

**Explanatory note  
to the financial statements of Damu Entrepreneurship Development Fund JSC  
for the 4th quarter of 2020**

**Main directions of activity**

JSC "Entrepreneurship Development Fund" Damu" (hereinafter referred to as the "Fund") was established in accordance with the Resolution of the Government of the Republic of Kazakhstan No. 665 dated April 26, 1997. The Fund was established as a Joint Stock Company and is located in the Republic of Kazakhstan. The fund provides 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 its own and borrowed funds to finance SMEs in Kazakhstan.

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

Bank details:	<b>Bank</b>	Halyk Bank of Kazakhstan JSC
	<b>BIC</b>	HSBKKZKX
	<b>Account number</b>	KZ196017131000002552
	<b>BIN:</b>	970840000277

The sole shareholder of the Fund is Baiterek National Managing Holding JSC. The ultimate controlling party of the Fund is the Government of the Republic of Kazakhstan.

**Basis of preparation of financial statements**

These financial statements have been prepared in accordance with International Financial Reporting Standards and are presented in thousands of tenge.

**Explanations to the Balance Sheet**

Explanation of balance items:

**1. Short-term assets:**

Cash and cash equivalents: Balances on bank accounts at the end of the reporting period amounted to 87'151'266 thousand tenge. Below is a transcript of the articles.

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Purchase and resell agreements ("reverse repos") with an original maturity of less than three months	49 404 567	57 202 623
Current accounts in bank accounts	37 746 699	46 792 092
<b>Total</b>	<b>87 151 266</b>	<b>103 994 715</b>

Short-term financial assets measured at amortized cost: Carrying value at the end of the reporting period amounted to 20'683'263 thousand tenge. Below is a transcript of the articles.

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Loans to customers	491 761	797 195
Loans to financial institutions	9 051 824	41 640 320

Loans issued under Islamic finance programs	548 616	378 479
Deposits with banks with an original maturity of more than three months	10 591 062	18 578 899
<b>Total</b>	<b>20 683 263</b>	<b>61 394 893</b>

Short-term financial assets at fair value through other comprehensive income: Carrying out / fair value of the Central Bank at the end of the reporting period amounted to 13'308'512 thousand tenge. Below is the transcript.

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Notes of NB RK	13 308 512	1 899 348
<b>Total</b>	<b>13 308 512</b>	<b>1 899 348</b>

Short-term financial assets at fair value through profit or loss: Carrying out / fair value of the Central Bank at the end of the reporting period amounted to 1'821'694 thousand tenge. Below is the transcript.

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Bonds of the Ministry of Finance of RK	507 445	577 477
Bonds of STB RK	1 314 249	1 278 823
<b>Total</b>	<b>1 821 694</b>	<b>1 856 300</b>

## 2. Long-term assets:

Long-term financial assets, measured at amortized cost at the end of the reporting period, amounted to 214'570'569 thousand tenge. Below is a transcript of the articles.

Long-term loans issued in the amount of 209'314'846 thousand tenge:

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Loans to customers	65 206	164 845
Loans to financial institutions	197 524 444	196 973 523
Loans issued under Islamic finance programs	11 725 196	8 383 815
<b>Total</b>	<b>209 314 846</b>	<b>205 522 183</b>

Investment securities, assessed at amortized cost, amount to 5'255'723 thousand tenge;

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
STB bonds	4 437 602	4 682 662
Bonds of other corporate issuers	818 121	810 172
<b>Total</b>	<b>5 255 723</b>	<b>5 492 835</b>

Long-term financial assets at fair value through other comprehensive income: The carrying / fair value of the Central Bank at the end of the reporting period amounted to 545'353 thousand tenge. Below is the transcript.

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
STB bonds	545 353	664 141

<b>Total</b>	<b>545 353</b>	<b>664 141</b>
--------------	----------------	----------------

Long-term financial assets at fair value through profit or loss: Carrying out / fair value of the Central Bank at the end of the reporting period amounted to 898'017 thousand tenge. Below is the transcript.

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Bonds of the Ministry of Finance of RK	898 017	876 540
<b>Total</b>	<b>898 017</b>	<b>876 540</b>

Fixed assets: The carrying value of fixed assets at the end of the reporting period amounted to 2'187'486 thousand tenge. Compared to the beginning of the reporting period, there was an increase in the amount of 39'197 thousand tenge, due to the acquisition of fixed assets in the amount of 78,506 thousand tenge and the accrual of depreciation in the amount of 39'309 thousand tenge. Accumulated depreciation of fixed assets at the end of the reporting period amounted to 1'957'242 thousand tenge.

Right-of-use asset: The carrying value of the right-of-use asset at the end of the reporting period amounted to 173'779 thousand tenge, compared to the beginning of the reporting period, there was a decrease in the amount of 90'619 thousand tenge due to disposal and depreciation. Accumulated depreciation at the end of the reporting period amounted to 215'224 thousand tenge.

Intangible assets: The book value of intangible assets at the end of the reporting period amounted to 234'391 thousand tenge, including software and licenses. Compared to the beginning of the reporting period, there was an increase in the amount of 69'210 thousand tenge, due to the acquisition of intangible assets in the amount of 89,069 thousand tenge and amortization of 19'859 thousand tenge. Accumulated amortization of intangible assets at the end of the reporting period amounted to 721'019 thousand tenge.

### 3. Short-term liabilities:

Short-term financial liabilities measured at amortized cost: Borrowed funds at the end of the reporting period amounted to 1,682,602 thousand tenge. Details of loans are presented in the table.

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
JSC NMH "Baiterek"	65 521	107 070
NWF Samruk-Kazyna JSC	263 353	263 353
Municipal bodies	1 353 728	1 227 785
Asian Development Bank	0	47 517 730
<b>Total</b>	<b>1 682 602</b>	<b>49 115 938</b>

Other short-term financial liabilities at the end of the reporting period amounted to 49'320'642 thousand tenge. Below is a transcript of the articles.

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Accounts payable		94 795
Funds intended to subsidize remuneration rates for small and medium-sized businesses	24 201 337	32 151 907
Provision for credit related commitments	24 585 176	8 717 652
Finance lease commitments	178 500	209 509
Accrued commission expenses	125 339	125 389
<b>Total</b>	<b>49 320 642</b>	<b>41 299 252</b>

#### 4. Long-term liabilities:

Long-term financial liabilities, measured at amortized cost at the end of the reporting period, amounted to 174'351'443 thousand tenge.

Details of loans are presented in the table.

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
NWF Samruk-Kazyna JSC	19 152 972	19 152 972
Municipal bodies	64 505 258	65 525 937
JSC NMH "Baiterek"	90 484 074	89 074 338
<b>Total</b>	<b>174 142 304</b>	<b>173 753 247</b>

Including this item, the carrying / fair value of debt securities issued in the amount of KZT 209'139 thousand is recorded.

#### 5. Capital

The authorized (share) capital amounted to 102'920'273 thousand tenge. Without changes.

Components of other comprehensive income – 10'783'208 thousand tenge.

Other reserve – 316'430 thousand tenge.

Retained earnings (URP) at the end of the reporting period amounted to 4'162'694 thousand tenge.

#### 6. Explanations on the Fund's income and expenses for the 4th quarter of 2020 compared to the same period in 2019:

	<i>thousand tenge</i>	
	<i>4th quarter 2020</i>	<i>4th quarter 2019</i>
Implementation costs	-373 567,00	-374 384,00
Administrative expenses	-1 344 918,00	-1 524 248,00
<b>Total operating profit (loss)</b>	<b>-1 718 485,00</b>	<b>-1 898 632,00</b>
Finance income	6 776 583,00	6 192 600,00
Financial expenses	-818 030,00	-1 426 579,00
Other income	5 952 975,00	1 364 975,00
Other expenses	-15 362 217,00	-7 862 042,00
<b>Profit (loss) before tax</b>	<b>-5 169 174,00</b>	<b>-3 629 678,00</b>
Income tax expense (-) (income (+))	-108 248,00	215 119,00
<b>Profit (loss) after tax from continuing operations</b>	<b>-5 277 422,00</b>	<b>-3 414 559,00</b>

For the 4th quarter of 2020, the Fund received a loss in the amount of 5'277'422 thousand tenge. The principal amount of the loss was attributable to the provision for the guarantee in the amount of 9'936'300 thousand tenge.

**Supervisor: Buribayeva G.A.**

(last name, name)

(signature)

**Chief accountant: Kusayinova A.K.**

(last name, name)

(signature)

**Agreed:**

**Deputy Chairman of the Management Board: Makazhanov**

**B.N**

(last name, name)

(signature)

Prepared by Bekmuratova A.T.

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: 358 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 31.12.2020

thousand tenge

Item name	Line code	As on the end of accounting period	As on the beginning of accounting period
<b>Assets</b>			
<b>I. Short-term assets:</b>			
Cash and cash equivalents	010	87 151 266,00	103 994 715,00
Short-term financial assets measured at amortized cost	011	20 683 263,00	61 394 893,00
Short-term financial assets measured at fair value through other comprehensive income	012	13 308 512,00	1 899 348,00
Short-term financial assets measured at fair value through profit or loss	013	1 821 694,00	1 856 300,00
Short-term derivative financial instruments	014		
Other short-term financial assets	015	815 468,00	1 203 857,00
Short-term trade and other receivables	016		
Short-term lease receivables	017	3 954,00	7 682,00
Short-term assets under contracts with customers	018		
Current income tax	019	7 430 331,00	8 702 132,00
Stocks	020	40 651,00	45 494,00
Biological assets	021	0,00	
Other short-term assets	022	4 963 296,00	5 102 852,00
<b>Total short-term assets (sum of lines 010 to 022)</b>	<b>100</b>	<b>136 218 435,00</b>	<b>184 207 273,00</b>
Assets (or disposal groups) held for sale	101	250 217,00	251 087,00
<b>II. Long-term assets</b>			
Long-term financial assets measured at amortized cost	110	214 570 569,00	211 015 018,00
Long-term financial assets measured at fair value through other comprehensive income	111	545 353,00	664 141,00
Long-term financial assets measured at fair value through profit or loss	112	898 017,00	876 540,00
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	39 083,00	44 107,00
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	2 187 486,00	2 148 289,00
Right-of-use asset	122	173 779,00	264 398,00
Biological assets	123	0,00	
Exploration and evaluation assets	124	0,00	
Intangible assets	125	234 391,00	165 181,00
Deferred tax assets	126	3 350 651,00	1 497 824,00
Other long-term assets	127		
<b>Total long-term assets (sum of lines 110 to 127)</b>	<b>200</b>	<b>221 999 329,00</b>	<b>216 675 498,00</b>
<b>Balance (line 100 + line 101 + line 200)</b>		<b>358 467 981,00</b>	<b>401 133 858,00</b>

Item name	Line code	As on the end of accounting period	As on the beginning of accounting period
<b>Liability and capital</b>			
<b>III. Short-term liabilities:</b>			
Short-term financial liabilities measured at amortized cost	210	1 682 602,00	49 115 938,00
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	49 320 642,00	41 299 252,00
Short-term trade and other payables	214		
Short-term estimated liabilities	215		
Current tax liabilities for income tax	216	136 221,00	81 306,00
Remuneration to employees	217	223 745,00	125 580,00
Short-term lease debt	218		
Short-term liabilities under contracts with customers	219		
Government subsidies	220		
Dividends payable	221		
Other short-term liabilities	222	3 239 528,00	5 411 922,00
<b>Total short-term liabilities (sum of lines 210 to 222)</b>	<b>300</b>	<b>54 602 738,00</b>	<b>96 033 998,00</b>
Liabilities of disposal groups held for sale	301		
<b>IV. Long-term liabilities</b>			
Long-term financial liabilities measured at amortized cost	310	174 351 443,00	173 956 511,00
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
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	11 331 195,00	7 450 036,00
<b>Total long-term liabilities (sum of lines 310 to 321)</b>	<b>400</b>	<b>185 682 638,00</b>	<b>181 502 955,00</b>
<b>V. Capital</b>			
Authorized (share) capital	410	102 920 273,00	102 920 273,00
Share premium	411		
Repurchased own equity instruments	412		
Components of other comprehensive income	413	10 783 208,00	10 920 086,00
Retained earnings (uncovered loss)	414	4 162 694,00	9 440 116,00
Other capital	415	316 430,00	316 430,00
<b>Total capital attributable to owners (sum of lines 410 to 415)</b>	<b>420</b>	<b>118 182 605,00</b>	<b>123 596 905,00</b>
Share of non-controlling owners	421		
<b>Total capital (line 420 +/- line 421)</b>	<b>500</b>	<b>118 182 605,00</b>	<b>123 596 905,00</b>
<b>Balance (line 300 + line 301 + line 400 + line 500)</b>		<b>358 467 981,00</b>	<b>401 133 858,00</b>

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 31.12.2020

thousand tenge

Indicators	Line code	For the accounting period	For the previous period
Revenue	010		
Prime cost of goods and services sold	011		
<b>Gross profit (line 010 - line 011)</b>	<b>012</b>		
Sale expenses	013	373 567,00	374 384,00
Administrative expenses	014	1 344 918,00	1 524 248,00
<b>Total operating profit (loss) (+/- lines 012 to 014)</b>	<b>020</b>	<b>-1 718 485,00</b>	<b>-1 898 632,00</b>
Financial income	021	6 776 583,00	6 192 600,00
Financial expenses	022	818 030,00	1 426 579,00
The entity's share in the profit (loss) of associates and joint ventures accounted for using the equity method	023		
Other revenue	024	5 952 975,00	1 364 975,00
Other expenses	025	15 362 217,00	7 862 042,00
<b>Profit (loss) before tax (+/- lines 020 to 025)</b>	<b>100</b>	<b>-5 169 174,00</b>	<b>-3 629 678,00</b>
Income tax expense (-) (income (+))	101	-108 248,00	215 119,00
<b>Profit (loss) after tax from continuing operation (line 100 + line 101)</b>	<b>200</b>	<b>-5 277 422,00</b>	<b>-3 414 559,00</b>
Profit (loss) after tax from discontinued operations	201		
<b>Profit for the year (line 200 + line 201) attributable to:</b>	<b>300</b>	<b>-5 277 422,00</b>	<b>-3 414 559,00</b>
of parent organization owners			
share of non-controlling owners			
<b>Other comprehensive income, total (sum of 420 and 440):</b>	<b>400</b>	<b>-136 877,00</b>	<b>3 816,00</b>
including			
revaluation of debt financial instruments measured at fair value through other comprehensive income	410	-136 877,00	3 816,00
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		
<b>Total other comprehensive income to be reclassified to income or expense in subsequent periods (net of income tax) (sum of lines 410 to 418)</b>	<b>420</b>	<b>-136 877,00</b>	<b>3 816,00</b>
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		
<b>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)</b>	<b>440</b>		
<b>Total comprehensive income (line 300 + line 400)</b>	<b>500</b>	<b>-5 414 299,00</b>	<b>-3 410 743,00</b>
Total comprehensive income attributable to:			
of parent organization owners			
share of non-controlling owners			
<b>Earnings per share:</b>	<b>600</b>		
including			
Basic earnings per share:			
from continuing activities			
from discontinued activities			
Diluted earnings per share:			
from continuing activities			

from discontinued activities

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)