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LIMITED LIABILITY PARTNERSHIP MARSH (INSURANCE BROKERS)

Consolidated Financial Statements and
Independent Auditors' Report
For the year ended 31 December 2018

Limited Liability Partnership Marsh (Insurance Brokers)

Table of contents

Limited Liability Partnership Marsh (Insurance Brokers)

Statement of Management's Responsibilities
For the Preparation and Approval of the Consolidated Financial Statements
For the year ended 31 December 2018

Management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of Limited Liability Partnership Marsh (Insurance Brokers) ("the Company") and its subsidiary (collectively - "the Group") as at 31 December 2018, and the results of its operations, cash flows and changes in partner's equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and consolidated financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining statutory accounting records in compliance with legislation of the Republic of Kazakhstan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2018 were approved by the Management on 12 April 2019.

On behalf of the Management of the Group:

Andrey Komarkovsky
General Manager

12 April 2019
Almaty, Kazakhstan

Olga Voitenko
Chief Accountant

12 April 2019
Almaty, Kazakhstan

Deloitte

Deloitte LLP
36 Al Farabi Ave.,
Almaty, 050059,
Republic of Kazakhstan
Tel: +7 (727) 258 13 40
Fax: +7 (727) 258 13 41
deloitte.kz

INDEPENDENT AUDITORS' REPORT

To the Partner and Management of Limited Liability Partnership Marsh (Insurance Brokers):

Opinion

We have audited the consolidated financial statements of Limited Liability Partnership Marsh (Insurance Brokers) and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in partner's equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("the IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nurlan Bekenov
General Director
Deloitte LLP
State license on auditing in the Republic of Kazakhstan
№0000015, type MFU-2, given by the Ministry of Finance of Kazakhstan
dated 13 September 2006

Zhangir Zhilysbayev
Team Leader
Qualified auditor
of the Republic of Kazakhstan
Qualification certificate
No.MF-0000116
dated 22 November 2012

17 April 2019
Almaty, Kazakhstan

Limited Liability Partnership Marsh (Insurance Brokers)

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2018
(in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2018	Year ended 31 December 2017
Commission income from brokerage and consulting services	13	1,075,646	853,329
Total income		1,075,646	853,329
General and administrative expenses, including:	4, 13	(455,239)	(439,638)
Payroll and business trip expenses	4, 13	(282,440)	(300,611)
Management fees for services from the Parent Company	4, 13	(66,415)	(57,335)
Professional fees	4	(38,170)	(25,332)
Rent expenses	4	(16,891)	(16,891)
Depreciation and amortization	4, 8	(6,036)	(7,326)
Taxes, other than income tax	4	(483)	(453)
Provision for expected credit losses (2017: Provision for impairment losses)	7	(1,584)	(96)
Net gain/(loss) on foreign exchange operations		43,452	(939)
Total expenses		(413,371)	(440,673)
PROFIT BEFORE INCOME TAX EXPENSE		662,275	412,656
Income tax expense	5	(146,938)	(102,365)
NET PROFIT		**515,337**	**310,291**
TOTAL COMPREHENSIVE INCOME		**515,337**	**310,291**

On behalf of the Management of the Group:

Andrey Komarkovsky
General Manager

12 April 2019
Almaty, Kazakhstan

Olga Voitenko
Chief Accountant

12 April 2019
Almaty, Kazakhstan

The notes to the consolidated financial statements on pages 9-26 form an integral part of these consolidated financial statements.

Limited Liability Partnership Marsh (Insurance Brokers)

Consolidated Statement of Financial Position
As at 31 December 2018
(in thousands of Kazakhstani Tenge)

	Notes	31 December 2018	31 December 2017
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6	371,964	741,748
Accounts receivable	7, 13	423,233	294,222
Prepaid expenses		3,971	3,210
Current income tax assets		15,943	8,463
Deferred income tax assets	5	16,948	16,378
Other tax assets		2,036	1,633
Other assets		7,709	5,140
Total current assets		841,804	1,070,794
NON-CURRENT ASSETS:			
Property and equipment	8	22,931	17,717
Intangible assets	8	1,762	1,982
Total non-current assets		24,693	19,699
TOTAL ASSETS		**866,497**	**1,090,493**
LIABILITIES AND PARTNER'S EQUITY			
CURRENT LIABILITIES:			
Accounts payable	9, 13	2,181	41,130
Other liabilities	10	88,353	84,197
Total current liabilities		90,534	125,327
PARTNER'S EQUITY:			
Charter capital	11	10,000	10,000
Retained earnings		765,963	955,166
Total partner's equity		775,963	965,166
TOTAL LIABILITIES AND PARTNER'S EQUITY		**866,497**	**1,090,493**

On behalf of the Management of the Group:

Andrey Komarkovsky
General Manager

12 April 2019
Almaty, Kazakhstan

Olga Voitenko
Chief Accountant

12 April 2019
Almaty, Kazakhstan

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Limited Liability Partnership Marsh (Insurance Brokers)

Consolidated Statement of Changes in Partner's Equity
For the year ended 31 December 2018
(in thousands of Kazakhstani Tenge)

	Notes	Charter capital	Retained earnings	Total
As at 31 December 2016		**10,000**	**988,790**	**998,790**
Total comprehensive income		-	310,291	310,291
Dividends paid		-	(343,915)	(343,915)
As at 31 December 2017		**10,000**	**955,166**	**965,166**
Impact of adopting IFRS 9	3	-	(40)	(40)
Restated opening balance under IFRS 9		10,000	955,126	965,126
Total comprehensive income		-	515,337	515,337
Dividends paid	11	-	(704,500)	(704,500)
As at 31 December 2018		**10,000**	**765,963**	**775,963**

On behalf of the Management of the Group:

Andrey Komarkovsky
General Manager

12 April 2019
Almaty, Kazakhstan

Olga Voitenko
Chief Accountant

12 April 2019
Almaty, Kazakhstan

The notes to the consolidated financial statements on pages 9-26 form an integral part of these consolidated financial statements.

Limited Liability Partnership Marsh (Insurance Brokers)

Consolidated Statement of Cash Flows
For the year Ended 31 December 2018
(in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2018	Year ended 31 December 2017
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax expense		662,275	412,656
Adjustments for:			
Depreciation and amortization	4, 8	6,036	7,326
Provision for expected credit losses (2017: provision for impairment losses)	7	1,584	96
Cash inflow from operating activities before changes in operating assets and liabilities		669,895	420,078
Changes in operating assets and liabilities:			
(Increase)/decrease in operating assets:			
Accounts receivable		(130,595)	(207,668)
Prepaid expenses		(761)	(405)
Other tax assets		(403)	980
Other assets		(2,569)	(3,589)
(Decrease)/increase in operating liabilities:			
Deferred income		-	(127)
Accounts payable		(38,949)	9,950
Other liabilities		4,156	51,379
Cash inflow from operating activities before taxation		500,774	270,598
Income tax paid		(154,786)	(154,796)
Net cash inflow from operating activities after taxation		345,988	115,802
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, equipment and intangible assets	8	(11,030)	(172)
Net cash outflow from investing activities		(11,030)	(172)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	11	(704,500)	(343,915)
Net cash outflow from financing activities		(704,500)	(343,915)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(369,542)	(228,285)
Effect of changes in foreign exchange rate on cash and cash equivalents		(242)	(939)
CASH AND CASH EQUIVALENTS, beginning of the year	**6**	**741,748**	**970,972**
CASH AND CASH EQUIVALENTS, end of the year	**6**	**371,964**	**741,748**

On behalf of the Management of the Group:

Andrey Komarkovsky
General Manager

12 April 2019
Almaty, Kazakhstan

Olga Voitenko
Chief Accountant

12 April 2019
Almaty, Kazakhstan

The notes to the consolidated financial statements on pages 9-26 form an integral part of these consolidated financial statements.

(in thousands of Kazakhstani Tenge, unless otherwise stated)

1. Organization

LLP Marsh (Insurance Brokers) ("the Company") is a Limited Liability Partnership, which was incorporated in the Republic of Kazakhstan in March 2000. In May 2001, the Company was re-registered and changed its name from LLP Marsh to LLP Marsh (Insurance Brokers). The Company is regulated by the National Bank of the Republic of Kazakhstan. The Company conducts its business under the license #3 dated 26 December 2001 and the certificate of re-registration #31698-1910-TOO issued by the Ministry of Justice of the Republic of Kazakhstan on 3 May 2001. The Company's main activities are to provide Kazakhstan and international companies with insurance and reinsurance brokerage and consulting services.

The Company is a parent company of a group ("the Group") which also includes the following entity consolidated in the financial statements:

Name	Country of operation	Proportion or ownership interest/voting rights (%) 2018	2017	Type of operation
Marsh (Risk Consulting) LLP	Kazakhstan	99.9%	99.9%	Expertise on risk management

As at 31 December 2018 and 2017, 0.1% of the charter capital of LLP Marsh (Risk Consulting) was contributed by Marsh & McLennan Companies Services B.V. (Netherlands).

LLP Marsh (Risk Consulting) was formed as a Limited Liability Partnership under the laws of the Republic of Kazakhstan on 9 June 2008. The main activity of LLP Marsh (Risk Consulting) is to provide expertise and consulting services on risk management.

As at 31 December 2018 and 2017, the Company was solely owned by Marsh & McLennan Companies Services B.V. registered in the Netherlands. On 19 February 2015, the previous partner Marsh (Insurance Services) Limited transferred its share in the Company, and as a result Marsh & McLennan Companies Services B.V. ("the Parent Company") became the sole owner of the Company.

In the normal course of business, the Group enters into transactions with the companies of Marsh Group. The transactions include, but are not limited to brokerage services, management services from the Parent Company and consulting services. As at 31 December 2018 and 2017, accounts receivable from companies of Marsh Group amounted to 93.6% and 91.8% of the total amount of the Group's assets, respectively. For the years ended 31 December 2018 and 2017, commission income from brokerage services earned from the Marsh Group amounted to 69.5% and 62.5% of total commission income from brokerage services, respectively. Therefore, there is a concentration of the Group's assets and commission income from brokerage services in respect of Marsh Group. The information on operations with related parties is disclosed in Note 13.

The registered office of the Group is located at 17 Mitin Str., 050020, Almaty, Republic of Kazakhstan.

As at 31 December 2018 and 2017, the number of employees of the Company was 16.

As at 31 December 2018 and 2017, the number of employees of the subsidiary, LLP Marsh (Risk Consulting), was equal to 3.

These consolidated financial statements were authorized for issue by the Management of the Group on 12 April 2019.

2. Significant accounting policies

Statement of compliance

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

These consolidated financial statements are presented in thousands of Kazakhstan tenge ("KZT" or "Tenge"), unless otherwise indicated. These consolidated financial statements have been prepared under the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payments, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Functional currency

The functional currency of these consolidated financial statements is Kazakhstani tenge ("KZT").

Going concern

These consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company (its subsidiary). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The principal accounting policies are set out below.

Financial instruments

The Group recognizes financial assets and liabilities on its consolidated statement of financial position when it becomes a party to the contractual obligations of the instrument. Regular way purchases and sales of financial assets and liabilities are recognized using settlement date accounting. Regular way purchases of financial instruments that will be subsequently measured at fair value between trade date and settlement date are accounted for in the same way as for acquired instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are 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 the 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 recognized immediately in the consolidated statement of comprehensive income.

Financial assets

The Group's financial assets are represented by cash equivalents and accounts receivable only. These financial assets are measured at amortized cost because they are held under the business model to collect contractual cash flows and contractual cash flows are represented by solely payments of principal and interest only.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain of loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

Cash and cash equivalents

Cash and cash equivalents include unrestricted balances on correspondent accounts with original maturity of three months or less.

Accounts receivable

Accounts receivable are stated at their nominal value, reduced by any allowance for expected credit losses. The Group records accounts receivable when the right to consideration is unconditional, subject only to the passage of time.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on cash equivalents and accounts receivable that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for accounts receivable.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group considers the following as constituting an event of credit impairment:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group in full;
- when the debtor announces default to its creditors, including the Group on any of its financial liabilities or
- it is probable that debtor will enter bankruptcy or other financial reorganisation.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due.

Property, equipment and intangible assets

Property, equipment and intangible assets are carried at historical cost less accumulated depreciation and amortization.

Depreciation and amortization are charged on the cost of property, equipment and intangible assets in order to write off assets over their useful economic lives. Depreciation and amortization are calculated on a straight line basis at the following annual prescribed rates:

Computer equipment	25-33%
Furniture and other fixed assets	7-33%
Vehicles	20%
Intangible assets	10%

Expenses related to repairs and renewals are charged when incurred and included in the consolidated statement of profit or loss and other comprehensive income as part of operating expenses unless they qualify for capitalization.

The carrying amounts of property, equipment and intangible assets are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts. The recoverable amount is the higher of fair value less costs to sell and value in use. Where carrying values exceed the estimated recoverable amount, assets are written down to their recoverable amount, an impairment is recognized in the respective period and is included in operating expenses. After the recognition of an impairment loss the depreciation and amortization charge for property, equipment and intangible assets is adjusted in future periods to allocate the assets' revised carrying value, less its residual value (if any), on a systematic basis over its remaining useful life.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income

The consideration received prior to the brokerage services being rendered is recognized as contract liability (deferred income) in the consolidated statement of financial position of the Group, which is transferred to profit or loss on a systematic and rational basis as services are provided in accordance with the terms of the insurance contract.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and assets

Contingent liabilities are not recognized in the consolidated statement of financial position but are disclosed in the consolidated financial statements unless the possibility of any outflow in settlement is remote.

A contingent asset is not recognized in the consolidated statement of financial position but disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Charter capital

Contributions to charter capital are recognized at cost.

Distributions are recognized in equity as a reduction in the period in which they are declared. Distributions that are declared after the reporting date are treated as a subsequent event under International Accounting Standard 10 "Events after the Reporting Period" ("IAS 10") and disclosed accordingly.

Retirement and other benefit obligations

In accordance with the requirements of the legislation of the Republic of Kazakhstan certain percentages of pension payments are withheld from total disbursements to employee to be transferred to pension funds, such that a portion of salary expense is withheld from the employee and instead paid to a pension fund on behalf of the employee. This expense is charged in the period in which the related salaries are earned. Upon retirement, all retirement benefit payments are made by the pension funds as selected by employees. The Group does not have any pension arrangements consolidated from the pension system of the Republic of Kazakhstan. In addition, the Group has no post-retirement benefits or other significant compensated benefits requiring accrual.

Revenue recognition

Commission income from brokerage and consulting services is recognized on an accrual basis. Other income is credited to the consolidated statement of profit or loss and other comprehensive income when the related transactions are completed or as the services are provided. Expenses are recognized on an accrual basis.

Commission income from brokerage services.

Commission income from brokerage services reflect compensation for brokerage through commission and fees. Commission rates vary in amount and can depend upon a number of factors, including the type of insurance or reinsurance coverage provided, the particular insurer or reinsurer selected, and the capacity in which the broker acts and negotiates with clients. For majority of brokerage arrangements, services provided which culminate in the placement of an effective policy are considered a single performance obligation.

(in thousands of Kazakhstani Tenge, unless otherwise stated)

Consideration related to "bundled arrangements" is allocated to the individual performance obligations based on their relative fair values. Revenue for policy placement is generally recognised on the policy effective date, at which point control over the services provided by the Group has transferred to the client and the client has accepted the services.

Commission income from consulting services.

Commission income from consulting services is represented by fees paid by clients for advice. Consulting projects are typically consist of a single performance obligation, which is recognised over time as control is transferred continuously to customers. Typically, revenue is recognised over time using an input measure of time expended to date relative to total estimated time to be incurred at project completion. Incurred hours represent services rendered and thereby faithfully depicts the transfer of control to the customer.

Foreign currency translation

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the Group operates. In preparing the consolidated financial statements, monetary assets and liabilities denominated in currencies other than the Group's functional currency (foreign currencies) are translated at the appropriate spot rates of exchange prevailing at the reporting date. Transactions in currencies other than the functional currency are accounted for at the exchange rates prevailing at the date of the transaction. Profits and losses arising from these translations are included in net gain on foreign exchange operations.

Rates of exchange

The exchange rates at reporting date used by the Group in the preparation of the consolidated financial statements are as follows:

	31 December 2018	31 December 2017
KZT/USD	384.20	332.33
KZT/EUR	439.37	398.23
KZT/GBP	488.13	448.61

3. Application of new and revised international financial reporting standards (IFRSs)

Amendments to IFRSs affecting amounts reported in the consolidated financial statements

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these consolidated financial statements:

- IFRS 9 *Financial Instruments*;
- IFRS 15 *Revenue from Contracts with Customers (and the related Clarifications)*;
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*;
- Annual Improvements to IFRSs 2014-2016 Cycle.

IFRS 9 Financial Instruments

From 1 January 2018, the Group started applying IFRS 9 Financial Instruments. This standard suggests changes in classification principles of financial instruments and replacement of "incurred losses" model applied by IAS 39 with "expected losses" model. The expected credit losses model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition as disclosed in the Note 2.

(in thousands of Kazakhstani Tenge, unless otherwise stated)

Summary of impact upon adoption of IFRS 9 – Classification and measurement

The following table set out the classification and measurement impact of adopting IFRS 9 on the consolidated statement of financial position and retained earnings including the effect of replacing IAS 39 incurred credit loss calculations with IFRS 9 expected credit loss calculations. There were no reclassifications between fair value and amortised categories on transition date to IFRS 9. Remeasurement represents changes in the carrying amount of the financial assets and liabilities due to changes in their measurement. A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows:

	IAS 39 Measurement category	As at 31 December 2017, IAS 39 Carrying Amount	Remeasu-rement	As at 1 January 2018, IFRS 9 Carrying Amount	IFRS 9 Measurement category
Accounts receivable	Loans and receivables	423,273	(40)	423,233	Amortized cost

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when or as a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. The Group adopted the new guidance effective 1 January 2018, using the modified retrospective method, with the cumulative effect of IFRS 15 initial application recognized as an adjustment to retained earnings at 1 January 2018. The comparative financial information included herein has not been restated. The application of IFRS 15 has had no material impact on the Group's consolidated financial statements, apart from new accounting policies as disclosed in Note 2.

Other amendments to IFRSs

The application of IFRIC 22 and annual improvements to IFRSs 2014-2016 Cycle has had no material impact on the Group's consolidated financial statements.

(in thousands of Kazakhstani Tenge, unless otherwise stated)

New and revised IFRSs and amendments in issue but not yet effective

The Group has not applied the following new and revised IFRSs and amendments that have been issued but are not yet effective:

- IFRIC 23 *Uncertainty Over Income Tax Treatments*[1];
- Amendments to IFRS 9 – *Prepayment Features With Negative Compensation*[1];
- Annual Improvements to IFRSs 2015-2017 Cycle[1].

[1] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

All amendments are effective for annual periods beginning on or after 1 January 2019.

The management does not anticipate that the application of these IFRSs and amendments will have a material impact on the Group's consolidated financial statements.

4. General and administrative expenses

	Year ended 31 December 2018	Year ended 31 December 2017
Payroll expenses	270,545	292,637
Management fees for services from the Parent Company	66,415	57,335
Professional services	38,170	25,332
Rent expenses	16,891	16,891
Business trips	11,895	7,974
Transport services	6,180	6,100
Depreciation and amortization	6,036	7,326
Property and responsibility insurance	5,918	4,970
Trainings and conferences	3,954	1,153
Communication services	2,960	4,905
Utilities	2,249	2,333
Bank commission	1,540	1,308
Mail and courier expenses	1,331	1,369
Representation services	853	1,050
Taxes, other than income tax	483	453
Other	19,819	8,502
	455,239	**439,638**

5. Income taxes

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of the Republic of Kazakhstan where the Group operates, which may differ from IFRS.

The Group is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses and a tax free regime for certain income.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 31 December 2018 and 2017, relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

(in thousands of Kazakhstani Tenge, unless otherwise stated)

Deferred taxes as at 31 December 2018 and 2017 are presented as follows:

	31 December 2018	31 December 2017
Accrued expenses	17,582	16,840
Allowance for impairment losses	-	70
Property, equipment and intangible assets	(634)	(532)
Net deferred tax assets	**16,948**	**16,378**

As at 31 December 2018 and 2017, a deferred tax asset not recognized amounted to KZT 1,008 thousand and KZT Nil, respectively.

Relationships between tax expenses and accounting profit for the years ended 31 December 2018 and 2017 are explained as follows:

	Year ended 31 December 2018	Year ended 31 December 2017
Profit before income tax expense	662,275	412,656
Income tax at the statutory rate 20%	132,455	82,531
Non-deductible expenses	13,475	20,480
Losses carried forward	-	(646)
Change in deferred tax asset not recognized	1,008	-
Income tax expense	**146,938**	**102,365**

	Year ended 31 December 2018	Year ended 31 December 2017
Current income tax expense	147,508	113,150
Deferred income tax benefit	(570)	(10,785)
Income tax expense	**146,938**	**102,365**

Movements in deferred income tax assets:

	2018	2017
Net deferred income tax assets at the beginning of the year	16,378	5,593
Deferred income tax benefit	570	10,785
Net deferred income tax assets at the end of the year	**16,948**	**16,378**

6. Cash and cash equivalents

	31 December 2018	31 December 2017
Bank current account in tenge	371,964	674,989
Bank current account in foreign currency	-	66,759
	371,964	**741,748**

(in thousands of Kazakhstani Tenge, unless otherwise stated)

7. Accounts receivable

	31 December 2018	31 December 2017
Accounts receivable	425,208	294,573
Less allowance for expected credit losses (2017: allowance for impairment losses)	(1,975)	(351)
	423,233	**294,222**

The loss allowance is measured at an amount equal to lifetime ECL, taking into account historical default experience and the future prospects of the economic conditions. There has been no change in the estimation techniques during the current year. As historical experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between different customer base. As at 31 December 2018, the gross carrying amount of 90 days past due accounts receivable and related loss allowance for expected credit losses amounted to KZT 35,610 thousand and KZT 1,609 thousand, respectively.

As at 31 December 2018, the gross carrying amount of receivable from Marsh Group entities with 90 days past due and above, amounted to KZT 27,455 thousand. The Management believes this amount is fully recoverable as historically such invoices are paid in 6 to 12 months period.

Movements in allowance for impairment losses and allowance for expected credit losses on accounts receivable are presented as follows:

	Allowance for impairment losses on accounts receivable
1 January 2017	**255**
Additional provision recognized	96
31 December 2017	**351**

	Allowance for expected credit losses on accounts receivable
1 January 2018	**351**
Impact of adopting IFRS 9	40
Restated opening balance under IFRS 9	**391**
Additional provision recognized	1,584
31 December 2018	**1,975**

(in thousands of Kazakhstani Tenge, unless otherwise stated)

8. Property, equipment and intangible assets

	Office and Computer equipment	Vehicles	Intangible assets	Total
At initial cost				
31 December 2016	**33,303**	**22,103**	**2,555**	**57,961**
Additions	172	-	-	172
Write-off at disposal	(171)	-	(354)	(525)
31 December 2017	**33,304**	**22,103**	**2,201**	**57,608**
Additions	11,030	-	-	11,030
Write-off at disposal	(8,025)	-	-	(8,025)
31 December 2018	**36,309**	**22,103**	**2,201**	**60,613**
Accumulated depreciation and amortization				
31 December 2016	**21,321**	**9,417**	**370**	**31,108**
Charge for the year	4,642	2,481	203	7,326
Write-off at disposal	(171)	-	(354)	(525)
31 December 2017	**25,792**	**11,898**	**219**	**37,909**
Charge for the year	3,335	2,481	220	6,036
Write-off at disposal	(8,025)	-	-	(8,025)
31 December 2018	**21,102**	**14,379**	**439**	**35,920**
Net book value				
31 December 2017	**7,512**	**10,205**	**1,982**	**19,699**
31 December 2018	**15,207**	**7,724**	**1,762**	**24,693**

9. Accounts payable

	31 December 2018	31 December 2017
Marsh Group	2,082	41,033
Others	99	97
	2,181	**41,130**

10. Other liabilities

	31 December 2018	31 December 2017
Other financial liabilities:		
Bonus accrued	68,836	59,302
Payables for audit services	14,224	13,233
Payables for tax consulting services	4,262	5,002
Vacation reserve	589	6,660
Advances received	442	-
Total other financial liabilities	**88,353**	**84,197**

11. Charter capital

As at 31 December 2018 and 2017, the charter capital of the Group was approved and paid-in in the amount of KZT 10,000 thousand. The sole owner of the Group is Marsh & McLennan Companies Services B.V., incorporated in the Netherlands.

During the years ended 31 December 2018 and 2017, dividends in the amount of KZT 704,500 thousand and KZT 343,[illegible]5 thousand were declared and paid.

12. Commitments and contingencies

Capital commitments

As at 31 December 2018 and 2017, the Group had no significant capital commitments.

Operating lease commitments

As at 31 December 2018 and 2017, no significant commitments on non-cancellable operating leases were outstanding.

Legal proceedings

During the years ended 31 December 2018 and 2017, no claims against the Group were identified. Management is of the opinion that there are no material unaccrued losses as at these dates and accordingly, no provision has been made in these consolidated financial statements.

Tax legislation

Commercial legislation of the Republic of Kazakhstan where the Group operates, including tax legislation, may allow more than one interpretation. In addition, there is a risk of tax authorities making arbitrary judgments of business activities. If a particular treatment, based on management's judgment of the Group's business activities, was to be challenged by the tax authorities, the Group may be assessed additional taxes, penalties and interest.

The Management of the Group believes that it has accrued all tax amounts due and therefore no allowance has been made in the consolidated financial statements.

The tax authorities have the right to check the accuracy of tax charges within five years after the end of the tax period.

In December 2018, the Group registered as a VAT payer on non-residents, as in 2018 the turnover limit for non-residents was exceeded.

Operating environment

Emerging markets such as Kazakhstan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Kazakhstan continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Because Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market. During the last quarter of 2018 the oil price decreased significantly, which led to a significant decrease in national export revenue and depreciation of tenge against major foreign currencies.

(in thousands of Kazakhstani Tenge, unless otherwise stated)

Management of the Group is monitoring developments in the current environment and taking measures it considered necessary in order to support the sustainability and development of the Group's business in the foreseeable future. However, the impact of further economic developments on future operations and financial position of the Group is at this stage difficult to determine.

13. Transactions with related parties

Related parties or transactions with related parties, as defined by IAS 24 "Related party disclosures" include the following:

The remuneration of directors and other members of key management were as follows:

	Year ended 31 December 2018		**Year ended 31 December 2017**	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Key management personnel compensation:	73,711	270,545	76,513	292,637
- salaries and other short-term employee benefits	73,711		76,513	

The Group had the following balances outstanding as at 31 December 2018 and 2017, with related parties:

	31 December 2018		**31 December 2017**	
	Related party balances	**Total category as per financial statements caption**	**Related party balances**	**Total category as per financial statements caption**
Accounts receivable	396,161	423,233	270,136	294,222
- entities under common control	396,161		270,136	
Accounts payable	2,082	2,181	41,033	41,130
- entities under common control	2,082		41,033	

Included in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2018 and 2017, are the following amounts which arose due to transactions with related parties:

	Year ended 31 December 2018		**Year ended 31 December 2017**	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Commission income from brokerage services	747,715	1,075,646	533,624	853,329
- entities under common control	747,715		533,624	
General and administrative expenses, less payroll expenses	66,415	184,694	57,335	147,001
- Parent company	66,415		57,335	

14. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management believes, that the fair value of financial assets and liabilities approximates their carrying value due to the short-term nature of these assets and liabilities. The Group does not hold any financial assets at liabilities at fair value and as such fair value hierarchy is not presented.

15. Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to partner through the optimization of the equity balance.

The capital structure of the Group consists of capital attributable to partner, comprising invested capital and retained earnings as disclosed in the consolidated statement of changes in partner's equity.

The Management reviews the capital structure on a semi-annual basis. As a part of this review, the Management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Management, the Group balances its overall capital structure through the payment of distributions, increase of charter capital as well as the issue of new debt or the redemption of existing debt.

16. Risk management policies

Management of risk is fundamental to the Group's business. The main risks inherent to the Group's operations are those related to:

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

To enable efficient and effective risk management, the Group has established a risk management framework, whose main purpose is to protect the Group from risk and allow it to achieve its performance objectives. Through the risk management framework, the Group manages the following risks:

Operational risk

The Group is exposed to operational risk which is the risk of losses that can be a result of any system inefficiencies or breaks of internal process, systems, presence of human error or effect of any external negative factor.

The Group's risk management policies are designed to identify and analyse this risk to set appropriate risk limits and controls.

Credit risk

The Group is not significantly exposed to the credit risk as it does not hold financial assets, except for cash and cash equivalents and accounts receivable.

(in thousands of Kazakhstani Tenge, unless otherwise stated)

The following table details credit ratings of financial assets held by the Group as at 31 December 2018 and 2017, which were rated using either internationally recognised rating agency or internal rating:

	BBB	BBB-	Not Rated	31 December 2018 Total
Cash and cash equivalents	-	371,964	-	371,964
Accounts receivable	398,136	12,523	12,574	423,233

	BBB	BBB-	Not Rated	31 December 2017 Total
Cash and cash equivalents	-	741,748	-	741,748
Accounts receivable	280,050	14,172	-	294,222

The Group's industry is generally exposed to credit risk through its financial assets. Credit risk exposure of the Group is concentrated within the Republic of Kazakhstan.

The following table details the carrying value of assets that are impaired and the ageing of those that are past due but not impaired before any expected credit losses:

		Collectively assessed financial assets						31 December 2018
	Current assets	Up to 3 months	3-6 months	6 months to 1 year	Greater than one year	Financial assets that have been impaired	Allowance for expected credit losses	Total
Cash and cash equivalents	371,964	-	-	-	-	-	-	371,964
Accounts receivable	295,671	93,269	15,653	778	19,179	658	(1,975)	423,233

		Financial assets past due but not impaired						31 December 2017
	Neither past due nor impaired	Up to 3 months	3-6 months	6 months to 1 year	Greater than one year	Financial assets that have been impaired	Allowance for impair-ment losses	Total
Cash and cash equivalents	741,748	-	-	-	-	-	-	741,748
Accounts receivable	294,222	-	-	-	-	351	(351)	294,222

Geographical concentration

The Group exercises control over the risk in the legislation and regulatory arena and assesses its influence on the Group's activity. This approach allows the Group to minimize potential losses from the investment climate fluctuations in the Republic of Kazakhstan.

As at 31 December 2018 and 2017, concentration of accounts receivable of the Group outside of Kazakhstan amounted to 93.6% and 91.8%, respectively.

As at 31 December 2018 and 2017, concentration of accounts payable of the Group outside of Kazakhstan amounted to 95.5% and 99.8%, respectively.

Except for the accounts receivable and accounts payable, all other financial assets and liabilities of the Group are located in Kazakhstan.

(in thousands of Kazakhstani Tenge, unless otherwise stated)

Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet financial commitments associated with financial instruments as they actually fall due.

As at 31 December 2018 and 2017, the Group did not have any interest bearing assets and liabilities.

As at 31 December 2018 and 2017, the Group had no significant financial commitments which may result in a liquidity risk.

Market risk

Market risk covers interest rate risk, currency risk and other pricing risks to which the Group is exposed. There have been no changes as to the way the Group measures risk or to the risk it is exposed in 2018 since 2017.

The Group is not exposed to interest rate risks as the Group does not borrow funds and holds no interest bearing loans.

The Group's Management does not consider itself exposed to significant interest rate risk or consequential cash flow risk. The Management conducts monitoring of the Group's current financial performance, estimates the Group's sensitivity to changes in fair value interest rates and its influence on the Group's profitability.

Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Group controls currency risk by management of its open currency position through regular monitoring of fluctuations in currency rates and other macroeconomic indicators.

The Group's exposure to foreign currency exchange rate risk is presented in the table below:

	KZT	USD USD 1 = 384.20 KZT	EUR EUR 1 = 439.37 KZT	GBP GBP 1 = 488.13 KZT	31 December 2018 Total
FINANCIAL ASSETS					
Cash and cash equivalents	371,964	-	-	-	371,964
Accounts receivable	24,597	381,342	15,633	1,661	423,233
TOTAL FINANCIAL ASSETS	**396,561**	**381,342**	**15,633**	**1,661**	**795,197**
FINANCIAL LIABILITIES					
Accounts payable	99	2,082	-	-	2,181
Other liabilities	88,353	-	-	-	88,353
TOTAL FINANCIAL LIABILITIES	**88,452**	**2,082**	**-**	**-**	**90,534**
OPEN BALANCE SHEET POSITION	**308,109**	**379,260**	**15,633**	**1,661**	**704,663**

(in thousands of Kazakhstani Tenge, unless otherwise stated)

	KZT	USD USD 1 = 332.33 KZT	EUR EUR 1 = 398.23 KZT	GBP GBP 1 = 448.61 KZT	31 December 2017 Total
FINANCIAL ASSETS					
Cash and cash equivalents	674,989	66,759	-	-	741,748
Accounts receivable	24,086	265,102	3,845	1,189	294,222
TOTAL FINANCIAL ASSETS	**699,075**	**331,861**	**3,845**	**1,189**	**1,035,970**
FINANCIAL LIABILITIES					
Accounts payable	97	-	1,693	39,340	41,130
Other liabilities	84,197	-	-	-	84,197
TOTAL FINANCIAL LIABILITIES	**84,294**	**-**	**1,693**	**39,340**	**125,327**
OPEN BALANCE SHEET POSITION	**614,781**	**331,861**	**2,152**	**(38,151)**	**910,643**

Currency risk sensitivity

The following table details the Group's sensitivity to increase and decrease in the USD and EUR against the KZT. The sensitivity rate disclosed is used by the Group when reporting foreign currency risk internally to key management personnel of the Group and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at 31 December 2018 and 2017, for +20%/-20% change in foreign currency rates.

	As at 31 December 2018		As at 31 December 2017	
	KZT/USD +20%	**KZT/USD -20%**	**KZT/USD +50%**	**KZT/USD -50%**
Impact on profit or loss and partner's equity	75,852	(75,852)	66,372	(66,372

	As at 31 December 2018		As at 31 December 2017	
	KZT/EUR +20%	**KZT/EUR -20%**	**KZT/EUR +50%**	**KZT/EUR -50%**
Impact on profit or loss and partner's equity	3,127	(3,127)	430	(430)

Price risks

The Group is not exposed to equity price risks arising from equity investments, because the Group does not trade with such investments.

17. Events after the reporting period

In accordance with Resolution #270 of the National Bank of the Republic of Kazakhstan dated 29 October 2018, effective from 1 January 2019, the Group must monitor the amount of its equity capital, which is established by the new requirements and should not be less than 100 thousand MCI. As at issue date of consolidated financial statements, the Group complies with these requirements.