

**INSURANCE COMPANY AMANAT
JOINT-STOCK COMPANY**

Financial Statements
For the Year Ended December 31, 2017

And Independent Auditors' Report

2018, Almaty

Insurance Company Amanat JSC

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Insurance Company Amanat JSC

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017.

The following statement, which should be read in conjunction with the description of the responsibilities of auditors contained herein, is made with a view to distinguishing the responsibilities of the management and independent auditors in respect of the financial statements of Insurance Company Amanat JSC (hereinafter the "Company").

Management of the Company is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2017, its performance, changes in equity, and cash flows for the year ended December 31, 2017, in compliance with International Financial Reporting Standards (hereinafter "IFRS").

In preparing the financial statements, management is responsible for:

- Selecting appropriate accounting principles and applying them consistently;
- Applying reasonable estimates and calculations;
- Complying with IFRS;
- Preparing the financial statements based on the assumption that the Company will continue as a going concern, except for the cases where such assumption is illegal.

Management is also responsible for:

- Designing, implementing, and maintaining an effective and reliable internal controls within the Company;
- Maintaining an accounting system, which allows at any time with a sufficient degree of accuracy preparing the information on the financial position of the Company and ensuring compliance of the financial statements with the IFRS requirements;
- Maintaining accounting records in compliance with the laws of the Republic of Kazakhstan;
- Taking measures within its range of powers and responsibilities to safeguard Company's assets;
- Detecting and preventing fraud, errors and other irregularities.

Management reasonably believes that the Company will continue as a going concern. Therefore the financial statements of the Company have been prepared on a going concern basis.

These financial statements for the year ended December 31, 2017 were approved by Management Board of the Company on 10 April 2018.

On behalf of the Management Board of the Company:


Ye.N. Begimbetov
Chairman of the Management Board

10 April 2018




A.V. Semykina
Chief Accountant

10 April 2018

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жауапкершілігі шектеулі
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For audit activities in the Republic of Kazakhstan
No. 0000014 issued by the Ministry of Finance of the Republic
of Kazakhstan on 27 November 1999

“Approved”
Director of
ALMIR CONSULTING LLP

Associate Professor, Auditor Qualifying
Certificate No. 0000411
dated July 06, 1998



To the Shareholder and the Board of Directors of Insurance Company Amanat JSC

INDEPENDENT AUDITORS' REPORT

Audit Opinion

We have audited the financial statements of Insurance Company Amanat JSC consisting of the statement of financial position as at December 31, 2017, statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements fairly present, in all material respects, the financial position of Insurance Company Amanat JSC (hereinafter the “Company”) as at December 31, 2017, as well as its financial performance and cash flows for the period then ended, in compliance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We have performed our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are described in the section *Auditor’s Responsibilities for the Audit of the Financial Statements* herein. We are independent of the Company, as required by the *Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants* (Code of IESBA) and ethical requirements applicable to our audit of financial statements in Kazakhstan, and we performed other ethical responsibilities of ours in compliance with those requirements and the Code of IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended December 31, 2017. Those matters were addressed in the context of our audit of the Company’s financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on those matters.

Estimation of Provision for Incurred but not Reported Claims

We focused on this matter because of the materiality of the amount of the recognized provision for incurred but not reported claims, and because of the significance of professional judgments and estimates in assessing the said provision.

The provision represents the best- management's estimate of expected payments for claims that occurred at the reporting date but were not reported to the insurer in the reporting period. The estimation of the provision involves a significant degree of judgment given the inherent uncertainty in estimating the expected payments for claims. The provision for incurred but not reported claims is created based on information obtained by the Company during the investigation of the event insured, and calculated based on past statistics of claims/settlement of insurance claims, using actuarial methods of calculation by classes of insurance for which statistics is available.

Due to the specifics of business of insurance companies, the period between the date of creation of the provision for incurred but not reported claims and the settlement date of claims can be long, which also contributes to the significant difference between the initial estimate of the provision and actual settlement amount.

The estimate of the provisions for incurred but not reported claims is directly influenced by the quality of the basic statistical data used in the estimation by the Company.

Note 3 *Significant Accounting Policies*, Note 4 *Critical Management's Estimates and Key Sources of Estimation Uncertainty*, and Note 14 *Provision for Claims and Claim Adjustment Expenses, Reinsurer's Share* present detailed information on the provisions for incurred but not reported claims.

Audit Procedures Performed in respect of the Key Audit Matter

We reviewed the Company's methodology of estimation of the provision for incurred but not reported claims, analyzed whether it complies with the requirements of the National Bank of the Republic of Kazakhstan, and assessed key assumptions and judgments determined by the methodology.

We engaged independent actuaries to assess the methodology, models and assumptions used in estimation of the provisions, and to calculate and verify the amount of the created provision for the claims incurred but not reported.

We compared the conclusions of the independent actuaries with the accounting data of the Company.

We reconciled the source information in the payment database against the data used in the calculations related to actuarial provisioning.

Based on our procedures, we have concluded that the Company's estimation of provisions for incurred but not reported claims, as well as the key assumptions used to estimate them were reasonable.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS, and for such internal control as management determines is necessary to enable preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for the evaluation of a Company's ability to continue as a going concern, and for disclosure, where appropriate, of information relevant to the going concern, as well as for preparation of the financial statements based on the assumption of going concern, except when management intends to liquidate the Company, or discontinue operations, or where has no other realistic alternatives, other than liquidation or discontinuation of operations.

Those charged with governance are responsible for supervision of the preparation of the Company's financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance whether the financial statements are free from material misstatement due to fraud or error, and to issue an auditor's report containing our audit opinion. Reasonable assurance means a high degree of certainty, but does not guarantee that the audit performed in accordance with the International Standards on Auditing always identifies significant misstatements, if any. Misstatement can be caused by fraud or errors, and are considered material if it can be reasonably assumed that they, individually or cumulatively, can impact on economic decisions of users made in reliance on the financial statements.

As part of the audit performed in accordance with the International Standards on Auditing, we use professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or errors; design and perform audit procedures in response to the risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Detection risk of material misstatement resulting from fraud is higher than the detection risk of material misstatement due to errors, since fraud can involve conspiracy, falsification, deliberate omission, misrepresentation of information or override of internal controls;
- Obtain understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates, and appropriateness of disclosures prepared by management;
- Make a conclusion about the appropriateness of application of ongoing concern assumption, and based on the audit evidence obtained we make a conclusion whether there is substantial uncertainty due to certain events or conditions that can result in significant doubts about the Company's ability to continue as a going concern. If we come to a conclusion that significant uncertainty exists, in the auditor's report we should draw attention to the relevant disclosures in the financial statements or, if such disclosures are inadequate, we should modify our opinion. Our conclusions are based on the audit evidence obtained before the date of our auditor's report. However, future events or conditions can result in the loss of the Company's ability to continue as a going concern.
- Evaluate the overall presentation of the financial statements, its structure and contents, including disclosures, we also evaluate whether the financial statements present the underlying transactions and events so as to ensure their fair presentation.

We interact with those charged with governance, bringing to their attention, inter alia, information about the planned scope of the audit and its timing, as well as material findings of the audit, including significant shortcomings of the internal control identified in the course of the audit.

We also affirm that we have complied with all relevant ethical requirements to independence and discussed all material matters.

Auditor of
ALMIR CONSULTING LLP
Auditor Qualifying Certificate
No. 0000464 dated November 14, 1998

April 10, 2018, Almaty



I. Ye. Treguba

Insurance Company Amanat JSC

STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	Notes	December 31, 2017	(Tenge thousand) December 31, 2016
ASSETS:			
Cash and cash equivalents	5	1 472 526	349 969
Reverse REPO agreements	5	753 729	287 360
Term deposits with banks	6	1 049 050	1 362 658
Financial assets at fair value through profit or loss	7	3 011 592	2 507 023
Investments available-for-sale	8	181 542	17 666
Held-to-maturity investments	9	248 416	247 121
Insurance and reinsurance premiums receivable	10	578 453	592 967
Other insurance and reinsurance recoverables	11	86 812	162 448
Deferred acquisition costs	12	530 357	459 289
Unearned premiums reserve, reinsurer's share	13	428 559	1 602 996
Provision for claims and claim adjustment expenses, reinsurer's share	14	279 196	404 976
Property, plant and equipment and intangible assets	15	779 927	813 708
Deferred income tax assets	27	16 864	2 900
Current income tax assets		35 951	34 479
Other assets	16, 31	65 827	53 075
TOTAL ASSETS		9 518 801	8 898 635
LIABILITIES:			
Insurance and reinsurance payables	17	512 380	321 414
Unearned premiums reserve	13, 31	2 475 786	3 753 843
Provisions for claims and claim adjustment expenses	14	1 083 916	1 399 727
Other liabilities	18, 31	1 270 329	142 159
Total liabilities		5 342 411	5 617 143
EQUITY:			
Share capital	19, 29	1 930 000	1 330 000
Additional paid-in capital		-	349 306
Revaluation reserve for property, plant and equipment		97 931	239 801
Stabilization reserve		24 040	-
Retained earnings		2 124 419	1 362 385
Total equity		4 176 390	3 281 492
TOTAL LIABILITIES AND EQUITY		9 518 801	8 898 635

On behalf of the Management Board of the Company:

Ye.N. Begimbetov
Chairman of the Management Board

10 April 2018



A.V. Semykina
Chief Accountant

10 April 2018

Statement of financial position should be read in conjunction with the notes to the financial statements presented on pages from 12 to 52



Insurance Company Amanat JSC

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended December 31, 2017**

	Notes	2017	2016
Premiums written, total	20, 31	8 941 659	9 606 833
Written premiums ceded to reinsurance	20	(4 796 226)	(4 824 513)
PREMIUMS WRITTEN NET OF CEDED REINSURANCE		4 145 433	4 782 320
Change in unearned premiums reserve, net of reinsurer's share	13, 20	103 620	(374 256)
PREMIUMS EARNED, NET OF REINSURANCE		4 249 053	4 408 064
Losses paid, total	21, 31	(1 577 477)	(1 737 782)
Losses paid, the reinsurer's share	21	137 710	87 470
Change in provisions for claims and claim adjustment expenses, total	21	315 811	(103 833)
Change in provisions for claims and claim adjustment expenses, reinsurer's share	21	(125 780)	79 461
CLAIMS INCURRED, NET OF REINSURED		(1 249 736)	(1 674 684)
Commission Income	22	52 934	60 008
Commission Expense	22	(1 036 161)	(955 430)
COMMISSION EXPENSES, NET		(983 227)	(895 422)
Investment income	23	576 226	500 771
Provision for impairment of securities		-	(9 412)
Other operating income/ (expenses)		(134 896)	71 920
OTHER INCOME		441 330	563 279
Salaries and other benefits	31	(1 423 033)	(1 210 799)
Administrative and operating expenses	24, 31	(715 764)	(734 849)
Provision for impairment on other transactions	25	(6 711)	(46 917)
Depreciation and amortization	15	(83 402)	(83 304)
Net loss from transactions with foreign currencies	26	(19 661)	(169 842)
OPERATING EXPENSES		(2 248 571)	(2 245 711)
PROFIT BEFORE INCOME TAX		208 849	155 526
Income tax expense	27	(11 882)	(1 399)
NET PROFIT		196 967	154 127
OTHER COMPREHENSIVE INCOME			
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Revaluation surplus on property, plant and equipment		97 931	17 220
OTHER COMPREHENSIVE INCOME		97 931	17 220
TOTAL COMPREHENSIVE INCOME		294 898	171 347
Earnings per share (tenge)		123,01	119,19

On behalf of the Management Board of the Company:

Ye.N. Begimbetov
Chairman of the Management Board

10 April 2018



A.V. Semykina
Chief Accountant

10 April 2018

Statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements presented on pages from 12 to 52



Insurance Company Amanat JSC

STATEMENT OF CHANGES IN EQUITY for the Year Ended December 31, 2017

	(Tenge thousand)					
	Share capital	Additional paid-in capital	Revaluation reserve for property, plant and equipment	Stabilization reserve	Retained earnings	Total equity
December 31, 2015	1 240 000	349 306	227 011	-	1 493 828	3 310 145
Total comprehensive income	-	-	17 220	-	154 127	171 347
Write-off of the revaluation reserve for property, plant and equipment	-	-	(4 430)	-	4 430	-
Dividends paid out	-	-	-	-	(290 000)	(290 000)
Placement of common shares	90 000	-	-	-	-	90 000
December 31, 2016	1 330 000	349 306	239 801	-	1 362 385	3 281 492
Total comprehensive income	-	-	97 931	-	196 967	294 898
Write-off of the revaluation reserve for property, plant and equipment	-	(349 306)	(239 801)	-	589 107	-
Stabilization reserve	-	-	-	24 040	(24 040)	-
Placement of common shares	600 000	-	-	-	-	600 000
December 31, 2017	1 930 000	-	97 931	24 040	2 124 419	4 176 390

On behalf of the Management Board of the Company:

Ye.N. Begimbetov
Chairman of the Management Board

10 April 2018



A.V. Semykina
Chief Accountant

10 April 2018

Statement of changes in equity should be read in conjunction with the notes to the financial statements presented on pages from 12 to 52



Insurance Company Amanat JSC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2017 (indirect method)

	Notes	2017	(Tenge thousand) 2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		208 849	155 526
Adjustments for:			
Change in unearned premiums reserve, net	20	(103 620)	374 256
Change in provisions for claims and claim adjustment expenses, net of reinsurer's share	21	(190 031)	24 372
Depreciation and amortization	15	83 402	83 304
Provision for impairment of securities		-	9 412
Provision for impairment on other transactions	25	6 711	46 917
Unrealized (loss)/gain from revaluation of financial assets at fair value through profit or loss	23	(49 877)	(157 629)
Change in deferred acquisition costs	12	(71 068)	(39 425)
Unrealized gain/ (loss) from transactions with foreign currencies	26	9 731	89 015
Net change in accrued interest income		(11 267)	(30 059)
Amortization of premium on investments held to maturity		-	808
Loss on the sale of property, plant and equipment	15	46 328	7 657
Cash flows from operating activities before changes in operating assets and liabilities		(70 842)	564 154
Change in operating assets and liabilities			
(Increase)/ decrease in operating assets:			
Purchase and settlement of financial assets at fair value through profit or loss	7	(504 569)	(497 629)
Insurance and reinsurance premiums receivable	10	14 514	387 655
Other insurance and reinsurance receivables	11	75 636	(109 853)
Other assets		(14 224)	256 322
Increase/ (decrease) in operating liabilities:			
Insurance and reinsurance payables	17	190 966	(536 267)
Other liabilities	18	1 128 170	(9 403)
Cash received from/(used in) operating activities before income tax		819 651	54 979
Income tax paid		(11 530)	(33 953)
Net cash received from/ (used in) operating activities		808 121	21 026
CASH FLOWS FROM INVESTMENT ACTIVITIES:			
Cash placed as term deposits with banks	6	(2 740 560)	(4 673 411)
Cash withdrawn from term deposits with banks	6	3 054 168	4 726 954
Proceeds from the redemption and sale of investments held-to-maturity		-	76 003
Purchase of held-to-maturity investments		-	(79 745)
Acquisition of property, plant and equipment and intangible assets	15	(144 348)	(75 795)
Proceeds from sale of property, plant and equipment		11 262	6 072
Net cash received from/ (used in) investment activities		180 522	(19 922)



CASH FLOWS FROM FINANCING ACTIVITIES:

Common shares issued		600 000	90 000
Dividends paid out		-	(290 000)
Net cash from/ (used in) financing activities		600 000	(200 000)
NET CHANGE IN CASH AND CASH EQUIVALENTS		1 588 643	(198 896)
<i>Effect of changes in exchange rates on cash and cash equivalents</i>		283	7 596
CASH AND CASH EQUIVALENTS as at the year-beginning	5	637 329	828 629
CASH AND CASH EQUIVALENTS as at the year-end	5	2 226 255	637 329

On behalf of the Management Board of the Company:

Ye.N. Beginbetov
Chairman of the Management Board

10 April 2018



A.V. Semykina
A.V. Semykina
Chief Accountant

10 April 2018

Statement of cash flows should be read in conjunction with the notes to the financial statements presented on pages from 12 to 52



1 General Information

Insurance Company Amanat Joint Stock Company (hereinafter the “Company”) was established in Kazakhstan on July 24, 1997 under the laws of the Republic of Kazakhstan.

The Company has a license to engage in the activities of voluntary and compulsory general insurance and reinsurance No. 2.1.52 dated November 9, 2015. The Company’s activities are regulated by the National Bank of the Republic of Kazakhstan (hereinafter “NBRK”).

The Company offers various insurance products in property and accident insurance, insurance of civil liability, cargo insurance, health insurance, personal insurance and reinsurance.

The registered office of the Company is located at: 63 Tole Bi Street, Almaty, Kazakhstan.

As at December 31, 2017 and 2016, the number of employees of the Company was 357 and 326, respectively.

As at December 31, 2017 and 2016, the Company had 15 branches in Kazakhstan.

As at December 31, 2017 and 2016, D.A. Idrissov was the sole shareholder of the Company.

2 Basis of Preparation of the Financial Statements

Statement of Compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and interpretations of the International Accounting Standards Board (IASB).

Going Concern Principle

These financial statements have been prepared on a going concern basis, which assumes the realization of the Company’s assets and settlement of its liabilities in the normal course of business in foreseeable future.

These financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Accrual Method

Financial statements prepared on an accrual basis inform users not only of past transactions involving the payment and receipt of cash but also of obligations to pay cash in the future and of resources that represent cash to be received in the future.

Measurement Currency and Presentation Currency

The Company maintains its accounting records in Kazakhstan currency (tenge) as required by the current laws and regulations of the Republic of Kazakhstan. These financial statements are presented in thousand tenge.

These financial statements have been prepared on the historical (original) cost basis, except for certain financial instruments measured at fair value.

The original cost is typically based on the fair value of the consideration transferred in exchange for goods and services.

Fair value is a price, which would be received in selling an asset or paid in transferring a liability in a voluntary transaction in a principal market as at the fair value measurement date and under the current market conditions irrespective of whether such a price is directly observable or is determined using other valuation techniques. When measuring the fair value of an asset or liability, the Company considers those characteristics of the asset or liability that would be taken into account by market participants in pricing



the asset or liability at the measurement date. The fair value for the assessments and/or disclosures in the financial statements is measured based on the same principle.

In addition, for the financial reporting purposes, the fair value measurement is classified on the basis of the fair value hierarchy (Levels 1, 2 or 3). The levels give the possibility to determine directly the fair value based on market data and they reflect the materiality of inputs used in the fair value measurement as a whole:

- Inputs of the Level 1 represent unadjusted quoted prices of identical assets or liabilities in active markets, to which the Company has access at the measurement date.
- Inputs of the Level 2 are not the quoted prices under the Level 1, instead, they are the inputs which either directly or indirectly observable in the market in respect of the asset or liability.
- Inputs of the Level 3 are unobservable inputs in respect of the asset or liability.

Offsetting

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only when the Company has a legally enforceable right to offset amounts recognized in the balance sheet and intends to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by any accounting standard or relevant interpretation, and such cases should be specifically disclosed in the accounting policies of the Company.

Significant accounting policies are presented below.

3 Significant Accounting Policies

Changes in the Accounting Policies

A number of new standards and amendments to existing standards became effective for annual reporting periods beginning on January 1, 2017. Requirements of those standards and amendments to the existing standards have been considered in preparing these financial statements.

Amendments to Existing Standards

Amendments to IAS 7 Statement of Cash Flows - Disclosure Initiatives

The amendments require an entity to disclose changes in liabilities arising from financing activities, including both, changes caused by cash flows and changes not caused by cash flows. The amendments apply prospectively. The Company has not presented information as there were no changes in the liabilities arising from financing activities in the reporting period.

Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses.

The amendments clarify that an entity should take into account whether the tax laws restrict the sources of taxable profits against which the entity can utilize deductible temporary difference related to unrealized losses. In addition, the amendments clarify how entities should estimate taxable profit of future periods and describe circumstances under which the taxable profit can provide for the recovery of certain assets for more than their book values.

The Company has applied the amendments retrospectively. However, application of those amendments did not impact on the financial position and performance of the Company, as it had no deductible temporary differences or assets that fall within the scope of the amendments.

Annual Improvements to IFRS 2014-2016 Cycle:

- Amendments to IFRS 12 Disclosure of Interests in Other Entities - Clarification of the Scope of Disclosure Requirements in IFRS 12.

The amendments exempt entities from the requirement to disclose summarized financial information in respect of an entity's interests in subsidiaries, associates, and joint ventures that are classified (or included



in a disposal group, which is classified) as held for sale. The amendments clarify that this exemption is the only one from the disclosure requirements in respect of such participation interests. The Company has no interest in subsidiaries, associates or joint ventures that are classified as held for sale.

Standards Issued but not yet Effective

Standards and amendments thereto issued but not yet effective as at the date of issue of the Company's financial statements are listed below. The Company has not applied early those standards and amendments.

IFRS 9 Financial Instruments (becomes effective as from January 1, 2018).

Amendments to IFRS 7 and IFRS 9 Mandatory Effective Date and Transition Disclosures (become effective on January 1, 2018).

Amendments to IFRS 7, IFRS 9 and IAS 39 -Hedge Accounting (become effective on January 1, 2018).

IFRS 15 Revenue from Contracts with Customers (becomes effective on January 1, 2018).

Amendments to IFRS 15 Revenue from Contracts with Customers (become effective on January 1, 2018).

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (become effective on January 1, 2018).

Amendments to IFRS 10 and IAS 28 Sales or Contributions of Assets between an Investor and its Associate or Joint Venture (effective date is not established).

Amendments to IFRS 4 Insurance Contracts -Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (effective date depends on the entity's choice of the start date of application of IFRS 9 considering certain criteria).

Amendments to IAS 40 Transfers of Investment Property (become effective on January 1, 2018).

Amendments to IAS 28 Measuring Investments in Associates or Joint Ventures at Fair Value in accordance with IFRS 9 as part of the Annual Improvements to IFRS 2014-2016 cycle (come into effect on January 1, 2018).

IFRIC 22 Foreign Currency Transactions and Advance Consideration (becomes effective on January 1, 2018).

IFRS 16 Leases (becomes effective on January 1, 2019).

IFRIC 23 Uncertainty over Income Tax Treatments (becomes effective on January 1, 2019).

IFRS 17 Insurance Contracts (comes into effect on January 1, 2021).

Currently, management of the Company is assessing the impact of the new standards and amendments to existing standards on its financial statements and performance.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, current bank accounts in tenge and foreign currencies with second-tier banks of the Republic of Kazakhstan and deposits with original maturities of less than three months.

Term Deposits

In the normal course of business, the Company maintains deposits with banks for various time-periods. Term deposits are carried at amortized cost using the effective interest method.



Financial Instruments

Financial assets and financial liabilities are recognized in the statement of financial position of the Company, where the Company becomes a party to a contract in respect of the relevant financial instrument. The Company reflects regular purchases and sales of financial assets and liabilities based on the settlement date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within time frames established by regulations or market practice.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are charged directly to profit or loss.

Financial Assets

Financial assets are classified as follows: at fair value through profit or loss, held to maturity, available-for-sale, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

A financial asset is classified as “at fair value through profit or loss”, if it is intended for trading or assigned to the mentioned category at initial recognition.

A financial asset is classified as intended for trading, where:

- It is acquired primarily for the purpose of reselling it in the near future;
- Upon initial recognition, it is a part of a portfolio of financial instruments that the Company manages together as an entire portfolio, which has recent history of short-term purchases and resales; or
- Is a derivative instrument that is not classified and not used as a hedging instrument.

A financial asset, other than an asset held for trading, may be classified as the asset at fair value through profit or loss at the time of its recognition, where:

- Such designation eliminates or considerably reduces inconsistency in the measurement or recognition of assets or liabilities that would otherwise appear; or
- A financial asset forms a part of a group of financial assets or financial liabilities or group of financial assets and financial liabilities, which is managed and measured based on the fair value in accordance with the Company’s formalized risk management strategy or investment strategy, and information about such group of financial assets is provided internally on that basis; or
- A financial liability forms a part of an instrument containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits classifying the entire instrument (asset or liability) as the instrument at fair value with changes thereof recognized in the statement of profit or loss and other comprehensive income.

Financial assets at fair value through profit or loss are carried at fair value with revaluation results recorded in profit or loss. Net gains or losses include dividends and interests earned on a financial asset and are reported in the line item of *Investment Income* in the statement of profit or loss and other comprehensive income. The fair value is measured according to the procedure specified in Note 33.



Investments Available-for-sale

Available-for-sale financial assets are non-derivative financial assets, which are designated as available-for-sale or are not designated as (a) loans and receivables, (b) investments held-to-maturity, (c) financial assets at fair value through profit or loss.

The fair value of available for sale financial assets denominated in foreign currencies is determined in the same foreign currency and translated at the exchange rate prevailing at the reporting date. Foreign exchange differences that are recognized in profit or loss are determined based on the amortized cost of the financial asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

Shares and term bonds traded in organized markets are classified as “available-for-sale” and recorded at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of other-than-temporary impairment losses, interest income calculated using the effective interest method, dividend income and foreign exchange gains and losses, which are recognized in profit or loss. Where the financial asset is disposed of or impaired, the cumulative gain or loss previously accumulated in the Investments revaluation reserve is charged to the financial performance in the period of disposal or impairment.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are recognized as held to maturity financial assets, where the Company intends and is able to hold them to maturity. Investments held-to-maturity are carried at amortized cost using the effective interest method less the impairment provision.

If the Company sells or reclassifies more than an insignificant amount of held-to-maturity investments before the maturity dates (except for certain cases), the entire category must be transferred to the available-for-sale financial assets. In addition, the Company will be prohibited to classify any financial assets as held-to-maturity during the current financial year and the following two years.

Insurance and Reinsurance Receivables

Insurance receivables are recognized when the related income is earned. The carrying amount of insurance receivables is analyzed for impairment, where events or circumstances indicate that the carrying amount may not be recovered, and an impairment loss is recognized in the statement of profit or loss and other comprehensive income.

Insurance receivables are derecognized, where the derecognition criteria of financial assets are met.

In the normal course of business, the Company cedes insurance risks to reinsurance. Recoverable amounts are estimated in the same way as the unearned premiums reserve and provisions for claims and claim adjustment expenses under the reinsurance contract.

Impairment analysis is performed at each reporting date, or more frequently where indications of impairment arise in the reporting year. Impairment occurs where there is objective evidence that the Company will not be able to recover the outstanding amounts in accordance with contractual terms and the impact on the amounts that the Company will receive from the reinsurer can be reliably estimated. Impairment loss is recognized in the statement of profit or loss and other comprehensive income.

Agreements ceded to reinsurance do not relieve the Company from its obligations to policyholders.



The Company, in its normal course of business, also assumes reinsurance risks for general insurance contracts. Premiums and claims on assumed reinsurance are recognized as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent liabilities to ceding insurers. Amounts payable are estimated in accordance with relevant reinsurance contracts.

Premiums and claim payments are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets and liabilities are derecognized where the contractual obligations are extinguished or expire or when the contract is transferred to another party.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired where there is objective evidence that the estimated future cash flows of the asset have decreased as a result of one or more events that occurred after the initial recognition of the financial asset.

For available-for-sale equity investments that are traded or not traded in an organized market, a significant or long-run decline in their fair value below their purchase price is considered to be an objective evidence of impairment.

For all other financial assets, objective evidence of impairment may include:

- Significant financial difficulties of an issuer or counterparty; or
- Breach of a contract, such as a default or delinquency in interest or principal payments; or
- Failure to pay or late payment of interest and principal; or
- High probability that the borrower will enter bankruptcy or financial re-organization; or
- Disappearance of an active market for that financial asset because of financial difficulties.

In case of certain categories of financial assets, such as loans and receivables, assets that were not recognized individually impaired are further collectively assessed on a portfolio basis. Objective evidence of impairment of the loans and receivables portfolio may include the Company's past experience of collecting receivables, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with default on repayment of receivables.

For financial assets carried at amortized cost, the amount of the impairment loss is determined as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is determined as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market interest rate for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of a financial asset is reduced by the impairment loss directly, and it is true for all financial assets with the exception of loans and receivables, whose carrying amount is reduced through the use of a provision account. When loans and receivables are considered uncollectible, they are written-off against the provision account as well. The subsequent recoveries of amounts previously written-off are credited against the provision account. Changes in the provision are recorded in profit or loss.

Where an available-for-sale financial asset is considered impaired, gains or losses accumulated in other comprehensive income are reclassified into profit or loss. For financial assets measured at amortized cost, if in a subsequent period the impairment loss decreases and the decrease can be objectively attributed to an event that occurred after the recognition of impairment loss, then the previously recognized impairment loss is to be reversed through profit or loss to the extent that the carrying amount of financial



assets at the date of impairment loss reversal does not exceed the amortized cost that would have been recorded, had the impairment loss not been recognized.

In respect of available-for-sale equity securities, impairment losses previously recognized in profit or loss are not reversed. Any increase in fair value of such assets subsequent to impairment loss recognition is directly recorded in other comprehensive income and accumulated in the investment revaluation reserve.

Write-off of Receivables

Accounts receivable are written off against the provision for impairment when deemed uncollectible. Accounts receivable are written off after management has taken all available measures to collect amounts due to the Company. Subsequent recoveries of amounts previously written off are credited to the impairment of financial assets in the statement of profit or loss and other comprehensive income in the period of recovery.

Derecognition of Financial Assets

The Company derecognizes its financial assets only in the event of termination of contractual rights to receive cash flows from them, or in the event of a transfer of a financial asset and related risks and rewards to the other party. If the Company neither transfers nor retains all substantial risks and rewards of ownership of an asset and continues to control the transferred asset, then the Company continues to account for its interest in the asset and related contingent liabilities. If the Company retains all substantial risks and rewards of ownership of the transferred financial asset, it continues to account for the financial asset, while the consideration received at the transfer is recorded as a secured loan.

On derecognition of an entire financial asset, the difference between the carrying amount of the asset and the amount of consideration received and receivable, as well as the cumulative gain or loss recognized that were recognized in other comprehensive income and accumulated in equity, is recognized in profit or loss.

On derecognition of part of a financial asset (e.g. when the Company retains an option to repurchase part of the transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize as continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the transfer date. The difference between the carrying amount allocated to the part derecognized and the amount of the consideration received for the part derecognized, as well as any cumulative gains or losses allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. Gains or losses recognized in other comprehensive income are allocated between the part that continues to be recognized and the part that is no longer recognized based on the relative fair values of those parts.

Financial Liabilities

Financial liabilities are classified either as financial liabilities at fair value through profit or loss, or as financial liabilities carried at amortized cost.

The Company classifies its financial liabilities upon their initial recognition.

All financial liabilities are initially recognized at fair value adjusted for the amount of directly related transaction costs (in the case of loans and borrowings).

Loans and Accounts Payable

Loans and payables are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income upon derecognition of the liabilities, and as amortization is accrued using the effective interest method.

Amortized cost is calculated taking into account any discount or premium on acquisition and commission fees or costs that form an integral part of the effective interest rate. Amortization of an effective interest rate is included in financing costs in the statement of profit and loss and other comprehensive income.



Offsetting Financial Assets and Liabilities

Financial assets and liabilities are setoff and recorded on the net basis in the statement of financial position, when the Company has a legally enforceable right to setoff the recognized amounts, and the Company intends to settle them on the net basis or to realize the asset and repay the liability simultaneously. In the event of a transfer of a financial asset, where the transfer is not treated as a write-off, the Company does not recognize this transaction as a write-off of the asset transferred and the relating liability.

Derecognition of Financial Liabilities

The Company derecognizes its financial liabilities only upon their repayment, cancellation or expiration. When an existing financial liability is replaced by another from the same lender on substantially different terms, or when the terms of existing liability change significantly, such replacement or change is recorded as derecognition of the original liability and recognition of a new liability. The difference between the carrying amount of a derecognized financial liability and the consideration paid or payable is recognized in profit or loss.

Insurance and Reinsurance Payables

Payables on direct insurance business comprise insurance benefits due but not yet paid out, premium refunds not paid out and commissions due to agents.

The liabilities are reported at the actual amounts payable.

Reinsurance payable include amounts owed to reinsurers and brokers for the reinsurance ceded and liabilities for claims under reinsurance assumed.

Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and intangible assets are stated at historical cost less accumulated depreciation and amortization, except for land and buildings which are recorded in the statement of financial position at their revalued amounts. The revalued amount is the fair value at the revaluation date less any subsequently accumulated depreciation and accumulated impairment losses. Revaluation is carried out regularly, so that the carrying amount of PPE does not differ materially from the fair value at each reporting date.

Any revaluation surplus of land parcels and buildings is included in other comprehensive income and accumulated in equity to the extent it exceeds previous revaluation loss of the same assets. Any decrease in the carrying amount of land parcels and buildings is also charged to the profit or loss to the extent of its excess over the balance of the revaluation reserve created as a result of previous revaluations of the same asset.

Depreciation of property, plant and equipment and amortization of intangible assets is charged to write off the assets over their useful lives. Depreciation is accrued on a straight-line basis using the following annual rates:

	Rates
Buildings	4% - 10%
Vehicles	25%
Machinery and equipment	30%
Others	15%
Intangible assets	15%

Depreciation expenses of the revalued building are recorded in losses. Depreciation of revaluation reserve of property, plant and equipment is transferred annually from the revaluation reserve of property, plant and equipment to retained earnings. In case of subsequent sale or disposal of revalued property, the balance of the PPE revaluation reserve is transferred directly to retained earnings.



Items of property, plant and equipment and intangible assets are derecognized in case of sale or where future economic benefits are no longer expected from the continued use of the asset. Any gain or loss arising from the sale or other disposal of an item of property, plant and equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Impairment of Non-current Assets

The Company assesses its assets for any indications of impairment at each reporting date. If any such indication exists or when an annual impairment testing of an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount of the asset is the greater of the fair value of an asset or cash-generating unit less selling expenses and its value in use; the recoverable amount is determined for an individual asset, unless the asset generates cash inflow that is largely independent on cash inflows from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets. In determining the fair value less selling expenses, an appropriate valuation model is used.

Impairment losses from continuing operations are recognized in profits and losses of those expense categories which are consistent with the function of an impaired asset.

Liability Adequacy Test

The Company performs the liability adequacy test at each reporting date to ensure that the insurance liabilities are adequate considering the estimated future cash flows. This test is performed by comparing the carrying value of liabilities and the projected discounted future cash flows (including premiums, claims, expenses, returns on investments, and other items), using best estimates and assumptions.

If a deficiency is found in the liabilities (i.e. the carrying value of the insurance liabilities is less than the future expected cash flows), the deficiency is fully recognized in the statement of profit or loss and other comprehensive income.

Provisions for claims and claim adjustment expenses

Provisions for claims and claim adjustment expenses is a total of estimated ultimate losses, and includes both claims reported but not settled ("RBNS") and claims incurred but not reported ("IBNR").

RBNS is created for reported claims that are not settled as at the reporting date. Estimates are made based on information obtained by the Company during the investigation of an insured event. IBNR is estimated by the Company based on its past statistics of claims/settlement of claims using actuarial methods of calculation, which include loss triangles for insurance classes with available statistical data. For insurance classes that do not have sufficient statistical data, IBNR is calculated in accordance with the NBRK requirements, i.e. at the least rate of 5% of the written premiums.

The reinsurers' share in the provisions for claims and claim adjustment expenses is calculated based on the reinsurer's share as per reinsurance contracts.

Provisions

Provisions are recorded, where the Company has present obligations arising from past events and settlement of such obligations would probably require an outflow of resources which contain economic benefits; provided that the amount of such obligations can be estimated with reasonable accuracy.

Share capital

Share capital is carried at original cost.



The reserve recorded in equity in the statement of financial position of the Company includes a revaluation reserve of property, plant and equipment covering changes in the fair value of buildings.

Employee Benefits

The Company does not have any pension arrangements other than the State Program of the Republic of Kazakhstan, which requires the employer and employee to make current payments, calculated as a percentage of current wages before taxes. The Company has no post-retirement payment liabilities or liabilities for any other employee benefits that should be accrued.

The expenses for employee benefits are recognized as employees fulfill their job duties.

Taxation

Income tax expense includes the current tax and deferred tax.

Current Income Tax

Current tax is determined based on the taxable profit for the year. Taxable profit differs from profit reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible for tax purposes in other reporting periods, and because it also excludes items that are not taxable and not deductible for tax purposes. Current income tax liabilities are calculated using tax rates that are applicable until the end of the reporting period.

Deferred Income Tax

Deferred income tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities reported in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are typically recognized considering all taxable temporary differences. Deferred tax assets are recognized considering all deductible temporary differences, provided that it is highly probable that taxable profits will be available against which those deductible temporary differences can be utilized. Tax assets and tax liabilities are not reported in the financial statements, where temporary differences arise from the initial recognition of other assets and liabilities under the transactions that affect neither taxable nor accounting profit.

Carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that future taxable profit will be sufficient to use the deferred tax assets fully or partially.

Deferred income tax assets and deferred income tax liabilities are calculated at the tax rates and based on the tax laws that are enacted or substantively enacted as at the reporting date and which are expected to apply in the period in which the liability is settled or the asset is realized. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company intends (as at the end of the reporting period), to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Income Tax for the Year

Current income tax and deferred income tax are recognized in profit or loss, except when they relate to items recognized directly in other comprehensive income or equity. In which case, the current and the deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial recognition of a business combination, the tax effect is included in the accounting for the business combination.

Operating Taxes

In Kazakhstan there are various taxes applicable to the activities of the Company, in addition to income tax. Those taxes are reported in the statement of profit or loss and other comprehensive income.



Insurance Income and Expense

Insurance income includes net written insurance premiums and commissions earned on ceded reinsurance reduced by the net change in the unearned premium reserve, claims paid, provisions for claims and claim adjustment expenses, and deferred acquisition costs.

Net written insurance premiums represent gross written premiums less premiums ceded to reinsurers. Upon inception of a contract, premiums are recorded as earned on a pro rata basis over the term of the related policy coverage. The unearned premium reserve represents the portion of the premiums written relating to the unexpired terms of coverage and is included as a liability in the statement of financial position.

Claims paid and changes in provisions for claims and claim adjustment expenses are reported in the statement of profit or loss and other comprehensive income as incurred through the account of the provisions for claims and claim adjustments expenses.

Commissions earned on ceded reinsurance contracts are recorded in the statement of profit or loss and other comprehensive income from the date the reinsurance contract is signed and comes into effect.

Commission expense comprises commissions paid to insurance agents and brokers, which vary and are directly related to the new business development; they are charged to the unearned premiums reserve in the accompanying statement of financial position and amortized over the period in which the related written premiums are earned.

Recognition of Interest Income and Other Income

Interest income includes income earned on investment securities. Interest income is recognized on an accrual basis and calculated using the effective interest method. Fees, commissions and other income and expenses are typically recognized on an accrual basis as per the related contract.

Earnings per Share

Earnings/(loss) per share is calculated by dividing net earnings/(loss) for the year by the weighted average number of common shares issued and outstanding during the year.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into tenge at the exchange rate effective at the date of the financial statements. Foreign currency transactions are recognized at the exchange rate effective at the date of transaction. Gains and losses arising from such translation are included into the net foreign exchange gains.

Exchange Rates

The exchange rates as at the year-end used by the Company in preparing the financial statements are provided below:

	December 31, 2017	December 31, 2016
Tenge/1 US dollar	332,33	333,29
Tenge/1 euro	398,23	332,42

Subsequent Events

Events which occurred after the end of the year and which provide additional information about the Company's position as at the date of the statement of financial position (adjusting events) are recorded in the financial statements. Non-adjusting subsequent events are disclosed in the notes to the financial statements if they are material.



4 Critical Management's Estimates and Key Sources of Estimation Uncertainty

Preparation of the Company's financial statements requires management to make estimates that affect the reported amounts of assets and liabilities at the reporting date, as well as the amounts of revenues and expenses during the ended period. Management regularly reviews its judgments and estimates. Those estimates and judgments of management are based on past experience and other various factors that are considered reasonable in the circumstances. Actual results may differ from those estimates in case of different assumptions and conditions.

Key assumptions and other key sources of estimation uncertainty at the reporting date, which can be the cause of material adjustments to the carrying amounts of assets and liabilities, are discussed below.

Impairment of Non-current Assets

The Company assesses all of its non-current assets for any indications of impairment at each reporting date. Non-financial assets are tested for impairment where there are indications that the carrying amount might not be recovered. In determining the value in use, management estimates expected future cash flows from an asset or cash generating unit and chooses an appropriate discount rate to calculate the present value of these cash flows.

Provision for Doubtful Debts

Management regularly analyses accounts receivable for impairment and uses its judgment to estimate impairment losses in cases where a debtor is experiencing financial difficulties and there are few available historical data relating to similar debtors. Management of the Company likewise estimates changes in future cash flows based on observable inputs indicating an adverse change in the state of repayment of liabilities by debtors or change in national or local economic conditions that correlate with cases of defaults in respect of assets of the Company.

The Company uses its judgment to adjust observable data with regard to its accounts receivable to reflect current circumstances.

Useful Lives of Property, Plant and Equipment and Intangible Assets

The Company assesses the remaining useful lives of items of property, plant and equipment and intangible assets, at least at the end of each financial year and, if expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates as per IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Assessment of the Effect of Deferred Income Tax

At each reporting date, management of the Company determines the future effect of the deferred income tax by comparing the book values of assets and liabilities reported in the financial statements with the corresponding tax base. Deferred assets and liabilities are measured at the tax rates that are expected to apply in the period, in which assets are expected to be realized and liabilities to be repaid. Deferred tax assets are recognized considering the likelihood of sufficient taxable profit in the future to deduct temporary differences recognized for tax purposes. Deferred tax assets are assessed at each reporting date and reduced to the extent that it is no longer probable to realize the related tax benefits.

Provision for Incurred but not Reported Claims

The estimation of the provision for incurred but not reported claims involves a significant degree of judgment given the inherent uncertainty in estimating the expected payments for claims. The Company calculates the monetary value of the obligation to pay the insurance benefit under claims arising in the reporting period or previous reporting period that were not reported to the insurer in the reporting period or in the periods preceding the reporting period. The provision for incurred but not reported claims is created based on information obtained by the Company during the investigation of the event insured, and calculated based on past statistics of claims/settlement of insurance claims, using actuarial methods of calculation by classes of insurance for which statistics is available.



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

5 Cash and Cash Equivalents

	December 31, 2017	(Tenge thousand) December 31, 2016
Cash on hand	51 075	16 961
Current bank accounts in tenge	1 412 868	227 849
Current bank accounts in foreign currencies	8 512	105 159
Current accounts in tenge in Central Securities Depository JSC	71	-
	1 472 526	349 969

As at December 31, 2017 current bank accounts in tenge included accrued interest amounting to 15 907 thousand tenge.

Cash and cash equivalents for the purposes of the statements of cash flows are comprised of the following:

	December 31, 2017	(Tenge thousand) December 31, 2016
Reverse REPO agreements with initial maturity of less than three months	753 729	287 360
Current bank accounts in tenge	1 412 868	227 849
Current bank accounts in foreign currencies	8 512	105 159
Cash on hand	51 075	16 961
Current accounts in tenge in Central Securities Depository JSC	71	-
	2 226 255	637 329

Reverse REPO agreements

Fair value of assets pledged and carrying value of the loans under the reverse REPO agreements as at December 31, 2017 and 2016 is as follows:

	December 31, 2017		December 31, 2016	
	Book value	Fair value	Book value	Fair value
Notes of the National Bank of the Republic of Kazakhstan	698 451	718 955	287 360	297 640
State short-term bonds of the Ministry of Finance of the Republic of Kazakhstan	55 278	56 297	-	-
	753 729	775 252	287 360	297 640

As at December 31, 2017 and 2016 the reverse REPO transactions included accrued interest in the amount of 1 729 thousand tenge and 359 thousand tenge, respectively.

6 Term Deposits in Banks

	Interest rates, %	Maturity	(Tenge thousand) December 31, 2017
Tengri Bank JSC	14,0	29/05/2017-29/05/2018	552 764
Tsesna Bank JSC	12,0	12/06/2017-12/06/2018	357 900
Home Credit and Finance Bank JSC	13,5	16/10/2017-16/10/2018	136 511
Qazak Banki JSC	10,0	16/05/2017-16/05/2018	1 875
			1 049 050



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

	Interest rates, %	Maturity	(Tenge thousand) December 31, 2016
Tengri Bank JSC	5-15	26/01/2017-27.05.2017	457 416
Tsesna Bank JSC	5-14,6	02/02/2017-10/06/2017	364 487
Home Credit and Finance Bank JSC	20	19.04.2017	540 755
			1 362 658

As at December 31, 2017 and 2016, term deposits in banks included accrued interest in the amount of 66 572 thousand tenge and 71 213 thousand tenge, respectively.

7 Financial Assets at Fair Value Through Profit or Loss

Upon initial recognition, the following financial assets are classified by the Company as financial assets at fair value through profit or loss as they are managed and evaluated on the basis of fair value in accordance with the documented investment strategy, and the Company's management is provided with internal information formed on this basis.

	December 31, 2017	(Tenge thousand) December 31, 2016
Corporate bonds of Kazakhstani issuers	1 957 100	1 760 952
Notes of the National Bank of the Republic of Kazakhstan	-	311 462
Bonds of the Ministry of Finance of the Republic of Kazakhstan*	988 313	248 285
Foreign corporate bonds	-	140 102
Shares of Kazakhstan issuers	66 179	46 222
		2 507 023

* As at December 31, 2017 and 2016 nominal interest rates on bonds of The Ministry of Finance of the Republic of Kazakhstan amounted from 3,88% up to 8,00% and from 5,15% up to 6,50%, respectively.

Corporate Bonds of Kazakhstani Issuers

	Interest to nominal, %	December 31, 2017	(Tenge thousand) December 31, 2016
Zhaikmunai LLP	7,13	-	574 879
Development Bank of Kazakhstan JSC	6,00	465 144	428 155
Home Credit and Finance Bank JSC	15,00	415 462	-
Tengizshevroil LLP	4,00	406 042	-
Kazakhstan Utility Systems LLP	15,00	367 787	-
Mortgage Organization "Kazakhstani Mortgage Company" JSC	10,50	200 875	-
National Holding Kazagro JSC	4,63	101 790	-
Sevkazagro JSC	13,00	-	202 940
Pavlodarenergo JSC	13,00	-	202 239
NC KazMunaiGas JSC	7,00	-	185 142
SB Sberbank of Russia JSC	9,00	-	167 597
		1 957 100	1 760 952

Shares of Kazakhstani Issuers

	Share, %	December 31, 2017	(Tenge thousand) December 31, 2016
Kazakhtelcom JSC	0,01	64 845	45 067
Bank CenterCredit JSC*		1 334	1 155
		66 179	46 222



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

* Ownership share is less than 0,01%

As at December 31, 2017 and 2016, financial assets at fair value through profit or loss in banks included coupon interest in the amount of 63 203 thousand tenge and 38 105 thousand tenge, respectively.

8 Investments Available-for-Sale

	Share, %	December 31, 2017	(Tenge thousand) December 31, 2016
Shares of Kazakhstan issuers:			
Insurance Payments Guarantee Fund JSC	0,01	17 666	17 666
Aktyubinsky Plant of Oil Equipment JSC	0,05	163 876	-
		181 542	17 666

As at December 31, 2017 and 2016, investments available-for-sale included equities which are not actively traded, based on that such investments are carried at cost less impairment.

9 Investments Held-to-Maturity

As at December 31, 2017 and 2016, investments held-to-maturity included bonds of the Ministry of Finance of the Republic of Kazakhstan in the amount of 248 416 thousand tenge and 247 121 thousand tenge, respectively, with interest rates from 5,80% to 8,20% and from 5,80% to 8,75%, respectively. As at December 31, 2017 and 2016, investments held-to-maturity included accrued interest amounting to 9 517 thousand tenge and 9 519 thousand tenge, respectively.

10 Insurance and Reinsurance Premiums Receivables

	December 31, 2017	(Tenge thousand) December 31, 2016
Insurance premiums due from policyholders	611 693	627 265
Assumed reinsurance premiums receivable	27 389	29 003
	639 082	656 268
Less provision for impairment (Note 25)	(60 629)	(63 301)
	578 453	592 967

11 Other Insurance and Reinsurance Receivables

	December 31, 2017	(Tenge thousand) December 31, 2016
Claims to insurers	37 648	97 946
Claims to party at fault	19 311	11 938
Claims to reinsurers	30 878	11 844
Other insurance accounts receivable	-	42 380
	87 837	164 108
Less provision for impairment (Note 25)	(1 025)	(1 660)
	86 812	162 448

12 Deferred Acquisition Costs

Deferred acquisition costs are a part of deferred acquisition costs of the Company for the future periods and in the same proportion as ratio of unearned premiums reserve to gross insurance premiums written under each insurance contract. The amount of deferred acquisition costs is calculated in accordance with



Insurance Company Amanat JSC

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

the term of each insurance contract. Deferred acquisition costs are subject to amortization by even allocation to the reporting period expenses over the term of the insurance contract.

As at December 31, 2017 and 2016 the deferred acquisition costs amounted to 530 357 thousand tenge and 459 289 thousand tenge, respectively.

13 Unearned Premiums Reserve, Reinsurer's Share

	December 31, 2017	December 31, 2016	(Tenge thousand) Change in unearned premiums
Unearned premiums, total amount (Note 20)	2 475 786	3 753 843	(1 278 057)
Unearned premiums reserve, reinsurer's share (Note 20)	(428 559)	(1 602 996)	1 174 437
Unearned premiums reserve, net of reinsurer's share	2 047 227	2 150 847	(103 620)

	December 31, 2016	December 31, 2015	(Tenge thousand) Change in unearned premiums
Unearned premiums, total amount (Note 20)	3 753 843	3 483 933	269 910
Unearned premiums reserve, reinsurer's share (Note 20)	(1 602 996)	(1 707 342)	104 346
Unearned premiums reserve, net of reinsurer's share	2 150 847	1 776 591	374 256

14 Provision for Claims and Claim Adjustment Expenses, Reinsurer's Share

Provisions for claims and claim adjustment expenses were established based on the information currently available, including potential outstanding loss notifications and experience with similar claims. Provisions for claims incurred but not reported is actuarially determined by classes of insurance and based on statistical claims data for the period typical for loss development of the classes and sub-classes of insurance, previous experience of the Company and availability of data. For insurance classes lacking sufficient statistical data, the provision for claims incurred but not reported is established in accordance with the requirements of the National Bank of the Republic of Kazakhstan in the amount not less than 5% of the amount of insurance premiums. While management considers that the total provisions for claims and corresponding reinsurance recoveries are fairly stated based on the information available, the ultimate liability may vary as a result of subsequent information and identification of events and may result in adjustments of the amounts provided. Any adjustments to the amount of provision will be recorded in the financial statements in the period, in which such adjustments become known and estimable.

Movements in provisions for claims and claim adjustment expenses during 2017 and 2016 were as follows:

	(Tenge thousand)	
	2017	2016
As at the beginning of the year	994 751	970 379
Net change in provisions (Note 21)	(190 031)	24 372
As at the end of the year	804 720	994 751



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

As at December 31, 2017 and 2016 provisions for claims and claim adjustment expenses were comprised of provisions for claims reported but not settled (RBNS) and provisions for losses incurred by not reported (IBNR):

	IBNR	RBNS	(Tenge thousand) December 31, 2017 Total
Provisions for claims and claim adjustment expenses, total amount	424 102	659 814	1 083 916
Provisions for claims and claim adjustment expenses, reinsurer's share	(204 008)	(75 188)	(279 196)
Provisions for claims and claim adjustment expenses, net of reinsurance	220 094	584 626	804 720

	IBNR	RBNS	(Tenge thousand) December 31, 2016 Total
Provisions for claims and claim adjustment expenses, total amount	563 919	835 808	1 399 727
Provisions for claims and claim adjustment expenses, reinsurer's share	(235 213)	(169 763)	(404 976)
Provisions for claims and claim adjustment expenses, net of reinsurance	328 706	666 045	994 751

15 Property, Plant and Equipment and Intangible Assets

	Land	Building	Vehicles	Machinery and equipment	Other property, plant and equipment	Intangible assets	(Tenge thousand) Total
Initial/ revalued cost							
December 31, 2015	35 316	618 918	74 853	72 993	78 611	33 974	914 665
Additions	-	400	34 888	18 160	18 231	4 116	75 795
Revaluation	-	17 220	-	-	-	-	17 220
Disposals	-	(26 323)	(16 588)	(10 664)	(5 513)	(3 524)	(62 612)
December 31, 2016	35 316	610 215	93 153	80 489	91 329	34 566	945 068
Additions	-	35 796	48 016	23 385	33 744	3 407	144 348
Revaluation	97 921	(146 320)	-	-	-	-	(48 399)
Disposals	-	(22 595)	(47 666)	(15 206)	(9 373)	-	(94 840)
December 31, 2017	133 237	477 096	93 503	88 668	115 700	37 973	946 177
Accumulated depreciation							
December 31, 2015	-	(56)	(16 298)	(40 153)	(23 843)	(16 589)	(96 939)
Accruals for the year	-	(25 791)	(16 650)	(18 299)	(16 454)	(6 110)	(83 304)
Disposal	-	25 844	4 836	10 400	4 280	3 523	48 883
December 31, 2016	-	(3)	(28 112)	(48 052)	(36 017)	(19 176)	(131 360)
Accruals for the year	-	(24 242)	(20 846)	(18 615)	(15 268)	(4 431)	(83 402)
Disposal	-	22 592	3 190	13 302	9 428	-	48 512
December 31, 2017	-	(1 653)	(45 768)	(53 365)	(41 857)	(23 607)	(166 250)



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

Book value							
December 31, 2017	133 237	475 443	47 735	35 303	73 843	14 366	779 927
December 31, 2016	35 316	610 212	65 041	32 437	55 312	15 390	813 708

As at December 31, 2017 and 2016 property, plant and equipment included fully depreciated assets at initial cost of 1 037 thousand tenge and 3 653 thousand tenge, respectively.

From January until September 2017 most of the building with adjacent land were let by the Company out for operating lease, so the Company has classified these assets as investment property and accrued provisions for revaluation of property, plant and equipment as retained earnings.

In accordance with the Company Management's decision to use the biggest part in the building for own needs followed by the termination of the part of the operating lease contracts in October 2017 the Company classified the building and land underneath as property, plant and equipment and fully refurbished the premises.

The Company applies revaluation model for land and building accounting. Revaluation was carried out by the Appraise Consulting Group LLP (State License №13020078 as of December 28, 2013). Appraise Consulting Group LLP is the current member of the 'Almaty Appraisers Association' Appraisers Chamber and has the appropriate qualifications and experience in the fair value measurement of building and land in the relevant regions.

The residual value of the land and building carried at revalued amount, which would have been recognized in the statement of financial position, had such property, plant and equipment been recorded at the original cost as at December 31, 2017, is 126,519 thousand tenge.

The Company has carried out the impairment test for other property, plant and equipment, recorded at the original cost. The results of the impairment test proved lack of signs of impairment of such property, plant and equipment.

16 Other Assets

	December 31, 2017	(Tenge thousand) December 31, 2016
Other financial assets:		
Debtors on guarantees	-	8 515
Other receivables	502	112
Total other financial assets	502	8 627
Other non-financial assets:		
Advance paid	64 430	42 133
Inventory	8 114	4 111
Tax advances, other than income tax	154	431
Other	8 847	8 667
	81 545	55 292
Less provision for impairment (Note 25)	(16 220)	(10 844)
Total other non-financial assets	65 325	44 448
Total other assets	65 827	53 075

17 Insurance and Reinsurance Payable

	December 31, 2017	(Tenge thousand) December 31, 2016
Reinsurance payables	283 836	206 697
Payables to agents and brokers	211 170	104 728
Claims payable to insured	17 374	9 989
	512 380	321 414



20 Premiums Earned, Net of Reinsurance

Premiums earned, net of reinsurance, for the year ended December 31, 2017, are as follows:

	Civil liability insurance	Compulsory civil liability insurance of car owners	Property insurance	Financial losses insurance	Compulsory insurance of civil liability of the employer	Air, water, railway and other transport insurance	Medical insurance	Cargo insurance	Other*	(Tenge thousand) 2017 Total
Direct insurance premiums	3 066 297	1 051 965	2 121 409	2 045 111	-	1 674 453	219 165	290 008	203 633	8 831 441
Reinsurance premiums assumed	3 622	-	36 708	5 702	-	56 131	-	6 255	1 800	110 218
Insurance premiums, total	3 069 919	1 051 965	2 158 117	2 102 213	-	1 730 584	219 165	296 263	205 433	8 941 659
Reinsurance premiums	(2 496 960)	-	(1 414 848)	(74 222)	-	(513 128)	(344)	(193 481)	(103 243)	(4 796 226)
Insurance premiums, net of ceded reinsurance	572 959	1 051 965	743 269	1 355 991	-	1 217 456	218 821	102 782	102 190	4 145 433
Change in unearned premiums reserve, total	1 149 438	140 222	(29 868)	138 063	-	(133 867)	12 624	(8 511)	9 956	1 278 057
Change in unearned premiums reserve, reinsurer's share	(1 108 069)	-	(138 829)	1 085	-	72 507	(4 443)	5 213	(1 901)	(1 174 437)
Change in unearned premiums reserve, net	41 369	140 222	(168 697)	139 148	-	(61 360)	8 181	(3 298)	8 055	103 620
Earned premiums, net of reinsurance	614 328	1 192 187	574 572	275 139	-	1 156 096	227 002	99 484	110 245	4 249 053

* Other includes the following lines of business: Accident insurance and Environmental insurance.



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

Premiums earned, net of reinsurance, for the year ended December 31, 2016, are as follows:

	Civil liability insurance	Compulsory civil liability insurance of car owners	Property insurance	Financial losses insurance	Compulsory insurance of the employer	Air, water, railway and other transport insurance	Medical insurance	Cargo insurance	Other*	(Tenge thousand) 2016 Total
Direct insurance premiums	3 464 125	1 287 351	2 033 349	352 445	-	1 338 647	187 332	405 443	375 697	9 444 389
Reinsurance premiums assumed	23 181	-	28 231	92 753	-	12 547	-	2 877	2 815	162 444
Insurance premiums, total	3 487 306	1 287 351	2 061 580	445 233	-	1 351 194	187 332	408 320	378 512	9 606 833
Reinsurance premiums	(2 765 553)	-	(1 262 832)	(47 890)	-	(163 601)	(7 763)	(312 082)	(264 792)	(4 824 513)
Insurance premiums, net of ceded reinsurance	721 753	1 287 351	798 748	397 343	-	1 187 593	179 569	96 238	113 720	4 782 320
Change in unearned premiums reserve, total	(550 666)	(55 462)	409 393	(67 994)	2 119	(17 845)	13 559	8 126	(11 140)	(269 910)
Change in unearned premiums reserve, reinsurer's share	487 116	-	(412 860)	2 055	(210)	(164 372)	107	(15 746)	(467)	(104 346)
Change in unearned premiums reserve, net of reinsurance	(63 550)	(55 462)	(3 467)	(65 908)	1 909	(182 217)	13 666	(7 620)	(11 607)	(374 256)
Earned premiums, net of reinsurance	658 203	1 231 889	795 281	331 443	1 909	1 005 376	193 235	88 618	102 113	4 408 064

* Other includes the following lines of business: Accident insurance and Environmental insurance.



21 Claims Incurred, Net of Reinsurance

Claims incurred, net of reinsurance, for the year ended December 31, 2017, are as follows:

	Civil liability insurance	Compulsory civil liability insurance of car owners	Property insurance	Financial losses insurance	Compulsory insurance of civil liability of the employer	Air, water, railway and other transport insurance	Medical insurance	Cargo insurance	Other*	(Tenge thousand) 2017 Total
Claims paid on insurance	(245 902)	(473 302)	(68 544)	(215)	(47 538)	(604 338)	(48 331)	(26 987)	(29 744)	(1 545 001)
Claims paid on assumed reinsurance	(77)	-	(2 048)	-	(30 351)	-	-	-	-	(32 476)
Claims paid, total	(245 979)	(473 302)	(70 592)	(215)	(77 989)	(604 338)	(48 331)	(26 987)	(29 744)	(1 577 477)
Claims paid, reinsurer's share,	140	-	47 359	-	34 887	10 025	-	27 528	17 771	137 710
Claims paid, net	(245 839)	(473 302)	(23 233)	(215)	(43 102)	(594 313)	(48 331)	541	(11 973)	(1 439 767)
Change in provision for claims and claim adjustment expenses, total	173 974	121 434	(75 130)	(54 158)	104 753	30 378	(9 068)	(5 350)	28 978	315 811
Change in provision for claims and claim adjustment expenses, reinsurer's share	(22 634)	-	47 399	1 279	(119 293)	7 618	12	(10 874)	(29 287)	(125 780)
Net change in provision for claims and claim adjustment expenses	151 340	121 434	(27 731)	(52 879)	(14 540)	37 996	(9 056)	(16 224)	(309)	190 031
Claims incurred, net of reinsurance	(94 499)	(351 868)	(50 964)	(53 094)	(57 642)	(556 317)	(57 387)	(15 683)	(12 282)	(1 249 736)

* Other includes the following lines of business: Accident insurance and Environmental insurance.



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

Claims incurred, net of reinsurance, for the year ended December 31, 2016, are as follows:

	Civil liability insurance	Compulsory civil liability insurance of car owners	Property insurance	Financial losses insurance	Compulsory insurance of the employer	Air, water, railway and other transport insurance	Medical insurance	Cargo insurance	Other*	(Tenge thousand) 2016 Total
Claims paid on insurance	(320 167)	(540 686)	(84 870)	-	(11 924)	(531 042)	(76 709)	(41 816)	(7 149)	(1 614 363)
Claims paid on assumed reinsurance	(478)	-	-	-	(68 964)	(53 977)	-	-	-	(123 419)
Claims paid, total	(320 645)	(540 686)	(84 870)	-	(80 888)	(585 019)	(76 709)	(41 816)	(7 149)	(1 737 782)
Claims paid reinsurer's share	635	-	11 147	-	39 800	4 560	-	29 166	2 162	87 470
Claims paid, net	(320 010)	(540 686)	(73 723)	-	(41 088)	(580 459)	(76 709)	(12 650)	(4 987)	(1 650 312)
Change in provision for claims and claim adjustment expenses, total	(80 268)	(128 882)	160 566	(14 924)	(101 510)	(26 635)	9 631	7 326	70 863	(103 833)
Change in provision for claims and claim adjustment expenses, reinsurer's share	30 295	-	(102 843)	1 102	116 107	170	(12)	9 362	25 280	79 461
Net change in provision for claims and claim adjustment expenses	(49 973)	(128 882)	57 723)	(13 822)	14 597)	(26 465)	9 619)	16 688)	96 143)	(24 372)
Claims incurred, net of reinsurance	(369 983)	(669 568)	(16 000)	(13 822)	(26 491)	(606 924)	(67 090)	4 038)	91 156)	(1 674 684)

* Other includes the following lines of business: Accident insurance and Environmental insurance.



23 Investment Income

	(Tenge thousand)	
	2017	2016
Interest income	495 306	325 149
Unrealized gain/(loss) of financial assets at fair value through profit or loss	49 877	157 629
Realized gain/(loss) of financial assets at fair value through profit or loss	29 763	16 944
Dividends	1 280	1 049
	576 226	500 771

	(Tenge thousand)	
	2017	2016
Interest income include:		
Interest income on financial assets at amortized cost, net	255 454	182 807
Interest income on financial assets at fair value through profit or loss	239 852	142 342
Total interest income	495 306	325 149

Interest income on financial assets at amortized cost include:		
Interest on term deposits in banks	172 303	138 062
Interest on reverse REPO agreements	60 096	32 767
Interest on classic REPO agreements	(14 838)	-
Interest on investments held-to-maturity	18 844	11 827
Interest on current accounts	19 047	151
	255 454	182 807

24 Administrative and Operating Expenses

	(Tenge thousand)	
	2017	2016
Rent expenses	268 454	271 834
Transportation expenses	66 296	52 687
Audit and consulting services	34 663	44 734
Business trip expenses	36 547	36 778
Payments to Insurance Payments Guarantee Fund ISC	8 624	33 591
Stationery	37 616	31 883
Utilities	35 604	30 224
Advertising expenses	33 547	28 631
Repair and maintenance of property, plant and equipment	19 950	28 058
Communication expenses	23 273	20 211
Bank services and charges	15 565	19 386
Fines and penalties	25 804	16 317
Representative expenses	13 166	11 714
Postal services	11 110	11 673
Taxes, other than income tax	14 073	10 885
Insurance expenses	8 574	6 217
Security expenses	1 461	1 799
Staff training expenses	7 873	1 180
Other	53 564	77 047
	715 764	734 849



25 Provision for Impairment on Other Operations

	Insurance and reinsurance premium receivables	Other insurance and reinsurance receivables	Other assets	(Tenge thousand) Total
December 31, 2015	33 559	2 005	9 887	45 451
Provision	85 807	9 288	16 676	111 771
Recovery of provision	(41 457)	(9 633)	(13 764)	(64 854)
Assets write-off	(14 608)	-	(1 955)	(16 563)
December 31, 2016	63 301	1 660	10 844	75 805
Provision	70 083	1 840	28 062	99 985
Recovery of provision	(70 302)	(1 840)	(21 132)	(93 274)
Assets write-off	(2 453)	(635)	(1 554)	(4 642)
December 31, 2017	60 629	1 025	16 220	77 874

26 Net Loss from Operations with Foreign Currencies

	2017	(Tenge thousand) 2016
Unrealized loss, net	(9 731)	(96 611)
Dealing, net	(9 930)	(73 231)
	(19 661)	(169 842)

27 Income Tax Expense

Company makes tax calculations based on the data from tax accounting, carried out in accordance with the requirements of the tax legislation of the Republic of Kazakhstan, which may differ from the International Financial Reporting Standards.

The corporate income tax rate for legal entities of the Republic of Kazakhstan for 2017 and 2016 is 20%. As there are some non deductible for taxation purposes expenses as well as non-taxable income in the Company, certain tax differences occur.

Income tax expenses for 2017 and 2016, include:

	2017	(Tenge thousand) 2016
Current tax	-	-
Withholding corporate income tax	25 846	11 717
Deferred income tax	(13 964)	(10 318)
Income tax expense	11 882	1 399

Reconciliation of the Current Tax Rate

The amount of the corporate income tax differs from its theoretical amount, calculated by multiplying profit before tax on corporate income tax rate, as follows:

	2017	(Tenge thousand) 2016
Profit before income tax	208 849	155 526
Tax at the set rate (20%)	41 770	31 105



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

Tax effect of non-deductible expenses /(non-taxable income):		
Non-taxable income /non-deductible expense on state and listing securities	(105 749)	(69 381)
Non-taxable income on dividends	(1 280)	(210)
Other non-deductible expenses	89 023	50 142
Withholding tax expenses	(25 846)	(20 575)
Changes in deferred tax asset	13 964	10 318
Income tax expense	11 882	1 399

Calculation of deferred tax assets /(liabilities) as at December 31, 2017 and December 31, 2016 is stated below:

	December 31, 2017	(Tenge thousand) December 31, 2016
Deductible temporary differences:		
Provision for unused vacation	51 222	46 123
Provision for doubtful debts	151 298	149 229
Provision for audit expenses	6 200	13 440
Taxes	10 816	-
Tax losses, transferred to future periods	1 049	122 539
Total deductible temporary differences	220 585	331 331
Taxable temporary differences:		
Property, plant and equipment and intangible assets	(135 215)	(194 290)
Net deductible temporary differences	85 370	137 041
Deferred tax asset at 20% rate	17 074	27 408
Unrecognized deferred tax assets	(210)	(24 508)
Net assets/(liabilities) on deferred income tax recognized in the financial statements	16 864	2 900

Deferred tax assets are recognized in the financial statement, as the Company's management believes it is probable to obtain sufficient taxable profit in future periods, in respect of which the deductible temporary differences may be used.

Movement of deferred tax assets in 2017 and 2016 is as follows:

	(Tenge thousand)	
	2017	2016
As at January 1	2 900	(7 418)
Changes in deferred tax	13 964	10 318
As at December 31	16 864	2 900

28 Earnings per Share

Basic earnings per share for the reporting year is calculated by dividing the Company's profit for the period intended for the distribution to holders of common shares of the Company by the weighted average number of its common shares outstanding during the period.

	(Tenge thousand)	
	2017	2016
Net earnings	196 967	154 127
Weighted average number of common share (pieces)	1 601 233	1 293 115
Earnings per share (tenge)	123,01	119,19



29 Book Value of Share

Book value of one share as at December 31, 2017 and 2016 is as follows:

Class of share	December 31, 2017			December 31, 2016		
	Outstanding shares (number of shares)	Amount for calculation of book value (tenge thousand)	Book value of one share (tenge thousand)	Outstanding shares (number of shares)	Amount for calculation of book value (tenge thousand)	Book value of one share (tenge thousand)
Common shares	1 930 000	4 162 024	2,16	1 330 000	3 266 102	2,46
		4 162 024			3 266 102	

Book value of one common share is calculated as the ratio of the amount of net asset value of the Company for common shares to the outstanding number of common shares as at the reporting date. Net asset value of the Company for the common shares is calculated as the total equity net of intangible assets as at the reporting date. Total number of common shares is calculated as total number of issued and outstanding shares net of shares repurchased by the Company as at reporting date.

The Company's management believes that it fully complies with the requirements of the Kazakhstan Stock Exchange as at the reporting date.

30 Contingent Assets and Liabilities**Legal Proceedings**

From time to time in the normal course of business claims against the Company are received from customers and counterparties. Management believes that no material unaccrued losses will be incurred by the Company and accordingly no provision has been made in these financial statements.

Taxation

Commercial and, in particular, tax legislation of the Republic of Kazakhstan, where the Company operates, may have more than one interpretation. It is also common when tax authorities make arbitrary judgements with respect to business activities of an organization. If Company's management interpretation of the legislation with regards to business activities is challenged by the tax authorities, additional taxes, fines and penalties may be assessed.

Company's management believes that all tax payments were made, therefore, there are no provisions created in the financial statements. Taxation data remains open for the tax authority inspection for five years.

Pension Payments

In accordance with the legislation of the Republic of Kazakhstan all employees of the Company receive pension benefits from pension funds. As at December 31, 2017 and 2016 the Company was not liable for any supplementary pensions, post retirement health care, insurance benefits or other retirement benefits to its current or former employees.

Operating Lease Liabilities

As at December 31, 2017 and 2016 with respect to contracts where the Company is a lessee, future minimum lease payments of the Company under non-cancellable operating lease agreements within one year amounted to 163 651 thousand tenge and 148 774 thousand tenge, respectively.



Capital Expenditure Liabilities

As at December 31, 2017 and 2016 the Company didn't have any significant capital expenditure liabilities.

Operating Environment

Emerging markets, including the Republic of Kazakhstan, are exposed to economic, political, social, litigation and legislative risks, different from the risks more developed countries are exposed to. Laws and regulations, governing business operations in the Republic of Kazakhstan may change rapidly and are subject to arbitrary interpretations. Future economic development of the Republic of Kazakhstan depends very heavily on fiscal and monetary policy, as well as laws and regulations adopted by the government, and change of political environment in the country.

Due to high volumes of oil and gas production and export the Republic of Kazakhstan is particularly sensitive to changes of oil and gas prices on the world market.

In 2015 the Government and the National bank of the Republic of Kazakhstan announced the transition to a new monetary policy, based on a fully flexible tenge exchange rate and cancelled the currency corridor.

Financial position and future operations of the Company may deteriorate because of the economic problems specific to the developing country and economy and population lending rates. The Company's management is not in the position to foresee neither level nor length of the economic difficulties or assess their impact, if any, on the financial results of the Company.

The Company's management is monitoring current changes in the economy and taking measures it believes necessary to support the sustainability and development of the Company's business in the nearest future. Nevertheless, the impact of changes in the economy on future operations results and financial position of the Company is hard to determine now.

31 Related Parties Transactions

Related parties or related parties' transactions, as defined in IAS 24 Related Parties Disclosures, are presented below.

Other related parties are represented by the entities where the shareholder of the Company holds stakes.

When considering possible related parties relationships, attention is paid to the substance of the relationship and not merely to its legal form.

As at December 31, 2017 and 2016 the Company has the following transactions with the related parties:

	December 31, 2017		December 31, 2016	
	Related parties transactions	Total for category as per the financial statements items	Related parties transactions	Total for category as per the financial statements items
Other assets	392	65 827	383	53 075
- other related parties	392	-	383	-
Unearned premiums reserve	55 757	2 475 786	85 477	3 753 843
- key management personnel of the Company	417	-	1 379	-
- other related parties	55 322	-	55 248	-
- shareholder	18	-	28 850	-
Other liabilities	10 561	1 270 329	4 846	142 159
- key management personnel of the Company	8 548	-	3 653	-
- shareholder	2 013	-	1 194	-

(Tenge thousand)



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

In the statement of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016 the following amounts of transactions with related parties are recognized:

		2017	Related parties transactions	(Tenge thousand) 2016
		Total for category as per the financial statements items		Total for category as per the financial statements items
Premiums, total	2 375 559	8 941 659	297 271	9 606 833
- key management personnel of the Company	2 269	-	3 438	-
- other related parties	2 330 892	-	233 309	-
- shareholder	42 398	-	60 524	-
Claims paid, total	(1 783)	(1 577 477)	(4 242)	(1 737 782)
- other related parties	(1 384)	-	(4 242)	-
- key management personnel of the Company	(399)	-	-	-
Salaries and other benefits	(215 077)	(1 423 033)	(201 429)	(1 210 799)
- key management personnel of the Company	(203 966)	-	(201 429)	-
- shareholder	(11 111)	-	-	-
Administrative and operating expenses	-	(715 764)	(173 886)	(734 849)
- other related parties	-	-	(173 886)	-

32 Geographic Concentration

As at December 31, 2017 the financial assets and liabilities of the Company were concentrated in the Republic of Kazakhstan, except for reinsurance accounts payable in the amount of 132 109 thousand tenge and payables to the counterparties in OECD.

As at December 31, 2016 the financial assets and liabilities of the Company were concentrated in the Republic of Kazakhstan, except for financial assets at fair value through profit or loss in OECD countries in the amount of 140 102 thousand tenge and reinsurance accounts payable in the amount of 75 597 thousand tenge.

33 Fair Value of the Financial Instruments

IFRS defines fair value as the price that would be received for an asset sold or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Carrying value of the financial assets and liabilities is approximately equal to the fair value due to short-term nature of such financial instruments, except for investments held-to-maturity.

As at December 31, 2017 and 2016 the fair value of investments held-to-maturity, based on market quotes, amounted to 249 409 thousand tenge and 234 103 thousand tenge, respectively, and their carrying value amounted to 248 416 thousand tenge and 247 121 thousand tenge, respectively.

Some of the financial assets of the Company are recognized at the fair value at the end of each reporting period. The table below contains the information on determination of the fair value of these financial assets.



Insurance Company Amanat JSC

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

	Fair value as at		Fair value hierarchy	(Tenge thousand)
	December 31, 2017	December 31, 2016		Valuation techniques and key basic data
Financial assets at fair value through profit or loss (Note 7)	3 011 592	2 507 023	Level 1	Quoted bid prices in the active market
Land (Note 15)	133 237	35 316	Level 2	Based on market comparative approach that reflects recent transaction prices with similar properties, showing the market participant the cost of construction of assets with comparable marketability and age, amortized and adjusted for wear and tear
Buildings (Note 15)	475 443	610 212	Level 2	

As at December 31, 2017 and 2016 the shares of the following issuers, classified as investments available-for-sale, that do not have quoted prices in the active market and whose fair value cannot be reliably measured, were recorded at purchase cost:

	(Tenge thousand)	
	December 31, 2017	December 31, 2016
Insurance Payments Guarantee Fund JSC	17 666	17 666
Akyubinsky Plant of Oil Equipment JSC	163 876	-
	181 542	17 666

34 Risk Management Policies

Risk management is crucial in the insurance business and is a core element of the Company's business. The main risks specific to the Company's operations include insurance risk, credit risk, market risk associated with changes in interest rates and currency exchange rates, and liquidity risk. Below you can find the Company's policies for the management of those risks.

Underwriting Policies

The Company establishes underwriting guidelines and limits, which stipulate the approval process for risks and their limits. Those limits are monitored on a constant basis.

The Company's insurance business covers the whole territory of Kazakhstan. The Company's reinsurance portfolio is diversified in terms of geographical concentration and insurance products.

Reinsurance

In the normal course of business, the Company enters into obligatory and voluntary reinsurance agreements with Kazakhstani and foreign reinsurers. Reinsurance agreements do not relieve the Company from its obligations to policyholders.

The Company evaluates the financial position of its reinsurers and monitors the concentration of credit risks in order to minimize its exposure to significant losses resulting from reinsurer's insolvency.

Insurance Provisions

The Company uses actuarial methods and assumptions in insurance and reinsurance liabilities estimations. Note 3 discloses actuarial methods for reserves for calculation of provisions for claims and claim adjustment expenses. The Company performs an analysis of these provisions.



Investment Risks

The Company's investment policy follows several principles that are based on levels of income and the Company's risk appetite at a point in time. The activities of Kazakhstani insurance companies are under the strict supervision of the National Bank of the Republic of Kazakhstan, and the Company is not permitted to operate as a professional participant in securities markets, therefore the Company engages broker companies to perform investment operations.

The investment portfolio of the Company comprises financial instruments that are chosen based on profitability rates, maturities and the risk level of the investment. The investment portfolio created in this way ensures equal income during the investing period.

Investment income is generally reinvested to increase the investment portfolio.

Credit Risk

The Company is exposed to credit risk, which is the risk of counterparty's failure to pay in full and within the established time-frames the amounts due. The Company determines the level of credit risk by placing limits on the amount of risk assumed in relation to one client, or groups of clients. Such risks are monitored on a continuous basis and subject to an annual or more frequent assessment and analysis.

The Company regularly monitors the collectability of receivables on insurance and reinsurance. In the financial statements, provisions are made for all doubtful debts.

Maximum Exposure to Credit Risk

The maximum exposure to credit risk of the Company may vary significantly depending on individual risks specific to certain assets and general market risks.

As at December 31, 2017 and 2016, the carrying amount of financial assets best represents the maximum exposure to credit risk.

Financial assets are classified considering their current credit ratings assigned by internationally recognized rating agencies. The highest possible rating is AAA. Investment grade of financial assets is based on ratings from AAA to BBB. Financial assets, which have ratings lower than BBB are rated as speculative grade.

The following table details the credit ratings of financial assets held by the Company.

	AAA	<BBB	Unrated	(Tenge thousand) December 31, 2017 Total
Cash and cash equivalents	298	1 421 082	51 146	1 472 526
Reverse REPO agreements	-	753 729	-	753 729
Term deposits with banks	-	1 049 050	-	1 049 050
Financial assets at fair value through profit or loss		3 011 592	-	3 011 592
Investments Available-for-sale	-	-	181 542	181 542
Held-to-maturity investments	-	248 416	-	248 416
Insurance and reinsurance premiums receivable	4 872	6 585	566 996	578 453
Other insurance and reinsurance receivables	27 579	27 006	32 227	86 812
Other financial assets	-	-	502	502



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

	AAA	<BBB	Unrated	(Tenge thousand) December 31, 2016 Total
Cash and cash equivalents	106	332 902	16 961	349 969
Reverse REPO agreements	-	287 360	-	287 360
Term deposits with banks	-	1 362 658	-	1 362 658
Financial assets at fair value through profit or loss	140 102	2 366 921	-	2 507 023
Investments Available-for-sale	-	-	17 666	17 666
Held-to-maturity investments	-	247 121	-	247 121
Insurance and reinsurance premiums receivable	54	30 936	561 977	592 967
Other insurance and reinsurance receivables	49 529	77 378	35 541	162 448
Other financial assets	-	1 381	7 246	8 627

The insurance industry is generally exposed to credit risk through its financial instruments. Company's credit risk is concentrated in Kazakhstan.

The exposure is monitored on a regular basis to ensure that the credit limits on financial instruments and credit worthiness guidelines established by the Company's policy are complied with.

The following table presents the carrying amounts of financial assets before impairment:

	Current unimpaired assets	Financial assets past due but not impaired	Impaired financial assets	(Tenge thousand) December 31, 2017 Total
Cash and cash equivalents	1 472 526	-	-	1 472 526
Reverse REPO agreements	753 729	-	-	753 729
Term deposits with banks	1 049 050	-	-	1 049 050
Financial assets at fair value through profit or loss	3 011 592	-	-	3 011 592
Investments Available-for-sale	181 542	-	-	181 542
Held-to-maturity investments	248 416	-	-	248 416
Insurance and reinsurance premiums receivable	398 026	119 798	60 629	578 453
Other insurance and reinsurance receivables	78 143	7 644	1 025	86 812
Other financial assets	502	-	-	502

	Current unimpaired assets	Financial assets past due but not impaired	Impaired financial assets	(Tenge thousand) December 31, 2016 Total
Cash and cash equivalents	349 969	-	-	349 969
Reverse REPO agreements	287 360	-	-	287 360
Term deposits with banks	1 362 658	-	-	1 362 658



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

Financial assets at fair value through profit or loss	2 507 023	-	-	2 507 023
Investments Available-for-sale	17 666	-	-	17 666
Held-to-maturity investments	247 121	-	-	247 121
Insurance and reinsurance premiums receivable	291 185	237 201	127 882	656 268
Other insurance and reinsurance receivables	158 313	4 135	1 660	164 108
Other financial assets	7 881	746	-	8 627

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty's failure to repay its contractual obligations; or insurance liability falling due for payment earlier than expected; or inability to generate cash flows as anticipated.

The major liquidity risk for the Company is the daily calls on its available cash resources in respect of claims arising from insurance contracts.

The Company manages liquidity risk through the Company's policies for the liquidity risk management; those policies determine what is a liquidity risk for the Company; establish the minimum funds to meet the urgent payment requirements; determine the contingency funding plans; determine funding sources and events that will put a plan into action; determine the concentration of sources of funding; determine the procedure for reporting exposure to liquidity risk and other irregularities to regulatory authorities; determine how to monitor the compliance with the liquidity risk policies and review the policies for managing liquidity risk for their relevance and appropriateness to changes in business environment. The following tables provide an analysis of financial assets and liabilities grouped on the basis of the remaining period from the reporting date to the earliest of the contractual maturity date or available maturity date, except for financial assets at fair value through profit or loss which are included in the column "from 3 months to 1 year" as they are available to meet the Company's needs in short-term liquid funds, and can be realized if necessary.



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

	Weighted average interest rate	Up to 1 month	1-3 months	3 months - 1 year	1 year - 5 years	Over 5 years	Maturity undefined	(Tenge thousand) December 31, 2017 Total
FINANCIAL ASSETS:								
Term deposits with banks	12,82%	-	-	1 049 050	-	-	-	1 049 050
Reverse REPO agreements	9,29%	753 729	-	-	-	-	-	753 729
Financial assets at fair value through profit or loss	10,00%	-	-	2 945 413	-	-	-	2 945 413
Held-to-maturity investments	7,93%	-	-	-	248 416	-	-	248 416
Total interest-bearing financial assets		753 729	-	3 994 463	248 416	-	-	4 996 608
Cash and cash equivalents	-	1 472 526	-	-	-	-	-	1 472 526
Financial assets at fair value through profit or loss	-	-	-	66 179	-	-	-	66 179
Investments Available-for-sale	-	-	-	-	-	-	181 542	181 542
Insurance and reinsurance premiums receivable	-	449 133	57 467	71 853	-	-	-	578 453
Other insurance and reinsurance receivables	-	309	30 735	51 421	4 347	-	-	86 812
Provision for claims and claim adjustment expenses, reinsurer's share	-	-	-	75 188	-	-	-	75 188
Other financial assets	-	-	-	502	-	-	-	502
Total financial assets		2 675 697	88 202	4 259 606	252 763	-	181 542	7 457 810
FINANCIAL LIABILITIES:								
REPO agreements	11,91%	1 122 348	-	-	-	-	-	1 122 348
Total interest-bearing financial liabilities		1 122 348	-	-	-	-	-	1 122 348



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

Insurance and Reinsurance Payables	80 075	53 941	373 364	-	-	-	512 380
Provision for claims and claim adjustment expenses	-	-	659 814	-	-	-	659 814
Other financial liabilities	19 991	11 551	57 422	-	-	-	88 964
Total financial liabilities	1 222 414	70 492	1 090 600	-	-	-	2 383 506
The difference between financial assets and liabilities	1 453 283	17 710	3 169 006	252 763	-	181 542	5 074 304
The difference between interest-bearing financial assets and interest-bearing financial liabilities	(368 613)	-	3 994 463	248 416	-	-	3 874 260

	Weighted average interest rate	Up to 1 month	1-3 months	3 months - 1 year	1 year - 5 years	Over 5 years	Maturity undefined	(Tenge thousand) December 31, 2016 Total
FINANCIAL ASSETS:								
Reverse REPO agreements	11,42%	287 360	-	-	-	-	-	287 360
Term deposits with banks	15,49%	146 345	44 396	1 171 417	-	-	-	1 362 658
Financial assets at fair value through profit or loss	6,83%	311 462	-	712 878	931 024	505 437	-	2 460 801
Held-to-maturity investments	7,18%	-	-	-	247 121	-	-	247 121
Total interest-bearing financial assets		745 167	44 396	1 884 295	1 178 145	505 437	-	4 357 940
Cash and cash equivalents	-	349 369	-	-	-	-	-	349 969
Financial assets at fair value through profit or loss	-	-	-	-	-	-	46 222	46 222
Investments Available-for-sale	-	-	-	-	-	-	17 666	17 666
Insurance and reinsurance premiums receivable	-	291 285	221 371	48 519	31 892	-	-	592 967



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

Other insurance and reinsurance receivables	-	142 125	81	1 921	11 711	2 475	4 135	162 448
Provision for claims and claim adjustment expenses, reinsurer's share	-	-	-	169 763	-	-	-	169 763
Other financial assets	-	7 769	-	112	746	-	-	8 627
Total financial assets	1 536 715	265 848	2 104 610	1 222 494	507 912	68 023	5 705 602	
FINANCIAL LIABILITIES:								
Insurance and Reinsurance Payables	-	-	114 717	206 697	-	-	-	321 414
Provision for claims and claim adjustment expenses	-	-	-	835 808	-	-	-	835 808
Other financial liabilities	-	23 406	-	69 330	-	-	-	92 736
Total financial liabilities	23 406	114 717	1 111 835	-	-	-	1 249 958	
The difference between financial assets and financial liabilities	1 513 309	151 131	992 775	1 222 494	507 912	68 023	4 455 644	
The difference between interest-bearing financial assets and interest-bearing financial liabilities	745 667	44 396	1 884 295	1 178 145	505 437	-	4 357 940	



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

The Company does not include its unearned premiums reserve (UPR) and provisions for claims incurred but not reported (IBNR) in its liquidity analysis, including reinsurance share as it has no determined maturities. In addition, the actual liabilities and assets may vary from the amounts provisioned and as such these amounts are not included in the table above.

Discounted liabilities presented in the tables above are the same as undiscounted liabilities due to their short-term nature.

Market Risk

The Company is also exposed to market risks, which arise from open positions in interest rates and foreign currencies, all of which are exposed to general and specific market fluctuations. The Company manages market risk through periodic estimating potential losses that could arise from adverse changes in market conditions and establishing and maintaining adequate limits of acceptable losses and requirements to the profitability rate.

Sensitivity Analysis to Changes in Interest Rate

The following table presents Company's sensitivity analysis to 3%-change in interest rates as at December 31, 2017 and 2016, respectively. Management of the Company believes that in current economic conditions in Kazakhstan, fluctuations of interest rates by 3% are possible. This rate is used by the Company when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. Only existing financial assets and liabilities are included in the sensitivity analysis.

The effect on net profit as at December 31, 2017 and 2016 was as follows:

	As at December 31, 2017		As at December 31, 2016	
	Interest rate	Interest rate	Interest rate	Interest rate
	+3%	-3%	+3%	-3%
Effect on profit before income tax	116 228	(116 228)	130 738*	(130 738)*

* Figures of Company's sensitivity to increases and decreases in interest rates as at December 31, 2016 were restated.

Currency Risk

Currency risk is the risk of changes in the value of a financial instrument due to changes in foreign exchange rates. The Company is exposed to the effects of fluctuations in foreign exchange rates, which influence on its financial position and cash flows.

	Tenge	US dollar US dollar 1 = 332,33 tenge	EURO EURO 1 = 398,23 tenge	(Tenge thousand)
				December 31, 2017 Total
FINANCIAL ASSETS:				
Cash and cash equivalents	1 464 014	7 038	1 474	1 472 526
Reverse REPO agreements	753 729	-	-	753 729
Term deposits with banks	1 049 050	-	-	1 049 050
Financial assets at fair value through profit or loss	1 968 874	1 042 718	-	3 011 592
Investments Available-for-sale	181 542	-	-	181 542
Held-to-maturity investments	248 416	-	-	248 416
Insurance and reinsurance premiums receivable	530 308	48 145	-	578 453
Other insurance and reinsurance receivables	86 812	-	-	86 812



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NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2017

Provision for claims and claim adjustment expenses, reinsurer's share	75 188	-	-	75 188
Other financial assets	502	-	-	502
TOTAL FINANCIAL ASSETS	6 358 435	1 097 901	1 474	7 457 810
FINANCIAL LIABILITIES:				
Insurance and Reinsurance Payables	457 696	54 684	-	512 380
Provision for claims and claim adjustment expenses	626 960	20 152	12 702	659 814
Other financial liabilities	1 210 318	-	994	1 211 312
TOTAL FINANCIAL LIABILITIES	2 294 974	74 836	13 696	2 383 506
OPEN BALANCE SHEET ITEM	4 063 461	1 023 065	(12 222)	5 074 304

	Tenge	US dollar US dollar 1 = 333,29 tenge	EURO EURO 1 = 352,42 tenge	Other currencies	(Tenge thousand) December 31, 2016 Total
FINANCIAL ASSETS:					
Cash and cash equivalents	244 810	105 159	-	-	349 969
Reverse REPO agreements	287 360	-	-	-	287 360
Term deposits with banks	1 171 417	191 241	-	-	1 362 658
Financial assets at fair value through profit or loss	1 178 745	1 188 176	-	140 102	2 507 023
Investments Available-for-sale	17 666	-	-	-	17 666
Held-to-maturity investments	247 121	-	-	-	247 121
Insurance and reinsurance premiums receivable	551 169	41 798	-	-	592 967
Other insurance and reinsurance receivables	162 448	-	-	-	162 448
Provision for claims and claim adjustment expenses, reinsurer's share	169 763	-	-	-	169 763
Other financial assets	8 627	-	-	-	8 627
TOTAL FINANCIAL ASSETS	4 039 126	1 526 374	-	140 102	5 705 602
FINANCIAL LIABILITIES:					
Insurance and Reinsurance Payables	285 672	35 742	-	-	321 414
Provision for claims and claim adjustment expenses	828 232	2 556	5 020	-	835 808
Other financial liabilities	92 339	-	382	15	92 736
TOTAL FINANCIAL LIABILITIES	1 206 243	38 298	5 402	15	1 249 958
OPEN BALANCE SHEET ITEM	2 832 883	1 488 076	(5 402)	140 087	4 455 644



Sensitivity Analysis to Currency Risk

The following table shows the Company's sensitivity to increases and decreases by 20% in the US dollar and euro exchange rates against the tenge. 20% is the sensitivity rate used by the Company when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only amounts in foreign currencies outstanding at the end of the period, in translation of which as at the end of the period the Company uses exchange rates changed by 20% versus the current exchange rates.

The 20% rate is applied due to the introduction by the NBRK of a new monetary policy based on a free-floating tenge exchange rate.

Below is the effect on net profit and equity based on open balance sheet item as at December 31, 2017 and 2016:

	As at December 31, 2017		As at December 31, 2016	
	Tenge/ US	Tenge/ US	Tenge/ US	Tenge/ US
	dollar	dollar	dollar	dollar
	+20%	-20%	+20%	-20%
Effect on net profit and equity	204 613	(204 613)	238 092	(238 092)

	As at December 31, 2017		As at December 31, 2016	
	tenge/euro	tenge/euro	tenge/euro	tenge/euro
	+20%	-20%	+20%	-20%
Effect on net profit and equity	(2 444)	2 444	(864)	864

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, irrespective whether those changes are caused by factors specific to an individual security or its issuer or factors affecting all securities traded in the market.

	As at December 31, 2017		As at December 31, 2016	
	Increase in the	Decrease in the	Increase in the	Decrease in the
	price of	price of	price of securities	price of
	securities by 1%	securities by 1%	by 1%	securities by 1%
Financial assets at fair value through profit or loss	29 484	(29 484)	24 689	(24 689)
Investments Available-for-sale	1 815	(1 815)	177	(177)
Effect on profit or loss before income tax	29 484	(29 484)	24 689*	(24 689)*
Effect on equity	1 815	(1 815)	177*	(177)*

* Figures of Company's sensitivity to changes in the values of financial instruments as at December 31, 2016 were restated.



35 Capital Management

National Bank of the Republic of Kazakhstan requires insurance companies to maintain a solvency margin at the level of no less than one unit, which is calculated based on the Company's financial statements, in accordance with regulator's instructions. As at December 31, 2017 the Company has complied with the solvency margin adequacy ratio as detailed in the table below:

	December 31, 2017	(Tenge thousand) December 31, 2016
Minimum solvency margin	1 637 158	1 593 616
Actual solvency margin	2 828 544	1 730 802
Solvency margin	1,73	1,09

The operations of insurance companies are regulated by the National Bank of the Republic of Kazakhstan. In their operations the insurance companies shall comply with a number of ratios set by the regulator.

On June 30, 2017 the license of the IC Amanat JSC was suspended for three months by the Decision of the Board of the National Bank of the Republic of Kazakhstan. Suspension of the license resulted from: incompliance with the requirements of the prudential regulations, set by the regulator, breach of the legislative acts of the Republic of Kazakhstan, governing the compulsory types of the insurance. The license was renewed upon expiry of the three-months period.

As at December 31, 2017 the Company has complied with all regulations set by the regulator.

36 Subsequent Events

As at the date of approval of these financial statements, there were no events that require adjustments or disclosures in the notes to these financial statements.

