

2020
ANNUAL REPORT
ГОДОВОЙ ОТЧЕТ



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Dear friends and partners,

I am pleased to present the Annual Report of Microfinance Organization Asian Credit Fund LLP (ACF) for 2020.

The year 2020 produced challenges as never seen before, for ACF and so many companies worldwide. These included office closures, the transfer of employees to remote working, addressing productivity issues, business disruption, real-time decision-making and communication through remote and online services essential to business survival and many other challenges that continue to evolve as we cope with the COVID-19 pandemic.

Taking care of our employees and customers was our priority in 2020. One of the ways we addressed this, was to provide information on health and safety protocols to all fifty of our offices, with information and guidance on the coronavirus risks and preventive measures that should be followed at work and at home. We cancelled all business travel, moved more than half of the staff to remote working, and placed some staff on paid leave to minimize the spread of infection. Each office was provided with personal protective equipment, sanitary standards, advice on social distancing and personal hygiene recommendations. Thanks to these measures, we were able to keep our employees and customers healthy. There have been no confirmed cases of COVID-19 in our offices in 2020. Unfortunately, the pandemic has affected the most vulnerable family members of our staff—the older generation. As a socially responsible company, we have extended a helping hand and provided financial support to the families of employees whose close relatives fell ill from COVID-19 and its complications.

We also took measures to support our customers whose life were changed because of the severe restrictions



Management letter

imposed to slow down the spread of the virus. The measures included the following:

- Payment deferrals and grace periods for 5,187 customers (19% of our total clients) for KZT 2.4 billion (29%) of the Company's loan portfolio
- Nominal interest rates reduced for 5,231 customers
- Micro loan terms extended for 5,187 clients and over 770 micro loans restructuring KZT 470.0 million of debt
- Late fees and penalties were waived
- A call-centre was established for customer support in this period of uncertainty
- Cashless disbursements to customer bank cards was launched, allowing our clients to make on-line payments from home.

We did not stop our charity projects in the period of COVID-19. We continued to provide financial support of socially vulnerable people and purchase specialized medical equipment for local hospitals and clinics.

The situation with COVID-19 developed rapidly, and we focused on running our business safely and meeting the needs of our customers. During the year we disbursed KZT 9.7 billion in loans and ended 2020 with a loan portfolio of KZT 8.3 billion, serving over 27,000 borrowers. Despite the deterioration of the economy and in partnership with our customers, we maintained the quality of our portfolio. The key indicator, portfolio at risk over 30 days was 3.6% at year end. ACF continues to be one of Kazakhstan's 10 largest MFIs in terms of loan portfolio and number of customers. At year end 2020, ACF had fifty offices in 6 regions of the country, with 88% of them located in the villages and small towns of Kazakhstan. Rural households and women are still our main customers, comprising 93% and 71%, respectively of our borrowers. In addition, ACF is the only SMART-certified MFI in

Kazakhstan, applying customer protection standards in all of its operations.

To cope with the challenges of COVID-19 and with a view to strengthening the Company's financial position, our majority participant, BOPA Pte LTD, provided a USD 500,000 loan in November 04, 2020 which was converted to equity on November 09, 2020, increasing ACF's charter capital by KZT 212.5 million. This additional investment from BOPA has, in turn, helped to support our customers and their businesses in this difficult time.

I am also pleased to note that ACF received an Industry Leader 2020 award, taking first place among the enterprises in terms of "Contribution to the state budget". We have received a similar award in previous years as well. This award, dedicated to our entire team, is a proof of our strength and stability: we promote not only inclusion in the field of financial services by providing micro loans to support rural households generating income for their families, but we are also an outstanding corporate citizen, make ongoing contributions to our country's budget.

In conclusion, on behalf of the management team at ACF, I want to thank our employees for their well-coordinated work and professionalism in the past year. Their performance under these circumstances has enabled our Company to achieve the results you see in this report. I would also like to express a special note of gratitude to our customers, who have trusted us over the years, choosing ACF as their financial partner as we grew together.

Thank you and I'm looking forward to the when we can all meet each other again in person!

Zhanna Zhakupova
Executive Director
ACF



James Anderson
Chairman

Appointed: Board member and Chairperson since June 2013

Board Committees: Audit, Risk Management and Compensation

Current position: Independent Microfinance and Banking Consultant, Ulaanbaatar, Mongolia

Education: Pace University-Lubin School of Business MBA, Banking and Finance



Marco de Natale
Board member

Appointed: Board member since November 2019

Board Committees: Audit and Risk Management

Current position: 2019–Present
Manager—Strategic Finance, LFS Advisory GmbH, Germany

Education: MS, Management Science & Engineering, Stanford University
BA, Economic & Finance, Università Commerciale 'Luigi Bocconi'



Christian Andersen
Board member

Appointed: Board member since September 2014

Board Committees: Audit and Compensation

Current position: 2011–2018–Present
Co-founder and CEO of BOPA, Singapore
Board Chair Alliance Microfinance, Myanmar
Board member and Chair of Audit Committee in KIF, Timor LesteTimor

Education: MBA, IMD, General Management



Senad Sinanovic
Board member

Appointed: Board member since March 2018

Board Committees: Risk Management

Current position: September 2000–Present
CEO, Partner Microcredit Foundation, Bosnia and Herzegovina

Education: Pan-European University Apeiron, Economics



Don Ginsel
Board member

Appointed: Board member since January 2021

Board Committees: Digitization Working Group

Current position: 2013–2017–Present
Founder, Holland FinTech, The Netherlands
President, FINTECH AERA, The Netherlands
Co-founder, Foundation Capital Waters, The Netherlands

Education: MSC/Ir, Civil & Coastal Engineering, Technische Universiteit Delft
Business Administration, Erasmus Universiteit Rotterdam

Supervisory Board



Financial Indicators (in millions of KZT)

	2018	2019	2020
TOTAL ASSETS	5,777	7,595	8,943
GROSS LOAN PORTFOLIO	5,123	7,128	8,369
TOTAL LIABILITIES	4,502	5,937	6,703
TOTAL EQUITY	1,275	1,658	2,240
NET INCOME	300	383	370
ROE	28.71%	28.17%	10.32%
ROA	6.16%	6.51%	2.33%

ACF is one of the 10 largest MFIs in Kazakhstan as ranked by assets, loan portfolio and number of clients while providing financial and advisory services to the rural population.

Our financial results for 2020 reflected the impact of COVID-19 on our customers and employees, however, our Company's business performance remained strong.

Operational Indicators

	2018	2019	2020
NUMBER OF OFFICES	49	51	50
NUMBER OF ACTIVE LOANS	25,481	29,723	28,863
PORTFOLIO AT RISK > 30 DAYS	1.5%	2.9%	3.6%
NUMBER OF STAFF	293	375	378
NUMBER OF FIELD STAFF	116	166	139

OUTREACH **26,670** **KZT 8.3B** **70%** **93%** **6 of 14**

Active borrowers

Gross loan portfolio

Women-borrowers

Rural borrowers

Regions of Kazakhstan covered

25,761

Clients served

3.6%

Portfolio at risk >30 days

98.6%

Loans disbursed for business purposes

KZT 419k

Average disbursed loan amount

NON-FINANCIAL SERVICES

KZT 1.0M

1,860

Spent on community projects

Clients received "family budget" training

GENDER

55%

Women in management

70%

Women in total staff

Our Mission: To be the leading development organization in the microfinance sector of Kazakhstan providing financial and development products and services to households to improve the quality of their lives.

Our Vision: To realize a vibrant civil society in Kazakhstan, nurtured by the development of sustainable rural households.

Social goals

- ✓ Rural households
- ✓ Meeting client needs
- ✓ Creating changes



The pandemic outbreak created an unprecedented situation worldwide. Health authorities everywhere took measures to reduce the spread of the virus. Governments attempted to slow the spread by isolating countries, cities, and regions. All of this led to large-scale changes in the usual order of how people live their lives and manage their economic activity.

The pandemic created unprecedented new risks for businesses, such as safety of employees and customers, resilience of business operations, financial security of customers. With guidance from our Board, ACF took the following actions to address these risks.

Employee health and safety — our main concern in 2020

- Employees were given information and resources on COVID-19 risks for health and safety rules, while measures were taken weekly to prevent further spread of the virus
- All ACF offices were secured with protective equipment including medical masks, disposable gloves, disinfectant, etc.
- Business travel and in person meetings among staff were cancelled. Instead, all meetings were held online
- Among the staff, 50% were transferred to remote and work from home activity, the remainder were given paid vacation time
- Material support was provided to families of employees whose close relatives fell ill from COVID-19 and its complications.

Customer welfare

Suspension and closure of businesses due to COVID-19 restrictions became a serious threat to the livelihoods of our clients. ACF has been committed to supporting our customers throughout 2020 and continues to do so in 2021.

5,187 borrowers (19% of total) were given payment deferral on KZT 2.4 billion for loans (29% of total). In addition:

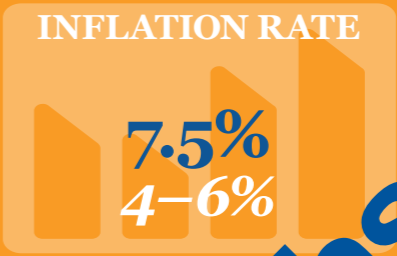
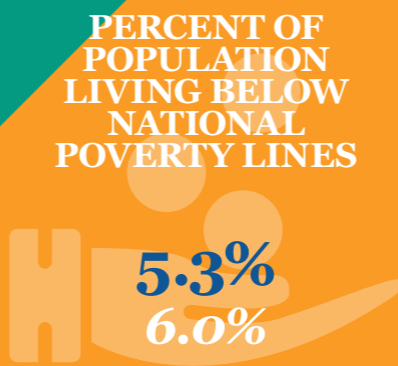
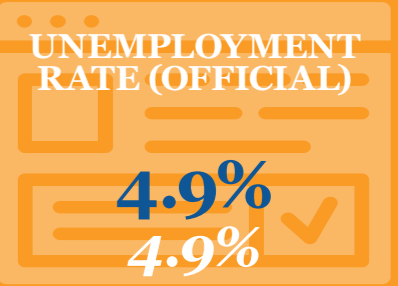
- Interest rates were reduced for 76% of clients
- Loan terms were extended for 99% of clients
- Penalties and late fees were suspended for all borrowers.

Our priority has been to provide safe, continuous, and essential services for our clients. This was done through the following:

- Some offices kept open with physical distancing measures to protect customers
- Various online and offline channels provided to make loan repayments
- Loan disbursement through customer bank accounts to reduce social contact
- Customer call centre opened to meet the increased demand for assistance
- Customer complaints resolved quickly, fairly and transparently
- Digital channels used to alert customers to support available.

In 2021 ACF will continue to focus on providing customer support based on meeting the individual needs of our clients.

Responding to COVID-19



Kazakhstan overview 2020 and outlook 2021

Onorkhan Kharshyga Yessik city, Almaty region

There are many furniture companies today, large and small, in every city in Kazakhstan. The market offers many choices and it is not easy to maintain a sustainable furniture business. However, our client, Ms. Onorkhan Kharshyga from Yessik city, Almaty region, has succeeded. She has twenty-three years of running a furniture business and eight years of successful cooperation with ACF.

Ms. Onorkhan recently shared her story with us. *"In 2013, our family produced only two types of furniture, kitchen tables and beds. We accepted orders at home and produced and sold furniture from there. We had ambitions to expand our range of products, but had difficulties with production,*

including a lack of necessary equipment which resulted in few orders. When I heard from my neighbors that I could get a business loan from ACF I immediately contacted them, and after some discussions I got my first loan for the purchase of furniture-making equipment. I decided on a group because it was important for me to feel supported and to be sure that if I had problems to pay back, I could count on the members of my group to help me."

Onorkhan's partnership with ACF has continued for seven years. During this time, she has received 11 loans for business development and has grown her business more than threefold. With the funds from ACF, she has bought new equipment and opened two new sales outlets at the market, and also significant-

ly expanded her product range. Residents of Yessik city and nearby villages can order kitchen and bedroom sets, living rooms, upholstered furniture, hall furniture sets and any other type of furniture. Onorkhan's furniture business is growing and each year the number of her loyal customers gets larger.

"Thanks to my hard work and the support of ACF my business is flourishing and my family feels more confidence about the future," Onorkhan says.



Mamayeva Nagima and Tattygul Baisalbek kyzy Yessik city, Almaty region

Mamayeva Nagima and Tattygul Baisalbek kyzy are business women working in the "Vira" market in Yessik city. Since 2016, they have been members of a solidarity group based on mutual help and support.



Ms. Mamayeva operates a clothing repair service. She has been an ACF client for 12 years, taking her first microloan in 2009 to buy a new sewing machine.

"I found out about ACF from other business owners at the market who told me how I could get a microloan to grow my small business. At that time, I was renting a small container at the market and the only equipment I had was an old sewing machine. Assessing my opportunities, I decided to give it a try, and that started my long-term partnership with ACF. Since that time, I have upgraded my sewing machines

several times to more modern ones, bought and renovated a new container, bought materials, increased the range of services in my clothing repair shop and moved to a new level of service by employing an additional person. As the business grew so did my income. I expanded into home renovations and provided for my son and daughter's weddings. I am

grateful to ACF for explaining to me that a microloan is a good business decision if used wisely. I am very happy to work with ACF and I constantly recommend them to my friends."

Ms. Tattygul is one of the business women who came upon Nagima's recommendation. She had been trading women's clothing at the "Vira" market for over 10 years. She likes to work for herself because by developing her own business she improves her family's well-being.

"It is no secret that a major problem in the trade is the lack of funds to expand

the range of products, especially during the holidays. If there is a wide range, there is good money to be made; but without funds, sales are much lower. So, I got my first microloan from ACF to buy women's dresses for the New Year celebration. Next year I wanted to expand my business, and with the help of an ACF microloan I bought a second sales outlet located next to my con-

tainer. So, every year, I purposely take microloans which I use only to develop my business. In the last four years my business has grown eightfold, and I have grown my sales outlets from one to four: two outlets are my own and I rent two others. I have many plans for further development. Certainly, the coronavirus has changed my plans—the market was closed from time to time, but for me, it was an opportunity to launch sales online through social media, and to arrange home delivery to my customers. I am grateful to ACF and hope that our cooperation will continue for many years to come." says Ms. Tattygul.



Success stories

Financial statements

Year ended 31 December 2020,
together with independent auditor's report.

Statement of financial position

as at 31 December 2020 (in thousands of tenge)

	Notes	2020	2019
Assets			
Cash and cash equivalents	5	658,413	424,995
Amounts due from credit institutions	6	–	–
Loans to customers	7	7,974,124	6,757,827
Property and equipment		138,310	147,122
Right-of-use assets	8	37,781	106,853
Intangible assets		104,084	109,882
Current corporate income tax assets	11	–	21,542
Other assets	9	30,129	27,124
Total assets		8,942,841	7,595,345
Liabilities			
Amounts due to credit institutions	10	6,513,869	5,711,615
Lease liabilities	8	34,540	110,668
Current corporate income tax liabilities	11	14,122	–
Deferred corporate income tax liabilities	11	2,263	6,948
Other liabilities	9	137,707	108,253
Total liabilities		6,702,501	5,937,484
Equity			
Charter capital	12	553,797	341,297
Retained earnings		1,686,543	1,316,564
Total equity		2,240,340	1,657,861
Total liabilities and equity		8,942,841	7,595,345

Signed and authorised for issue on behalf of the Management of the Company:

Zhakupova Zh. B.

Executive Director

Amireshova A.K.

Chief Accountant

3 June 2021



Statement of comprehensive income

as at 31 December 2020 (in thousands of tenge)

	Notes	2020	2019
Interest revenue on loans to customers		3,109,920	2,973,418
Interest revenue on amounts due from credit institutions		21,945	2,222
Interest revenue calculated using effective interest rate		3,131,865	2,975,640
Interest expense on amounts due to credit institutions		(1,206,125)	(990,624)
Other interest expense	8	(8,329)	(16,493)
Net interest income		1,917,411	1,968,523
Credit loss expense	13	(27,582)	(188,319)
Net interest income after credit loss expense		1,889,829	1,780,204
Loss on modification of financial liabilities not resulting in derecognition	10	(44,546)	–
Net gains/(losses) from foreign currencies:			
translation differences		(14,066)	(9,692)
dealing		(12,849)	(9,994)
Other income		11,547	18,597
Operating expenses	14	(1,355,959)	(1,282,465)
Other expenses		(3,015)	(4,990)
Profit before corporate income tax expense		470,941	491,660
Corporate income tax expense	11	(100,962)	(109,047)
Profit for the year		369,979	382,613
Other comprehensive income for the year		–	–
Total comprehensive income for the year		369,979	382,613

Statement of cash flows

for the year ended 31 December 2020 (in thousands of tenge)

	Notes	2020	2019
Cash flows from operating activities			
Profit before corporate income tax expense		470,941	491,660
Adjustments for:			
Depreciation and amortisation	14	125,504	96,765
Accrued interest income		(3,131,865)	(2,975,640)
Accrued interest expense		1,214,454	1,007,117
Credit loss expense	13	27,582	188,319
Loss on modification of financial liabilities not resulting in derecognition	10	44,546	–
Accrued expenses on unused vacations and other payroll accruals		9,968	19,077
Unrealised losses from foreign currencies		14,066	9,692
Loss on disposal of property and equipment		1,394	610
Other expenses		1,483	2,133
Cash flows used in operating activities before changes in operating assets and liabilities		(1,221,927)	(1,160,267)
Net decrease/(increase) in operating assets			
Loans to customers		(1,245,781)	(1,724,970)
Other assets		(702)	796
Net increase/(decrease) in operating liabilities			
Other liabilities		20,102	20,653
		(2,448,308)	(2,863,788)
		3,138,861	2,881,241
Interest received			
Interest paid		(1,128,497)	(984,474)
Corporate income tax paid		(69,983)	(111,855)
Net cash flows used in operating activities		(507,927)	(1,078,876)

Statement of cash flows (continued)

for the year ended 31 December 2020 (in thousands of tenge)

	Notes	2020	2019
Cash flows from investing activities			
Purchase of property and equipment		(17,742)	(65,843)
Purchase of intangible assets		(14,509)	(29,440)
Net cash flows used in investing activities		(32,251)	(95,283)
Cash flows from financing activities			
Contribution to the charter capital	12	212,500	–
Proceeds from amounts due to credit institutions	20	1,436,754	2,550,599
Repayment of amounts due to credit institutions	20	(757,576)	(1,268,583)
Repayment of leases liabilities	8	(95,422)	(73,293)
Net cash flows from financing activities		796,256	1,208,723
		(5,250)	–
Transfer to amounts due from credit institutions	6		
Effect of exchange rates changes on cash and cash equivalents		(17,099)	(10,537)
Effect of expected credit losses on cash and cash equivalents		(311)	(2,589)
Net increase in cash and cash equivalents		233,418	21,438
		424,995	403,557
Cash and cash equivalents, as at 1 January			
Cash and cash equivalents, as at 31 December	5	658,413	424,995

Statement of changes in equity

for the year ended 31 December 2020 (in thousands of tenge)

	Charter capital	Retained earnings	Total equity
As at 1 January 2019	341,297	933,951	1,275,248
Total comprehensive income for the year	–	382,613	382,613
As at 31 December 2019	341,297	1,316,564	1,657,861
Total comprehensive income for the year	–	369,979	369,979
Contribution to the charter capital (Note 12)	212,500	–	212,500
As at 31 December 2020	553,797	1,686,543	2,240,340

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 On Microfinance Organizations. The Company’s activities are supervised and regulated by the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (hereinafter—the “Agency”).

The Company’s principal activity is granting micro loans to customers. As at 31 December 2020, the Company had 7 branches and 50 outlets in the Republic of Kazakhstan (as at 31 December 2019: 7 branches and 51 outlets).

The Company’s head office is located at 60 Auezov Str., Almaty, the Republic of Kazakhstan.

The ultimate shareholder of the Company is BOPA Pte LTD. Participatory shares in the Company are distributed as follows:

Name	Ownership in %	
	2020	2019
BOPA Pte LTD	98.32	98.10
Karavella Invest LLP	1.68	1.90
	100.00	100.00

The participants’ 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 (“IFRS”).

The financial statements are prepared under the historical cost convention except as disclosed in accounting policies below.

The financial statements are presented in thousands of tenge (“tenge” or “KZT”), unless otherwise indicated.

Effect of COVID-19 pandemic

Due to the rapid spread of COVID-19 pandemic in 2020 many governments, including the Republic of Kazakhstan Government, have introduced various measures to combat the outbreak, including travel restrictions, quarantines, closure of business and other venues and lockdown of certain areas. These measures have affected the global supply chain, demand for goods and services, as well as the scale of business activity. It is expected that the pandemic itself as well as the related public health and social measures may continue to influence the business of entities in a wide range of industries.

Support measures were introduced by the Government and the Agency to counter the economic downturn caused by the COVID-19 pandemic. These measures include, among others, subsidised lending to affected industries and individuals, payment holidays and easing of certain regulatory restrictions to help the financial sector maintain its capabilities to provide resources and to help customers avoid liquidity shortages as a result of the COVID-19 containment measures.

The Company continues to assess the effect of the pandemic and changing economic conditions on its activities, financial position and financial results.

3. SUMMARY OF ACCOUNTING POLICIES
Changes in accounting policies

Amendments effective since 1 January 2020 were applied but do not have an impact on the financial statements of the Company are is described below:

Amendments to IFRS 3:
Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39:
Interest Rate Benchmark Reform

The amendments to IFRS 7, IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide certain relief, which applies to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8:
Definition of Material

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”.

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial
Reporting issued on 29 March 2018

The *Conceptual Framework* is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the *Conceptual Framework* is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised *Conceptual Framework* includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

Fair value measurement

Information about fair values of financial instruments measured at amortised costs is disclosed in Note 17. 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 categorization (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 assets and liabilities

Initial recognition

Date of recognition

All normal course purchases and sales of financial assets and liabilities are recognised on the trade date

i.e. the date that the Company commits to purchase the asset or liability. Normal course purchases or sales are purchases or sales of financial assets and liabilities that require delivery of assets and liabilities within the period generally established by regulation or convention in the marketplace.

Initial measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value and, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL), transaction costs are added to, or subtracted from, this amount.

Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- FVPL.

The Company classifies and measures its derivative and trading portfolio at FVPL. The Company may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading, are derivative instruments or the fair value designation is applied.

Amounts due from credit institutions, loans to customers at amortised cost

The Company only measures amounts due from credit institutions, loans to customers and other financial

investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The details of these conditions are outlined below.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the

Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company changes the business model for managing financial assets. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets and liabilities in 2020.

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.

Borrowings

Issued financial instruments or their components are classified as liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity instruments. Such instruments include amounts due to credit institutions. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the borrowings are derecognised as well as through the amortisation process.

Leases

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or be-

fore the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement

date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below KZT 2,100 thousand). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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 realize 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.

Renegotiated loans

Where possible, the Company seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions.

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit-impaired (POCI). When assessing whether or not to derecognise a loan to

a customer, amongst others, the Company considers the following factors:

- Change in currency of the loan;
- Change in counterparty;
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the Company records a modification gain or loss, presented within interest revenue calculated using effective interest rate in the statement of comprehensive income, to the extent that an impairment loss has not already been recorded.

For modifications not resulting in derecognition, the Company also reassesses whether there has been a significant increase in credit risk or whether the assets should be classified as credit-impaired. Once an asset has been classified as credit-impaired as the result of modification, it will remain in Stage 3 for a minimum 6-month probation period. In order for the restructured loan to be reclassified out of Stage 3, regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period in accordance with the modified payment schedule.

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.

Write-off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. A write-off constitutes a derecognition event.

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

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.

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	5–10
Office furniture and equipment	2–10

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 computer software and are initially measured at cost.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic lives of 10 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; such expense is charged in the period the related salaries are earned. In addition, the Company has no significant post-retirement benefits.

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.

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.

Recognition of income and expenses

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 revenue and expense

The Company calculates interest revenue on debt financial assets measured at amortised cost or at FVOCI by applying the effective interest rate to the gross carrying amount of financial assets other than credit-impaired assets. Effective interest rate 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 revenue or expense.

When a financial asset becomes credit-impaired, the Company calculates interest revenue by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest revenue on a gross basis.

For POCI financial assets, the Company calculates interest revenue by calculating the credit-adjusted effective interest rate and applying that rate to the amortised cost of the asset. The credit-adjusted effective interest rate is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest revenue on all financial assets at FVPL is recognised using the contractual interest rate in “Other interest revenue” in the statement of comprehensive income.

Foreign currency translation

The financial statements are presented in 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 gains/(losses) 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 from transactions in foreign currencies. The official exchange rates established by the NBRK as at 31 December 2020 and 2019 were KZT 420.71 and KZT 381.18 to US dollar 1, respectively.

Standards issued but not yet effective

The new and amended 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 new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for

insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

Credit cards and similar products that provide insurance coverage: most issuers of these products will be able to continue with their existing accounting treatment as a financial instrument under IFRS 9. IFRS 17 excludes from its scope credit card contracts (and other similar contracts that provide credit or payment arrangements) that meet the definition of an insurance contract if, and only if, the entity does not reflect an assessment of the insurance risk associated with an individual customer in setting the price of the contract with that customer.

When the insurance coverage is provided as part of the contractual terms of the credit card, the issuer is required to:

- Separate the insurance coverage component and apply IFRS 17 to it;
- Apply other applicable standards (such as IFRS 9, IFRS 15 Revenue from Contracts with Customers or IAS 37 Provisions, Contingent Liabilities and Contingent Assets) to the other components.

Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder’s obligation created by the contract: issuers of such loans—e.g. a loan with waiver on death—have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The Company is currently in the process of assessing the impact of adopting IFRS 17 on its financial statements.

IFRS 9 Financial Instruments—Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual period in which it will first apply the amendment and does not expect this will result in a material impact on its financial statements.

Interest Rate Benchmark Reform—Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

In August 2020 the IASB issued Interest Rate Benchmark Reform—Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (IBOR reform Phase 2), to address the accounting issues which arise upon the replacement of an inter-bank offer rate (IBOR) with a risk free-rate (RFR).

IBOR reform Phase 2 includes a number of reliefs and additional disclosures. The reliefs apply upon the transition of a financial instrument from an IBOR to a RFR.

Interest Rate Benchmark Reform—Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (continued)

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that, for the financial instrument, the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

The Company will apply IBOR reform Phase 2 from 1 January 2021.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES
Estimation uncertainty

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:

COVID-19

The rapid spread of the COVID-19 pandemic in 2020, as well as related public health and social measures, have had an impact on the activities of entities in various sectors of the economy. The following changes in the economic environment continue to affect the Company's activities:

- Reduced industrial production and activities in many sectors of the economy as a result of government restrictions related to the COVID-19 pandemic;
- Implementation of measures of state support to the population and business related to the COVID-19 pandemic;

- Significant depreciation of tenge exchange rate against major foreign currencies, high volatility in the foreign exchange market;
- Offering borrowers changes to certain loan terms, including government support programs;
- Expansion of the product offering to clients via remote service channels;
- Changes in the macroeconomic indicators used in the models for estimating ECL allowance.

Due to the high level of uncertainty, as well as limited up-to-date and consistent information about the actual financial position of the Company's counterparties and borrowers, it is not possible to present a comprehensive quantitative assessment of the impact of changes in the economic environment on the Company's 2020 financial performance in these financial statements.

Fair values of financial instruments

Where the fair values of financial assets and financial liabilities 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. Additional details are provided in Note 17.

Impairment losses on financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL

models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as GDP, and the effect on PD;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

More details are provided in Notes 7 and 16.

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.

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Leases—estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2020	2019
Cash on hand	684	521
Current accounts with banks	508,555	427,063
Time deposits with banks up to 90 days	150,000	–
	659,239	427,584
Less: ECL allowance	(826)	(2,589)
Cash and cash equivalents	658,413	424,995

As at 31 December 2020 and 2019 all balances of cash and cash equivalents are allocated to Stage 1 for ECL measurement purpose. An analysis of changes in the ECL allowances during the years ended 31 December are as follows:

	2020	2019
ECL allowance as at 1 January	(2,589)	–
Net changes in ECL (Note 13)	(311)	(2,589)
Transfer to amounts due from credit institutions (Note 6)	2,074	–
As at 31 December	(826)	(2,589)

6. AMOUNTS DUE FROM CREDIT INSTITUTIONS

As at 31 December 2020, amounts due from credit institutions comprise balance of current account of KZT 7,324 thousand with Tengri Bank JSC.

In accordance with the resolution of the Board of the Agency No. 80 dated 17 September 2020, the license to conduct banking and other operations of Tengri Bank JSC was revoked. In this regard, the Company recognised a 100% ECL allowance on amounts on current account with Tengri Bank JSC, which as at 31 December 2020 was equal to KZT 7,324 thousand.

An analysis of changes in the ECL allowance on amounts due from credit institutions during the year ended 31 December 2020 is as follows:

	Stage 2	Stage 3	Total
ECL allowance as at 1 January	–	–	–
Transfer from cash and cash equivalents (Note 5)	(2,074)	–	(2,074)
Transfer to Stage 3	2,074	(2,074)	–
Net changes in ECL (Note 13)	–	(5,250)	(5,250)
As at 31 December	–	(7,324)	(7,324)

7. LOANS TO CUSTOMERS

Loans to customers comprise the following:

	2020	2019
Group loans	2,327,440	2,977,528
Individual loans	6,041,457	4,151,036
Gross loans to customers	8,368,897	7,128,564
Less: ECL allowance	(394,773)	(370,737)
Loans to customers	7,974,124	6,757,827

Group loans are unsecured loans granted to groups of borrowers, who sign loan agreements with joint obligation to repay their loans.

As at 31 December 2020 and 2019 loans to customers mainly comprise loans issued to individuals.

ECL allowance of loans to customers

An analysis of changes in the gross carrying value and corresponding ECL allowance in relation to group loans during the year ended 31 December 2020 is as follows:

Group loans	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2020	2,854,621	29,954	92,953	2,977,528
New assets originated	2,319,971	–	–	2,319,971
Assets repaid	(2,856,443)	(64,207)	(47,795)	(2,968,445)
Net change in accrued interest	(14,943)	1,504	3,263	(10,176)
Transfers to Stage 1	551,866	(522,013)	(29,853)	–
Transfers to Stage 2	(721,185)	769,754	(48,569)	–
Transfers to Stage 3	–	(145,593)	145,593	–
Changes to contractual cash flows due to modifications not resulting in derecognition	(10,373)	(216)	–	(10,589)
Recoveries	–	–	32,726	32,726
Amounts written off	–	–	(13,575)	(13,575)
As at 31 December 2020	2,123,514	69,183	134,743	2,327,440

<i>Group loans</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
ECL allowance as at 1 January 2020	(87,330)	(19,264)	(92,939)	(199,533)
New assets originated	(95,700)	–	–	(95,700)
Assets repaid	100,250	32,342	42,265	174,857
Transfers to Stage 1	(357,740)	327,887	29,853	–
Transfers to Stage 2	19,841	(68,410)	48,569	–
Transfers to Stage 3	–	93,634	(93,634)	–
Impact on ECL of exposures transferred between stages and changes to models and inputs used for ECL calculations	378,870	(386,948)	(12,413)	(20,491)
Unwinding of discount	–	–	(3,143)	(3,143)
Changes to contractual cash flows due to modifications not resulting in derecognition	352	38	–	390
Recoveries	–	–	(32,726)	(32,726)
Amounts written off	–	–	13,575	13,575
As at 31 December 2020	(41,457)	(20,721)	(100,593)	(162,771)

An analysis of changes in the gross carrying value and corresponding ECL allowance in relation to individual loans during the year ended 31 December 2020 is as follows:

<i>Individual loans</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying value as at 1 January 2020	4,038,938	45,640	66,458	4,151,036
New assets originated	7,312,743	–	–	7,312,743
Assets repaid	(5,289,855)	(103,563)	(25,071)	(5,418,489)
Net change in accrued interest	17,385	5,542	12,376	35,303
Transfers to Stage 1	877,031	(850,646)	(26,385)	–
Transfers to Stage 2	(1,222,233)	1,291,104	(68,871)	–
Transfers to Stage 3	(18,641)	(233,687)	252,328	–
Changes to contractual cash flows due to modifications not resulting in derecognition	(10,882)	(4,200)	(139)	(15,221)
Recoveries	–	–	15,932	15,932
Amounts written off	–	–	(39,847)	(39,847)
As at 31 December 2020	5,704,486	150,190	186,781	6,041,457

<i>Individual loans</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
ECL allowance as at 1 January 2020	(89,978)	(21,780)	(59,446)	(171,204)
New assets originated	(220,511)	–	–	(220,511)
Assets repaid	117,600	49,280	22,153	189,033
Transfers to Stage 1	(417,393)	397,568	19,825	–
Transfers to Stage 2	16,522	(67,855)	51,333	–
Transfers to Stage 3	–	85,860	(85,860)	–
Impact on ECL of exposures transferred between stages and changes to models and inputs used for ECL calculations	518,212	(488,128)	(80,434)	(50,350)
Unwinding of discount	–	–	(3,636)	(3,636)
Changes to contractual cash flows due to modifications not resulting in derecognition	383	368	–	751
Recoveries	–	–	(15,932)	(15,932)
Amounts written off	–	–	39,847	39,847
As at 31 December 2020	(75,165)	(44,687)	(112,150)	(232,002)

An analysis of changes in the gross carrying value and corresponding ECL allowance in relation to group loans during the year ended 31 December 2019 is as follows:

<i>Group loans</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying value as at 1 January 2019	2,816,720	38,420	30,448	2,885,588
New assets originated	3,556,824	–	–	3,556,824
Assets repaid	(3,350,607)	(59,548)	(83,141)	(3,493,296)
Net change in accrued interest	(6,233)	288	4,037	(1,908)
Transfers to Stage 1	46,542	(42,833)	(3,709)	–
Transfers to Stage 2	(208,625)	214,006	(5,381)	–
Transfers to Stage 3	–	(120,379)	120,379	–
Recoveries	–	–	71,675	71,675
Amounts written off	–	–	(41,355)	(41,355)
As at 31 December 2019	2,854,621	29,954	92,953	2,977,528

Group loans	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2019	(51,193)	(19,816)	(30,448)	(101,457)
New assets originated	(86,728)	–	–	(86,728)
Assets repaid	81,024	34,556	82,760	198,340
Transfers to Stage 1	(28,529)	24,819	3,710	–
Transfers to Stage 2	5,087	(10,468)	5,381	–
Transfers to Stage 3	–	69,753	(69,753)	–
Impact on ECL of exposures transferred between stages and changes to inputs used for ECL calculations	(6,991)	(118,108)	(48,617)	(173,716)
Unwinding of discount	–	–	(5,652)	(5,652)
Recoveries	–	–	(71,675)	(71,675)
Amounts written off	–	–	41,355	41,355
As at 31 December 2019	(87,330)	(19,264)	(92,939)	(199,533)

An analysis of changes in the gross carrying value and corresponding ECL allowance in relation to individual loans during the year ended 31 December 2020 is as follows:

Individual loans	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2019	2,354,896	16,438	7,423	2,378,757
New assets originated	4,909,597	–	–	4,909,597
Assets repaid	(3,136,418)	(20,130)	(26,975)	(3,183,523)
Net change in accrued interest	31,124	3,379	5,945	40,448
Transfers to Stage 1	51,487	(48,971)	(2,516)	–
Transfers to Stage 2	(171,748)	174,087	(2,339)	–
Transfers to Stage 3	–	(79,163)	79,163	–
Recoveries	–	–	26,928	26,928
Amounts written off	–	–	(21,171)	(21,171)
As at 31 December 2019	4,038,938	45,640	66,458	4,151,036

Individual loans	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2019	(28,055)	(9,018)	(7,423)	(44,496)
New assets originated	(88,379)	–	–	(88,379)
Assets repaid	53,618	9,273	26,958	89,849
Transfers to Stage 1	(27,248)	25,118	2,130	–
Transfers to Stage 2	2,630	(4,969)	2,339	–
Transfers to Stage 3	–	41,587	(41,587)	–
Impact on ECL of exposures transferred between stages and changes to inputs used for ECL calculations	(2,544)	(83,771)	(32,985)	(119,300)
Unwinding of discount	–	–	(3,121)	(3,121)
Recoveries	–	–	(26,928)	(26,928)
Amounts written off	–	–	21,171	21,171
As at 31 December 2019	(89,978)	(21,780)	(59,446)	(171,204)

In 2020, weights of economic inputs were taken into account in the ECL model in order to determine the probability of default of loans to customers. As a result of changes total amount of ECL allowance increased by KZT 26,485 thousand. During 2020 the Company also introduced changes to estimation of Loss Given Default on loans to customers which previously was assessed based on expectations of recoveries from sale of collateral. As a result of ECL model validation process the Company reassessed its approach to calculation of Loss Given Default using historical information on cash recoveries in the events of default. The effect of the introduced change amounted to KZT 208,126 thousand of decrease in ECL allowance.

Modified and restructured loans

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

As at 31 December 2020, the Company introduced certain changes in its process of estimation of expected credit losses in the context of the ongoing COVID-19 pandemic. In particular, the Company has revised indicators of significant increase in credit risk and does not automatically consider the credit risk to have significantly increased in the case of modification of loans being part of the Government support measures. The Company also updated forward-looking information, including forecast of macroeconomic indicators and scenarios weights.

During 2020, the Company has modified the terms and conditions of certain loans, including introduction of payment holidays, as part of the measures introduced by the Government related to consequences of COVID 19 pandemic. The Company considered these modifications to be non-substantial. As a result, the Company recognised loss on modification of loans to customers, not resulting in derecognition in the amount of KZT 25,810 thousand, accounted within interest revenue on loans to customers of the statement of comprehensive income.

	2020	2019
Loans to customers modified during the period		
Amortised cost before modification	2,439,851	–
Net losses on modification of loans to customers not resulting in derecognition	25,810	–

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 main types of collateral obtained are as follows:

- Guarantees;
- Inventory;
- Real estate;
- Vehicles.

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.

In absence of collateral or other credit enhancements, ECL in respect of Stage 3 loans to customers as at 31 December 2020 and 2019 would have been higher by:

	2020	2019
Individual loans	19,421	7,012
	19,421	7,012

Concentration of loans to customers

As at 31 December 2020 and 2019, the Company has no borrowers or groups of interrelated borrowers whose loan balances exceed 10% of the Company's equity. According to the legislation of the Republic of Kazakhstan, the maximum amount of a microloan to a single borrower equals to KZT 55,560 thousand as at 31 December 2020 (as at 31 Decemeber 2019: KZT 20,200 thousand).

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Movements in right-of-use assets and lease liabilities are as follows:

	Right-of-use assets	Lease liabilities
As at 1 January 2019	95,779	92,688
Additions	74,780	74,780
Depreciation expense	(63,706)	–
Interest expense	–	16,493
Payments	–	(73,293)
As at 31 December 2019	106,853	110,668
Additions	10,965	10,965
Depreciation expense	(80,037)	–
Interest expense	–	8,329
Payments	–	(95,422)
As at 31 December 2020	37,781	34,540

Right-of-use assets are represented by the Company's right to use premises under lease agreements. The Company recognised rent expense from short-term leases of KZT 8,918 thousand for the year ended 31 December 2020 (in 2019: KZT 14,289 thousand) (Note 14).

9. OTHER ASSETS AND LIABILITIES

Movements in right-of-use assets and lease liabilities are as follows:

	2020	2019
Other accounts receivable	3,332	14,854
Less: ECL allowance	–	(11,379)
Other financial assets	3,332	3,475
Advances paid	18,428	13,414
Inventories	2,918	1,535
Prepaid expenses	451	2,561
Prepaid taxes other than corporate income tax	66	–
Other	4,934	6,139
Other non-financial assets	26,797	23,649
Other assets	30,129	27,124

An analysis of change in the ECL allowance in relation to other financial assets during the years ended 31 December are as follows:

	Stage 3	
	2020	2019
ECL allowance as at 1 Jan.	(11,379)	(5,583)
Net change during the year	–	(5,796)
Amounts written off	11,379	–
As at 31 December 2020	–	(11,379)

Other liabilities comprise the following:

	2020	2019
Payables to employees	27,399	24,679
Payables to suppliers	24,578	14,394
Other payables	–	13,230
Other financial liabilities	51,977	52,303

	2020	2019
Taxes payable other than corporate income tax	49,433	25,878
Accrued expenses on unused vacations	34,784	27,536
Other payables	1,513	2,536
Other non-financial liabilities	85,730	55,950
Other liabilities	137,707	108,253

10. AMOUNTS DUE TO CREDIT INSTITUTIONS

Amounts due to credit institutions comprise the following:

	2020	2019
Loans from investment funds	6,513,869	5,711,615
Amounts due to credit institutions	6,513,869	5,711,615

As at 31 December 2020 and 2019, the Company had borrowings from 13 investment funds.

During 2020 the Company renegotiated contractual terms of a number of loan agreements with investment funds, including maturity dates and interest rates. As a result of modification of terms of the loan agreements, the Company recognised a loss of KZT 44,546 thousand in the statement of comprehensive income. The effect of modification will be amortised during the remaining terms of the loans.

Covenants

As at 31 December 2020 and 2019, the Company complied with all financial covenants implied by loan agreements with credit institutions.

11. TAXATION

Corporate income tax expense comprises:

	2020	2019
Current corporate income tax charge	105,647	100,633
Deferred corporate income tax (benefit)/charge—origination and reversal of temporary differences	(4,685)	8,414
Corporate income tax expense	100,962	109,047

The Republic of Kazakhstan is 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 2020 and 2019.

As at 31 December 2020, current corporate income tax liabilities comprised KZT 14,122 thousand. As at 31 December 2019 current corporate income tax assets comprised KZT 21,542 thousand.

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:

	2020	2019
Profit before corporate income tax expense	470,941	491,660
Statutory corporate income tax rate	20%	20%
Theoretical corporate income tax expense at the statutory rate	94,188	98,332
Non-deductible losses from foreign currencies	2,922	2,839
Non-deductible other impairment and provisions	–	1,677
Non-deductible operating expenses	3,852	6,199
Corporate income tax expense	100,962	109,047

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 tax assets and liabilities as at 31 December 2020 and 2019. 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 such benefits in future periods.

Deferred corporate income tax assets and liabilities as at 31 December and their movements for the respective years comprise:

	2018	Effect of adopting IFRS 16	Origination and reversal of temporary differences in profit or loss	2019	Origination and reversal of temporary differences in profit or loss	2020
Tax effect of deductible temporary differences						
Accrued expenses on unused vacations	6,612	–	(1,105)	5,507	1,450	6,957
Other taxes	–	–	653	653	264	917
Lease liabilities	–	18,534	3,600	22,134	(15,226)	6,908
Loans to customers	–	–	–	–	2,451	2,451
Amounts due to credit institutions	–	–	–	–	4,941	4,941
Deferred corporate income tax assets	6,612	18,534	3,148	28,294	(6,120)	22,174
Tax effect of taxable temporary differences						
Property and equipment and intangible assets	(4,847)	–	(9,024)	(13,871)	(3,249)	(17,120)
Right-of-use assets	–	(18,534)	(2,837)	(21,371)	14,054	(7,317)
Amounts due to credit institutions	(299)	–	299	–	–	–
Deferred corporate income tax liabilities	(5,146)	(18,534)	(11,562)	(35,242)	10,805	(24,437)
Net deferred corporate income tax assets/ (liabilities)	1,466	–	(8,414)	(6,948)	4,685	(2,263)

12.EQUITY

As at 31 December 2020 the Company's paid and outstanding charter capital was equal to KZT 553,797 thousand (as at 31 December 2019: KZT 341,297 thousand).

On 4 November 2020, BOPA Pte LTD made additional cash contribution for KZT 212,500 thousand to the charter capital.

13.CREDIT LOSS EXPENSE

The table below shows the ECL charges on financial instruments recognised in the statement of comprehensive income for the year ended 31 December 2020:

	Notes	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	5	(311)	–	–	(311)
Amounts due from credit institutions	6	–	–	(5,250)	(5,250)
Loans to customers	7	799,456	(793,048)	(28,429)	(22,021)
Credit loss expense		799,145	(793,048)	(33,679)	(27,582)

The table below shows the ECL charges on financial instruments recognised in the statement of comprehensive income for the year ended 31 December 2019:

	Notes	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	5	(2,589)	–	–	(2,589)
Loans to customers	7	(50,000)	(158,050)	28,116	(179,934)
Other financial assets	9	–	–	(5,796)	(5,796)
Credit loss expense		(52,589)	(158,050)	22,320	(188,319)

14. OPERATING EXPENSES

Operating expenses comprise the following:

	2020	2019
Salaries, bonuses and related taxes	870,595	738,149
Depreciation and amortisation	125,504	96,765
Professional services	115,287	93,141
Transportation	68,126	76,304
Bank charges	30,695	32,300
Business trip and representative expenses	24,203	69,450
Communication and information services	17,492	15,392
Office supplies	12,789	17,632
Advertising and marketing	9,071	22,534
Rent	8,918	14,289
Repair and maintenance	4,142	7,904
Training of personnel	1,201	6,442
Taxes other than income tax	296	3,049
Database maintenance services	217	2,841
Other	67,423	86,273
Operating expenses	1,355,959	1,282,465

15. 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.

Due to the current situation with the COVID-19 pandemic, there remains uncertainty about further development of the pandemic and its duration, as well as the extent of possible economic recovery in the near term. The Government continues to take various measures, and

their influence continues to develop. Therefore, the management of the Company continuously assesses the increased risks, as well as the consequences of the pandemic and the measures taken by the government.

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, no provision were recognised in the financial statements.

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 Kazakhstan 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 legislation concerning the provision of taxes 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 Kazakhstan 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 2020. 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.

16. RISK MANAGEMENT

Management of risks 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.

Credit and market risks and liquidity risk are managed and controlled through the Company’s various committee system, including the Credit Committee. Both external and internal risk factors are identified and managed within the Company’s organisational structure.

Risk management structure

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

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.

Executive management

The responsibility of the Executive Management is to monitor the risk management process in the Company. Executive management ensures that the Company operates within the established risk limits. In turn, the relevant departments directly manage certain types of risks, and together with a lawyer, they constantly monitor compliance with the requirements of the current legislation.

Risk Committee

The Risk Committee has overall responsibility for developing a risk management strategy and implementing risk principles, concepts, policies and limits. It is responsible for significant risk management issues and monitors the implementation of relevant decisions made in relation to risks.

Audit Committee

The main purpose of the Audit Committee is to assist the effective implementation of control functions over the financial and economic activities of the Company by the Supervisory Board, evaluate the adequacy of the internal control system, and monitor the effectiveness of internal and external audit activities.

Risk management

The Risk Management Unit is responsible for implementing and implementing risk management procedures to ensure an independent control process.

Internal audit

The Company’s risk management processes are audited annually by the Internal Audit Department, which verifies both the adequacy of the procedures and the Company’s compliance with these procedures. The Internal Audit Department discusses the results of its audits with management and submits its findings and recommendations to the Audit Committee.

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk through the application of approved policies and procedures, including requirements for setting and meeting credit risk concentration limits, as well as through the establishment of credit committees, whose functions include active monitoring of credit risk. The Credit Policy is reviewed and approved by the Supervisory Board.

The Company’s credit policy sets out:

- Procedures for review and approval loan applications;
- Methodology of borrower’s 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 status of individual loans and other credit risks. In addition to analyzing individual borrowers, the Company evaluates the loan portfolio as a whole in relation to the concentration of loans and market risks.

Impairment assessment

The Company calculates ECL on a group basis according to the migration matrix adjusted for the impact of the macroeconomic factors to measure the expected cash shortfalls, discounted at the effective interest rate or its approximate value. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has developed a policy to assess at the end of each reporting period whether there has been a significant increase in the credit risk of a financial instrument since initial recognition, by taking into account changes in the risk of default over the remaining life of the financial instrument. Based on the process described above, the Company combines its loans into the following groups:

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3:

Loans considered credit-impaired. The Company records an allowance for the LTECL.

POCI:

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest revenue is

subsequently recognised based on a credit-adjusted EIR. ECL are only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses.

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The Company has information about force majeure, as well as other circumstances that caused the borrower significant material damage or do not allow the borrower to continue commercial or employment activities, including information about the deprivation/suspension of a license for activities, as well as information about the absence of employment or commercial activities of the borrower;
- A high probability of bankruptcy or another kind of financial reorganization, as well as involvement in the court proceedings of the borrower, which may worsen its financial condition;
- The borrower is deceased.

By decision of the Credit Committee, the Company is entitled to use additional risk factors as signs of impairment:

- Lack of communication with the borrower;
- Court proceedings on claims of third parties, where the borrower acts as a defendant;
- Loss of collateral for a loan or the absence of duly executed collateral.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive payments according to the last schedule approved in accordance with the restructuring. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Treasury

The Company's treasury comprise transactions with financial services institutions, banks, broker-dealers, exchanges and clearing-houses. For these relationships, the Company's credit risk department analyses publicly available information such as financial information and other external data, e.g., the external ratings.

Group and individual loans

The Company's lending includes secured and unsecured loans to individuals. The main indicator for evaluating these products is the number of overdue days.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Loss given default

LGD levels are assessed for all asset classes of Stage 1, 2 and 3 and POCI. These LGD levels take into account the expected EAD figure compared with the amounts that are expected to be recovered or realised, including as a result of the sale of collateral.

LGD is estimated on a monthly basis by the Company's Risk Management Department. Credit risk assessment is based on the LGD model based on historical information on cash recoveries and expectations on recoveries from sale of collateral. The value of collateral is estimated by adjusting for the liquidity ratio, after which it is discounted for a period of 2 years using the initial effective rate.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company deems that the credit risk have increased significantly since initial recognition in the following cases:

- Significant changes in external market credit risk indicators for a specific loan or similar loans with the same expected maturity;
- Overdue on principal and/or interest for a period exceeding 30 calendar days;
- Significant financial difficulties of the borrower;
- Loan restructuring due to financial difficulties during the last 12 months;
- The Company has information about force majeure, as well as other circumstances that caused the borrower significant material damage or do not allow it to continue its activities, including information about the deprivation/suspension of a license for activities, as well as information about the lack of employment or commercial activities borrower;
- High probability of bankruptcy or another kind of financial reorganization, as well as involvement in the court proceedings of the borrower, which may worsen its financial condition.

Grouping financial assets measured on a collective basis

Dependent on the factors below, the Company calculates ECLs either on a collective or on an individual basis.

The company calculates an ECL on an individual basis for financial instruments that are material and for which a significant increase in credit risk or signs of impairment has been identified. Financial instruments are material if the amount owed by the borrower or a group of related borrowers at the reporting date exceeds or is equal to the threshold of 25% of Tier 1 capital established by the Company.

For all other classes of asset, the Company calculates ECL on a collective basis. The Company groups these financial assets into homogeneous individual and group loans.

Forward-looking information and multiple economic scenarios

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- GDP;
- Oil production and gas condensates volume;
- Crude oil price, Brent;
- Refinancing rate of the NBRK;
- Inflation rate.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Company obtains the forward-looking information from third party sources (external rating agencies, governmental bodies e.g. NBRK, and international financial institutions). Experts of the Company's Credit Risk Department determine the weights attributable to the multiple scenarios. The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations (optimistic, base and pessimistic

scenarios with the probabilities 10%, 80% and 10% accordingly):

<i>Key drivers</i>	<i>2021</i>
GDP by production method, % to prior year	97.2
Oil production and gas condensates volume, million tons	85.0
Crude oil price, Brent, USD per barrel	51.8
Refinancing rate of the NBRK	9.0
Inflation rate at the end of the period, %	7.5

Grace period and concessional financing Support for individuals, small- and medium-sized businesses following imposition of the state of emergency

In accordance with the Order of the Chairman of the Agency No. 167 dated 26 March 2020 On Approval of the Procedure for Suspension of Payments of Principal Amounts and Interest on Loans to Customers, Small- and Medium-sized Businesses Affected by Imposition of the State of Emergency (taking into account amendments and additions No. 193 dated 17 April 2020 and No. 223 dated 26 May 2020), the grace period for repayment of the principal and interest under microcredit agreements was provided for payments for the period from 16 March 2020 to 15 June 2020, with the allocation of deferred payments for future periods.

In accordance with the Order of the Chairman of the Agency No. 251 dated 15 June 2020 On Additional Measures to Support Small- and Medium-sized Businesses (subject to amendments and additions No. 311 dated 3 August 2020), the grace period for repayment of the principal amount under microcredit agreements was provided for payments falling for the period from 15 June 2020 to 1 October 2020 (but not less than 3 months, unless otherwise specified in the borrower's application), the grace period for repayment of interest under microcredit agreements was provided for payments falling for the period from 15 June 2020 to 1 October 2020, with the allocation of deferred payments for future periods.

Payments of principal and interest during grace periods from 16 March 2020 to 15 June 2020 (inclusive) and from 15 June 2020 to 1 October 2020 (inclusive) were deferred as follows:

- On unsecured loans to individual borrowers, the interest accrued on the outstanding balance during the grace period was spread until the end of the term of the contract. To maintain the debt burden and prevent an increase in the monthly payment, the loan term was extended for the corresponding period;
- For secured loans to individuals, the interest accrued on the outstanding balance within the grace period was spread until the end of the term of the contract. To maintain the debt burden and prevent an increase in the monthly payment, the loan term was extended for the corresponding period;
- On overdue loans as at 16 March 2020, the amount of overdue principal, overdue interest and interest accrued on overdue principal were spread until the end of the loan term. The decision to grant deferral on loans with overdue for more than 90 days to borrowers who are not socially vulnerable, recipients of targeted social aid, registered unemployed, was made by the authorised body of the Company individually for each loan.

The Company did not charge any commissions or other fees for consideration of the application for granting a grace period.

The grace period was granted on the basis of the borrower's application (in any form containing the reason for the suspension of payments) and submitted to the Company by any available means in the period from

16 March 2020 to 1 October 2020 (inclusive). At that, it was not required to receive an application from borrowers belonging to socially vulnerable segments of the population, recipients of targeted social aid, and registered unemployed, but with the information and consent of the borrower in accessible ways, without the requirement of supporting documents.

Granting of the grace period was carried out:

- a. Without receiving and attaching conclusions of expert units to the credit files;
- b. Without signing additional agreements with borrowers and without applying commission and other fees to borrowers. Additional agreements with a new repayment schedule were signed with borrowers after cancellation of the emergency when the borrower applied to the Company's branch.

The table below shows the number of client accounts that are subject to the government programs as at 31 December 2020:

	<i>Group loans</i>	<i>Individual loans</i>	<i>Total</i>
Grace period			
Number of pending applications	–	–	–
Number of approved applications	2,269	2,918	5,187

The table below shows the gross carrying amount and the corresponding ECL by Stages for loans to customers that are subject to grace periods provided under the government programs as at 31 December 2020:

	Stage 1	Stage 2	Stage 3	Total
Grace period				
<i>Group loans</i>				
Gross carrying value	1,016,249	46,758	34,122	1,097,129
ECL allowance	(24,944)	(14,305)	(26,275)	(65,524)
<i>Individual loans</i>				
Gross carrying value	984,186	48,451	51,381	1,084,018
ECL allowance	(14,698)	(14,416)	(41,105)	(70,219)
Total				
Gross carrying value	2,000,435	95,209	85,503	2,181,147
ECL allowance	(39,642)	(28,721)	(67,380)	(135,743)

The geographical concentration of the Company's financial assets and liabilities is set out below:

	2020			2019		
	Kazakhstan	OECD	Total	Kazakhstan	OECD	Total
Assets						
Cash and cash equivalents	658,413	–	658,413	424,995	–	424,995
Amounts due from credit institutions	–	–	–	–	–	–
Loans to customers	7,974,124	–	7,974,124	6,757,827	–	6,757,827
Other financial assets	3,332	–	3,332	3,475	–	3,475
	8,635,869	–	8,635,869	7,186,297	–	7,186,297
Liabilities						
Amounts due to credit institutions	–	6,513,869	6,513,869	–	5,711,615	5,711,615
Lease liabilities	34,540	–	34,540	110,668	–	110,668
Other financial liabilities	37,473	14,504	51,977	51,984	319	52,303
	72,013	6,528,373	6,600,386	162,652	5,711,934	5,874,586
Net assets/(liabilities)	8,563,856	(6,528,373)	2,035,483	7,023,645	(5,711,934)	1,311,711

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources. Management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assess-

ment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

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 in accordance with 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:

	On demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Total
<i>As at 31 December 2020</i>						
Financial liabilities						
Amounts due to credit institutions	604,056	260,723	1,375,747	2,334,788	3,203,802	7,779,116
Lease liabilities	4,538	8,112	10,122	15,477	1,021	39,270
Other financial liabilities	27,399	24,578	–	–	–	51,977
Total liabilities	635,993	293,413	1,385,869	2,350,265	3,204,823	7,870,363
<i>As at 31 December 2019</i>						
Financial liabilities						
Amounts due to credit institutions	219,478	329,302	1,310,708	1,514,888	3,668,205	7,042,581
Lease liabilities	7,347	14,695	22,042	44,084	35,424	123,592
Other financial liabilities	24,679	14,394	–	13,230	–	52,303
Total liabilities	251,504	358,391	1,332,750	1,572,202	3,703,629	7,218,476

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 variables such as interest rates, foreign exchanges, and equity prices. The market risk for the trading portfolio is monitored using sensitivity analysis.

Except for the concentrations within foreign currency, the Company has no significant concentration of market 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. As at 31 December 2020 and 2019, the Company had no non-trading financial assets and financial liabilities with floating interest rate.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

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. 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	2020		2019	
	Change in currency rates in %	Effect on profit before tax	Change in currency rates in %	Effect on profit before tax
US dollar	14.00%	40,876	12.00%	24,200
	-11.00%	(32,117)	-9.00%	(18,150)
Euro	14.00%	4,932	12.00%	1,092
	-11.00%	(3,875)	-9.00%	(819)

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.

17. FAIR VALUE MEASUREMENTS

The estimate of fair value is intended to approximate the amount for which a financial instrument can be exchanged between knowledgeable, willing parties in an arm's length transaction. However, considering the uncertainties and the use of judgements, the fair value should not be interpreted as realisable within the framework of an immediate sale of assets or the transfer of liabilities.

The estimated fair values of financial assets and liabilities are calculated using discounted cash flow techniques

based on estimated future cash flows and discount rates for similar instruments at the reporting date.

Fair value hierarchy

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	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant non-observable inputs (Level 3)	Total
As at 31 December 2020					
Assets for which fair values are disclosed					
Cash and cash equivalents	31 Dec. 2020	684	657,729	–	658,413
Amounts due from credit institutions	31 Dec. 2020	–	–	–	–
Loans to customers	31 Dec. 2020	–	–	7,920,073	7,920,073
Other financial assets	31 Dec. 2020	–	–	3,332	3,332
Liabilities for which fair values are disclosed					
Amounts due to credit institutions	31 Dec. 2020	–	6,571,653	–	6,571,653
Lease liabilities	31 Dec. 2020	–	–	34,540	34,540
Other financial liabilities	31 Dec. 2020	–	–	51,977	51,977

As at 31 December 2019					
Assets for which fair values are disclosed					
Cash and cash equivalents	31 Dec. 2019	521	424,474	–	424,995
Loans to customers	31 Dec. 2019	–	–	6,708,144	6,708,144
Other financial assets	31 Dec. 2019	–	–	3,475	3,475
Liabilities for which fair values are disclosed					
Amounts due to credit institutions	31 Dec. 2019	–	5,778,943	–	5,778,943
Lease liabilities	31 Dec. 2019	–	–	110,668	110,668
Other financial liabilities	31 Dec. 2019	–	–	52,303	52,303

During 2020 and 2019, there were no transfers between levels of the fair value hierarchy.

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.

	2020			2019		
	Carrying value	Fair value	Unrecognised gain/(loss)	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets						
Cash and cash equivalents	658,413	658,413	–	424,995	424,995	–
Amounts due from credit institutions	–	–	–	–	–	–
Loans to customers	7,974,124	7,920,073	(54,051)	6,757,827	6,708,144	(49,683)
Other financial assets	3,332	3,332	–	3,475	3,475	–
Financial liabilities						
Amounts due to credit institutions	6,513,869	6,571,653	(57,784)	5,711,615	5,778,943	(67,328)
Lease liabilities	34,540	34,540	–	110,668	110,668	–
Other financial liabilities	51,977	51,977	–	52,303	52,303	–
Total unrecognised change in fair value			(111,835)			(117,011)

Methods of measurement and assumptions

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

Assets and liabilities for which fair value approximates to 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

The fair value of unquoted instruments, including loans to customers, amounts due from credit institutions, amounts due to credit institutions, other financial assets and lease liabilities is estimated by discounting future cash flows using rates as at measurement date for debt on similar terms, credit risk and remaining maturities.

18. 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 16*.

	2020			2019		
	Within one year	More than one year	Total	Within one year	More than one year	Total
Cash and cash equivalents	658,413	–	658,413	424,995	–	424,995
Amounts due from credit institutions	–	–	–	–	–	–
Loans to customers	3,780,804	4,193,320	7,974,124	3,680,463	3,077,364	6,757,827
Property and equipment	–	138,310	138,310	–	147,122	147,122
Right-of-use assets	–	37,781	37,781	–	106,853	106,853
Intangible assets	–	104,084	104,084	–	109,882	109,882
Current corporate income tax assets	–	–	–	21,542	–	21,542
Other assets	25,923	4,206	30,129	17,526	9,598	27,124
Total assets	4,465,140	4,477,701	8,942,841	4,144,526	3,450,819	7,595,345
Amounts due to credit institutions	3,825,095	2,688,774	6,513,869	2,704,807	3,006,808	5,711,615
Lease liabilities	33,539	1,001	34,540	77,461	33,207	110,668
Current corporate income tax liabilities	14,122	–	14,122	–	–	–
Deferred corporate income tax liability	–	2,263	2,263	–	6,948	6,948
Other liabilities	137,707	–	137,707	108,253	–	108,253
Total liabilities	4,010,463	2,692,038	6,702,501	2,890,521	3,046,963	5,937,484
Net position	454,677	1,785,663	2,240,340	1,254,005	403,856	1,657,861

19. RELATED PARTY DISCLOSURES

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.

Related party transactions

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

	<i>Participants</i>	
	2020	2019
Statement of comprehensive income		
Interest expense on amounts due to credit institutions	11,125	–
Operating expenses	10,289	7,465

Transactions with members of key management personnel

Compensation of 7 (in 2019: 6) members of the key management personnel comprise the following:

	2020	2019
Salaries and other short-term benefits	97,993	86,843
Social security costs	9,080	7,912
Total the key management personnel compensation	107,073	94,755

20. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of movements of liabilities to cash flows arising from financing activities during the years ended 31 December 2020 and 2019 is as follows:

<i>Liabilities</i>	<i>Amounts due to credit institutions</i>
Carrying amount as at 31 Dec. 2018	4,421,261
Proceeds	2,550,599
Repayment	(1,268,583)
Foreign currency translation	(427)
Other	8,765
Carrying amount as at 31 Dec. 2019	5,711,615
Proceeds	1,436,754
Repayment	(757,576)
Foreign currency translation	(5,548)
Loss on modification of financial liabilities not resulting in derecognition (<i>Note 10</i>)	44,546
Other	84,078
Carrying amount as at 31 Dec. 2020	6,513,869

“Other” mainly represents the effect of accrued, but not yet paid interest on amounts due to credit institutions. The Company classifies interest paid as cash flows from operating activities.

21. 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 2,778 tenge as at 31 December 2020 (as at 31 December 2019: 2,525 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 2020 and 2019, 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 Agency requires microfinance organisations to maintain a Tier 1 capital adequacy ratio in the amount of not less than 10% of the assets, the total maximum risk factor per a single borrower in the amount of not more than 25% of equity, calculated in accordance with the requirements of the Agency, and the overall rate of maximum limit of total liabilities in the amount of not

exceeding 10 times of equity. As at 31 December 2020 and 2019, the Company’s capital adequacy ratio based on the Agency methodology exceeded the statutory minimum.

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

	2020	2019
Tier 1 capital	2,240,340	1,657,861
Total assets	8,942,841	7,595,345
Tier 1 capital ratio	0.25	0.22
Tier 1 capital	2,240,340	1,657,861
Total amount due from a single borrower	37,589	20,444
Maximum exposure per single borrower to Tier 1 Capital	0.02	0.01
Tier 1 capital	2,240,340	1,657,861
Total liabilities of a microfinance organisation	6,702,501	5,937,484
Maximum exposure of total liabilities to Tier 1 Capital	2.98	3.58

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Уважаемые друзья и партнеры,

Я рада вам представить годовой отчет ТОО «Микрофинансовая организация «Азиатский Кредитный Фонд» (АКФ, компания) за 2020г.

Для АКФ, как и для большинства компаний во всем мире, 2020 год стал проверкой на прочность. С самого начала распространения COVID-19 наша компания столкнулась с вызовами, которые никто не мог предвидеть: закрытие офисов, перевод сотрудников на дистанционный формат работы, временное снижение производительности труда, нарушение деловой активности, принятие важных для выживания бизнеса решений в реальном времени и многими другими вызовами, которые продолжают возникать по мере того, как мы справляемся с пандемией COVID-19.

В 2020 г. приоритетом для нашей компании стала забота о здоровье наших сотрудников и клиентов. Так, все 50 офисов компании были обеспечены соответствующей информацией о рисках коронавируса для здоровья, о правилах безопасности, которых необходимо придерживаться на работе и дома. Мы отменили все командировки сотрудников, перевели более 50% персонала на удаленный режим работы, а часть персонала была отправлена в оплачиваемые отпуска для того, чтобы свести к минимуму распространение инфекции. Каждому офису были предоставлены средства индивидуальной защиты, проводились разъяснения по санитарным нормам, личной гигиене и вопросам социального дистанцирования. Благодаря этим мерам нам удалось сохранить здоровье сотрудников и клиентов. За 2020 г. в наших офисах не было ни одного подтвержденного случая заболевания COVID-19. К сожалению, пандемия затронула наиболее уязвимых членов семей наших сотрудников — старшее поколение. Как социально-ответственная компания мы протянули руку помощи и оказали материальную поддержку семьям сотрудников, в которых заболели или скончались от коронавируса и его осложнений близкие родственники.

Мы также приняли все необходимые меры для наших клиентов, чья жизнь изменилась из-за жестких ограничений, введенных для замедления распространения вируса. В рамках мер поддержки наших клиентов мы:

- Предоставили отсрочку по платежам 5 187 клиентам (19% от общей клиентской базы) на сумму 2,4 млрд тенге (29% от объема портфеля компании);



Письмо руководства

- Мы снизили номинальные процентные ставки 5 231 клиенту;
- Продлили сроки микрокредитов 5 187 клиентам, а более 770 микрокредитов на общую сумму 470 млн тенге были реструктурированы;
- В течение года мы не начисляли пеню при просрочке по выплатам;
- Был организован колл-центр в качестве своевременной поддержки наших клиентов и сотрудников в период неопределенности;
- Мы обучали клиентов производить оплаты онлайн, без посещения офисов АКФ, и запустили безналичные выдачи на банковские карточки клиентов.

В период COVID-19 мы продолжили наши благотворительные проекты. В период пандемии они были направлены на денежную поддержку социально-уязвимых слоев населения и приобретение специализированного медицинского оборудования в больницы.

Ситуация с COVID-19 развивалась стремительно, и мы были нацелены на безопасное ведение нашего бизнеса и удовлетворение потребностей наших клиентов. За год мы выдали 9,7 млрд тенге и завершила год с кредитным портфелем в размере 8,3 млрд тенге, достигнув более 27 000 активных заемщиков. Несмотря на ухудшение экономики и финансового состояния клиентов мы смогли удерживать качество нашего портфеля. Ключевой показатель — портфель в риске более 30 дней на конец года составил 3,6% что сопоставимо с показателем доковидного времени. АКФ по-прежнему входит в десятку крупных МФО Казахстана по активному кредитному портфелю и количеству активных клиентов. На конец 2020 г. в АКФ действовало 50 офисов в 6 областях страны, 88% из которых расположены в селах и небольших городах Казахстана. Сельские домохозяйства (93%) и женщины (71%) по-прежнему

являются основными нашими клиентами. АКФ единственное SMART — сертифицированное МФО в Казахстане, которое применяет стандарты защиты клиентов во всей деятельности организации.

Видя, как АКФ справляется с вызовами при COVID-19 и с целью усиления организации основной участник АКФ компания BOPA увеличила уставной капитал АКФ в размере 212,5 млн тенге (500 000 долларов США) в ноябре 2020 г. Дополнительные инвестиции BOPA помогли, в свою очередь, поддержать в столь сложные времена бизнесы наших клиентов.

Приятно отметить, что АКФ получил очередную награду «Лидер отрасли 2020», заняв первое место среди предприятий по показателю «Вклад в государственный бюджет». Мы получали такую награду и в предыдущие годы. Эта награда для всего нашего коллектива является подтверждением успешности и стабильности АКФ: мы не только способствуем повышению инклюзии в сфере финансовых услуг, предоставляя микрокредиты для поддержки деятельности сельских домохозяйств, приносящих семьям доходы, но и вносим постоянный вклад в бюджет нашей страны.

В заключение от лица руководства я хотела бы поблагодарить всех сотрудников за их слаженную работу и профессионализм, благодаря которому наша компания смогла достичь высоких результатов в непростых условиях 2020 г. Отдельную благодарность я выражаю клиентам компании, которые из года в год оказывают нам доверие, выбирая в качестве финансового партнера и развиваются вместе с АКФ.

Благодарю за внимание и до встречи в следующем году!

Жанна Жакупова
Исполнительный директор
АКФ



Джеймс Андерсон
председатель

Член совета и председатель с июня 2013 г.

Участие в комитетах: комитет по аудиту, комитет по управлению рисками, комитет по вознаграждениям

Текущая позиция: Независимый консультант по вопросам микрофинансирования и банковской деятельности. Улан-Батор, Монголия

Образование: Университет Паса — Любинская школа бизнеса, США. MBA, банковское дело и финансы



Марко де Натале
член совета

Член совета с ноября 2019 г.

Участие в комитетах: комитет по аудиту, комитет по управлению рисками

Текущая позиция: 2019—настоящее время Менеджер по стратегическим финансам «LFS Advisory, GmbH», Германия

Образование: Университет Стэнфорд, США. Наука управления и инжиниринг; Университет Боккони, Италия. Экономика и финансы



Кристиан Андерсен
член совета

Член совета с сентября 2014 г.

Участие в комитетах: комитет по аудиту, комитет по вознаграждениям

Текущая позиция: 2011—2018—настоящее время; Соучредитель и генеральный директор «BORA», Сингапур; Председатель Совета директоров «Alliance Microfinance», Мьянма; Член Совета директоров и председатель комитета по аудиту «KIF», Timor Leste, Тимор

Образование: MBA, IMD, Швейцария. Общий менеджмент



Сенад Синанович
член совета

Член совета с марта 2018 г.

Участие в комитетах: комитет по управлению рисками

Текущая позиция: 2000—настоящее время Генеральный директор «Partner Microcredit Foundation», Босния и Герцеговина

Education: Пан-европейский университет «Ареион», Босния и Герцеговина. Экономика



Дон Гинсел
член совета

Член совета с января 2021 г.

Участие в комитетах: рабочая группа по цифровизации

Текущая позиция: 2013—2017—настоящее время Учредитель «Holland FinTech», Нидерланды; Президент «FINTECH AERA», Нидерланды; Соучредитель «Foundation Capital Waters», Нидерланды

Образование: Делфтский технический университет, Нидерланды. Гражданский и береговой инжиниринг MSC/Ir; Роттердамский университет Эразма, Нидерланды. Управление бизнесом

Наблюдательный совет



Финансовые показатели (в млн тенге)

	2018	2019	2020
ИТОГО АКТИВЫ	5 777	7 595	8 943
КРЕДИТНЫЙ ПОРТФЕЛЬ (ГРОСС)	5 123	7 218	8 369
ИТОГО ОБЯЗАТЕЛЬСТВА	4 502	5 937	6 703
ИТОГО КАПИТАЛ	1 275	1 658	2 240
ЧИСТАЯ ПРИБЫЛЬ	300	383	370
ROE	28,71%	28,17%	10,32%
ROA	6,16%	6,51%	2,33%

АКФ является одной из 10 крупнейших микрофинансовых организаций Казахстана по размеру активов, кредитному портфелю и количеству клиентов. Наша деятельность направлена на предоставление финансовых и нефинансовых услуг сельскому населению.

Финансовые результаты АКФ за 2020 г. отражают влияние пандемии COVID-19 на наших клиентов и сотрудников, однако при этом, остаются достаточно высокими.

Операционные показатели

	2018	2019	2020
КОЛИЧЕСТВО ОФИСОВ	49	51	50
КОЛИЧЕСТВО АКТИВНЫХ ЗАЙМОВ	25 481	29 723	28 863
ПОРТФЕЛЬ В РИСКЕ > 30 ДНЕЙ	1,5%	2,9%	3,6%
КОЛИЧЕСТВО ПЕРСОНАЛА	293	375	378
КОЛИЧЕСТВО КРЕДИТНОГО ПЕРСОНАЛА	116	166	139

ОХВАТ ФИНАНСОВЫМИ УСЛУГАМИ

26 670

активных заемщиков

8,3млрд

Кредитный портфель

70%

клиентов женщин

93%

клиентов из сельских регионов

6 из 14

Покрытие областей Казахстана

25 761

обслуженных клиентов

3,6%

Портфель в риске >30 дней

98,6%

концентрация выдач на предпринимательские цели

419 400

тенге, средняя сумма выданного микрокредита

НЕФИНАНСОВЫЕ УСЛУГИ

1 млн тенге

потрачено на благотворительные проекты

1860

клиентов АКФ обучились ведению семейного бюджета

ГЕНДЕР

55%

женщин в управленческом персонале

70%

женщин, работающих в АКФ

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

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

Социальные цели:

- ✓ Поддержка сельских домохозяйств
- ✓ Удовлетворение потребностей заемщиков
- ✓ Создание условий для изменений

Социальные показатели



ИНИЦИАТИВЫ В БОРЬБЕ С COVID-19

Текущая вспышка пандемии коронавируса создала беспрецедентную ситуацию во всем мире. Органы здравоохранения во всех странах принимали меры на снижение заболеваемости. Правительства стран, в попытке замедлить темпы распространения инфекции, изолировали страны, города и отдельные регионы. Все это привело к масштабным изменениям в привычном порядке жизни людей и экономической деятельности.

Пандемия создала беспрецедентно новые риски для бизнеса, такие как безопасность сотрудников и клиентов, обеспечение непрерывной деятельности, финансовая безопасность клиентов. Под руководством Наблюдательного Совета АКФ принял следующие меры по устранению этих рисков.

Меры поддержки сотрудников

- Сотрудники были обеспечены соответствующей информацией о рисках коронавируса для здоровья, о правилах безопасности, которых необходимо придерживаться на работе, о мерах, которые предпринимаются руководством компании для предупреждения распространения коронавируса;
- Предоставлены средства индивидуальной защиты — медицинские маски, одноразовые перчатки, средства дезинфекции для рабочих помещений;
- Отменены все командировки сотрудников, проведение квартальных собраний с личным присутствием. Все встречи, собрания, совещания проводились только онлайн;
- 50% персонала переведены на удаленный режим работы, часть персонала была отправлена в трудовые отпуска или на простой;

- Оказывалась материальная поддержка семьям сотрудников, в которых заболели или скончались от коронавируса и его осложнений близкие родственники.

Меры поддержки заемщиков

Приостановка и закрытие бизнеса из-за ограничений, введенных в связи с COVID-19, стали серьезной финансовой угрозой для наших клиентов. АКФ поддерживал своих клиентов в 2020 г. и продолжает делать это и в 2021 году.

- 5 187 клиентов (19% от общей клиентской базы) получили отсрочку по платежам на сумму 2,4 млрд тенге (29% от объема кредитного портфеля). Из них:
 - Снижены номинальные процентные ставки для 76% клиентов;
 - Продлены сроки микрокредитов для 99% клиентов;
- Приостановлено начисление пени на просроченные платежи для всех клиентов АКФ.

Нашим приоритетом было предоставление непрерывных и безопасных услуг клиентам. Это было реализовано посредством:

- Внедрения в офисах компании системы социального дистанцирования;
- Предоставления различных онлайн и офлайн каналов для погашения микрокредита;
- Получения микрокредита на банковские счета клиентов;
- Открытия колл-центра для своевременной поддержки клиентов и сотрудников;
- Быстрой, справедливой и прозрачной обработки обращений клиентов;
- Использования цифровых каналов для оповещения клиентов о возможности получения поддержки.

В 2021 году АКФ продолжит оказывать поддержку своим клиентам основываясь на удовлетворении индивидуальных потребностей каждого клиента.

НАСЕЛЕНИЕ КАЗАХСТАНА

18,8 млн
19,2 млн

УРОВЕНЬ БЕЗРАБОТИЦЫ

4,9%
4,9%

УРОВЕНЬ БЕДНОСТИ НА НАЦИОНАЛЬНОМ УРОВНЕ

5,3%
6,0%

УРОВЕНЬ ИНФЛЯЦИИ

7,5%
4–6%

РОСТ ВВП / ВВП НА ДУШУ НАСЕЛЕНИЯ

-2,6%/\$9130
3,1%/\$9665

Развитие
Казахстана за 2020
и прогноз на 2021

Источник: <https://stat.gov.kz/>

Онорхан Харшыга г. Есик, Алматинская область

Больших и маленьких компаний по производству мебели сегодня много. Рынок переполнен предложениями, и удержаться в мебельном бизнесе непросто. Однако, нашему клиенту — Онорхан Харшыге из г. Есика, Алматинской области это удалось. Двадцать три года ведения мебельного бизнеса и восемь лет успешного сотрудничества с АКФ.

«В далеком 2013 наша семья производила 2 вида мебели: кухонные столы и кровати. Заказы мы принимали на дому, там же изготавливали и продавали мебель. Амбиции по расширению ассортимента были, но были сложности с производством, нехватка необходимого оборудования и, как результат,

мало заказов. Узнав от соседей, что можно получить кредит на развитие бизнеса, я обратилась в АКФ и после профессиональной консультации получила свой первый кредит на приобретение различного оборудования для изготовления мебели. Я решила получить свой кредит в группе, так как мне было важно чувствовать поддержку и быть уверенной, что если у меня будут проблемы с выплатой, то я могу рассчитывать на помощь членов моей группы» — рассказывает Онорхан Харшыга.

Вот уже семь лет продолжается партнерство Онорхан с АКФ. За это время она получила 11 микрокредитов на развитие и расширение бизнеса и собственный бизнес-капитал вырос на 317%. Она не только приобрела

рела новое оборудование и две торговых точки на рынке, но и значительно расширила ассортимент. Жители г. Есик и близлежащих поселков могут заказать кухонные и спальные гарнитуры, гостиные, мягкую мебель, прихожие и любой другой вид мебели. Мебельное дело Онорхан развивается и с каждым годом круг лояльных клиентов становится все больше.

«Благодаря своему трудолюбию и поддержке АКФ мой бизнес процветает, моя семья с уверенностью смотрит в будущее» — говорит Онорхан.



Мамаева Нагима и Таттыгул Байсалбек кызы г. Есик, Алматинская область

Мамаева Нагима и Таттыгул Байсалбек кызы — предпринимательницы с рынка «Вира» г. Есика. С 2016 года они являются участниками одной группы солидарности, основанной на взаимной помощи и поддержке. Мамаева Нагима Утарбаевна оказывает услуги по подгонке



одежды. Вот уже 12 лет она является лояльным клиентом АКФ. Свой первый микрокредит она получила в 2009 году на покупку новой швейной машины.

«Я узнала об АКФ от сотрудников, которые пришли ко мне на рынок и рассказали, как я могу получить микрокредит на развитие моего небольшого бизнеса. В то время я арендовала на рынке маленький контейнер и из оборудования у меня была только старая швейная машинка. Рассчитав свои возможности, я решила попробовать, и так началась история моего долгосрочного партнерства с АКФ. За это время я несколько раз обновила свои швейные машины на

более современные, приобрела и сделала ремонт в новом контейнере, закупила материалы, увеличила перечень услуг в своем ателье и перешла на новый уровень обслуживания, наняв на работу помощницу-швею. С развитием бизнеса рос и уровень моих доходов. Я смогла сделать ремонт дома, организовать свадьбы сына и дочери. Я благодарна сотрудникам АКФ за то, что они объяснили мне,



что микрокредит — это польза для бизнеса и жизни, если использовать его с умом. Я очень довольна сотрудничеством с АКФ и постоянно рекомендую компанию своим знакомым»

Таттыгул одна из предпринимателей, которая пришла по рекомендации Нагимы. Она занимается торговлей женской одеждой на рынке «Вира» более 10 лет. Ей нравится работать на себя, так как развивая свой бизнес она улучшает условия жизни своей семьи.

«Не секрет, что главной проблемой в торговле является недостаток средств для расширения ассортимента, особенно

в праздничные дни. Есть ассортимент — есть хорошая выручка, нет ассортимента — продажи будут, но не такие, какие бы хотелось. Поэтому свой первый микрокредит в АКФ я получила для закупа праздничных женских платьев на Новый год. На следующий год мне захотелось расширить свой бизнес, и с помощью второго микрокредита АКФ я купила вторую торговую точку рядом со своим контей-

нером. И так, каждый год, я целенаправленно получала микрокредиты, которые использовала только на развитие своего бизнеса. За 4 года собственный капитал моего бизнеса вырос в 8 раз, и сейчас у меня не одна торговая точка, а четыре: две собственные и две я арендую. У меня много планов для дальнейшего развития. Конечно, коронавирус внес свои изменения в планы, рынок периодически был закрыт. Но для меня это было возможностью запустить продажи через социальные сети, а также организовать доставку одежды клиентам на дом. Я благодарна АКФ и надеюсь, что наше сотрудничество продолжится еще много лет.»

История
успеха

Финансовая отчетность

За год,
закончившийся 31 декабря 2020 года

Отчёт о финансовом положении

на 31 декабря 2020 года (в тысячах тенге)

	Прим.	2020 год	2019 год
Активы			
Денежные средства и их эквиваленты	5	658 413	424 995
Средства в кредитных организациях	6	—	—
Кредиты клиентам	7	7 974 124	6 757 827
Основные средства		138 310	147 122
Активы в форме права пользования	8	37 781	106 853
Нематериальные активы		104 084	109 882
Активы по текущему корпоративному подоходному налогу	11	—	21 542
Прочие активы	9	30 129	27 124
Итого активы		8 942 841	7 595 345
Обязательства			
Средства кредитных организаций	10	6 513 869	5 711 615
Обязательства по аренде	8	34 540	110 668
Обязательства по текущему корпоративному подоходному налогу	11	14 122	—
Обязательства по отложенному корпорат. подоходному налогу	11	2 263	6 948
Прочие обязательства	9	137 707	108 253
Итого обязательства		6 702 501	5 937 484
Капитал			
Уставный капитал	12	553 797	341 297
Нераспределённая прибыль		1 686 543	1 316 564
Итого капитал		2 240 340	1 657 861
Итого обязательства и капитал		8 942 841	7 595 345

Подписано и утверждено к выпуску от имени Руководства Компании:

Жакупова Ж.Б.

Амирешова А.К.

3 июня 2021 года



Исполнительный директор

Главный бухгалтер

Отчёт о совокупном доходе

за год, закончившийся 31 декабря 2020 года (в тысячах тенге)

	Прим.	2020 год	2019 год
Процентная выручка по кредитам клиентам		3 109 920	2 973 418
Процентная выручка по средствам в кредитных организациях		21 945	2 222
Процентная выручка, рассчитанная с использованием эффективной процентной ставки		3 131 865	2 975 640
Процентные расходы по средствам кредитных организаций		(1 206 125)	(990 624)
Прочие процентные расходы	8	(8 329)	(16 493)
Чистые процентный доход		1 917 411	1 968 523
Расходы по кредитным убыткам	13	(27 582)	(188 319)
Чистый процентный доход после расходов по кредитным убыткам		1 889 829	1 780 204
Убыток в результате модификации финансовых обязательств, не приводящей к прекращению признания	10	(44 546)	—
Чистые убытки по операциям с иностранной валютой:			
переоценка валютных статей		(14 066)	(9 692)
торговые операции		(12 849)	(9 994)
Прочие доходы		11 547	18 597
Операционные расходы	14	(1 355 959)	(1 282 465)
Прочие расходы		(3 015)	(4 990)
Прибыль до расходов по корпоративному подоходному налогу		470 941	491 660
Расходы по корпоративному подоходному налогу	11	(100 962)	(109 047)
Прибыль за год		369 979	382 613
Прочий совокупный доход за год		—	—
Итого совокупный доход за год		369 979	382 613

Отчёт о движении денежных средств

за год, закончившийся 31 декабря 2020 года (в тысячах тенге)

	Прим.	2020 год	2019 год
Денежные потоки от операционной деятельности			
Прибыль до расходов по корпоративному подоходному налогу		470 941	491 660
Корректировки:			
Износ и амортизация	14	125 504	96 765
Процентная выручка		(3 131 865)	(2 975 640)
Процентные расходы		1 214 454	1 007 117
Расходы по кредитным убыткам	13	27 582	188 319
Убыток в результате модификации финансовых обязательств, не приводящей к прекращению признания	10	44 546	–
Расходы по неиспользованным отпускам и прочие начисления по фонду заработной платы		9 968	19 077
Нереализованные убытки по операциям с иностранной валютой		14 066	9 692
Убыток от выбытия основных средств		1 394	610
Прочие расходы		1 483	2 133
Денежные потоки от операционной деятельности до изменений в операционных активах и обязательствах		(1 221 927)	(1 160 267)
Чистое (увеличение)/уменьшение в операционных активах			
Кредиты клиентам		(1 245 781)	(1 724 970)
Прочие активы		(702)	796
Чистое уменьшение в операционных обязательствах			
Прочие обязательства		20 102	20 653
		(2 448 308)	(2 863 788)
Проценты полученные		3 138 861	2 881 241
Проценты уплаченные		(1 128 497)	(984 474)
Корпоративный подоходный налог уплаченный		(69 983)	(111 855)
Чистое расходование денежных средств в операционной деятельности		(507 927)	(1 078 876)

Отчёт о движении денежных средств (продолжение)


за год, закончившийся 31 декабря 2020 года (в тысячах тенге)

	Прим.	2020 год	2019 год
Денежные потоки от инвестиционной деятельности			
Приобретение основных средств		(17 742)	(65 843)
Приобретение нематериальных активов		(14 509)	(29 440)
Чистое расходование денежных средств в инвестиционной деятельности		(32 251)	(95 283)
Денежные потоки от финансовой деятельности			
Взнос в уставный капитал	12	212 500	–
Поступление средств от кредитных организаций	20	1 436 754	2 550 599
Погашение средств кредитных организаций	20	(757 576)	(1 268 583)
Платежи по аренде	8	(95 422)	(73 293)
Чистое поступление денежных средств от финансовой деятельности		796 256	1 208 723
Перевод в средства в кредитных организациях	6	(5 250)	–
Влияние изменения обменных курсов на денежные средства и их эквиваленты		(17 099)	(10 537)
Влияние ожидаемых кредитных убытков на денежные средства и их эквиваленты		(311)	(2 589)
Чистое увеличение денежных средств и их эквивалентов		233 418	21 438
Денежные средства и их эквиваленты, на 1 января		424 995	403 557
Денежные средства и их эквиваленты, на 31 декабря	5	658 413	424 995

Отчёт об изменениях в капитале

за год, закончившийся 31 декабря 2020 года (в тысячах тенге)

	Уставный капитал	Нераспределённая прибыль	Итого капитал
На 1 января 2019 года	341 297	933 951	1 275 248
Итого совокупный доход за год	–	382 613	382 613
На 31 декабря 2019 года	341 297	1 316 564	1 657 861
Итого совокупный доход за год	–	369 979	369 979
Взнос в уставный капитал (Примечание 12)	212 500	–	212 500
На 31 декабря 2020 года	553 797	1 686 543	2 240 340



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