of Kazakhstan was the only tax jurisdiction in which the Company's income is taxable. In accordance with tax legislation, the applied corporate income tax rate is 20% in 2016 and 2015.

The reconciliation between the corporate income tax expense in the accompanying financial statements and profit before corporate income tax multiplied by the statutory tax rate for the years ended 31 December is as follows:

	2016	*2015 (restated)*
Profit before corporate income tax expense	**88,202**	**319,669**
Statutory corporate income tax rate	20%	20%
Theoretical corporate income tax expense at the statutory rate	**(17,640)**	**(63,934)**
Correction of tax return of prior periods	(1,626)	(4,099)
Non-deductible losses from derivative financial instruments	(6,148)	–
Non-deductible impairment charge	–	2,009
Other differences	(4,615)	(1,102)
Corporate income tax expense	**(30,029)**	**(67,126)**

As at 31 December 2016, current corporate income tax assets comprised KZT 22,120 thousand. As at 31 December 2015, current corporate income tax liabilities comprised KZT 62,697 thousand.

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Temporary differences between the carrying amounts of assets and liabilities recorded in the financial statements and the amounts used for the purposes of calculation of taxable base, give rise to net deferred corporate income tax assets as at 31 December 2016 and 2015. The future tax benefits will only be received in the event that there are no changes in the legislation of Kazakhstan that would adversely affect the Company's ability to utilise the above benefits in future periods.

Change in the amount of temporary differences during 2016 and 2015, may be presented as follows:

	2014	*Origination and reversal of temporary differences in profit or loss (restated)*	*2015 (restated)*	*Origination and reversal of temporary differences in profit or loss*	*2016*
Tax effect of deductible temporary differences					
Accrued expenses for unused vacations	1,674	1,166	2,840	714	3,554
Loans to customers	**4,456**	**(3,433)**	**1,023**	**965**	**1,988**
Property and equipment and intangible assets	–	660	660	(660)	–
Deferred corporate income tax assets	**6,130**	**(1,607)**	**4,523**	**1,019**	**5,542**
Tax effect of taxable temporary differences					
Property and equipment and intangible assets	(1,394)	1,394	–	(2,400)	(2,400)
Amounts due to credit institutions	–	(626)	(626)	(611)	(1,237)
Other payables	(979)	979	–	–	–
Deferred corporate income tax liabilities	**(2,373)**	**1,747**	**(626)**	**(3,011)**	**(3,637)**
Net deferred corporate income tax assets	**3,757**	**140**	**3,897**	**(1,992)**	**1,905**

12. Equity

Charter capital

As at 31 December 2016 and 2015, the Company's paid and outstanding charter capital amounted to KZT 341,297 thousand.

On 6 October 2015, BOPA Pte Ltd made an additional cash contribution of KZT 46,875 thousand to its charter capital.

On 2 October 2015, Caravella Invest LLP became a new Participant of the Company by making a cash contribution of KZT 7,500 thousand to its charter capital.

13. Operating expenses

Operating expenses comprise:

	2016	*2015*
Payroll, bonuses and related taxes	326,824	238,845
Professional services	48,591	30,044
Rent	41,180	31,189
Transportation	34,112	23,126
Business trip expenses	28,863	21,552
Social tax	20,478	14,676
Bank fees	17,301	12,773
Taxes other than corporate income tax	13,386	11,125
Advertising and marketing expenses	12,389	5,062
Depreciation and amortisation	12,235	9,282
Communication and information services	9,257	7,606
Office supplies	6,249	4,608
Repair and maintenance	4,364	1,867
Database maintenance services	3,646	3,827
Training of personnel	1,293	7,151
Other	33,811	18,627
Operating expenses	**613,979**	**441,360**

14. Commitments and contingencies

POLITICAL AND ECONOMIC ENVIRONMENT

The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstani economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

In 2016, low crude oil prices and volatility of KZT foreign exchange rate against major foreign currencies had a negative impact on the Kazakhstan economy. Combination of these factors resulted in limited access to capital, a high cost of capital, high inflation and uncertainty regarding further economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. The management of the Company believes that it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

LEGAL

In the ordinary course of business, the Company is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Company.

TAX CONTINGENCIES

Various types of legislation and regulations are not always clearly written and their interpretation is subject to the opinions of the local tax inspectors and the Ministry of Finance of the Republic of Kazakhstan. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual.

The current regime of penalties and profit related to reported and discovered violations of Kazakh laws, decrees and related regulations are severe. Penalties include confiscation of the amounts at issue (for currency law violations), as well as fines of generally 50% of the taxes unpaid.

The Company believes that it has paid or accrued all taxes that are applicable. Where practice concerning tax application is unclear, the Company has accrued tax liabilities based on management's best estimate. The Company's policy is to recognise provisions in the accounting period in which a loss is deemed probable and the amount is reasonably determinable.

Because of the uncertainties associated with the Kazakh tax system, the ultimate amount of taxes, penalties and fines, if any, may be in excess of the amount expensed to date and accrued at 31 December 2016. Although such amounts are possible and may be material, it is the opinion of the Company's management that these amounts are either not probable, not reasonably determinable, or both.

OPERATING LEASE COMMITMENTS

Operating lease commitments that could not be unilaterally cancelled could be presented as follows:

	2016	*2015*
Operating lease commitments		
Not later than 1 year	1,501	852
From 1 to 5 years	–	–
Commitments and contingencies	1,501	852

The Company leases a number of premises under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease after maturity. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rent.

15. Risk management

Management of risk is fundamental to the Company's business and is an essential element of the Company's operations. The main risks inherent to the Company's operations are:

- Credit risk;
- Operational risk;
- Liquidity risk;
- Market risk.

The Company recognises that it is essential to have efficient and effective risk management processes in place. To enable this, the Company has established a risk management framework, whose main purpose is to protect the Company from risk and allow it to achieve its performance objectives.

RISK MANAGEMENT POLICIES AND PROCEDURES

The Company's risk management policies aim to identify, analyse and manage the risks faced by the Company, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

Supervisory Board of the Company has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

Management of the Company is responsible for monitoring and implementation of risk mitigation measures and making sure that the Company operates within the established risk parameters. Each department is responsible for direct management of the relevant risks, and together with the lawyer continuously monitors compliance with currently effective legislation.

Credit, market and liquidity risks both at portfolio and transactional levels are managed and controlled through a system of different committees of the Company.

Both external and internal risk factors are identified and managed throughout the Company's organisational structure.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. The Company is exposed to market risks, comprising currency risk and interest rate risk. Market risk arises from open positions in interest rates and foreign currencies, which are exposed to general and specific market movements.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may also reduce or create losses in the event that unexpected movements occur.

Interest rate gap analysis

Interest rate risk is managed principally through monitoring interest rates. A summary of the interest gap for the main interest-bearing financial instruments is as follows:

31 December 2016	*Less than 3 months*	*From 3 to 6 months*	*From 6 to 12 months*	*From 1 to 5 years*	*Over 5 years*	*Carrying amount*
Assets						
Cash and cash equivalents	518,208	–	–	–	–	518,208
Loans to customers	880,982	605,653	1,386,711	–	–	2,873,346
Other financial assets	–	–	–	3,493	–	3,493
Total assets	**1,399,190**	**605,653**	**1,386,711**	**3,493**	**–**	**3,395,047**
Liabilities						
Amounts due to credit institutions	104,756	579,475	212,104	1,955,793	–	2,852,128
Other financial liabilities	16,256	–	38,923	–	–	55,179
Total liabilities	**121,012**	**579,475**	**251,027**	**1,955,793**	**–**	**2,907,307**
Net position	**1,278,178**	**26,178**	**1,135,684**	**(1,952,300)**	**–**	**487,740**
31 December 2015 (restated)						
Assets						
Cash and cash equivalents	333,127	–	–	–	–	333,127
Amounts due from credit institutions	–	543,152	567,530	169,735	–	1,280,417
Loans to customers	668,107	712,213	530,744	–	–	1,911,064
Other financial assets	–	–	–	3,574	–	3,574
Total assets	**1,001,234**	**1,255,365**	**1,098,274**	**173,309**	**–**	**3,528,182**
Liabilities						
Amounts due to credit institutions	644,999	315,540	339,171	1,586,514	–	2,886,224
Other financial liabilities	9,164	–	29,888	–	–	39,052
Total liabilities	**654,163**	**315,540**	**369,059**	**1,586,514**	**–**	**2,925,276**
Net position	**347,071**	**939,825**	**729,215**	**(1,413,205)**	**–**	**602,906**

As at 31 December 2016 and 2015, the Company did not have financial instruments with floating interest rates.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The amounts by foreign currencies are presented below:

31 December 2016	*Tenge*	*US Dollars*	*Kyrgyz som*	*Other currencies*	*Total*
Assets					
Cash and cash equivalents	19,483	498,147	–	578	518,208
Loans to customers	2,873,346	–	–	–	2,873,346
Other financial assets	3,493	–	–	–	3,493
Total assets	**2,896,322**	**498,147**	**–**	**578**	**3,395,047**
Liabilities					
Amounts due to credit institutions	2,257,798	594,330	–	–	2,852,128
Other financial liabilities	54,489	690	–	–	55,179
Total liabilities	**2,312,287**	**595,020**	**–**	**–**	**2,907,307**
Net position	**584,035**	**(96,873)**	**–**	**578**	**487,740**
Impact of financial instruments held for the purpose of risk management	(90,000)	166,645	–	–	76,645
Net position adjusted for impact of financial instruments held for the purpose of risk management	**494,035**	**69,772**	**–**	**578**	**564,385**
31 December 2015 (restated)					
Assets					
Cash and cash equivalents	20,793	311,341	987	6	333,127
Amounts due from credit institutions	–	1,280,417	–	–	1,280,417
Loans to customers	1,911,064	–	–	–	1,911,064
Other financial assets	3,574	–	–	–	3,574
Total assets	**1,935,431**	**1,591,758**	**987**	**6**	**3,528,182**
Liabilities					
Amounts due to credit institutions	1,330,745	1,448,487	106,992	–	2,886,224
Other financial liabilities	38,515	537	–	–	39,052
Total liabilities	**1,369,260**	**1,449,024**	**106,992**	**–**	**2,925,276**
Net position	**566,171**	**142,734**	**(106,005)**	**6**	**602,906**

The tables below indicate the currencies to which the Company had significant exposure at 31 December on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against tenge, with all other variables held constant on the income statement (due to the fair value of currency sensitive non-trading monetary assets and liabilities). The effect on equity does not differ from the effect on the statement of comprehensive income. All other variables are held constant. The negative amount in the table reflects a potential net reduction in statement of comprehensive income or equity, while a positive amount reflects a net potential increase.

Currency *2016*	*Change in exchange rates in %*	*Effect on profit before tax*	*Change in exchange rates in %*	*Effect on profit before tax*
US Dollar	+13.00%	9,070	-13.00%	(9,070)
2015				
US Dollar	+60.00%	85,640	-20.00%	(28,547)

CREDIT RISK

Credit risk is the risk that the Company will incur a financial loss because its customers or counterparties failed to discharge their contractual obligations. The Company manages credit risk through the adoption of approved policies and procedures, requiring to set and meet the limits of credit risk concentration as well as by means of establishing the credit committees whose functions include monitoring of a credit risk. The credit policy is reviewed and approved by the Supervisory Board.

A credit policy establishes:

- Procedures for review and approval of loan applications;
- Methodology of borrowers' creditworthiness assessment;
- Methodology of proposed collateral assessment;
- Requirements to loan documentation;
- Procedures of on-going monitoring of loans and other credit risk bearing products.

The Company continuously monitors the performance of individual loans and other credit risks.

Apart from individual borrower analysis, the Company assesses the loan portfolio as a whole with regard to concentration of loans and market risks.

The maximum level of credit risk of the Company is generally reflected in the carrying value of financial assets in the statement of financial position.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position.

The maximum exposure to credit risk in respect of financial assets as at 31 December is as follows:

	2016	*2015 (restated)*
Assets		
Cash and cash equivalents (less cash on hand)	517,900	333,118
Amounts due from credit institutions	–	1,280,417
Loans to customers	2,873,346	1,911,064
Other financial assets	3,493	3,574
	3,394,739	3,528,173

For more detailed information on credit risk with respect to loans to customers refer to Note 8.

Collectively assessed allowance

Allowances for impairment of loans to customers are assessed collectively. Allowances are evaluated on each reporting date.

The collective assessment takes account of impairment that is likely to be present in the portfolio even though there is no yet objective evidence of the impairment. Impairment losses are estimated by taking into consideration the following information: historical losses on the portfolio and current economic conditions.

OPERATIONAL RISK

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but a control framework and monitoring and responding to potential risks could be effective tools to manage the risks. Controls include effective segregation of duties, access rights, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to liquidity risk management. It is unusual for financial institutions ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The Company maintains liquidity management with the objective of ensuring that funds will be available at all times to honour all cash flow obligations as they become due. Liquidity management policy is reviewed and approved by the Management.

The Company seeks to actively support a diversified and stable funding base comprising long-term and short-term loans from other banks, as well as diversified portfolios of highly liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The liquidity management policy requires:

- Projecting cash flows by major currencies and considering the level of liquid assets necessary in relation thereto;
- Maintaining a diverse range of funding sources;
- Managing the concentration and profile of debts;
- Maintaining debt financing plans;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any interruption to cash flow;
- Maintaining liquidity and funding contingency plans;
- Monitoring liquidity ratios against regulatory requirements.

Analysis of financial liabilities by remaining contractual maturities

The tables below summarise the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted repayment obligations:

31 December 2016	On demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total	Carrying value
Financial liabilities							
Amounts due to credit institutions	75,056	63,464	703,719	426,457	2,403,879	3,672,575	2,852,128
Other liabilities	–	16,256	–	38,923	–	55,179	55,179
Total liabilities	**75,056**	**79,720**	**703,719**	**465,380**	**2,403,879**	**3,727,754**	**2,907,307**
31 December 2015							
Financial liabilities							
Amounts due to credit institutions	253,288	406,767	391,587	439,959	1,740,859	3,232,460	2,886,224
Other liabilities	–	9,164	–	29,888	–	39,052	39,052
Total liabilities	**253,288**	**415,931**	**391,587**	**469,847**	**1,740,859**	**3,271,512**	**2,925,276**

16. Fair value measurements

For the purpose of disclosing the fair values, the Company determined classes of assets and liabilities based on the assets and liabilities nature, characteristics and risks as well as the hierarchy of fair value sources.

	Fair value measurement using (Date of valuation: 31 December 2016)			
31 December 2016	*Quoted prices in active markets (Level 1)*	*Significant observable inputs (Level 2)*	*Significant non-observable inputs (Level 3)*	*Total*
Assets measured at fair value				
Derivative financial assets	–	77,899	–	77,899
Assets for which fair values are disclosed				
Cash and cash equivalents	518,208	–	–	518,208
Loans to customers	–	3,082,933	–	3,082,933
Other financial assets	–	3,493	–	3,493
Liabilities for which fair values are disclosed				
Amounts due to credit institutions	–	2,965,668	–	2,965,668
Other financial liabilities	–	55,179	–	55,179

	Fair value measurement using (Date of valuation: 31 December 2015)			
31 December 2015	*Quoted prices in active markets (Level 1)*	*Significant observable inputs (Level 2)*	*Significant non-observable inputs (Level 3)*	*Total*
Assets for which fair values are disclosed				
Cash and cash equivalents	333,127	–	–	333,127
Amounts due from credit institutions	–	1,280,417	–	1,280,417
Loans to customers	–	2,035,961	–	2,035,961
Other financial assets	–	3,574	–	3,574
Liabilities for which fair values are disclosed				
Amounts due to credit institutions	–	2,943,612	–	2,943,612
Other financial liabilities	–	39,052	–	39,052

During 2016 and 2015 the Company did not make transfers between levels of the fair value hierarchy for financial instruments recorded at fair value.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

	31 December 2016			*31 December 2015 (restated)*		
	Carrying value	*Fair value*	*Unrecognised gain / (loss)*	*Carrying value*	*Fair value*	*Unrecognised gain / (loss)*
Financial assets						
Cash and cash equivalents	518,208	518,208	–	333,127	333,127	–
Amounts due from credit institutions	–	–	–	1,280,417	1,280,417	–
Loans to customers	2,873,346	3,082,933	209,587	1,911,064	2,035,961	124,897
Other financial assets	3,493	3,493	–	3,574	3,574	–
Financial liabilities						
Amounts due to credit institutions	2,852,128	2,965,668	(113,540)	2,886,224	2,943,612	(57,388)
Other financial liabilities	55,179	55,179	–	39,052	39,052	–
Total unrecognised change in fair value			**96,047**			**67,509**

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in these financial statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or having a short term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Financial assets and financial liabilities carried at amortised cost

Fair value of unquoted instruments, including loans to customers, amounts due from credit institutions and amounts due to credit institutions, and other financial assets and liabilities, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

17. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. For the Company's contractual undiscounted repayment obligations refer to *Note 15*.

	31 December 2016			*31 December 2015 (restated)*		
	Within one year	*More than one year*	*Total*	*Within one year*	*More than one year*	*Total*
Cash and cash equivalents	518,208	–	518,208	333,127	–	333,127
Derivative financial assets	77,899	–	77,899	–	–	–
Amounts due from credit institutions	–	–	–	1,110,682	169,735	1,280,417
Loans to customers	2,873,346	–	2,873,346	1,911,064	–	1,911,064
Current corporate income tax assets	22,120	–	22,120	–	–	–
Deferred corporate income tax assets	–	1,905	1,905	–	3,897	3,897
Property and equipment	–	54,548	54,548	–	39,209	39,209
Intangible assets	–	11,244	11,244	–	6,165	6,165
Other assets	15,827	3,493	19,320	23,630	3,574	27,204
Total assets	**3,507,400**	**71,190**	**3,578,590**	**3,378,503**	**222,580**	**3,601,083**
Amounts due to credit institutions	896,335	1,955,793	2,852,128	1,299,710	1,586,514	2,886,224
Current corporate income tax liabilities	–	–	–	62,697	–	62,697
Other liabilities	55,179	–	55,179	39,052	–	39,052
Total liabilities	951,514	1,955,793	2,907,307	1,401,459	1,586,514	2,987,973
Net position	**2,555,886**	**(1,884,603)**	**671,283**	**1,977,044**	**(1,363,934)**	**613,110**

18. Related party transactions

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not. Transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

Transactions with members of key management personnel

Compensation of key management personnel comprised the following:

	2016	2015
Salaries and other short-term benefits	60,162	50,576
Social security costs	6,455	5,011
Total compensation to the key management personnel	66,617	55,587

Transactions with other related parties comprise transactions with the Company's participants, international financial institutions (Note 1), and entities under common control of these financial institutions.

The balances as well as the corresponding gain or loss on transactions with other related parties are as follows:

	Participants		*Entities under common control*	
	2016	*2015*	*2016*	*2015*
Statement of financial position				
Assets				
Other assets	2,546	1,166	–	–
Liabilities				
Amounts due to credit institutions	–	–	–	106,992
Other liabilities	158	160	–	–
Statement of comprehensive income				
Interest expense on amounts due to credit institutions	–	–	–	12,928
Operating expenses	6,653	3,541	–	–

As at 31 December 2015, amounts due to entities under common control include amounts due to Kompanion Bank CJSC bearing 14.5% per annum which were repaid June 2016.

19. Capital adequacy

In accordance with the Law of the Republic of Kazakhstan On Microfinance Organizations dated 26 November 2012, the Company is obliged to have the charter capital paid in the amount of not less than 30,000 times the monthly calculation index (hereinafter—"MCI"), equal to 2,121 tenge as at 31 December 2016 (31 December 2015: 1,982 tenge).

The Company maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Company's capital is monitored using, among other measures, the ratios established by the NBRK in supervising the Company. As at 31 December 2016 and 2015, the Company had complied in full with all its externally imposed capital requirements.

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise profit for participants. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

The NBRK requires microfinance organisations to maintain a tier 1 capital adequacy ratio in the amount of not less than 0.1 times of the assets, the total maximum risk factor per a single borrower in the amount of not more than 0.25 times of equity, calculated in accordance with the requirements of the NBRK, and the overall rate of maximum limit of total liabilities in the amount of not exceeding 10 times of equity. As at 31 December 2016 and 2015, the Company's capital adequacy ratio based on the NBRK methodology exceeded the statutory minimum.

The Company's capital adequacy ratio, computed in accordance with the NBRK requirements as at 31 December, comprise:

	2016	*2015 (restated)*
Tier 1 capital	666,531	639,741
Total assets	3,578,590	3,601,083
Tier 1 capital ratio	0.19	0.18
Tier 1 capital	666,531	639,741
Total amount due from one borrower	3,889	3,443
Maximum exposure per single borrower to Tier 1 Capital	0.006	0.005
Tier 1 capital	666,531	639,741
Total liabilities of a microfinance organisation except for liabilities to non-residents of the Republic of Kazakhstan, which are international financial organisations	2,907,307	2,987,973
Maximum exposure of total liabilities to Tier 1 Capital	4.36	4.67

СОДЕРЖАНИЕ

ПИСЬМО РУКОВОДСТВА

Уважаемые друзья и партнеры,

Рада представить вам годовой отчет ТОО «Микрофинансовая организация „Азиатский Кредитный Фонд“» (АКФ) за 2016 г.

Как упоминалось в предыдущем годовом отчете за 2015г., АКФ разработал и утвердил новую Стратегию 2016–2020, и сейчас я рада сообщить вам результаты нашего первого года.

В 2016 году работа была направлена на поддержку предпринимательской деятельности, осуществляемой женщинами в сельских районах, а также на поддержку лиц, вовлеченных в сельское хозяйство. Почему АКФ принял решение уделять особое внимание поддержке женщин? Все мы знаем, что в любой стране уровень безработицы женщин — выше, и размер заработной платы женщин — меньше, чем у мужчин. В то же самое время женщины несут ответственность за воспитание детей и ведение домашнего хозяйства. Работая с женщинами, мы обратили внимание на то, что они стремятся начать свой бизнес, взять в свои руки потоки денежных средств. Женщины менее склонны тратить заработанные деньги быстро и не рациональным способом. Их приоритеты: дети, питание, медицинские услуги, образование и различные потребности домашнего хозяйства. Женщины, главным образом, заинтересованы в благополучии своих семей. Таким образом, поддержка женщин оказывает положительное резонансное действие на уверенность и независимость женщин, улучшение здоровья, образования и благосостояние всех членов семьи.

Поэтому, в 2016 году АКФ начал формировать среди женщин сельских районов осознание того, что они могут получать прибыль от своих навыков и хобби, стал вдохновлять женщин открыть свой бизнес или расширить существующий с помощью финансовой поддержки АКФ, а также получения различных видов нефинансовых тренингов. В рамках данной стратегии в 2016 г. АКФ поддержал более 17 200 женщин, предоставив им 3,7 миллиарда тенге для расширения бизнеса и удовлетворения потребностей семьи.

В 2016 году АКФ продолжил способствовать развитию сельских домохозяйств, помогая им приобретать домашний скот, и диверсифицировать доход с помощью сельского хозяйства, что в результате, как мы знаем, повышает качество жизни домохозяйств. В конце 2016 г. 38% кредитного портфеля приходилось на сельское хозяйство. За год АКФ поддержал 8 500 домохозяйств, занимающихся сельским хозяйством, на общую сумму 1,7 миллиарда тенге.

В течении 2016 г. АКФ продолжил оказывать нефинансовые услуги для сельского населения, которые направлены, главным образом, на женщин в сельских районах. Данные услуги помогают сельским женщинам улучшать свои навыки ведения бизнеса и повышать качество жизни. Бизнес Академия АКФ провела, в течение года, обучение на тему «Как начать бизнес с нуля» для 320 сельских домохозяйств (60% увеличение по сравнению с 2015 г.) из 6 регионов, в которых работает АКФ. Также АКФ продолжил свою инициативу по финансовому образованию «Планируй свое будущее», направленную на улучшение практик управления денежными средствами в сельских домохозяйствах. В 2016 г. свыше 17 200 сельских домохозяйств прошли обучение на тему управления семейным бюджетом.

В 2016 г. АКФ начал подготовку ко второму году Стратегии. Широко известно, что в 2017 г. Казахстан проводит крупное мероприятие «ЭКСПО 2017». Тема ЭКСПО — «Энергия будущего». Самые передовые технологии энергосбережения, новые разработки и технологии использования существующих альтернативных источников энергии будут представлены на этой выставке. Стратегия АКФ в 2017 г. также посвящена «зеленому году», году зеленых кредитных продуктов и услуг. Так, уже в 2016 г. мы начали подготовку к «зеленому году», установив 20 солнечных панелей в офисе АКФ в поселке Сарыагаш, которые снабжают весь офис электричеством. Надеемся, что другие компании, действующие в Казахстане, последуют примеру АКФ!

Завершаю свое письмо наилучшими пожеланиями к читателям нашего годового отчета за 2016 г., и прошу вас ознакомиться с отчетом, чтобы больше узнать о результатах работы и достижениях АКФ, включая годовую финансовую отчетность.

Жанна Жакупова
Исполнительный директор
АКФ

МИССИЯ И ВИДЕНИЕ

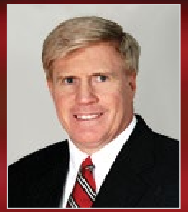
ВИДЕНИЕ АКФ

Мы поддерживаем устойчивое развитие сельских домохозяйств, для построения активного гражданского общества.

МИССИЯ АКФ

Стать лидирующей организацией развития в микрофинансовом секторе Казахстана, предоставляющей домохозяйствам финансовые услуги и услуги по развитию, с целью улучшения качества их жизни.

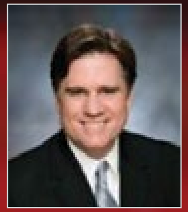
НАБЛЮДАТЕЛЬНЫЙ СОВЕТ



Джим Андерсон
Старший Технический Советник
Компаньон Банк
Кыргызстан

Джим Андерсон обладает обширным практическим опытом в Центральной и Юго-Восточной Азии, а также в Монголии, с акцентом на деятельность микрофинансовых организаций и малых и средних предприятий. Он работал в IFC в Центральной Азии и был Старшим Техническим Советником Mercy Corps' в XacBank, Монголия, и Менеджером по Финансовым Услугам в Улан-Баторе, в рамках поддержки сети микрофинансовых учреждений Mercy Corps'. Джим Андерсон также занимал должность Главного Технического Советника в Фонде Организации Объединённых Наций для капитального развития, а также Советника по финансовым вопросам в Лаосе.

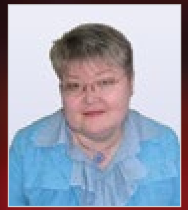
С 2005 по 2011г. он был членом Совета Директоров Азиатского Кредитного Фонда. Также Джим Андерсон обладает 15-летним опытом в области банковского обслуживания коммерческих организаций на руководящих должностях в Нью-Йорке и Токио.



Стивен Митчел
Вице-президент по Финансовым Услугам Корпуса Милосердия (Mercy Corps)
США

Стивен Митчел имеет 32-летний опыт работы в области международных финансов. Он работал в таких известных компаниях, как Банк США и Прайс Вотерхаус Куперс. Стивен возглавлял Совет Директоров Хас Банка, одной из самых успешных коммерческих микрофинансовых организаций Азии. В Mercy Corps, Митчел отвечал за международные финансы, бухгалтерский учет, информационные технологии, соответствие нормативным требованиям, внутренний аудит и административные и правовые функции Агентства. На данный момент он отвечает за проекты Корпуса Милосердия по микрофинансированию и микрострахованию по всему миру.

Он является обладателем степени Магистра Делового Администрирования в области финансов и бухгалтерского учета Калифорнийского Университета в Ирвине и степени бакалавра в области политологии от Университета имени Бригама Янга. Стивен Митчел сертифицирован в области бухгалтерии и казначейства.



Джамила Ассанова
Исполнительный Директор Ассоциации Развития Гражданского Общества (АРГО)
Казахстан

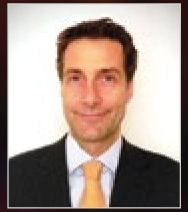
Джамила имеет более чем 15-летний опыт в развитии гражданского общества в Казахстане. Свою деятельность до АРГО она начинала в организации Каунтерпарт Консорциум, Казахстан в качестве тренера, после была назначена старшим менеджером по программам. Джамила неоднократно принимала участие в многочисленных комитетах по грантам, в таких организациях, как Всемирный Банк и ЮСАИД. Она является членом многих международных и отечественных ассоциаций, каких как Американская Ассоциация Оценки Развития, Международное Общество по Исследованию Третьего Сектора и т.д. На сегодняшний день она также возглавляет Общественный Комитет при Акимате города Алматы.

Джамиля обладает двумя степенями магистра: магистра экономики Управления Казахского Института Управления и Маркетинга и магистра биологии Казахского Государственного Национального Университета.

Уланбек Термечиков
Председатель правления
Компаньон Банк
Кыргызстан

После 10 лет успешной карьеры в в Национальном банке Кыргызской Республики и 5 лет в Компаньоне, с 2009 г. Уланбек занимает позицию Председателя Правления.

Уланбек Термечиков обладает степенью магистра экономики Украинского Института Международных отношений.



Кристиан Андерсен
Генеральный директор
Холдинговая компании BOPA
Сингапур

Кристиан Андерсен имеет 15 летний опыт работы в области управления бизнесом в Азии. В микрофинансирование он вовлечен с 2005 г. Он лично посетил более 60 МФО в Азии и Латинской Америке в связи с поиском подходящих партнеров для Base of Pyramid Asia (BOPA), соучредителем которого является Кристиан с 2013 года. BOPA является холдинговой компанией, основная деятельность которой направлена на инвестиции в акционерный капитал в небольшие микрофинансовые организации в Азии, находящиеся на ранней стадии развития.

Кристиан имеет степень магистра в области делового администрирования от Международного института управленческого развития в Швейцарии и сертификат Тренер тренеров по микрофинансированию от Всемирного банка / Азиатский банк развития.

Кристиан Андерсен является членом Совета Директоров в Chamroeun Microfinance (Камбоджа), Alliance Microfinance (Мьянма) и KIF (Восточный Тимор).

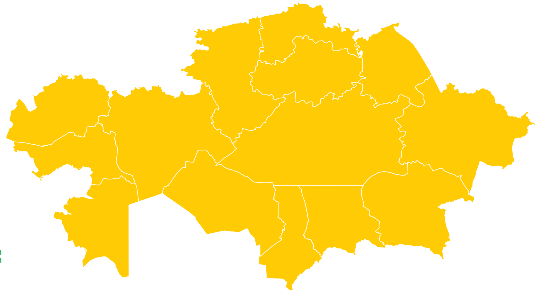
РАЗВИТИЕ КАЗАХСТАНА ЗА 2016 г.

17.7 млн
НАСЕЛЕНИЕ КАЗАХСТАНА
+253,000

48% 52%

5%
УРОВЕНЬ БЕЗРАБОТИЦЫ
445,000

1%
РОСТ ВВП КАЗАХСТАНА
45,474 млрд ₸



6%
РОСТ НОМИНАЛЬНОЙ ЗАРАБОТНОЙ ПЛАТЫ
134,108 ₸
СРЕДНЕМЕСЯЧНАЯ З/П

9.7%
ПРОДОВОЛЬСТВЕННЫЕ ТОВАРЫ

9.5%
НЕПРОДОВОЛЬСТВЕННЫЕ ТОВАРЫ

6.1%
ПЛАТНЫЕ УСЛУГИ

8.5%
УРОВЕНЬ ИНФЛЯЦИИ

18%
ИМПОРТ
27 800 млн долл. США

20%
ЭКСПОРТ
37 245 млн долл. США

9.9%
ИНВЕСТИЦИИ В ОСНОВНОЙ КАПИТАЛ
7 719 млрд тенге

ПРОГНОЗЫ НА 2017 г.

4.9%
УРОВЕНЬ БЕЗРАБОТИЦЫ
440,000

2.4%
РОСТ ВВП КАЗАХСТАНА
49,740.6 млрд ₸

14%
РОСТ НОМИНАЛЬНОЙ ЗАРАБОТНОЙ ПЛАТЫ
152,316 ₸
СРЕДНЕМЕСЯЧНАЯ З/П

50 долл. США
МИРОВАЯ ЦЕНА НА НЕФТЬ

3.0%
РОСТ ПРОМЫШЛЕННОСТИ

8.0%
УРОВЕНЬ ИНФЛЯЦИИ

2.5%
РОСТ РАЗВИТИЯ СЕЛЬСКОГО ХОЗЯЙСТВА

Источники:

Пресс-релиз № 3 Национального Банка РК от 31 января 2017 г.

Economy.gov.kz — Прогноз социально-экономического развития Республики Казахстан на 2017–2021 годы с учетом изменений от 13 февраля 2017 г. (протокол № 7).

Stat.gov.kz — Основные социально-экономические показатели Республики Казахстан.

ИСТОРИЯ УСПЕХА КЛИЕНТА

КАРАГАНДИНСКИЙ ФИЛИАЛ, ОТДЕЛЕНИЕ «ЕРЕЙМЕНТАУ»

В результате исторических коллизий 1920–1930-х гг. за пределами Казахстана оказались 4,5 млн этнических казахов, предки которых покинули страну. После приобретения независимости Казахстан начал процесс приглашения соотечественников на историческую родину с целью восстановления исторической справедливости в отношении потомков тех, кто когда-то вынужден был покинуть страну.

Манчи Капура и ее семья, состоявшая из мужа и двоих сыновей, откликнулись на призыв Казахстана возвратиться на родину своих предков. В 1992 году семья переехала на запад Казахстана, в г. Актобе, оставив всех своих родственников и друзей в Монголии.

Многих оралманов[1] историческая родина встретила неприятными сюрпризами. Многие говорят, что пожалели, что оставили обжитые места, — реальность на новом месте оказалась совсем иной, чем обещалось. Это и отсутствие работы, элементарного доступа к медицине, сложности в получении жилья, языковой барьер, сложность получения статуса «оралман», который дает определенные финансовые привилегии. Но все эти трудности не пугали Манчи Капуру. У нее были сыновья, и она знала, что не сможет дать им достойное образование, возвратившись в Монголию.

В 2004 г. семья переезжает в с. Еркеншилик, Акмолинской области, поближе к столице Казахстана. Подрастал старший сын и семье хотелось дать ему хорошее образование, то, которое не удалось когда-то получить самим.

Манчи Капура нашла работу в поселке, а супруг устроился на стройку в Астане. Семья имела пусть небольшое, но домашнее подворье — 2 КРС и 5 МРС. В будущее семья смотрела с уверенностью.

Но жизнь, как это обычно бывает, вносит свои коррективы. В 2009 супруг Манчи Капуры скоропостижно скончался, и она осталась одна с двумя детьми на руках. Казалось жизнь рухнула в один момент. Но, непривыкшая жаловаться на жизнь, и ждать помощи извне Манчи Капура поняла, что она должна стать главным добытчиком семьи. Во имя будущего своих детей.

Использовав все имеющиеся сбережения она открыла свой небольшой магазин в доме, в котором проживала семья. Манчи Капура понимала, что ее магазин, нуждается в постоянном увеличении и расширении товарного запаса. Занимать у ростовщиков под большие проценты она не хотела. Но где же взять средства, живя в сельской местности? Каково же было ее удивление, когда она узнала, что Азиатский Кредитный Фонд (АКФ) предоставляет кредиты в ее селе. Разузнав все условия, Манчи Капура решает попробовать взять групповой кредит вместе со своими знакомыми сельчанами. Первый кредит она получает в 2011 году в размере 100 000 тенге на товарооборот. В течение трех лет с 2011–2013 гг. Манчи Капура ежегодно обращалась за кредитами на расширение товарного запаса магазина. Хотелось бы заметить, что как финансово грамотный человек, Манчи Капура использовала все кредиты только для бизнеса. И как результат, ее товарооборот за 5 лет вырос практически на 330%.

В 2013 году Манчи Капура узнает о «Жилищно энерго-сберегающей программе АКФ», который нацелен на проведение энерго-сберегающих и энерго-эффективных мероприятий. Специалисты АКФ рассказали ей, что только при утеплении стен она получит экономию тепла в 15–31%. Манчи Капура решает взять кредит на утепление магазина и проведения отопления в нем.

В 2014 г., старший сын, видя перед собой пример матери и заручившись ее поддержкой, решает заняться производством пластиковых окон и дверей. Как заботливая мать, и зная не понаслышке, как тяжело начинать свой бизнес, Манчи Капура решает помочь сыну. И снова на помощь приходит АКФ, предоставив финансовые ресурсы на приобретение станка для производства пластиковых окон и приобретение грузового автомобиля ЗиЛ для перевозки материалов производства. Предоставляя средства на стартовый бизнес АКФ был уверен, что бизнес-опыт Манчи Капура, и ее активная жизненная позиция — это гарантия успеха любого ее начинания!

Манчи Капура полна планов на будущее. Хотелось бы построить дом для младшего сына, который работает учителем физкультуры в школе. Хотелось бы приобрести землю в Астане и построить там дом для старшего сына. «Все мои будущие проекты я планирую осуществлять с помощью АКФ, так как именно специалисты АКФ не только поддержали меня в тяжелой период, но и помогли мне в достижении всех моих желаний!» — говорит Манчи Капура.

[1] *Оралманы («возвратившиеся») — это иностранцы или лица казахской национальности, не имеющие гражданства на момент обретения государственного суверенитета Казахстаном и приехавшие в страну в соответствии с законодательством РК для постоянного проживания. Статус оралмана присваивается на время до получения гражданства Казахстана*

ФИНАНСОВАЯ ОТЧЕТНОСТЬ

За год, закончившийся 31 декабря 2016 года

Отчёт о финансовом положении

На 31 декабря 2016 года (в тысячах тенге)

	Прим.	31 дек 2016 г.	31 дек 2015 г. (пересчитано)*	31 дек 2014 г. (пересчитано)*
Активы				
Денежные средства и их эквиваленты	5	518 208	333 127	98 104
Производные финансовые активы	6	77 899	–	85 811
Средства в кредитных учреждениях	7	–	1 280 417	–
Кредиты клиентам	8	2 873 346	1 911 064	1 468 901
Активы по текущему корп. подоходному налогу	11	22 120	–	–
Активы по отложенному корп. подоходному налогу	11	1 905	3 897	3 757
Основные средства		54 548	39 209	30 033
Нематериальные активы		11 244	6 165	4 255
Прочие активы	9	19 320	27 204	33 409
Итого активы		**3 578 590**	**3 601 083**	**1 724 270**
Обязательства				
Средства кредитных учреждений	10	2 852 128	2 886 224	1 373 838
Обязательства по текущему корп. подоходному налогу	11	–	62 697	25 695
Прочие обязательства	9	55 179	39 052	18 545
Итого обязательства		**2 907 307**	**2 987 973**	**1 418 078**
Капитал				
Уставный капитал	12	341 297	341 297	286 922
Нераспределённая прибыль		329 986	271 813	19 270
Итого капитал		**671 283**	**613 110**	**306 192**
Итого капитал и обязательства		**3 578 590**	**3 601 083**	**1 724 270**

** Некоторые суммы, приведённые в даном столбце, не согласуются с финансовой отчётностью за 2015 год, поскольку отражают произведённые корректировки, подробная информация о которых приводится в Примечании 2.*

Подписано и утверждено к выпуску от имени Руководства Компании:

Жакупова Ж.Б. Исполнительный директор

Ан О.К. Главный бухгалтер

14 июня 2017 г.

Отчёт о совокупном доходе

На 31 декабря 2016 года (в тысячах тенге)

	Прим.	31 дек 2016 г.	31 дек 2015 г. (пересчитано)*
Процентные доходы по кредитам клиентам		1 240 404	1 001 924
Процентные расходы по средствам кредитных учреждений		(389 784)	(265 237)
Чистый процентный доход		**850 620**	**736 687**
Отчисления в резерв под обесценение кредитов клиентам	8	(72 769)	(766)
Чистый процентный доход после резерва под обесценение кредитов		**777 851**	**735 921**
Чистые расходы от операций с производными финансовыми инструментами		(54 964)	–
Чистые (расходы)/доходы по операциям с иностранной валютой		(22 071)	29 923
Прочие доходы		8 990	5 048
Операционные расходы	13	(613 979)	(441 360)
Прочие расходы от обесценения и создания резервов	9	(3 869)	–
Прочие расходы		(3 756)	(9 863)
Прибыль до расходов по корпоративному подоходному налогу		**88 202**	**319 669**
Расходы по корпоративному подоходному налогу	11	(30 029)	(67 126)
Прибыль за год		**58 173**	**252 543**
Прочий совокупный доход за год		–	–
Итого совокупный доход за год		**58 173**	**252 543**

Отчёт об изменениях в капитале

На 31 декабря 2016 года (в тысячах тенге)

	Уставный капитал	Нераспределённая прибыль (пересчитано)*	Итого капитал
На 31 декабря 2014 года	**286 922**	**(11 468)**	**275 454**
Корректировка в связи с исправлением ошибки (Примечание 2)	–	30 738	30 738
На 31 декабря 2014 года (пересчитано)	**286 922**	19 270	**306 192**
Итого совокупный доход за год (пересчитано)	–	252 543	252 543
Вклад в уставный капитал (Примечание 12)	54 375	–	54 375
На 31 декабря 2015 года (пересчитано)	**341 297**	271 813	**613 110**
Итого совокупный доход за год	–	58 173	58 173
На 31 декабря 2016 года	**341 297**	**329 986**	**671 283**

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Отчёт о движении денежных средств

На 31 декабря 2016 года (в тысячах тенге)

	Прим.	31 дек 2016 г.	31 дек 2015 г. (пересчитано)*
Денежные потоки от операционной деятельности			
Прибыль до расходов по корпоративному подоходному налогу		88 202	319 669
Корректировки:			
Износ и амортизация	13	12 235	9 282
Начисленные процентные доходы		(1 240 404)	(1 001 924)
Начисленные процентные расходы		389 784	265 237
Отчисления в резерв под обесценение кредитов клиентам	8	72 769	766
Прочие расходы от обесценения и создания резервов	9	3 869	–
Резерв по отпускам и прочие начисления по фонду заработной платы		10 661	5 829
Нереализованные расходы от операций с производными финансовыми инструментами		11 354	–
Нереализованные расходы/(доходы) по операциям с иностранной валютой		24 632	(29 923)
Дисконт по средствам кредитных учреждений		(6 646)	–
Убыток от выбытия основных средств		869	2 221
Чистое уменьшение/(увеличение) в операционных активах			
Производные финансовые активы		560 237	–
Кредиты клиентам		(982 765)	(407 681)
Прочие активы		1 842	(993)
Чистое увеличение/(уменьшение) в операционных обязательствах			
Прочие обязательства		21 524	(16 264)
Чистое расходование денежных средств в операционной деятельности до корпоративного подоходного налога		**(1 031 837)**	**(853 781)**
Процентные доходы полученные		**1 188 118**	**966 676**
Процентные расходы выплаченные		(369 587)	(216 437)
Корпоративный подоходный налог уплаченный		(112 854)	(29 967)
Чистое расходование денежных средств в операционной деятельности		**(326 160)**	**(133 509)**
Денежные потоки от инвестиционной деятельности			
Приобретение основных средств		**(27 615)**	**(20 631)**
Продажа основных средств		2 173	–
Приобретение нематериальных активов		(5 907)	(1 958)
Чистое расходование денежных средств в инвестиционной деятельности		**(31 349)**	**(22 589)**
Денежные потоки от финансовой деятельности			
Вклад в уставный капитал	**12**	**–**	**54 375**
Поступление средств кредитных учреждений		1 834 329	678 830
Погашение средств кредитных учреждений		(1 281 352)	(411 409)
Чистое поступление денежных средств от финансовой деятельности		552 977	321 796
Влияние изменений обменных курсов на денежные средства и их эквиваленты		**(10 387)**	**69 325**
Чистое увеличение в денежных средствах и их эквивалентах		185 081	235 023
Денежные средства и их эквиваленты на начало года		**333 127**	**98 104**
Денежные средства и их эквиваленты на конец года	5	518 208	333 127

Продолжение на след. странице

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