

Explanatory note to the financial statements of Damu Entrepreneurship Development Fund JSC for the 3rd quarter 2020

Key business areas

Damu Entrepreneurship Development Fund JSC (hereinafter referred to as the Fund) was established in accordance with the decree of the Government of the Republic of Kazakhstan No. 665 dated April 26, 1997. The Fund was incorporated as Joint stock company and is located in the Republic of Kazakhstan. The Fund renders financial services. The main activity of the Fund is financing within the framework of lending programs through second-tier banks, microfinance organizations and leasing companies, subsidizing interest rates, guaranteeing, consulting support, disseminating information and analytical materials. The Fund uses own and borrowed funds for financing SMB in Kazakhstan.

The Fund has 17 regional branch offices. Its head office is located in Almaty, Kazakhstan. Registered legal address of the Fund: Republic of Kazakhstan, Almaty, Gogol Street 111.

Bank details: **Bank** Halyk Bank of Kazakhstan JSC

BIC HSBKKZKX

Account number KZ196017131000002552

BIN: 970840000277

"National managing holding "Baiterek" is the sole shareholder of the Fund. The Government of the Republic of Kazakhstan is the ultimate controlling party of the Fund.

Framework for preparing financial reporting

This financial reporting is prepared in accordance with the International Financial Reporting Standards (further IFRS). These financial statements are presented in thousands of tenges.

Clarifications to Balance Sheet

Balance Sheet accounts breakdown:

1. Short term assets:

Cash and their equivalents: Current accounts balance as on the end of the accounting period is 103'994'715 thousand tenge. Breakdown of the accounts is given below.

	<i>As on the end of accounting period</i>	<i>As on the beginning of accounting period</i>
Purchase and resell contracts ("reverse repos") with initial maturity of less than three months	57 202 623	34 121 905
Current bank accounts	46 792 092	54 653 755
Cash and cash equivalents	103 994 715	88 775 660

Short-term financial assets measured at amortized cost amounted to 61'394'893 thousand tenge.

	<i>thousand tenge</i>
loans issued to clients	797 195
cash in banks and other financial institutions	42 018 799
short term deposits with STB	18 578 899
Total	61 394 893

Short-term financial assets measured at fair value amounted to 1'899'348 thousand tenge.

Types of financial instruments	NIN	Date of deal	Date of repayment	Balance cost
NOTES OF NBRK SE (092)	KZW100012092	22.05.2020	20.11.2020	826 196

NOTES OF NBRK SE (175)	KZW100012175	26.06.2020	25.12.2020	977 519
NOTES OF NBRK SE (938)	KZW100011938	20.03.2020	19.03.2021	95 633
Total				1 899 348

Short-term financial assets measured at fair value through profit or loss, as of the end of the accounting period made 1'856'300 thousand tenge

Types of financial instruments	Name of emitent /counter-agent	NIN	Date of deal	Date of repayment	Balance cost
Corporate bonds	Kaspi Bank (053)	KZP01Y10E053	21.10.2011	19.07.2021	1 278 823
MUM084 KZKD00000766	KZKD00000766	KZKD00000766	09.09.2019	09.07.2021	495 491
MEUKAM-108(071)	KZKDKY090071	KZKDKY100086	27.08.2018	14.12.2020	81 986
Total					1 856 300

2. Long term assets

Financial assets measured at amortized cost as of the end of the accounting period amounted to 211'015'018 thousand tenge

Name of emitent /counter-agent	NIN	Date of deal	Date of repayment	Balance cost
First Heartland Jýsan Bank JSC (951)	KZP01Y10F951	13.12.2018	15.01.2034	4 682 662
Mangistau Regional Electric Grid Company JSC (668)	KZP07Y10B668	13.03.2020	14.07.2024	810 172
Total				5 492 835

Including loans amount to -205'522'184 thousand tenge

Loans issued to clients	164 845
Cash in banks and other financial institutions	205 357 338
Total:	205 522 183

Financial assets measured at fair value through other comprehensive income as of the end of the accounting period made 664'141 thousand tenge The structure of the long term financial assets is given in the table:

Types of financial instruments	Name of emitent /counter-agent	NIN	Date of deal	Date of repayment	Balance cost
Corporate bonds	"ForteBank" JSC ("Temirbank" JSC)	KZP01Y20B553	29.07.2005	07.07.2025	664 141
Total					664 141

Financial assets measured at fair value through profit or loss as of the end of the accounting period made 876'540 thousand tenge

Types of financial instruments	Name of emitent /counter-agent	NIN	Date of deal	Date of repayment	Balance cost
MEUKAM-132(044)	KZKDKY110044	KZKDKY110044	15.08.2011	09.06.2022	798 708
MEUKAM-180(040)	KZKDKY150040	KZKDKY090071	27.08.2018	18.08.2026	78
MEUKAM-180(123)	KZKDKY150123	KZKDKY150040	27.08.2018	04.02.2030	77 754
Total					876 540

Balance cost of the fixed assets as of the end of the accounting period was 2'148'289 thousand tenge, comparing with the beginning of the year it reduced by 27'170 thousand tenge (Accumulated depreciation of fixed assets at the end of the reporting period amounted to 2'195'062 thousand tenge). Asset in the form of the right to use makes 264'398 thousand tenge.

Intangible assets for the amount of 165'181 thousand tenge, including software and licenses. (Accumulated depreciation of intangible assets as on the end of the accounting period was 701'161 thousand tenge).

3. Short term liabilities:

Short-term financial liabilities measured at amortized cost for the amount of 49'115'938 thousand tenge, including loans received from:

	<i>As on the end of accounting period</i>	<i>As on the beginning of accounting period</i>
National welfare fund "Samruk-Kazyna" JSC	263 353	263 353
Local executive authorities	1 227 785	1 201 517
Asian Bank of Development	47 517 730	55 891 911
"Baiterek" NMH JSC	107 070	65 624
Total	49 115 938	57 422 405

4. Long term liabilities

Long-term financial liabilities measured at amortized cost (loans) for the amount of 173'956'511 thousand tenge.

Long-term loans of the Fund in comparison with the beginning of the reporting year increased by 441'294 thousand tenge. This increase was due to the attraction of loans from Local Executive Bodies of the Republic of Kazakhstan, Baiterek NMH JSC, Asian Development Bank. Loans detailing is given in the table.

	<i>As on the end of accounting period</i>	<i>As on the beginning of accounting period</i>
National welfare fund "Samruk-Kazyna" JSC	19 152 972	19 152 972
Local executive authorities	65 525 937	66 073 246
"Baiterek" NMH JSC	89 074 338	88 085 735
Total	173 753 247	173 311 953

Including the issued debt securities for the amount of 203'264 thousand tenge.

5. Capital

By the decision of the Sole Shareholder of the Fund, the share capital of the Fund was increased by 30'000'000 thousand tenge. The money was credited to the Fund's account on June 15, 2020 and July 20, 2020. The share capital was increased to support the Fund in a difficult economic period and to further develop the Fund's programs for support of small and medium-sized businesses. As of September 30, 2020, the authorized (share) capital amounted to 102'920'273 thousand tenge

Other reserve for the amount of 10'920'086 thousand tenge.

Retained profit as on the end of the accounting period was 9'440'116 thousand tenge.

6. Explanations as to revenues and expenses of the Fund for the 3rd quarter 2020 comparing with same period in 2019:

	<i>3rd quarter 2020</i>	<i>3rd quarter 2019</i>
Sale expenses	(172 930)	(232 618)
Administrative expenses	(1 088 747)	(1 232 011)
Other expenses	3 833 739	1 972 625
Other revenue	(2 786 495)	(1 801 740)
Total operational profit (loss)	(214 434)	(1 293 744)
Financing income	6 344 771	4 858 590

Financing expenses	(3 072 454)	(231 723)
Profit (loss) before tax	3 057 884	3 333 123
Income tax		
Profit (loss) after tax from continuing operations	3 057 884	3 333 123

The Fund's profit for the 3rd quarter 2020 amounted to 3'057'884 thousand tenge.

Head: Buribayeva G.A.

(surname, name, patronymic)

Chief Accountant: Kusayynova A.K.

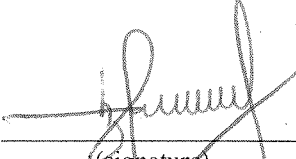
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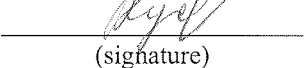
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Agree by:

Deputy Chairman of the Management Board: B.Makazhanov

(surname, name, patronymic)


(signature)


(signature)


(signature)

Appendix 2 to the order of the Minister of Finance of the Republic of Kazakhstan dated January 1, 2020 No. 665

Form 1

Organization name DAMU ENTREPRENEURSHIP DEVELOPMENT FUND JOINT STOCK COMPANY

Reorganization details: -

Type of activity of the organization: Other types of lending

Organizational and legal form: Joint Stock Company

Report type:

Average annual number of employees: 360 people

Business entity: BIG

Legal address (of the organization): Kazakhstan, 050004, Almaty city, Almalinskiy district, Gogol st., bldg. 111, , (727) 244-55-66, 244-55-77, info@fund.kz, Ajgul.Kusajunova@fund.kz, www.damu.kz

Balance sheet

as of 30.09.2020

thousand tenge

Item name	Line code	As on the end of accounting period	As on the beginning of accounting period
Assets			
I. Short-term assets:			
Cash and cash equivalents	010	103 994 715,00	88 775 660,00
Short-term financial assets measured at amortized cost	011	61 394 893,00	73 112 913,00
Short-term financial assets measured at fair value through other comprehensive income	012	1 899 348,00	7 430 896,00
Short-term financial assets measured at fair value through profit or loss	013	1 856 300,00	79 964,00
Short-term derivative financial instruments	014		
Other short-term financial assets	015	1 203 857,00	808 664,00
Short-term trade and other receivables	016		
Short-term lease receivables	017	7 682,00	9 104,00
Short-term assets under contracts with customers	018		
Current income tax	019	8 702 132,00	8 217 845,00
Stocks	020	45 494,00	43 295,00
Biological assets	021		
Other short-term assets	022	5 102 852,00	5 099 310,00
Total short-term assets (sum of lines 010 to 022)	100	184 207 273,00	183 577 651,00
Assets (or disposal groups) held for sale	101	251 087,00	281 618,00
II. Long-term assets			
Long-term financial assets measured at amortized cost	110	211 015 018,00	211 413 037,00
Long-term financial assets measured at fair value through other comprehensive income	111	664 141,00	611 035,00
Long-term financial assets measured at fair value through profit or loss	112	876 540,00	2 602 424,00
Long-term derivative financial instruments	113		
Investments held at historical cost	114		
Investments held by the equity method	115		
Other long-term financial assets	116	44 107,00	49 462,00
Long-term trade and other receivables	117		
Long-term lease receivables	118		
Long-term assets under contracts with customers	119		
Investment property	120		
Fixed assets	121	2 148 289,00	2 175 459,00
Right-of-use asset	122	264 398,00	216 727,00
Biological assets	123		
Exploration and evaluation assets	124		
Intangible assets	125	165 181,00	184 096,00
Deferred tax assets	126	1 497 824,00	1 497 824,00
Other long-term assets	127		
Total long-term assets (sum of lines 110 to 127)	200	216 675 498,00	218 750 064,00
Balance (line 100 + line 101 + line 200)		401 133 858,00	402 609 333,00
Liability and capital			
III. Short-term liabilities:			

Item name	Line code	As on the end of accounting period	As on the beginning of accounting period
Short-term financial liabilities measured at amortized cost	210	49 115 938,00	57 422 405,00
Short-term financial liabilities measured at fair value through profit or loss	211		
Short-term derivative financial instruments	212		
Other short-term financial liabilities	213	41 299 252,00	21 257 729,00
Short-term trade and other payables	214		
Short-term estimated liabilities	215		
Current tax liabilities for income tax	216	81 306,00	55 210,00
Remuneration to employees	217	125 580,00	210 595,00
Short-term lease debt	218		
Short-term liabilities under contracts with customers	219		
Government subsidies	220		
Dividends payable	221		
Other short-term liabilities	222	5 411 922,00	8 396 205,00
Total short-term liabilities (sum of lines 210 to 222)	300	96 033 998,00	87 342 144,00
Liabilities of disposal groups held for sale	301		
IV. Long-term liabilities			
Long-term financial liabilities measured at amortized cost	310	173 956 511,00	173 311 953,00
Long-term financial liabilities measured at fair value through profit or loss	311		
Long-term derivative financial instruments	312		
Other long-term financial liabilities	313	96 408,00	26 362 667,00
Long-term trade and other payables	314		
Long-term estimated liabilities	315		
Deferred tax liabilities	316		
Remuneration to employees	317		
Long-term rental debt	318		
Long-term liabilities under contracts with customers	319		
Government subsidies	320		
Other long-term liabilities	321	7 450 036,00	5 123 148,00
Total long-term liabilities (sum of lines 310 to 321)	400	181 502 955,00	204 797 768,00
V. Capital			
Authorized (share) capital	410	102 920 273,00	92 920 273,00
Share premium	411		
Repurchased own equity instruments	412		
Components of other comprehensive income	413	10 920 086,00	10 850 486,00
Retained earnings (uncovered loss)	414	9 440 116,00	6 382 232,00
Other capital	415	316 430,00	316 430,00
Total capital attributable to owners (sum of lines 410 to 415)	420	123 596 905,00	110 469 421,00
Share of non-controlling owners	421		
Total capital (line 420 +/- line 421)	500	123 596 905,00	110 469 421,00
Balance (line 300 + line 301 + line 400 + line 500)		401 133 858,00	402 609 333,00

Head: Buribayeva G.A.

(surname, name, patronymic)

Chief Accountant: Kusayynova A.K.

(surname, name, patronymic)

Seal

Agree by:

Deputy Chairman of the Management Board B.Makazhanov

(surname, name, patronymic)

(signature)

(signature)

(signature)

Organization name DAMU ENTREPRENEURSHIP DEVELOPMENT FUND JOINT STOCK COMPANY

Profit and loss statement

as of 30.09.2020

thousand tenge

Indicators	Line code	For the accounting period	For the previous period
Revenue	010		
Prime cost of goods and services sold	011		
Gross profit (line 010 - line 011)	012		
Sale expenses	013	172 930,00	232 618,00
Administrative expenses	014	1 088 747,00	1 232 011,00
Total operating profit (loss) (+/- lines 012 to 014)	020	-1 261 677,00	-1 464 629,00
Financial income	021	6 344 771,00	4 858 590,00
Financial expenses	022	3 072 454,00	231 723,00
The entity's share in the profit (loss) of associates and joint ventures accounted for using the equity method	023		
Other revenue	024	3 833 739,00	1 972 625,00
Other expenses	025	2 786 495,00	1 801 740,00
Profit (loss) before tax (+/- lines 020 to 025)	100	3 057 884,00	3 333 123,00
Income tax expense (-) (income (+))	101		
Profit (loss) after tax from continuing operation (line 100 + line 101)	200	3 057 884,00	3 333 123,00
Profit (loss) after tax from discontinued operations	201		
Profit for the year (line 200 + line 201) attributable to:	300	3 057 884,00	3 333 123,00
of parent organization owners			
share of non-controlling owners			
Other comprehensive income, total (sum of 420 and 440):	400	69 600,00	-10 272,00
including			
revaluation of debt financial instruments measured at fair value through other comprehensive income	410	69 600,00	-10 272,00
share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	411		
effect of a change in the income tax rate on deferred tax	412		
Cash flow hedge	413		
Exchange rate difference on investments in foreign organizations	414		
Hedge of net investment in foreign operations	415		
Other components of other comprehensive income	416		
Adjustment on reclassification in profit (loss)	417		
tax effect of components of other comprehensive income	418		
Total other comprehensive income to be reclassified to income or expense in subsequent periods (net of income tax) (sum of lines 410 to 418)	420	69 600,00	-10 272,00
revaluation of fixed assets and intangible assets	431		
share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	432		
Actuarial gains (losses) on pension liabilities	433		
tax effect of components of other comprehensive income	434		
revaluation of equity financial instruments measured at fair value through other comprehensive income	435		
Total other comprehensive income not to be reclassified to income or expense in subsequent periods (net of income tax) (sum of lines 431 to 435)	440		
Total comprehensive income (line 300 + line 400)	500	3 127 484,00	3 322 851,00
Total comprehensive income attributable to:			
of parent organization owners			
share of non-controlling owners			
Earnings per share:	600		
including			
Basic earnings per share:			
from continuing activities			
from discontinued activities			
Diluted earnings per share:			
from continuing activities			

from discontinued activities		
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Head: Buribayeva G.A.

(surname, name, patronymic)

Chief Accountant: Kusayynova A.K.

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Seal

Agree by:

Deputy Chairman of the Management Board B.Makazhanov

(surname, name, patronymic)

(signature)

(signature)

(signature)